

## NOTICE OF MEETING

# OVERVIEW AND SCRUTINY COMMITTEE

**Tuesday, 13th June, 2017, 7.00 pm - Civic Centre, High Road, Wood Green, N22 8LE**

**Members:** Councillors Charles Wright (Chair), Pippa Connor (Vice-Chair), Kirsten Hearn, Emine Ibrahim and Tim Gallagher

**Co-optees/Non Voting Members:** Yvonne Denny (Co-opted Member - Church Representative (CofE)), Luci Davin (Parent Governor representative) and Uzma Naseer (Parent Governor Representative)

Quorum: 3

### 1. **FILMING AT MEETINGS**

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

### 2. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

### 3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item below).

#### **4. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

#### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

#### **6. MINUTES (PAGES 1 - 8)**

To approve the minutes of the meeting held on 27<sup>th</sup> March.

#### **7. MINUTES OF SCRUTINY PANEL MEETINGS (PAGES 9 - 32)**

To receive and note the minutes of the following Scrutiny Panels and to approve any recommendations contained within:

Children and Young People Scrutiny Panel – 16<sup>th</sup> March 2017  
Environmental & Community Safety – 21<sup>st</sup> December 2016 & 9<sup>th</sup> March 2017

#### **8. TERMS OF REFERENCE AND MEMBERSHIP (PAGES 33 - 64)**

To approve the terms of reference and membership for the four Scrutiny Panels, and to consider the appointment of two Haringey representatives to the North Central London Joint Health Overview and Scrutiny Committee.

#### **9. NORTH CENTRAL LONDON JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE (JHOSC) - AMENDED TERMS OF REFERENCE (PAGES 65 - 70)**

To agree the amended Terms of Reference for the Joint Health Overview and Scrutiny Committee.

**10. HOUSING AND REGENERATION PANEL REPORT ON THE HDV (PAGES 71 - 212)**

**11. OVERVIEW & SCRUTINY WORK PROGRAMME DEVELOPMENT 2017/18 (PAGES 213 - 220)**

To agree the timeframe for the development of the Overview & Scrutiny Work Programme for 2017/18.

**12. COMPLAINTS UPDATE**

**13. NEW ITEMS OF URGENT BUSINESS**

**14. FUTURE MEETINGS**

To note the dates of future meetings:

17<sup>th</sup> July 2017  
16<sup>th</sup> October 2017  
21<sup>st</sup> November 2017  
16<sup>th</sup> January 2018  
29<sup>th</sup> January 2018  
26<sup>th</sup> March 2018

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Bernie Ryan  
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Friday, 09 June 2017

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## **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON MONDAY, 27TH MARCH, 2017, 19:00**

### **PRESENT:**

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

### **CO-OPTEEES:**

**Yvonne Denny**

#### **18. FILMING AT MEETINGS**

The Chair referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

#### **19. APOLOGIES FOR ABSENCE**

None

#### **20. URGENT BUSINESS**

There were no items of urgent business.

#### **21. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **22. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

#### **23. MINUTES**

##### **RESOLVED**

That the minutes of the meetings held on 30<sup>th</sup> January 2017, 9<sup>th</sup> February 2017 & 2<sup>nd</sup> March 2017 be approved as a correct record.

#### **24. MINUTES OF SCRUTINY PANEL MEETINGS**

##### **RESOLVED**

That the minutes of the: Adults & Health Scrutiny Panel on 1<sup>st</sup> December 2016 and 20<sup>th</sup> December 2016; Housing & Regeneration Scrutiny Panel on 14<sup>th</sup> December 2016;

and Children and Young People's Scrutiny Panel on 19<sup>th</sup> December 2016 and 23<sup>rd</sup> January 2017 be noted.

The draft minutes of the Children and Young People's Scrutiny Panel on 16<sup>th</sup> March 2017 were also circulated to the Committee.

The Committee expressed concern with an overall failure to undertake EQIA's at an appropriate stage. The specific example of the Haringey Youth Zone was considered but the Committee commented that this was a general issue across a range of Council bodies.

## 25. (2016/17) FINANCIAL REPORT TO PERIOD 9/DECEMBER 2016

Jo Moore, Deputy Chief Finance Officer introduced the report as set out.

The following arose during the discussion of the report.

- a. The areas of underspend earmarked to be rolled forward were largely in relation to capital budgets not revenue. This was largely due to the timescales and authorisation process involved in agreeing the year's capital programme, as well as further delays caused by instructing the contractors. As a result there was often a certain amount of slippage. A review of governance and capital delivery was being undertaken corporately.
- b. The Deputy Chief Finance Officer agreed to circulate a list of the areas of underspend that were rolled forward to the Committee, at the year end. **(Action Jo Moore)**.
- c. The Committee sought clarification on the reasons that recent budgets were significantly over spent and what assurances could be given that a similar overspend would not occur again next year. The Committee was advised that the overspend was predominantly a result of slippages in savings that could not be delivered as set out in the MTFS report. The Committee was advised that managing any further slippages would be a key corporate focus for 2017-18 and that robust budget monitoring arrangements would be put in place.
- d. In response to a request that Priority Boards had early sight of any MTFS slippages, the Deputy Chief Finance Officer agreed to take the request back to the AD Transformation & Resources. **(Action: Jo Moore)**.
- e. The Chair reiterated that the Committee and Scrutiny Panels needed to be kept appraised of budget monitoring due to its paramount importance, as well as being kept updated on the new governance structures that were being determined.
- f. The Chair requested that a report be brought to a future meeting of the Committee on revisions and blockages to the capital programme. The Deputy Chief Finance Officer agreed to speak to the AD for Commercial & Operations. **(Action: Jo Moore)**.
- g. The Committee advocated that there should be Cabinet Member level representation on the Capital Board.
- h. In response to a query about the oversight mechanisms for the HRA capital programme which was to be delivered through the HfH Programme Board, the Committee was informed that the Chief Operating Officer would be best placed to advise on the arrangements.

**RESOLVED**

- I. To note the report and the Council's 2016/17 Period 9/Q3 financial position in respect of General Fund revenue and capital expenditure, HRA and DSG;
- II. To note the risks and mitigating actions, including spend controls identified in the report in the context of the Council's ongoing budget management responsibilities;
- III. To note the creation of contingency budgets within the capital programme funded from any net corporate scheme budgets no longer required to fund new schemes.
- IV. To note the required virements over 0.25m as set out in section 7 of the report.

**26. CORPORATE PLAN 2015-18 PRIORITY PERFORMANCE UPDATE ON BUILDING A STRONGER HARINGEY TOGETHER- MARCH 2017**

Margaret Gallagher, Performance Manager introduced the report as set out.

The following arose during the discussion of the report.

- a. In response to a question, the Committee was advised that regular communication messages were conveyed around performance management including those KPIs linked to the Corporate Plan. There was a lead within Corporate Performance for each of the five priority areas and messages would be going out through Haringey People and there would also be a link enclosed within a Council Tax leaflet that was going out.
- b. The Committee enquired whether the information contained in the report could be presented in a more accessible format for members of the public to understand. The Performance Manager agreed to take this back to the Communications team. (Action: Margaret Gallagher).
- c. The Committee welcomed the review of performance indicators for Priority 2 and enquired what the sign-off/validation process was for developing a new set of indicators. The Performance Manager advised that this was predominantly done through the Priority 2 Board itself but that the review had taken around 6 months and this had involved discussion and challenge with Committee Members. The Chair advocated that in general it would be helpful if a paper was produced setting out what had been changed and why.
- d. The Committee enquired whether it would be possible to hold an annual performance summit to open the performance management process to public environment and ensuring greater scrutiny and transparency. The Performance Manager responded that the work around the new Corporate Plan would bring together an array of stakeholders to agree and challenge a set of cross-cutting themes and priorities within a public setting. The Performance Manager commented that reports had been prepared previously for the Committee which set out an overview of end of year performance, including key achievements and that publication of the performance dashboards would be done regularly.

- The Committee expressed concern that some aspect of delivering a concise performance overview had been lost.
- e. The Committee requested that it be formally linked into the process of refreshing the Corporate Plan.
  - f. The Committee noted concerns around the need to signpost which services were available to residents and advised that the Bridge Renewal Trust were undertaking an exercise to map this out.

## **RESOLVED**

- I. To note the process for accessibility to the Priority Dashboards and for transparency of the data and the progress being made against the 5 Corporate Plan priorities.
- II. To note and comment on the progress made against the delivery of the priorities and targets of the Corporate Plan, Building a Stronger Haringey Together.

## **27. CUSTOMER SERVICE TRANSFORMATION PROGRAMME**

The Deputy Leader and Cabinet Member for Customer Services and Culture introduced the report as set out.

The following arose as a result of the discussion of the report.

- a. Residents were still able to resolve issues via telephone. The Council received around 2000 telephone calls per day on average, of which 80-85% were responded to. There was also a call back option in place.
- b. Over 40% of the 108k households in the borough had signed up to My Account. My Account included a digital platform with application functionality, so that people could interact with Council services through their mobile device.
- c. The Committee enquired how management were minimising the impact on staff from working in what could be quite a stressful environment. Officers responded that they acknowledged the need to balance customer demand and ensuring that staff had adequate breaks. Officers advised that a structured approach to staff breaks had been adopted to offset spikes in demand at peak periods. Officers also advised that staff working in the customer services centres were not eligible for flexi-leave.
- d. The Committee expressed concerns with the absence of equalities comments in the report.
- e. Officers acknowledged that the original target of 90% of households signing up to the My Account online portal by March 2017 was a very ambitious target. It was anticipated that there would be 45k households signed up by the end of the financial year, and 70k signed up within 12 months was considered an ambitious but realistic expectation. The Council was currently averaging around 700 sign-ups per week since December.
- f. In response to a question on what the potential service offer was for the refurbishment of Hornsey library, officers advised that there were no plans to offer a face-to-face contact centre but they would be looking at potentially developing a technology based platform, such as self service kiosks.



- g. Officers acknowledged the Committee's concerns around the impact of the customer service centre at Wood Green on the functioning of the building as a library, and advised that they would be looking at refurbishing the building to better utilise the space and develop a more flexible service offer.
- h. In terms of what had been successful, officers advised that there had been significant positive feedback around the centrality of the customer service centre locations and that residents appreciated having tickets with estimated waiting times. The Committee was also advised of a partnership agreement with Shelter which involved the organisation having a presence in the library two days a week and Council staff being able to direct and make appointments with Shelter. Officers commented that some likely next steps would include evolving the appointments approach and the roll out of hand held devices for floor walking staff.
- i. The Chair acknowledged the reasons behind waiting times that were outlined in the report as well as the improvements that had been made, and also welcomed the introduction of temporary staff to alleviate demand pressure further.
- j. The Committee asked where management would like the service to be in the next six months and what would be perceived as a successful benchmark for performance. In response, officers advised that the UCCX platform upgrade had been implemented and that staff were now working from one single telephony platform, which also included additional functionality for back office process. In terms of where the service wanted to be, the Committee was advised that self service technology would dramatically cut blockages in the system. Officers advised that going forwards, consideration would have to be given as which services the Council wanted to concentrate its face-to-face offer on.
- k. Historically the best performance achieved by the Council was 62% of all customers seen within 20 minutes and that performance for last year was 61%. Officers advised that maintaining this performance level would be seen as successful given the amount of savings made and the reduction in staff levels.
- l. The AD for Customer Services agreed to feed back to the Committee on the timescales involved in the 3 task & finish groups that had been established around the customer service offer in regards to HfH, parking and benefits. **(Action: Andy Briggs).**
- m. The Committee requested that a further update on the Customer Service Transformation be brought back to the Committee in six months' time. The Committee also requested that the update include information pertaining to the £2.3m capital investment in libraries, particularly around the process and timescales involved. **(Action: Andy Briggs/Clerk).**

## RESOLVED

- l. The Committee noted the report

## 28. PHYSICAL ACTIVITY FOR OLDER PEOPLE SCRUTINY PROJECT

Councillor Pippa Connor, Chair of the Adults and Health Scrutiny Panel introduced the report as set out.

The Committee considered the respective activity levels for men and women and the reasons behind this. The committee also considered the demand for female-only gyms and those that were more orientated towards older persons and what could be done to further support those two groups to engage in physical activity.

**RESOLVED**

- I. That the Overview & Scrutiny Committee considers the findings of the Adults and Health Scrutiny Panel and agrees the recommendations attached at table 1 of the report.
- II. That the report be submitted to Cabinet in June 2017 for a response.

**29. HOW CHILD FRIENDLY IS HARINGEY**

Cllr Hearn, Chair of Children & Young People's Scrutiny Panel introduced the report as set out.

The Committee considered that engagement could be sought with local schools and local school children to incorporate their views.

**RESOLVED**

That the Committee approve the report and its recommendations, and that it be submitted to Cabinet for response.

**30. NEW ITEMS OF URGENT BUSINESS**

None.

**31. WORK PROGRAMME UPDATE**

The Committee discussed concerns with the current street cleansing arrangements and in particular the adoption of a one-size fits all approach. The Committee AGREED in principle to some scoping work being undertaken around scrutinising street cleansing arrangements and that this would be incorporated into the work programme for 2017/18.

The Committee suggested that there might be some correlation between ASB, crime and litter. The Committee also suggested that this area of work would also afford the opportunity to review the Team Noel Park pilot scheme.

The Committee also AGREED to include a broader look at parks/leisure services into the work programme, particularly in light of the 10 year strategy Being developed and the DCLG report on the future sustainability of parks.

The Committee considered the introduction of dogs-only sections in parks.

The Committee further AGREED to incorporate refugee children and restorative justice in primary education to the work programme.

**RESOLVED**

That the future work programme for Overview and Scrutiny Committee be noted.

**32. FUTURE MEETINGS**

It was noted that the future meeting dates are to be confirmed.

CHAIR: Councillor Charles Wright

Signed by Chair .....

Date .....

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## **MINUTES OF THE MEETING OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL HELD ON THURSDAY 16TH MARCH 2017**

### **PRESENT:**

**Councillors: Kirsten Hearn (Chair), Mark Blake, Liz Morris and Reg Rice**

**Co-opted Members: Luci Davin (Parent Governor representative) and Yvonne Denny (Church representative)**

### **21. FILMING AT MEETINGS**

The Chair referred Members present to agenda item 1 as shown on the agenda in respect of filming at the meeting. Members noted the information contained therein.

### **22. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mallett and Uzma Naseer (parent governor representative).

### **23. ITEMS OF URGENT BUSINESS**

None.

### **24. DECLARATIONS OF INTEREST**

Ms Denny reported that she was Vice Chair of the Bridge Renewal Trust, whose premises were located in the same building as that proposed for the use by Haringey Youth Zone (see agenda item 9).

### **25. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

### **26. MINUTES**

#### **AGREED:**

That the minutes of the meeting of 23 January 2017 be approved.

### **27. CAMHS TRANSFORMATION PLAN**

Catherine Swaile, the Vulnerable Children and Young People's Joint Commissioning Manager, reported on progress with the transformation of Child and Adolescent Mental Health Services (CAMHS) within the borough. She reported that the

Transformation Plan had recently been updated to take into account work that had been completed since the original plan had been approved.

She stated that CAMHS incorporated a wide range of emotional well being services. These included the new Choices service, work with the Council's Early Help services and psychological support for parents. The main service base was at Burgoyne Road. Although there was an outreach team based on the St. Ann's site, there was no in patient CAMHS provision there. There was also a pilot GP service within the borough as well as counselling and psychotherapy that was delivered by Open Door in Crouch End and Tottenham. There was emergency provision at the North Middlesex and Whittington Hospitals, although this was not available at weekends. In patient services were provided by the Beacons in Edgware as well as Simmons House in Muswell Hill. Schools also provided some support themselves.

CAMHS generally dealt with young people up to the age of 18. However, some services could work with older children if necessary, for example Open Door and the Tavistock and Portman Trust. Consideration was being given to varying the contract with Barnet, Enfield and Haringey Mental Health Trust so that there was greater flexibility in order to assist with the transition by young people from CAMHS to adult mental health services.

In answer to a question regarding waiting times from referral to assessment, Ms Swaile reported that 46% of children and young people waited between 0 and 4 weeks, 39% waited between 4 and 8 weeks and 9% waited between 8 and 13 weeks. 2% waited more than 26 weeks. The waiting time for the Choices service was a maximum of 28 days. However, there was a national drive to focus more strongly on the second appointment as this was generally when treatment commenced. The average figure for this in Haringey was 71 days. Average waiting time nationally was currently 11 weeks. It was acknowledged that this was quite long, especially in terms of the life of a child.

In answer to a question regarding provision for black and minority ethnic (BAME) children and young people, Ms Swaile stated that she was not aware of any evidence that they were following different routes. CAMHS worked closely with the Pupil Referral Unit (PRU) and, in addition, had identified the fact that provision in the Youth Offending Service was currently insufficient. In response to this, additional staffing had been allocated to it. She felt that interventions needed to take place at an early stage in order to reduce the risk of children and young people entering the youth justice system. Schools also had a responsibility to provide support.

Ms Swaile reported that provision for BAME communities had been benchmarked against census data in 2015. It was found that there was little variance between different ethnic groups. However, there was under representation amongst children and young people who identified themselves as Black British. Work was required to improve engagement and NHS trusts also needed to improve their ethnic monitoring. The Panel noted that Open Door in Tottenham was undertaking specific work to engage with the black community.

In answer to a question regarding provision of young children at risk of exclusion, Ms Swaile reported that there was currently a pilot project involving 11 schools aimed at

improving communication and facilitating early intervention. In addition, schools could provide direct access to CAMHS services. In particular, there was support available at the Chestnuts Centre on attachment and trauma. Provision was either commissioned by schools or the CCG.

In respect of care leavers and looked after children, Ms Swaile reported that they were able to access services until they were 18. However, a number of services were still open to young people after they had turned 18. It was acknowledged that there was a gap in provision in the transitional process to adult services. Mind had undertaken some work in respect of this but it had now come to an end.

In respect of care leavers and looked after children, Ms Swaile reported that they were able to access services until they were 18. However, a number of services were still open to young people after they had turned 18. It was acknowledged that there was a gap in provision in the transitional process to adult services. Mind had undertaken some work in respect of this but it had now come to an end. Jon Abbey, the Director of Children's Services reported that there was a void in provision for young people between the ages of 18 and 21. There were 429 children who currently fell within this group, which was too big a number to be overlooked.

Ms Swaile reported that the child house model for those who have experienced child sexual assault is now live and it is possible to access a range of services, though not, as yet, in a single location.

The Panel thanked Ms Swaile for her contribution and requested that written responses to the questions from the Panel that it had not been possible to cover in the time available be circulated.

The Panel noted that it had received some evidence as part of its review on disproportionality within the youth justice system that there had been an increase in emotional and behavioural issues reported amongst children in primary schools, which had been referred to in the recommendations. They requested that an update on progress with this be referred to a future meeting of the Panel.

**AGREED:**

1. That a report be submitted to a future meeting of the Panel on CAMHS provision for BAME young people and, in particular, those who come into contact with the youth justice system; and
2. That a report be submitted to a future meeting of the Panel on action to address the recent increase in emotional and behavioural issues reported amongst children in primary schools, as referred to in the Panel's review on disproportionality within the youth justice system.

**28. DEVELOPMENT OF POST 16 PROVISION/SCRUTINY REVIEW ON YOUTH TRANSITION**

David Grant, School Improvement Adviser in the Children and Young People's Service, reported on progress with the implementation of the recommendations of the

Panel's review on youth transition and the development of post 16 provision within the borough.

He reported that the Academy of Excellence in Tottenham was aiming to accept 175 admissions this year and 700 overall in the coming years and would be occupying the previous Tottenham UTC building. Haringey 6<sup>th</sup> Form College was enjoying improved academic results. It provided a range of courses, including GCSE re-sits and vocational options.

The Panel noted that the percentage of young people who went to university in 2016 in the Hornsey constituency was now 43%. It was 29% in the Tottenham constituency but this was 50% higher than it had been 10 years ago. There were no existing school 6<sup>th</sup> forms in Tottenham but this was now changing with the new Harris Academy. The largest provider in Tottenham was the Haringey 6<sup>th</sup> Form College. ADA, the National Digital Skills College had opened in September 2016 and, in addition, the London Academy of Excellence would open in September 2017. 55% of young people went outside the borough for their 6<sup>th</sup> form education but they tended to perform less well than those who remained in-borough. The out of borough provision that young people accessed was mainly determined by their reputation, peer groups and transport links.

Mr Grant reported that there was unfilled capacity at the Haringey 6<sup>th</sup> Form College. There were currently 800 young people on roll but a further 400 could be accommodated. A lot of work had been undertaken by the new Principal to develop good links with schools. The destinations of students and "added value" statistics were both good and standards were improving. However, there was an unwarranted negative perception of the Centre that was proving difficult to overcome.

A Panel Member expressed concern in respect of behavioural issues in respect of students that had previously been encountered at the College. Mr Abbey reported that 4 years ago the College had been rated as "requires improvement" by Ofsted. In the last two years, improvements had taken place and it was now rated as "good". Despite the progress made, changing perceptions was challenging. However, there was now a wider range of choices for post 16 in Tottenham than in previous years. He agreed to bring the issues that had been raised in respect of Haringey 6<sup>th</sup> Form College to the attention of the College's trustees.

In answer to a question, Mr Grant reported that there was a wide range of provision available for children with special educational needs and disabilities, although facilities varied between colleges. With a suitable health and education plan and support, it was possible for young people to study at all levels.

Vicky Clark, Assistant Director of Development and Growth, reported that the demographics of those who attended the recent careers fair at Alexandra Palace had not been specifically monitored as this would have not been practical. However, it appeared that a larger proportion of attendees had come from the west of the borough and approximately a third had come from Tottenham. There was a need to improve marketing and, in addition, consideration could be given to alternating venues to different locations across the borough.



In respect of apprenticeships, she stated that the reputation of these had been poor but was now improving. The Economic Development Team nevertheless needed to do more to promote them and work was taking place to achieve this. There were a lot of small businesses within the borough and apprenticeships could be more difficult for them to administer than larger organisations. It was also important that schools promoted apprenticeships more effectively. The Panel noted that a member of the Economic Development Team worked closely with schools and their careers advisers to ensure that suitable options were provided for young people. Work also took place with the College of North East London. There was also a particular need for young people to develop employability skills to enable them to stay in employment. Case studies of the experiences of young people and employers were being developed and work was taking place with The Voice newspaper to promote these.

Councillor Weston, the Cabinet Member for Children, reported that post 16 was a complex area and better co-ordination was required. Young people were happy to travel and this included across the borough as well as outside. Significant numbers of young people from the east of the borough attended provision in the west. Councillor Ayisi, the Cabinet Member of Communities, reported that the issues in Haringey were not dissimilar to those experienced elsewhere. Those young people who attended colleges tended to adjust better to university life. There was a need to engage more effectively with employers in respect of apprenticeships and ensure that there was clarity on entry requirements.

#### **AGREED**

That the Director of Children's Services be requested to bring the concerns expressed by the Panel Members in respect of historic behavioural issues at Haringey 6<sup>th</sup> Form College to the attention of the College's trustees.

#### **29. HARINGEY YOUTH ZONE**

Councillor Eugene Aysisi, the Cabinet Member for Communities, reported on proposals to develop a Haringey Youth Zone. A limited budget of £250,000 was currently available for youth services in the borough and this was an opportunity to bring in additional funding to further develop universal youth provision. OnSide, the Council's proposed partner in this development, was a charity that worked across the country. The partnership would bring in £3 million of capital funding as well as an annual £750,000 in revenue funding for three years. There was no final agreement as yet on the site for a new facility. OnSide had committed to keep the Bruce Grove Youth Centre open as a delivery site. A local charitable organisation would be established to operate the new facility once it had been built, with a partnership between Haringey and Onside taking the proposal to forward. A working group would be established to support work on the detail.

Youth offer provision in the borough was currently limited and focussed on Bruce Grove Youth Space. The key to the success of the proposed development would be engaging and working with those within the local community who were best placed to advise on how to ensure that the new development and offer were attractive and sustainable. It was acknowledged that some young people were reticent to move around the borough but the majority were not and the facilities and the offer would

encourage them to attend the new provision irrespective of location. In addition, the proposal provided an additional £750,000 revenue for youth services across the borough.

In answer to a question, Gill Gibson, the Assistant Director for Early Help and Prevention, reported that five youth zones facilities had been established for more than three years. There was currently no facility in London although several were currently under development. OnSide had been established in 2008 in Bolton and aimed to be open 7 days a week and all year round. The charity had brought together the private sector as well as youth service professionals. Cllr Ayisi reported that other authorities had provided £400,000 but OnSide had accepted a lower amount from Haringey. OnSide were committed to working with the borough to develop provision. Young people would be fully engaged in the design and development process.

The Panel noted that the programme would be established jointly with young people and focus on a range of activities, including enterprise, music and sport. It would provide a safe place for young people to meet and find someone to talk to. There was also a commitment to establish youth outreach in the 9 months leading up to the new facility opening. OnSide were aware of post code issues and had encountered similar issues in North Manchester and Wolverhampton. There would be specific provision for girls and LGBT young people. A specific charitable trust would be created to run services in Haringey. The key to ensuring that diversity was considered would be to ensure appropriate representation from the local community on the Haringey board.

Ms Gibson reported that the proposals were consistent with the Council's aspirations and strategies for children and young people. As a registered charity, the new facility would be in a position to attract external grant funding. The future financial risk levels were considered to be low and it was felt to be a successful operating model that could be sustained. The key risk for Haringey was the possibility of being left with the premises, should local fund raising not be achieved. The Panel noted that it would initially be a three year commitment by the Council and that potentially £12 of social benefit would be generated from each £1 invested. Success would be the establishment of a financially viable service with increased provision, more young people in employment and less anti social behaviour. The Panel noted that there had been a reduction in anti social behaviour in Manchester following the establishment of a youth zone there.

Cllr Ayisi reported that it was proposed to re-locate the community groups from Chestnuts Community Centre into alternative accommodation prior to securing permanent premises as part of local re-development. It was not anticipated that the new building on the site would encroach significantly beyond the footprint of the current building.

The Panel expressed concern that the Equalities Impact Assessment had not been undertaken at an earlier stage. It was important that it was not an after thought and considered fully in the development of the proposal. It was also noted that dialogue has been taking place for two years and felt that engagement could therefore have taken place at an earlier stage.

Councillor Ayisi commented that the proposal had been developed in the last few months. In terms of the procurement process, there was no similar provider to compare the proposal with and it was considered highly unlikely, following soft market testing, that other organisations would be able to match the model presented.

**AGREED:**

1. That the report be noted but that the Panel expresses its concerns in respect of the “one size fits all” model and lack of earlier engagement; and
2. That Councillor Mark Blake be appointed to the Working Group.

**30. SCRUTINY REVIEW ON CHILD FRIENDLY HARINGEY**

Councillor Weston reported that she welcome the Panel’s report and was pleased that the Panel had focussed on this issue. She would respond in due course but hoped that it would be possible to agree most, if not all, of the Panel’s recommendations.

**AGREED:**

That the report and its recommendations be agreed and submitted on behalf of the Panel to the Overview and Scrutiny Committee for approval.

**31. WORK PROGRAMME UPDATE**

**AGREED:**

The consideration be given to the inclusion of a review on the issue of care leavers within the future work plan for the Panel.

**32. VOTE OF THANKS**

It being the last meeting of the Panel for the current Municipal Year, the Chair was thanked by the Panel for her work as Chair. The Chair thanked Members and officers for their kind assistance and co-operation.

CHAIR: Councillor Kirsten Hearn

Signed by Chair .....

Date .....

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

### **PRESENT:**

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

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

### **15. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Stephen Mann.

### **16. ITEMS OF URGENT BUSINESS**

None.

### **17. DECLARATIONS OF INTEREST**

None.

### **18. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

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

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

#### *3.1 Charging for Green Waste - Income Generation*

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

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

### *3.2; Charging for Bulky Household Waste*

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

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

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

### **AGREED:**

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

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

### *3.3; Charging for Replacement Wheelie Bins*

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

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

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

**AGREED:**

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

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

The Panel noted this proposal.

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

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

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

**AGREED:**

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

*3.6; Reduce Outreach/ Education team*

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

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

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

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

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

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

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

#### **AGREED:**

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

### *3.8; Veolia Operational Efficiencies*

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

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

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



**AGREED:**

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

*Street Cleansing Waste, Recycling – Overall*

**AGREED:**

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

*3.9; Rationalisation of Parking Visitor Permits*

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

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

**AGREED:**

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

*3.10; New Parking Operating Model*

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

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

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

**AGREED:**

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

*3.11; Relocation of Parking/CCTV Processes and Appeals*

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

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

**AGREED:**

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

*3.12; Cashless Parking Payments*

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

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

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

**AGREED:**

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

*3.15; Increase in CO2 Parking Permit Charge*

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

CHAIR: Councillor Makbule Gunes

Signed by Chair .....

Date .....

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## **MINUTES OF THE MEETING OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL HELD ON THURSDAY 9TH MARCH 2017**

### **PRESENT:**

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

### **25. FILMING AT MEETINGS**

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

### **26. APOLOGIES FOR ABSENCE**

An apology for absence was received from Ian Sygrave (Haringey Association of Neighbourhood Watches).

### **27. ITEMS OF URGENT BUSINESS**

None.

### **28. DECLARATIONS OF INTEREST**

None.

### **29. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

### **30. MINUTES**

#### **AGREED:**

That the minutes of the meetings of 8 and 21 December be approved.

### **31. CABINET MEMBER QUESTIONS; CABINET MEMBER FOR COMMUNITIES**

The Panel noted that the Councillor Ayisi, the Cabinet Member for Communities had sent his apologies as he was unable to attend.

### **32. VIOLENCE AGAINST WOMEN AND GIRLS UPDATE**

Fiona Dwyer, Strategic Lead for Violence Against Women and Girls, provided the Panel with an update on;

- Progress with the implementation of the recommendations of the scrutiny review on the issue, including the Iris Scheme by Haringey CCG: and
- Details of patterns of referral.

A 10 year strategy had been agreed in November and there was now an action plan for the first three years to support it. There were four key strategic priorities beneath this:

- The development of a co-ordinated community response;
- A community wide approach to prevention;
- Support for victims/survivors; and
- Holding perpetrators to account.

A number of specific services had been commissioned:

- Independent Domestic Violence Advocates (IDVAs);
- The IRIS scheme which involved working with GP practices and was funded by the Clinical Commissioning Group;
- Perpetrator support, including the YUVA project that was aimed at young people; and
- Continued funding for the Multi Agency Risk Assessment Conference (MARAC).

The Panel noted that a robust data dashboard was being developed as part of a three year project. There was evidence of under reporting at the moment and the data that was available tended to be piecemeal in nature. Funding was currently being sought for the project.

In answer to a question regarding how performance was measured, Ms Dwyer stated that there were a number of key performance indicators for commissioned services. These included repeat victimisation, pre and post satisfaction levels and service outcomes, such as placement in safe accommodation and attendance on projects.

The Panel noted that work was taking place with young people through youth facilities and sports clubs, including training. In addition, social media was being used to communicate with them. It was also noted that a lot of women were homeless due to domestic violence. There were a lot of women who could be categorised as “hidden homeless” as they were, for example, staying with friends or relatives due to domestic violence. A cross borough project aimed at providing assistance to women suffering from multiple deprivation, with additional complexities, had just begun its work. The Police were key partners and actively involved in partnership activity to address Violence Against Women and Girls. In particular, they co-chaired the MARAC.

Ms Dwyer reported that the three year phased action plans were aimed at ensuring that work remained relevant. A communications strategy was being developed.

In answer to a question regarding the low numbers of referrals from the Children and Young People’s Service, she stated that this had been identified as an issue and the service was looking at it. There was a feeling though that if the Police had already made a referral, there was no need for others to also refer. However, it had been clarified that this would not lead to duplication.

She stated that funding was a continual issue as Violence Against Women and Girls cut across a number of services. Current funding arrangements had nevertheless been agreed but additional external funding was also being applied for. In addition, consideration was being given also being given to potential internal sources of funding. However, funding was always likely to be a challenge.

In answer to a question, Ms Dwyer reported that funding needed for IDVAs in hospitals and had been included as part of a bid to the Home Office. A lot of work had nevertheless been undertaken with local NHS trusts, including training.

### **33. HARINGEY'S SUSTAINABLE TRANSPORT PROGRAMME**

Emma Williamson, Assistant Director for Planning, reported on the Council's Sustainable Transport Programme as follows:

- There was a need for developers to agree travel arrangements for new developments with the Council. Some developments were designated as "car free";
- There had been a lot of investment in cycling across the borough. Current plans included the development of Quietways, which were routes that used relatively quiet side streets. In addition, the provision of cycle hangars was being extended and cycle training was provided free for residents and people who worked in the borough;
- The Council was committed to expanding facilities for the charging of electric vehicles. In addition, Haringey was part of the consortium of boroughs that was working to increase the take up of electric vehicles and expand the charging network through the Go Ultra Low City Scheme;
- Haringey had been included as one of ten Low Emission Bus Zones;
- As part of the development of the Council's new Transport Strategy, a Cycling and Walking Strategy would be developed; and
- 60 new bays were to be created as part of the expansion of car clubs.

Panel Members asked what the procedure was for the removal of abandoned bicycle parts that were left on bike stands. They felt that these were unsightly, used up valuable cycle parking space and advertised theft. Peter Boddy, Sustainable Transport Manager, reported that this was a waste issue and agreed to raise it with the Neighbourhood Action Team. In response to a question regarding the design of cycle stands, he stated that the Council's existing standard design was the "Sheffield". It was compact, widely used and supported by cycling groups. However, consideration could be given to alternatives as part of discussion of the public realm. The Panel noted that the "Camden" design of cycle stand had been developed as part of efforts to design out crime.

Mr Boddy reported that it was acknowledged that the design of stand that had been used in the Turnpike Lane area was a poor choice. Haringey Cycling Campaign and the London Cycling Campaign had assumed the role as the Council's critical friend and were able to provide feedback on designs. A number of new stands were installed every year.

In answer to a question regarding why the A1 in Highgate had not been included in the low emission bus zone area, Mr Boddy stated that he felt that this was probably

due to cost issues. The borough was glad to have two routes that were within the zones and would continue to lobby for areas within the borough to be included. He agreed to find out further information regarding the status of the A1 in respect of this.

The Panel drew attention to the plans of Source London to install 6000 charging points across London by 2020, which it was felt would equate to approximately 165 points in Haringey. Ann Cunningham, Head of Traffic Management, stated that the Council did not currently have that level of detail on the plans but would be happy to report back once it became available. The charging points would be borough wide and would be for all electric vehicles and not just private cars.

Ms Cunningham reported that car tax charges were being increased to reflect vehicle emission levels. In addition, parking permit bands had been set locally by the Council to encourage the use of vehicles with lower emissions. There were some challenges in enforcement that needed to be addressed though.

The Panel felt that positive news, such as the installation of cycle hangars, needed to be promoted strongly. Although no car developments were increasing in number, housing estates were not making the same level of progress and there was still some way to go to bring about culture change. Ms Cunningham reported that the Smarter Travel programme was aimed at bringing about behaviour change. In particular, the borough received funding from Transport for London as part of its Active Travel programme for a range of initiatives. Car Clubs were growing in popularity and the number of Controlled Parking Zones on housing estates was increasing.

In answer to a question, Mr Boddy reported that there was a record of where all bike hangars had been installed and consideration of where they currently were located was part of the prioritisation process. The hangars cost £5,000 over three years and there was currently funding for another 10 to be installed this year. He stated that they were aiming to distribute them evenly across the borough but there were some areas where demand was higher than others.

**AGREED:**

1. That the issue of the removal of abandoned bicycle parts on cycle stands be raised with the Neighbourhood Action Team; and
2. That the Sustainable Transport Manager be requested to provide further information on reason for the non inclusion of the A1 within a low emission bus zone.

**34. GREEN LANES AREA TRANSPORT STUDY**

Mr Boddy reported that a public meeting had taken place in March 2015 regarding traffic concerns. These were wide ranging in nature and centred on the Wightman Road area but also overlapped onto other areas. As a result of this, a project to consider the issues was developed and an external consultant was hired.

The study undertaken by the consultant was aimed at identifying measures to:

- Improve the urban realm;



- Rationalise traffic volume and routes;
- Improve road safety for all road users;
- Maintain or enhance bus service journey times and reliability;
- Enhance pedestrian and cycle accessibility into and within the study area; and
- Improve quality of life and health outcomes for local residents.

The consultant was appointed in February 2016. A steering group of stakeholders, chaired by the relevant Cabinet Member, was set up to act as a “critical friend”. The work undertaken by the consultant looked at a range of issues and these were developed into a series of options and ideas. The aim was to develop recommendations for the short, medium and long term. Funding of just over £1 million over three years was provided.

Wightman Road had been closed to traffic from March to September 2016 due to the need to undertake works to the bridge that crossed it. There were a series of traffic measures that had been made necessary as a result of this. The popularity of these schemes had varied. Some residents of Wightman Road had stated that they would like to road to be closed permanently. Whilst the road was closed, improvement works had been undertaken by the Council to help address some of the traffic and safety related issues.

Ms Cunningham reported that although there were weight restrictions in force, these did not apply to vehicles with access rights for such things as deliveries. Mr Boddy commented that there was widespread recognition of the impact of the closure of Wightman Road. Many residents of Wightman Road had enjoyed the closure but the impact on residents across the borough needed to be taken into account. The implications of particular options had been included within the plans.

In answer to a question, Mr Boddy stated that traffic levels on Wightman Road were close to those on Green Lanes. Whilst this was undesirable, it was also experienced in other locations in the borough. It was necessary to look carefully at the consequences of measures as they could potentially make matters worse for other residents. There were different benefits accruing from making Wightman Road one way north or south. The preference was for the option that had the least impact on Green Lanes.

In answer to a question, Mr Boddy reported that there had been a 7% drop in overall levels of traffic when Wightman Road had been closed. The majority of traffic had been displaced though. There had been some cost limitations to the number of options that could be developed but the work was nevertheless the largest piece of traffic assessment work that had been done for some time. Consultation responses were not just limited to people from within the study area but people would still be asked where they came from as this was an important consideration. Haringey Cycling Campaign were encouraging people to respond so that those cyclists who had used Wightman Road when it had been closed but did not live in the area could feed their views in. Should there be changes made to Wightman Road, it could be re-considered for inclusion as part of the Quietway route from Bowes Park. The Panel commented that the current proposed route included some very steep sections in Hornsey which could be challenging for cyclists.

In answer to a question, Mr Boddy reported that approximately £200,000 had been spent on the work so far of the funding that had been committed by the previous Cabinet Member. Although a significant amount of money had been committed to the work over the next three years, there was a need to manage expectations. There was also an awareness that there were other areas of the borough where there were issues. Ms Cunningham reported that there was a need to develop the infrastructure in Tottenham and there would be opportunities to address this through the regeneration process.

The Panel felt that, with current budgetary restrictions, the use of external consultants needed to be closely monitored. It was important that the range of options were developed into achievable plans.

Mr Boddy stated that effective measures would be developed through the use of the assessment framework. The views of the local community, the consequences of the different options and costs would all be taken into account in order to develop proposals.

A Panel Member suggested that consideration be given to developing a new entrance into Finsbury Park on its north east side, opposite Hermitage Road N4 and that this be used to develop a new pedestrian and cycle route south. Mr Boddy stated that the development of the Quietway was the current priority for cycling in Finsbury Park but he was nevertheless happy to raise the suggestion with Haringey Cycling Campaign to see if it could be an option.

### **35. WORK PROGRAMME UPDATE**

The Panel noted that the Overview and Scrutiny Committee had proposed that a review be undertaken by the Panel on street sweeping and that this be scheduled to start shortly. A scope and terms of reference for the proposed review were being put together. It was likely that the work on this would begin early in the new Council year, with the aim of finishing the work by the summer recess.

Panel Members were of the view that the proposed review on parks that was referred to in the current work plan should begin when the work on street sweeping was completed. It was felt that the scope and terms of reference required further development so that the issues considered reflected local concerns. The issues of funding and support were felt to be particularly relevant. It was suggested that the Friends of Parks Forum be asked for their views on what they felt the key issues were. It was noted that the House of Commons Communities and Local Government Committee were undertaking an inquiry on public parks and felt that their findings could help to inform the Panel's review.

#### **AGREED:**

1. The further information be sought on the progress of House of Commons Communities and Local Government Committee's inquiry into public parks; and
2. That the Friends of Parks Forum be requested for their views on the issues that they feel the Panel should focus upon as part of its review on parks.

CHAIR: Councillor Makbule Gunes

Signed by Chair .....

Date .....

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**Report for:** Overview and Scrutiny Committee, 13th June 2017

**Title:** Terms of Reference and Membership

**Report authorised by:** Michael Kay, Democratic Services and Scrutiny Manager

**Lead Officer:** Christian Scade, Principal Scrutiny Officer,  
Tel: 020 8489 2933, Email: [christian.scade@haringey.gov.uk](mailto:christian.scade@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** N/A

**1. Describe the issue under consideration**

- 1.1 The Overview and Scrutiny Committee is asked to establish the Scrutiny panels and agree their memberships.
- 1.2 The Committee is also asked to consider the appointment of two Haringey representatives to the North Central London Joint Health Overview and Scrutiny Committee.

**2. Recommendations**

- 2.1 The Committee is asked to:
- (a) Note the terms of reference (Appendix A) and Protocol (Appendix B) for the Overview and Scrutiny Committee.
  - (b) Establish the following Scrutiny Panels for 2017/18:
    - Adults and Health
    - Children and Young People
    - Environment and Community Safety
    - Housing and Regeneration
  - (c) Approve the terms of reference/policy areas and membership for each Scrutiny Panel for 2017/18 (Appendix C)
  - (d) Appoint Councillors Connor and Wright as the two Haringey representatives to the North Central London Joint Health Overview and Scrutiny Committee for 2017/18.

**3. Reasons for decision**

- 3.1 The terms of reference and membership of the scrutiny panels above need to be confirmed at the first meeting of each municipal year.

- 3.2 The power to appoint Haringey's representatives to the North Central London Joint Health Overview and Scrutiny Committee (JHOSC) was delegated to the OSC by Council at its meeting on 22 March 2010.

#### **4. Overview and Scrutiny Committee**

- 4.1 As agreed by Annual Council on 22 May, the membership of the Overview and Scrutiny Committee for 2017/18 is:

Cllr Charles Wright (Chair);  
Cllr Pippa Connor (Vice-Chair);  
Cllr Tim Gallagher;  
Cllr Kirsten Hearn; and  
Cllr Emine Ibrahim.

- 4.2 The Committee shall also include statutory education representatives, who shall have voting rights solely on education matters.
- 4.3 The terms of reference and role of the OSC is set out in Part Two (Article 6), Part Three (Section B) and Part Four (Section G) of the Council's Constitution. Together, these specify key responsibilities for the Committee. This information is provided in full at Appendix A.
- 4.4 There is also a Protocol, outside the Constitution and provided at Appendix B, that sets out how the OSC is to operate.

#### **5. Scrutiny Panels**

- 5.1 Article 6 of the Constitution states the OSC shall appoint Scrutiny Panels in order to discharge the Overview and Scrutiny role.
- 5.2 The specific functions for any Scrutiny Panels established is outlined in Article 6 of the Constitution at 6.3 (b) and 6.3 (c). The procedure by which this operates is detailed in the Scrutiny Protocol:
- The OSC shall establish four standing Scrutiny Panels, to examine designated public services.
  - The OSC shall determine the terms of reference for each Scrutiny Panel.
  - If there is any overlap between the business of the Panels, it is the responsibility of the OSC to resolve the issue.
  - Areas which are not covered by the four standing Scrutiny Panels shall be the responsibility of the main OSC.
  - The Chair of each Scrutiny Panel shall be a member of the OSC, as determined by the OSC at its first meeting.
  - It is intended that each Scrutiny Panel shall be comprised of between 3 and 7 backbench or opposition members, and be politically proportionate as far as possible.
  - Each Scrutiny Panel shall be entitled to appoint up to three non-voting co-optees. The Children and Young People's Scrutiny Panel membership will include the statutory education representatives of OSC.

- 5.3 The suggested 2016/17 membership for the four Scrutiny Panels is listed below.

<b>Scrutiny Panel</b>	<b>Membership</b>
Adults and Health	Cllrs Connor (Chair), Adamou, Beacham, Berryman, Griffith, Mitchell, Ozbek
Children and Young People	Cllrs Hearn (Chair), M Blake, Elliott, Mallett, Morris, Rice, plus the statutory education representatives of OSC
Environment and Community Safety	Cllrs Gallagher (Chair), B Blake, Carter, Gunes, Hare, Jogee, Stennett
Housing and Regeneration	Cllr Ibrahim (Chair), Bevan, Brabazon, Engert, J Mann, Newton.
All Councillors (except Members of the Cabinet) may be members of the Overview and Scrutiny Committee and the Scrutiny Review Panels. However, no Member may be involved in scrutinising a decision in which he/she has been directly involved.	

- 5.4 In view of the changes to Cabinet Member Portfolios, noted by Council on 22 May, the policy areas to be covered by the four existing Scrutiny Panels have been updated. This information, together with the relevant Portfolio holders for each scrutiny body, is attached at Appendix C.

## **6. North Central London Joint Health Overview and Scrutiny Committee**

- 6.1 Haringey is a member of the North Central London Joint Health Overview and Scrutiny Committee (JHOSC), along with Barnet, Camden, Enfield and Islington.

- 6.2 The revised terms of reference, agreed by the JHOSC at its meeting on 29 January 2016, and by Haringey Council on 16 May 2016, are as follows:

- To engage with relevant NHS bodies on strategic area wide issues in respect of the co-ordination, commissioning and provision of NHS health services across the whole of the area of Barnet, Camden, Enfield, Haringey and Islington;
- To respond, where appropriate, to any proposals for change to specialised NHS services that are commissioned on a cross borough basis and where there are comparatively small numbers of patients in each of the participating boroughs;
- To respond to any formal consultations on proposals for substantial developments or variations in health services across affecting the area of Barnet, Camden, Enfield, Haringey and Islington;
- The joint committee will work independently of both the Cabinet and health overview and scrutiny committees (HOSCs) of its parent authorities, although evidence collected by individual HOSCs may be submitted as evidence to the joint committee and considered at its discretion;
- The joint committee will seek to promote joint working where it may provide more effective use of health scrutiny and NHS resources and will endeavour

to avoid duplicating the work of individual HOSCs. As part of this, the joint committee may establish sub and working groups as appropriate to consider issues of mutual concern provided that this does not duplicate work by individual HOSCs; and

- The joint committee will aim work together in a spirit of co-operation, striving to work to a consensual view to the benefit of local people.

6.3 Haringey's OSC is entitled to appoint two representatives to the JHOSC. The power to make this appointment was delegated to OSC by Council at its meeting on 22 March 2010.

6.4 A small change to these terms of reference is being considered by the Overview and Scrutiny Committee at a different agenda item.

## **7. Contribution to strategic outcomes**

7.1 The contribution scrutiny can make to strategic outcomes will be considered as part of its routine work.

## **8. Statutory Officers Comments**

### **Finance and Procurement**

8.1 The Chief Finance Officer has confirmed the Haringey representatives on the JHOSC are not entitled to any remuneration. As a result, there are no direct financial implications arising from the recommendations set out in this report.

8.2 Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications then these will be highlighted at that time.

### **Legal**

8.3 The Assistant Director for Corporate Governance has been consulted on the contents of this report.

8.4 Under Section 21 (6) of the Local Government Act 2000, an Overview and Scrutiny Committee has the power to appoint one or more sub-committee to discharge any of its functions. The establishment of Scrutiny Panels by the Committee falls within this power and is in accordance with the requirements of the Council's Constitution.

8.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the OSC. Such reports can then be referred to Cabinet or Council under agreed protocols.

8.6 The OSC can appoint two representatives to the North Central London Joint Health Overview and Scrutiny Committee. This is in accordance with the decision made by full Council on 22 March 2010 that the making of nominations to the Joint Health Committee be delegated to the Committee.



## **Equality**

8.7 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

8.8 The proposals outlined in this report relate to the membership and terms of reference for the OSC and carry no direct implications for the Council's general equality duty. However, the Committee should ensure that it addresses these duties by considering them within its work programme and those of its panels, as well as individual pieces of work. This should include considering and clearly stating;

- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
- Whether the impact on particular groups is fair and proportionate;
- Whether there is equality of access to services and fair representation of all groups within Haringey;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

8.9 The Committee should ensure that equalities comments are based on evidence. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

## **9. Use of Appendices**

Appendix A Part Two (Article 6), Part Three (Section B), and Part Four (Section G) of the Constitution of the London Borough of Haringey.

Appendix B Scrutiny Protocol

Appendix C Overview & Scrutiny Remits and Membership 2017/18

## **10. Local Government (Access to Information) Act 1985**

**Appendix A**

**PART TWO – ARTICLES OF THE CONSTITUTION**

Last updated 18 July 2016

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**Article 6 - Overview and Scrutiny**

**6.01 Terms of reference**

The Council will appoint an Overview and Scrutiny Committee to discharge the functions conferred by section 9F of the Local Government Act 2000, the Health & Social Care Act 2001 and the NHS Reform & Health Professionals Act 2002.

**6.02. General role**

Within its terms of reference, the Overview and Scrutiny Committee may:

- (a) Exercise an overview of the forward plan;
- (b) Review or scrutinise decisions made or actions taken in connection with the discharge of any of the Cabinet's or Council's functions;
- (c) Make reports and recommendations to the full Council, the Cabinet or relevant non-Executive Committee in connection with the discharge of any functions;
- (d) Make reports or recommendations on matters affecting the area or its inhabitants;
- (e) Exercise the right to call-in, for reconsideration, key decisions made but not yet implemented by the Executive;
- (f) Receive the reports and recommendations of its commissioned Scrutiny Review Panels; and
- (g) In accordance with statutory regulations to review and scrutinise matters relating to the health service within the Authority's area and to make reports and recommendations thereon to local NHS bodies;
- (h) Enter into or appoint such joint overview and scrutiny committees that include the London Borough of Haringey and other boroughs for the purpose of responding to consultation by NHS bodies on proposals for substantial variation or development in the provision of health services as required by The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

**6.03 Specific functions**

- (a) Scrutiny Review Panels.**

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The Overview and Scrutiny Committee shall appoint Scrutiny Review Panels in order to discharge the Overview and Scrutiny role for designated public services and will co-ordinate their respective roles.

**(b) Policy development and review.**

The Overview and Scrutiny Committee and any Scrutiny Review Panels it may establish may:

- (i) Assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues;
- (ii) Conduct research, community and other consultation in the analysis of policy issues and possible options;
- (iii) Consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- (iv) Question members of the Cabinet and chief officers about their views on issues and proposals affecting the area; and
- (v) Liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

**(c) Scrutiny.**

The Overview and Scrutiny Committee and any Scrutiny Review Panels it may establish may:

- (i) Review and scrutinise the decisions made by and performance of the Cabinet and council officers both in relation to individual decisions and over time;
- (ii) Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- (iii) Question members of the Cabinet and chief officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- (iv) Make recommendations to the Cabinet or relevant non-executive Committee arising from the outcome of the scrutiny process;

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- (v) Review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the overview and scrutiny committee and local people about their activities and performance; and
- (vi) Question and gather evidence from any person (with their consent).

**(d) Finance**

Overview and Scrutiny Committee may exercise overall responsibility for the finances made available to them.

**(e) Annual report.**

Overview and Scrutiny Committee must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

**6.04 Proceedings of Overview and Scrutiny Committee**

The Overview and Scrutiny Committee and any Scrutiny Review Panels it may establish will conduct their proceedings in accordance with the Overview and Scrutiny Procedure Rules set out in Part 4 of this Constitution.

**6.05 Votes of No Confidence**

The Chair of the Overview and Scrutiny Committee or the Chair of a Scrutiny Review Panel shall cease to hold that office as a Scrutiny member if a vote of no confidence, of which notice appears on the agenda, is carried at the meeting of the relevant body. The responsibilities of that member shall be carried out by the relevant Vice-Chair until such time as a subsequent meeting of that body has been notified of the appointment of a replacement or the reappointment of the member concerned. In the event of all members of the Overview and Scrutiny Committee having been removed from office in this way at any time, Scrutiny functions shall in the interim be carried out by Full Council.

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**PART THREE – RESPONSIBILITY FOR FUNCTIONS**

**SECTION B**

Last updated 18 July 2016

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**SECTION 2 – COMMITTEES**

The following shall be committees of the Council and they shall have the membership as described in the Appointments of Committees, Sub-Committees, Panels, etc (as approved by the Annual Meeting):

- 1. The Corporate Committee**
  - 2. Combined Pensions Committee and Board**
  - 3. Staffing and Remuneration Committee**
  - 4. Overview and Scrutiny Committee**
  - 5. Standards Committee**
  - 6. Alexandra Palace and Park Board**
  - 7. The Regulatory Committee**
  - 8. The Health and Wellbeing Board**
- 

**4. Overview and Scrutiny Committee**

The Overview and Scrutiny Committee may:

- (a) exercise an overview of the forward plan;
- (b) review or scrutinise decisions made or actions taken in connection with the discharge of any of the Cabinet's or Council's functions;
- (c) make reports and recommendations to the full Council, the Cabinet or relevant non-Executive Committee in connection with the discharge of any functions;
- (d) make reports or recommendations on matters affecting the area or its inhabitants;
- (e) exercise the right to call-in, for reconsideration, key decisions made but not yet implemented by the Cabinet;
- (f) receive the reports and recommendations of its Scrutiny Review Panels;

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- (g) in accordance with statutory regulations to review and scrutinise matters relating to the health service and all NHS funded services within the Authority's area and to make reports and recommendations thereon to local NHS and NHS funded bodies;
- (h) enter into or appoint such joint overview and scrutiny committees that include the London Borough of Haringey and other boroughs for the purpose of responding to consultation by NHS bodies on proposals for substantial variation or development in the provision of health services as required by The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013;
- (i) review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible partner authorities of their crime and disorder functions;
- (j) make reports or recommendations to the Cabinet or full Council where appropriate with respect to the discharge of the crime and disorder functions by the responsible partner authorities;
- (k) make arrangements which enable any Councillor who is not a Committee Member to refer any crime and disorder matter to the Committee under the Councillor Call for Action procedure; and
- (l) make arrangements which enable any Councillor who is not a Committee Member to refer to the Committee any local government matter which is relevant to the functions of the Committee under the Councillor Call for Action procedure.
- (m) there is a Protocol outside this Constitution setting out how the Overview and Scrutiny Committee is to operate. The Protocol shall be applied in a manner consistent with the Committee Procedure Rules in Part 4 and any issue on procedure at the meeting shall be subject to the ruling of the Chair. The Protocol can be amended by the written agreement of the Leaders of the Political Groups on the Council.
- (o) to appoint two representatives to the standing Joint Health Overview and Scrutiny Committee for North Central London. (Since this appointment is for only two Members to the Joint Committee, the "political proportionality" rules in the Local Government and Housing Act 1989 do not apply.)

**SECTION 3 - SUB-COMMITTEES AND PANELS**

The following bodies shall be created as Sub-Committees of the relevant Committee of the Council under which they are listed. Bodies described as "Panels" are Sub-Committees unless otherwise stated. Sub-Committees shall

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report to their parent bodies and they shall have the membership as described in the Appointments of Non-Executive Committees, Sub-Committees, Panels, etc as approved by the Annual Meeting.

**2. Under Overview and Scrutiny Committee**

**2.1 Scrutiny Review Panels**

- (a) To carry out scrutiny processes relevant to particular services as determined by Overview and Scrutiny Committee and within the parameters, protocols and procedures agreed by Overview and Scrutiny Committee for all Scrutiny Review Panels.
- (b) Within these scrutiny processes to request and receive submissions, information and answers to questions from Cabinet Members, officers and other senior employees of the Council, service users, external experts and relevant members of the public.
- (c) To refer the findings/recommendations in the form of a written report, with the approval of the Overview and Scrutiny Committee, to The Cabinet and/or the Council as appropriate.

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**PART FOUR – RULES OF PROCEDURE  
SECTION G – OVERVIEW & SCRUTINY PROCEDURE RULES**

Last updated 21 July 2014

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**1. The arrangements for Overview and Scrutiny**

- 1.1 The Council will have one Overview and Scrutiny Committee, which will have responsibility for all overview and scrutiny functions on behalf of the Council.
- 1.2 The terms of reference of the Overview and Scrutiny Committee will be:
- (i) The performance of all overview and scrutiny functions on behalf of the Council.
  - (ii) The appointment of Scrutiny Review Panels, with membership that reflects the political balance of the Council.
  - (iii) To determine the terms of reference of all Scrutiny Review Panels.
  - (iv) To receive reports from local National Health Service bodies on the state of health services and public health in the borough area.
  - (v) To enter into or appoint such joint overview and scrutiny committees that include the London Borough of Haringey and other boroughs for the purpose of responding to consultation by NHS bodies on proposals for substantial variation or development in the provision of health services as required by The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.
  - (vi) To monitor the effectiveness of the Council's Forward Plan.
  - (vii) To receive all appropriate performance management and budget monitoring information.
  - (viii) To approve a programme of future overview and scrutiny work so as to ensure that the Overview and Scrutiny Committee's and Scrutiny Review Panels' time is effectively and efficiently utilised;
  - (ix) To consider all requests for call-in and decide whether to call-in a key decision, how it should be considered and whether to refer the decision to the Cabinet or to Council.



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- (x) To monitor the effectiveness of the Call-in procedure.
- (xi) To review and scrutinise action taken by partner authorities in discharge of crime and disorder functions and to make reports and recommendations to Cabinet and Council on these.
- (xii) To make arrangements which enable any Councillor who is not a Committee Member to refer any local government matter, or any crime and disorder matter, to the Committee under the Councillor Call for Action Procedure.
- (xiii) To ensure that referrals from Overview and Scrutiny Committee to the Cabinet either by way of report or call-in are managed efficiently, and
- (xiv) To ensure community and voluntary sector organisations, users of services and others are appropriately involved in giving evidence to the Overview and Scrutiny Committee or relevant Scrutiny Review Panel.

1.3 The Overview and Scrutiny Committee may establish a number of Scrutiny Review Panels:

- (i) Scrutiny Reviews Panels are appointed to examine designated Council services. Scrutiny Review Panels will refer their findings/recommendations in the form of a written report, with the approval of the Overview and Scrutiny Committee, to the Cabinet and/or the Council as appropriate.
- (ii) Scrutiny Review Panels will analyse submissions, request and analyse any additional information, and question the Cabinet Member(s), relevant Council officers, local stakeholders, and where relevant officers and/or board members of local NHS bodies or NHS funded bodies.
- (iii) Subject to the approval of the Overview and Scrutiny Committee, Scrutiny Review Panels will be able to appoint external advisors and/or to commission specific pieces of research if this is deemed necessary.
- (iv) Scrutiny Review Panels should make every effort to work by consensus; however, in exceptional circumstances Members may submit minority reports.
- (v) Prior to publication, draft reports will be sent to the relevant chief officers or where relevant officers of the National Health Service for checking for inaccuracies and the presence of

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exempt and/or confidential information; Scrutiny Review Panel members will revisit any conclusions drawn from disputed information;

- (vi) Following approval by the Overview and Scrutiny Committee, final reports and recommendations will be presented to the next available Cabinet meeting together with an officer report where appropriate. The Cabinet will consider the reports and formally agree their decisions.
  - (vii) Following approval by the Overview and Scrutiny Committee, reports on NHS, non-executive or regulatory matters will be copied to the Cabinet for information.
  - (viii) At the Cabinet meeting to receive the final report and recommendations, the Chair of the Overview and Scrutiny Committee or the Chair of the Scrutiny Review Panel may attend and speak.
  - (ix) After an appropriate period, post implementation, Overview and Scrutiny Committee will carry out a follow up review to determine if the recommendations had the intended outcomes and to measure any improvements.
- 1.4 When Scrutiny Review Panels report on non-executive or regulatory functions the above rules apply, except the references to The Cabinet shall be taken as reference to the relevant non-executive body.
- 1.5 The Overview and Scrutiny Committee shall undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.
- 1.6 All Overview and Scrutiny meetings shall take place in public (except where exempt or confidential matters are considered).
- 1.7 The Overview and Scrutiny function should not be seen as an alternative to established disciplinary, audit or complaints mechanisms and should not interfere with or pre-empt their work.
- 2. Membership of the Overview and Scrutiny Committee and Scrutiny Review Panels**
- 2.1 All Councillors (except Members of the Cabinet) may be members of the Overview and Scrutiny Committee and the Scrutiny Review Panels. However, no Member may be involved in scrutinising a decision in which he/she has been directly involved.

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- 2.2 The membership of the Overview and Scrutiny Committee and Scrutiny Review Panels shall, as far as is practicable, be in proportion to the representation of different political groups on the Council.

### **3. Co-optees**

- 3.1 Each Scrutiny Review Panel shall be entitled to appoint up to three people as non-voting co-optees.
- 3.2 Statutory voting non-Councillor members of Overview and Scrutiny Committee will be paid an allowance in accordance with the Members' Allowances Scheme in Part 6 of this Constitution.

### **4. Education representatives**

- 4.1 The Overview and Scrutiny Committee and the Scrutiny Review Panel whose terms of reference relate to education functions that are the responsibility of the Cabinet, shall include in its membership the following representatives:

- (i) At least one Church of England diocesan representative (voting).
- (ii) At least one Roman Catholic diocesan representative (voting).
- (iii) 2 parent governor representatives (voting).

These voting representatives will be entitled to vote where the Overview and Scrutiny Committee or the Scrutiny Review Panel is considering matters that relate to relevant education functions. If the Overview and Scrutiny Committee or Scrutiny Review Panel is dealing with other matters, these representatives shall not vote on those matters though they may stay in the meeting and speak at the discretion of the Chair. The Overview and Scrutiny Committee and Scrutiny Review Panel will attempt to organise its meetings so that relevant education matters are grouped together.

### **5. Meetings of the Overview and Scrutiny Committee and Scrutiny Review Panels**

- 5.1 In addition to ordinary meetings of the Overview and Scrutiny Committee, extraordinary meetings may be called from time to time as and when appropriate. An Overview and Scrutiny Committee meeting may be called by the Chair of the Overview and Scrutiny Committee after consultation with the Chief Executive, by any two Members of the Committee or by the proper officer if he/she considers it necessary or appropriate.
- 5.2 In addition to ordinary meetings of the Scrutiny Review Panels, extraordinary meetings may be called from time to time as and when

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appropriate. A Scrutiny Review Panel meeting may be called by the Chair of the Panel after consultation with the Chief Executive, by any two Members of the Committee or by the proper officer if he/she considers it necessary or appropriate.

### **6. Quorum**

The quorum for the Overview Scrutiny Committee and for each Scrutiny Review Panel shall be at least one quarter of its membership and not less than 3 voting members.

### **7. Chair of the Overview and Scrutiny Committee and Scrutiny Review Panels**

7.1 The Chair of the Overview and Scrutiny Committee will be appointed by the Council.

7.2 The Chair of the Overview and Scrutiny Committee shall resign with immediate effect if a vote of no confidence is passed by the Overview and Scrutiny Committee.

7.3 Chairs of Scrutiny Review Panels will be drawn from among the Councillors sitting on the Overview and Scrutiny Committee. Subject to this requirement, the Overview and Scrutiny Committee may appoint any person as it considers appropriate as Chair having regard to the objective of cross-party chairing in proportion to the political balance of the Council. The Scrutiny Review Panels shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 in this Constitution.

7.4 The Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 in this Constitution.

### **8. Work programme**

Overview and Scrutiny Committee will determine the future scrutiny work programme and will establish Scrutiny Review Panels to assist it to perform its functions. The Committee will appoint a Chair for each Scrutiny Review Panel.

### **9. Agenda items for the Overview and Scrutiny Committee**

9.1 Any member of the Overview and Scrutiny Committee shall be entitled to give notice to the proper officer that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for the

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next available meeting of the Committee. On receipt of such a request the proper officer will ensure that it is included on the next available agenda.

- 9.2 The Overview and Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and, if it considers it appropriate, from the Cabinet to review particular areas of Council activity. Where they do so, the Overview and Scrutiny Committee shall report their findings and any recommendations back to the Cabinet within an agreed timescale.

### **10. Policy review and development**

- 10.1 The role of the Overview and Scrutiny Committee in relation to the development of the Council's budget and policy framework is set out in the Budget and Policy Framework Procedure Rules in Part 4 of this constitution.

- 10.2 In relation to the development of the Council's approach to other matters not forming part of its policy and budget framework, the Overview and Scrutiny Committee and its Scrutiny Review Panels may make proposals to the Cabinet for developments insofar as they relate to matters within their terms of reference. The Scrutiny Review Panels must do so via the Overview and Scrutiny Committee.

### **11. Reports from the Overview and Scrutiny Committee**

Following endorsement by the Overview and Scrutiny Committee, final reports and recommendations will be presented to the next available Cabinet meeting. The procedure to be followed is set out in paragraphs 1.3 or 1.4 above.

### **12. Making sure that overview and scrutiny reports are considered by the Cabinet**

- 12.1 The agenda for Cabinet meetings shall include an item entitled 'Issues arising from Scrutiny'. Reports of the Overview and Scrutiny Committee referred to the Cabinet shall be included at this point in the agenda unless either they have been considered in the context of the Cabinet's deliberations on a substantive item on the agenda or the Cabinet gives reasons why they cannot be included and states when they will be considered.
- 12.2 Where the Overview and Scrutiny Committee prepares a report for consideration by the Cabinet in relation to a matter where decision making power has been delegated to an individual Cabinet Member, a Committee of the Cabinet, an Area Committee, or an Officer, or under Joint Arrangements, then the Overview and Scrutiny Committee will

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also submit a copy of their report to that body or individual for consideration, and a copy to the proper officer. If the Member, committee, or officer with delegated decision making power does not accept the recommendations of the Overview and Scrutiny Committee, then the body/he/she must then refer the matter to the next appropriate meeting of the Cabinet for debate before making a decision.

### **13. Rights and powers of Overview and Scrutiny Committee members**

#### **13.1 Rights to documents**

- (i) In addition to their rights as Councillors, members of the Overview and Scrutiny Committee and Scrutiny Review Panels have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules in Part 4 of this Constitution.
- (ii) Nothing in this paragraph prevents more detailed liaison between the Cabinet and the Overview and Scrutiny Committee and Scrutiny Review Panels as appropriate depending on the particular matter under consideration.

#### **13.2 Powers to conduct enquiries**

The Overview and Scrutiny Committee and Scrutiny Review Panels may hold enquiries into past performance and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist them in these processes. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations, within available resources. They may ask witnesses to attend to address them on any matter under consideration and may pay any advisers, assessors and witnesses a reasonable fee and expenses for doing so. Scrutiny Review Panels require the support of the Overview and Scrutiny Committee to do so.

#### **13.3 Power to require Members and officers to give account**

- (i) The Overview and Scrutiny Committee and Scrutiny Review Panels may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions (Scrutiny Review Panels will keep to issues that fall within their terms of reference). As well as reviewing documentation, in fulfilling the scrutiny role, it may require any Member of the Cabinet, the Head of Paid Service and/or any senior officer (at

## **Appendix A**

second or third tier), and chief officers of the local National Health Service to attend before it to explain in relation to matters within their remit:

- (a) any particular decision or series of decisions;
- (b) the extent to which the actions taken implement Council policy (or NHS policy, where appropriate); and
- (c) their performance.

It is the duty of those persons to attend if so required. At the discretion of their Director, council officers below third tier may attend, usually accompanied by a senior manager. At the discretion of the relevant Chief Executive, other NHS officers may also attend overview and scrutiny meetings.

- (ii) Where any Member or officer is required to attend the Overview and Scrutiny Committee or Scrutiny Review Panel under this provision, the Chair of that body will inform the Member or proper officer. The proper officer shall inform the Member or officer in writing giving at least 10 working days notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Overview and Scrutiny Committee or Scrutiny Review Panel. Where the account to be given to Overview and Scrutiny Committee or Scrutiny Review Panel will require the production of a report, then the Member or officer concerned will be given sufficient notice to allow for preparation of that documentation.
- (iii) Where, in exceptional circumstances, the Member or officer is unable to attend on the required date, then the Overview and Scrutiny Committee or Scrutiny Review Panel shall in consultation with the Member or officer arrange an alternative date for attendance, to take place within a maximum of 10 days from the date of the original request.

### **14. Attendance by others**

The Overview and Scrutiny Committee or Scrutiny Review Panel may invite people other than those people referred to in paragraph 13 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and Members and officers in other parts of the public sector and may invite such people to attend. Attendance is optional.

### **15. Call-in**

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The call-in procedure is dealt with separately at Part 4 Section H of the Constitution, immediately following these Overview and Scrutiny Procedure Rules.

### **16. Councillor Call for Action (CCfA)**

The Council has adopted a Protocol for handling requests by non-Committee Members that the Committee should consider any local government matter which is a matter of significant community concern. This procedure should only be a last resort once the other usual methods for resolving local concerns have failed. Certain matters such as individual complaints and planning or licensing decisions are excluded.

Requests for a CCfA referral should be made to the Democratic Services Manager. who will check with the Monitoring Officer that the request falls within the Protocol. The Councillor making the referral will be able to attend the relevant meeting of the Committee to explain the matter. Among other actions, the Committee may: (i) make recommendations to the Cabinet, Directors or partner agencies, (ii) ask officers for a further report, (iii) ask for further evidence from the Councillor making the referral, or (iv) decide to take no further action on the referral.

The Protocol is not included within this Constitution but will be subject to regular review by the Committee.

### **17. Procedure at Overview and Scrutiny Committee meetings and meetings of the Scrutiny Review Panels.**

- (a) The Overview and Scrutiny Committee shall consider the following business as appropriate:
  - (i) apologies for absence;
  - (ii) urgent business;
  - (iii) declarations of interest;
  - (iv) minutes of the last meeting;
  - (v) deputations and petitions;
  - (vi) consideration of any matter referred to the Committee for a decision in relation to call-in of a key decision;
  - (vii) responses of the Cabinet to reports of the Committee;



**Appendix A**

- (viii) business arising from Area Committees;
- (ix) the business otherwise set out on the agenda for the meeting.
- (b) A Scrutiny Review Panel shall consider the following business as appropriate:
  - (i) minutes of the last meeting;
  - (ii) declarations of interest;
  - (iii) the business otherwise set out on the agenda for the meeting.
- (c) Where the Overview and Scrutiny Committee or Scrutiny Review Panel has asked people to attend to give evidence at meetings, these are to be conducted in accordance with the following principles:
  - (i) that the investigation be conducted fairly and all members of the Overview and Scrutiny Committee and Scrutiny Review Panels be given the opportunity to ask questions of attendees, to contribute and to speak;
  - (ii) that those assisting the Overview and Scrutiny Committee or Scrutiny Review Panel by giving evidence be treated with respect and courtesy;
  - (iii) that the investigation be conducted so as to maximise the efficiency of the investigation or analysis; and
  - (iv) that reasonable effort be made to provide appropriate assistance with translation or alternative methods of communication to assist those giving evidence.
- (d) Following any investigation or review, the Overview and Scrutiny Committee or Scrutiny Review Panel shall prepare a report, for submission to the Cabinet and shall make its report and findings public.

**17A. Declarations Of Interest Of Members**

- (a) If a member of the Overview and Scrutiny Committee or Scrutiny Review Panel has a disclosable pecuniary interest or a prejudicial interest as referred to in Members' Code of Conduct in any matter under consideration, then the member shall declare his or her interest at the start of the meeting or as soon

## **Appendix A**

as the interest becomes apparent. The member may not participate or participate further in any discussion of the matter or participate in any vote or further vote taken on the matter at the meeting and must withdraw from the meeting until discussion of the relevant matter is concluded unless that member has obtained a dispensation from the Council's Standards Committee.

- (b) If a member of the Overview and Scrutiny Committee or Scrutiny Review Panel has a personal interest which is not a disclosable pecuniary interest nor a prejudicial interest, the member is under no obligation to make a disclosure at the meeting but may do so if he/she wishes.

### **18. The Party Whip**

Scrutiny is intended to operate outside the party whip system. However, when considering any matter in respect of which a Member of scrutiny is subject to a party whip the Member must declare the existence of the whip and the nature of it before the commencement of the Committee/Panel's deliberations on the matter. The Declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

The expression "party whip" can be taken to mean: "Any instruction given by or on behalf of a political group to any Councillor who is a Member of that group as to how that Councillor shall speak or vote on any matter before the Council or any committee or sub-committee, or the application or threat to apply any sanction by the group in respect of that Councillor should he/she speak or vote in any particular manner."

### **19. Matters within the remit of more than one Scrutiny Review Panel**

Should there be any overlap between the business of any Scrutiny Review Panels, the Overview and Scrutiny Committee is empowered to resolve the issue.

**Appendix B**

**PROTOCOL COVERING OVERVIEW AND SCRUTINY COMMITTEE (OSC)**

**1. INTRODUCTION**

- 1.1 A key objective of Haringey's Governance Review 2010/11 was to ensure that the Overview and Scrutiny function can help the Council to make key decisions and develop policy in a useful and effective manner.
- 1.2 The Terms of Reference for the OSC is stated in the Council's Constitution (Part 3 Section C). The purpose of this protocol is to set out in detail the process by which the OSC will function.
- 1.3 This document will be subject to regular review along with other governance arrangements, to ensure that it remains updated in the light of experience.

**2. AIMS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

- 2.1 To provide a framework within which the work of the Council can be scrutinised in a constructive way that adds value to the Council's performance.
- 2.2 To help the Council to achieve its objectives by identifying areas for achieving excellence, and to carry out a scrutiny which identifies what needs to be done to improve the situation.
- 2.3 Not to duplicate work carried out by the Council, but provide an objective view of what needs to be done to improve the quality and cost effectiveness of services provided to local people.

**3. RESPONSIBILITIES**

- 3.1 The OSC can scrutinise any matter which affects the authority's area or its residents' wellbeing.
- 3.2 The Local Government Act 2000, the Health and Social Care Act 2001, the Local Government & Public Involvement in Health Act 2007, and the Police and Justice Act 2006 give the OSC the power to:
  - (i) Review and scrutinise decisions made or actions taken in connection with the discharge of any of the functions of the Executive or Full Council;
  - (ii) Review and scrutinise local NHS-funded services, and to make recommendations to reduce health inequalities in the local community;
  - (iii) Review and scrutinise Crime Reduction Partnerships;<sup>1</sup>
  - (iv) Make reports and recommendations on any issue affecting the authority's area, to the Full Council, its Committees or Sub-Committees, the Executive, or other appropriate external body;

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<sup>1</sup> Section 19 of the Police and Justice Act 2006

**Appendix B**

- (v) “Call In” for reconsideration a decision made by the Executive;
- (vi) Require information from relevant partner authorities;<sup>2</sup>
- (vii) Give notice to a relevant partner authority that they must have regard to scrutiny reports and recommendations on any local improvement targets.<sup>3</sup>

- 3.3 Scrutiny recommendations shall be responded to by the appropriate body within 2 months of receiving the recommendations.<sup>4</sup> Where a response is requested from NHS-funded bodies, the response shall be made within 28 days.<sup>5</sup>
- 3.4 The OSC shall be responsible for scrutinising the draft Treasury Management Strategy Statement (TMSS) annually before its adoption by full Council, in accordance with the Council’s Constitution (Part 4 Section I).
- 3.5 The OSC shall respond to a Councillor Call for Action (CCfA) referral, which will be handled in accordance with the Council’s Constitution (Part 4 Section G).

**Scrutiny Review Panels**

- 3.6 The Overview and Scrutiny Committee shall establish 4 standing Scrutiny Review Panels, to examine designated public services.
- 3.7 The Overview and Scrutiny Committee shall determine the terms of reference of each Scrutiny Review Panel. If there is any overlap between the business of the Panels, it is the responsibility of the Overview and Scrutiny Committee to resolve this issue.
- 3.8 Areas which are not covered by the 4 standing Scrutiny Review Panels shall be the responsibility of the main Overview and Scrutiny Committee.

**4. MEMBERSHIP AND CHAIR**

- 4.1 The Overview and Scrutiny Committee shall comprise 5 members, and be politically proportionate as far as possible. The Committee shall also comprise statutory education representatives, who shall have voting rights solely on education matters. The membership shall be agreed by the Group Leaders, Chief Executive and Monitoring Officer, and ratified each year at the Annual Council Meeting.
- 4.2 The chair of the OSC shall be a member of the majority group. The vice-chair shall be a member of the largest minority group. These appointments shall be ratified each year at the Annual Council Meeting.

**Scrutiny Review Panels**

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<sup>2</sup> Section 121 of the Local Government and Public Involvement in Health Act 2007

<sup>3</sup> Section 122(21C) of the Local Government and Public Involvement in Health Act

<sup>4</sup> Ibid section 122 (21B)

<sup>5</sup> Regulation 3 of Local Authority (Overview and Scrutiny Committees Health Scrutiny Functions) Regulations 2002

**Appendix B**

- 4.3 The chair of each Scrutiny Review Panel shall be a member of the OSC, and shall be determined by the OSC at their first meeting.
- 4.4 It is intended that each Scrutiny Review Panel shall be comprised of between 3 and 7 members, and be politically proportionate as far as possible. It is intended that other than the chair, the other members are non-executive members who do not sit on the OSC.
- 4.5 Each Scrutiny Review Panel shall be entitled to appoint up to three non-voting co-optees.
- 4.6 If there is a Children and Young People's Scrutiny Review Panel, the membership shall include the statutory education representatives of OSC. It is intended that the education representatives would also attend the Overview and Scrutiny Committee meetings where reports from a relevant Scrutiny Review Panel are considered.

**5. MEETING FREQUENCY AND FORMAT**

- 5.1 The intention is that OSC shall hold 6 scheduled meetings each year. One meeting, at the start of the civic year, shall agree the annual work programme of the OSC. One meeting, in January, shall consider the budget scrutiny reports from each Scrutiny Review Panel. The remaining meetings shall undertake the work programme and consider the reports from the Scrutiny Review Panels.
- 5.2 An extraordinary meeting of the OSC may be called in accordance with the Council's Constitution (Part 4 Section G).
- 5.3 The agenda and papers for OSC shall be circulated to all members and relevant partners at least 5 clear days before the meeting.
- 5.4 There shall be a standing item on OSC meeting agendas to receive feedback from Area Committees. Area Committee Chairs shall be able to attend OSC meetings, and ask questions.
- 5.5 Members of the Council may Call In a decision of the Executive, or any Key Decision made under delegated powers, within 5 working days of the decision being made. The full procedure is given in the Council's Constitution (Part 4 Section H).
- 5.6 Pre-decision scrutiny on forthcoming Cabinet decisions shall only be undertaken at scheduled OSC meetings, in adherence with the Council's Forward Plan.

**Scrutiny Review Panels**

## **Appendix B**

- 5.7 It is intended that each Scrutiny Review Panel shall hold 4 scheduled meetings each year.
- 5.8 An extraordinary meeting of a Scrutiny Review Panel may be called in accordance with the Council's Constitution (Part 4 Section G).
- 5.9 The agenda and papers for Scrutiny Review Panels shall be circulated to all members and relevant partners at least 5 clear days before the meeting.

### **6. PROCESS FOR CABINET INVOLVEMENT**

- 6.1 The OSC shall develop recommendations for arrangements to focus its resources and time available on effective scrutiny of the Cabinet, within the guidance of this protocol. It is not intended that this will include submitting written questions to Cabinet members, in advance of an OSC meeting. The recommended arrangements shall be jointly discussed with the Cabinet prior to the first meeting of OSC.
- 6.2 The Leader of the Council and Chief Executive shall be invited to OSC once a year, at the meeting when the Committee's work programme is set. This shall be an opportunity to jointly discuss the Council's priorities for the next year.
- 6.3 The Leader/ Cabinet Member attending an OSC or Scrutiny Review Panel meeting may be accompanied and assisted by any service officers they consider necessary. The Member may invite an officer attending to answer a question on their behalf.

### **7. THE OSC WORK PROGRAMME**

- 7.1 The Council's Policy, Intelligence and Partnerships Unit shall coordinate the work programme of the OSC at the beginning of each civic year.
- 7.2 Any partner, member or service user may suggest an item for scrutiny. The OSC shall have regard to all such suggestions when they decide their work programme.
- 7.3 The OSC and Scrutiny Review Panels are able to request reports from the following areas to enable its scrutiny role, which shall be identified in the OSC's work programme:
  - (i) **Performance Reports;**
  - (ii) **One off reports** on matters of national or local interest or concern;
  - (iii) Issues arising out of **internal and external assessment;**
  - (iv) Issues on which the Cabinet or officers would like **the Committee's views or support;**
  - (v) Reports on **strategies and policies** under development;
  - (vi) **Progress reports** on implementing previous scrutiny recommendations accepted by the Cabinet or appropriate Executive body.

**Appendix B**

7.4 In deciding their work programme for the year, the OSC and Scrutiny Review Panels shall determine how partnership bodies shall be scrutinised within the boundaries of scheduled meetings.

**8. BUDGET SCRUTINY REVIEW**

8.1 The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their reports shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.

8.2 A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.

8.3 To allow the OSC to scrutinise the budget in advance of it formally being set and convey those recommendations to the Cabinet, the following timescale is suggested:

- **Scrutiny Review Panel Meetings: May to November**  
Each Scrutiny Review Panel shall undertake budget scrutiny in their respective areas, to be overseen by the lead member referred to in paragraph 9.2. Between May and November, this shall involve scrutinising the 3-year Medium Term Financial Plan approved at the budget-setting full Council meeting in February.
- **Cabinet report on the new 3-year Medium Term Financial Plan to members of the OSC: December**  
The Cabinet shall release their report on the new 3-year Medium Term Financial Plan to members of the OSC, following their meeting to agree the proposals in December.
- **Scrutiny Review Panel Meetings: January**  
Overseen by the lead member referred to in paragraph 9.2, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new 3-year Medium Term Financial Plan. Each Panel shall consider the proposals in this report, for their respective areas, in addition to their budget scrutiny already carried out. The Scrutiny Review Panels may request that the Cabinet Member for Finance and Sustainability and/or Senior Officers attend these meetings to answer questions.
- **OSC Meeting: January**  
Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting in January containing their recommendations/proposal in respect of the budget for ratification by the OSC.
- **Cabinet Meeting: February**

**Appendix B**

The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget.



**Appendix C**

**Overview & Scrutiny Remits and Membership 2017/18**

Scrutiny Body	Areas of Responsibility	Cabinet Links
<p><b>Overview &amp; Scrutiny Committee</b></p> <p>Cllrs Wright (Chair), Connor (Vice Chair), Gallagher, Hearn, Ibrahim,</p>	<p>Communications; Corporate policy and strategy; Council performance; External partnerships; Strategic transport; Growth and inward investment; Capital strategy</p>	<p>Cllr Kober, Leader of the Council</p>
<p>The Committee shall also comprise statutory education representatives, who shall have voting rights solely on education matters</p>	<p>Customer Services; Customer Transformation Programme; Leisure Centres.</p>	<p>Cllr Ejiofor, Deputy Leader and Cabinet Member for Customer Services</p>
	<p>Council finances and budget</p>	<p>Cllr Arthur, Cabinet Member for Finance and Health</p>
	<p>Equalities; Voluntary sector; Community Strategy</p>	<p>Cllr Ayisi, Cabinet Member for Communities</p>
	<p>Corporate programme; Council IT shared services; Procurement &amp; commercial partnerships; Corporate governance; Shared Service Centre; Council HR &amp; staff wellbeing; Accommodation Strategy; Community buildings; Corporate property</p>	<p>Cllr Demirci, Cabinet Member for Corporate Resources</p>
	<p>Growth strategy delivery; Social inclusion</p>	<p>Cllr Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability</p>
	<p>Libraries; Culture</p>	<p>Cllr Vanier, Cabinet Member for Adult Social Care and Culture</p>

## Appendix C

Scrutiny Body	Areas of Responsibility	Cabinet Links
<p><b>Adults &amp; Health Scrutiny Panel</b></p> <p>Cllrs Connor (Chair), Adamou, Beacham, Berryman, Griffith, Mitchell, Ozbek</p>	<p>Public Health; Health devolution pilots; Health and social care integration &amp; commissioning; Working with CCG and NHS</p>	<p>Cllr Arthur, Cabinet Member for Finance and Health</p>
	<p>Adult Social Care; Safeguarding adults; Adults with disabilities and additional needs</p>	<p>Cllr Vanier, Cabinet Member for Adult Social Care and Culture</p>
	<p>Tackling unemployment and worklessness; Adult learning and skills</p>	<p>Cllr Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability</p>
<p><b>Children &amp; Young People Scrutiny Panel</b></p> <p>Cllrs Hearn (Chair), M Blake, Elliott, Mallett, Morris, Rice, plus the statutory education representatives of OSC</p>	<p>Schools and education; Safeguarding children; Early years and child care; Adoption and fostering; Looked-after children; Children with disabilities and additional needs; Children to adult social care transition</p>	<p>Cllr Weston, Cabinet Member for Children and Families</p>
	<p>Post 16 education</p>	<p>Cllr Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability</p>
	<p>Youth services and youth offending</p>	<p>Cllr Ayisi, Cabinet Member for Communities</p>

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<b>Environment &amp; Community Safety Scrutiny Panel</b>  Cllrs Gallagher (Chair), B Blake, Carter, Gunes, Hare, Jogee, Stennett	Recycling, waste and street cleaning; Highways; Parking; Parks and open spaces; Leisure and leisure centres; Licensing (environmental and HMO); Enforcement (environmental and planning)	Cllr Ahmet, Cabinet Member for Environment
	Community safety; Engagement with the Police; Tackling antisocial behaviour; Violence Against Women and Girls	Cllr Ayisi, Cabinet Member for Communities
<b>Housing &amp; Regeneration Scrutiny Panel</b>  Cllr Ibrahim (Chair), Bevan, Brabazon, Engert, J Mann, Newton	Regeneration in Tottenham; Planning policy; Planning applications & development management; Building Control; Housing Investment Programme; Housing strategy and delivery; Partnerships with Homes for Haringey & social landlords	Cllr Strickland, Cabinet Member for Housing, Regeneration and Planning
	Regeneration in Wood Green; Sustainability and carbon reduction	Cllr Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability
If there is any overlap between the business of the Panels, it is the responsibility of the OSC to resolve the issue. Areas which are not covered by the 4 standing Scrutiny Panels shall be the responsibility of the main OSC.		

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**Report for:** Overview and Scrutiny Committee – 13 June 2017

**Item number:**

**Title:** North Central London Joint Health Overview and Scrutiny Committee (JHOSC) – Amended Terms of Reference

**Report authorised by :** Cllr Charles Wright, Chair of Overview and Scrutiny Committee

**Lead Officer:** Robert Mack, Principal Scrutiny Support Officer,  
[rob.mack@haringey.gov.uk](mailto:rob.mack@haringey.gov.uk) 020 8489 2921

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:**

## **1. Describe the issue under consideration**

- 1.1. Haringey is currently a member of the Joint Health Overview and Scrutiny Committee (JHOSC) for North Central London. The other boroughs that are members are Barnet, Camden, Enfield and Islington.
- 1.2. The need has been identified for a small addition to the terms of reference of the JHOSC to ensure the maintenance of its role in considering referrals to the Secretary of State when responding to formal consultations on substantial developments or variations to local health services.
- 1.3. Under the terms of the Constitution, joint arrangements with other local authorities require the approval of full Council and therefore any changes to the terms of reference will need to be agreed by it.

## **2. Cabinet Member Introduction**

N/A

## **3. Recommendations**

- 3.1 That the Committee recommend to Council that it delegates formally the right of referral to the Secretary of State in responding to formal consultations involving all of the Councils on the JHOSC, pursuant to Regulation 23(9) of the The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

## **4. Reasons for decision**

- 4.1 Under the terms of the Constitution, the amended terms of reference for the JHOSC require approval by full Council.

## **5. Alternative options considered**

N/A

## 6. Background information

6.1 Full Council approved the existing terms of reference for the JHOSC at its meeting on 16 May 2016 following a review by the JHOSC of its role. These are as follows:

1. "To engage with relevant NHS bodies on strategic area wide issues in respect of the co-ordination, commissioning and provision of NHS health services across the whole of the area of Barnet, Camden, Enfield, Haringey and Islington;
2. To respond, where appropriate, to any proposals for change to specialised NHS services that are commissioned on a cross borough basis and where there are comparatively small numbers of patients in each of the participating boroughs;
3. To respond to any formal consultations on proposals for substantial developments or variations in health services across affecting the area of Barnet, Camden, Enfield, Haringey and Islington;
4. The joint committee will work independently of both the Cabinet and health overview and scrutiny committees (HOSCs) of its parent authorities, although evidence collected by individual HOSCs may be submitted as evidence to the joint committee and considered at its discretion;
5. The joint committee will seek to promote joint working where it may provide more effective use of health scrutiny and NHS resources and will endeavour to avoid duplicating the work of individual HOSCs. As part of this, the joint committee may establish sub and working groups as appropriate to consider issues of mutual concern provided that this does not duplicate work by individual HOSCs; and
6. The joint committee will aim work together in a spirit of co-operation, striving to work to a consensual view to the benefit of local people."

6.2 The updated terms of reference removed a reference to a power of referral to the Secretary of State in responding to formal consultations concerned with the North Central London Service and Organisation Review. There was no intention to omit a power of referral from the JHOSC in the revised agreed terms of reference though. It had previously been the practice that *both* local authorities and joint health overview and scrutiny committees that they were a part of had the power to make referrals to the Secretary of State in responding to formal consultations. The omitting of the specific reference to referrals would, in these circumstances, not have been of significance as the power would have been implicit within the JHOSC's power to respond to formal consultations.

6.3 However, the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 stipulate that if a local authority has delegated this power to a joint overview and scrutiny committee, then they may not

subsequently exercise the power of referral. This is also reflected in the Local Authority Health Scrutiny June 2014 Statutory Guidance. Therefore, local authorities can now choose to either delegate their power of referral or retain it. This remedied the previous situation where local authorities could make a referral both through a joint committee that they were part of as well as individually, which was considered to be an anomaly.

6.4 As only joint committees have the power to respond to formal consultations involving more than one borough, it would appear appropriate for the JHOSC to have the power of referral to the Secretary of State. Not delegating the power, although possible, would be likely to cause delay in responding to consultations and reduce the effectiveness of the JHOSC in responding to formal consultations where these involve all of the five boroughs.

6.5 At its meeting on 21<sup>st</sup> April, the JHOSC therefore agreed to recommend to each of the individual boroughs that are part of it that they delegate formally the right of referral in responding to formal consultations to the JHOSC and that the following amended wording be approved to the terms of reference (addition in italics):

*“2. To respond to any formal consultations on proposals for substantial developments or variations in health services across affecting the areas of Barnet, Camden, Enfield, Haringey and Islington and to decide whether to use the power of referral to the Secretary of State for Health on behalf of Councils who have formally agreed to delegate this power to it when responding to formal consultations involving all the five boroughs participating in the JHOSC.”*

6.6 The terms of reference will therefore now read:

1. “To engage with relevant NHS bodies on strategic area wide issues in respect of the co-ordination, commissioning and provision of NHS health services across the whole of the area of Barnet, Camden, Enfield, Haringey and Islington;
2. To respond, where appropriate, to any proposals for change to specialised NHS services that are commissioned on a cross borough basis and where there are comparatively small numbers of patients in each of the participating boroughs;
3. To respond to any formal consultations on proposals for substantial developments or variations in health services across affecting the areas of Barnet, Camden, Enfield, Haringey and Islington and to decide whether to use the power of referral to the Secretary of State for Health on behalf of Councils who have formally agreed to delegate this power to it when responding to formal consultations involving all the five boroughs participating in the JHOSC;
4. The joint committee will work independently of both the Cabinet and health overview and scrutiny committees (HOSCs) of its parent authorities, although evidence collected by individual HOSCs may be submitted as evidence to the joint committee and considered at its discretion;
5. The joint committee will seek to promote joint working where it may provide more effective use of health scrutiny and NHS resources and will endeavour to avoid duplicating the work of individual HOSCs. As part of this, the joint committee may establish sub and working groups as appropriate to consider

issues of mutual concern provided that this does not duplicate work by individual HOSCs; and

6. The joint committee will aim to work together in a spirit of co-operation, striving to work to a consensual view to the benefit of local people”

6.7 It is mandatory for local authorities to set up joint committees to respond to formal consultations regarding substantial developments or variations. However, these are required to include all of the local authorities affected. The JHOSC is therefore able to respond to changes that just affect all the boroughs that are a part of it. Should formal consultations be necessary on changes that affect different configurations of local authorities, a separate joint committee would need to be established that reflects this. A separate decision would also need to be undertaken by each local authority in establishing it on the delegation of the power of referral.

## **7. Contribution to strategic outcomes**

7.1 The work of the JHOSC relates to closely to Priority 2: Outstanding for all: Enable all adults to live healthy, long and fulfilling lives

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance and Procurement**

8.1 The Chief Finance Officer has been consulted in the preparation of this report and notes that it is proposed that the JHOSC will not incur costs other than in except in exceptional circumstances agreed in advance. Only those costs for which provision can be found from within existing budgets can be agreed to by this authority

### **Legal**

8.2 Regulation 21 (Review and Scrutiny) of The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 (“The Regulations”) enables a local authority to review and scrutinise matters relating to the planning, provision and operation of the health service in its area. The National Health Service Act 2006, as amended by the Health and Social Care Act 2012, confers the health scrutiny functions on the local authority, as distinct from any overview and scrutiny committee or panel within the local authority section 244 (2ZD). The full council of each authority may choose to delegate the health scrutiny functions to its overview and scrutiny committee or to a joint overview and scrutiny committee (JOSC) appointed by two or more local authorities.

8.3 Overview and Scrutiny Committee has delegated to it the power “To enter into or appoint such joint overview and scrutiny committees that include the London Borough of Haringey and other boroughs for the purpose of responding to consultation by NHS bodies on proposals for substantial variation or development in the provision of health services as required by The Local Authority (Public Health, Health and Wellbeing. Boards and Health Scrutiny)



Regulations 2013. But it is not sufficiently clear whether this includes the power to make referral to the Secretary of State as set out in Regulation 23 below.

- 8.4 Regulation 30 (Joint Committees) enables two or more local authorities to appoint a joint committee (“a joint overview and scrutiny committee”) of those authorities and arrange for relevant health scrutiny functions in relation to any (or all) of those authorities to be exercisable by the joint committee subject to such terms and conditions as the authorities may consider appropriate. Where a responsible person consults more than one local authority pursuant to Regulation 23, those local authorities must appoint a joint overview and scrutiny committee for the purposes of responding to the consultation. The North Central London Joint Health Overview and Scrutiny Committee (JHOSC) has been appointed for this purpose.
- 8.5 Regulation 23 (Consultation by responsible persons) requires consultation of local authorities by responsible persons for substantial developments of the health service or for substantial variations in the provision of the health service. It requires a local authority and responsible person to take steps to try to reach agreement in relation to any recommendations made by a local authority in relation to a relevant proposal. It enables a local authority to report on relevant proposals to the Secretary of State in certain circumstances. This is usually referred to as the power to make a referral to the Secretary of State where the authority is not satisfied that the consultation on the proposal was adequate or that the proposal would be in the best interest of health service in its area.
- 8.6 The referral power rests with the local authority i.e. Full Council. In the absence of any expressed delegation of this power to Overview and Scrutiny Committee or the JHOSC, it is appropriate for this matter to go up to Full Council for a decision. If Full Council decides to delegate this power to the JHOSC, only the JHOSC may make a referral.

## **Equality**

- 8.5 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - Advance equality of opportunity between people who share those protected characteristics and people who do not;
  - Foster good relations between people who share those characteristics and people who do not.
- 8.6 The work of the JHOSC should address the above mentioned duties by considering them within its work plan and individual pieces of work. This should include considering and clearly stating;
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
  - Whether the impact on particular groups is fair and proportionate;

- Whether there is equality of access to services and fair representation of all groups;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

**9. Use of Appendices**

None

**10. Local Government (Access to Information) Act 1985**

**Report for:** Overview and Scrutiny Committee, 13<sup>th</sup> June 2017

**Title:** Haringey Development Vehicle – Scrutiny Report

**Report authorised by:** Cllr Emine Ibrahim  
Chair, Housing and Regeneration Scrutiny Panel

**Lead Officer:** Christian Scade, Principal Scrutiny Officer, Tel: 020 8489 2933

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** N/A

## 1. Describe the issue under consideration

- 1.1 On 17<sup>th</sup> January 2017, the Overview and Scrutiny Committee (OSC) approved the interim report of the Housing and Regeneration Scrutiny Panel 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.
- 1.2 In developing its interim report, the Panel held a number of evidence gathering sessions and received 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 Panel made a number of recommendations, including that further scrutiny of the proposals for the establishment of the proposed HDV be undertaken before summer 2017.
- 1.3 The interim recommendations were considered by Cabinet on 14<sup>th</sup> February 2017<sup>1</sup>. At the same meeting, Cabinet agreed to proceed to the Preferred Bidder Stage with Lendlease as its preferred bidder, a decision that was “Called-In” and studied by OSC on 2<sup>nd</sup> March 2017. OSC referred this decision back to Cabinet, with recommendations. On 7<sup>th</sup> March 2017 Cabinet re-considered and confirmed its original decision, subject to further commitments in response to the Call-In.
- 1.4 Since then work has been undertaken to further refine and negotiate the HDV. The final agreement will be put to Cabinet for approval in summer 2017. With this in mind, the Panel has been undertaking further scrutiny of the proposed HDV. This report outlines the findings, conclusions and recommendations the Panel has made.

## 2. Recommendations

- (a) That the Overview and Scrutiny Committee considers the findings of the Housing and Regeneration Scrutiny Panel and agrees the recommendations attached at **Table 1**.
- (b) That, subject to any comments or amendments the Committee wish to make, this report be submitted to Cabinet, on 3<sup>rd</sup> July 2017 for response.

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<sup>1</sup>[The Cabinet response to the interim recommendations \(Cabinet, 14<sup>th</sup> February 2017\) can be viewed here.](#)

<b>Panel Membership</b>	Cllr Emine Ibrahim (Chair)
	Cllr John Bevan
	Cllr Zena Brabazon
	Cllr Gail Engert
	Cllr Tim Gallagher
	Cllr Stuart McNamara
	Cllr Martin Newton

### 3. Table 1 – Recommendations of the Panel

No.	Recommendation
1a	<p><b>No decision on the HDV should be taken</b> until a fully updated business case is prepared and evaluated. For the avoidance of doubt, before Cabinet is asked to approve the legal documentation to establish the HDV, and its first set of business plans, there must be a meaningful update to the Business Case, originally published in 2015, to ensure it is still fit for purpose. The updated business case should:</p> <ul style="list-style-type: none"> <li>- Review the economic modelling used in the initial Business Case to reflect recent circumstances, which have increased economic uncertainty, including: Brexit, Crossrail 2, numerous changes in housing and planning law which were enacted in the <a href="#">Housing and Planning Act 2016</a>, the recently released <a href="#">Housing White Paper</a> (“Fixing our broken housing market), a new good practice guide to estate regeneration published by the Mayor of London, and the results of the “snap” General Election.</li> <li>- Be made public and transparent with sufficient time for meaningful scrutiny before a decision is taken.</li> </ul>
1b	If time allows, this should be undertaken by an independent external advisor commissioned for this purpose.
2	That the full risk register, and comprehensive risk assessments, for the HDV be made available to the Housing and Regeneration Scrutiny Panel and made public <b>prior to any decision being taken</b> . This should work backwards from all the things that can go wrong, setting out where risk arises and the remedy for managing risk i.e. accept it, control it, transfer it, or avoid it.
3	<p><b>No decision should be taken</b> to establish the joint venture until:</p> <ul style="list-style-type: none"> <li>- The Council’s External Auditor has reviewed concerns, including those referred to them, relating to the HDV. Findings should be published (with actions to mitigate any risks set out and followed up) and considered by Corporate Committee.</li> <li>- Corporate Committee has considered the outcomes of the initial work that has been undertaken by internal audit concerning the HDV.</li> </ul>
4	Any final approval to establish the HDV by Cabinet must be accompanied by a robust set of measures to audit the work of the joint venture on a continuous basis. This must include a detailed plan of how the 30 days per year of the internal auditor

No.	Recommendation
	looking at the HDV will be spent.
5	To address concerns raised by expert witnesses, and by Panel members themselves, about whether the 50:50 arrangements constitutes an “equal partnership”, and therefore whether the council’s objectives (policy framework/corporate plan) are achievable, the Head of Paid Service must ensure there is sufficient officer capacity to support the Council with its engagement with the HDV. This must be guaranteed, and outlined, before Cabinet is asked to establish the HDV.
6	To ensure clarity, details of the due diligence process for establishing the HDV, and its first set of business plans, should be included in the HDV Cabinet report. This should include clear, comprehensive information on the work that has been carried out, by whom, and steps that have been taken as a result.
7a	Information on what the Balance Sheet will look like on Day One, including the short- and long-term assets and liabilities, should be included in the HDV Cabinet report. To ensure clarity, it is recommended that a model balance sheet is included to illustrate what the basic HDV financial structure will look like.
7b	<p>In addition:</p> <ul style="list-style-type: none"> <li data-bbox="293 660 2094 740">i. The updated HDV Balance Sheet, including any major changes to assets or liabilities, should be reported quarterly to the Housing and Regeneration Scrutiny Panel.</li> <li data-bbox="293 740 2094 788">ii. Management Accounts for the HDV should be reported quarterly to the Housing and Regeneration Scrutiny Panel.</li> </ul>
8	The legal framework for the HDV must include binding guarantees in relation to dispute resolution mechanisms and, in order to reduce financial risk, the legal framework for the HDV must allow the Council (giving six months notice) to withdraw from the HDV every five years and without any compensation to be paid to Lendlease or to its subsidiaries or staff, and with the whole property portfolio being transferred back to Haringey.
9	A professional independent advisor should be appointed, by the Council, to sit on the HDV Board to ensure Haringey board members have a clear understanding of the matters put before them and the implications of any decision made by the board, to allow them to act in the best interest of the Council and local residents. This advisor would not be voting but would have full access to information and be able to input and participate at board meetings.
10	Cabinet should invite and establish a Gateway Review (using OGC methodology) to deliver a “peer review” in which independent practitioners from outside the project use their experience and expertise to examine the progress and likelihood of successful delivery of the project. Ideally this should happen before a decision is taken to establish the HDV.
11	To ensure probity, and to protect the council’s commercial interests, the legal agreement to establish the HDV should contain a commitment from Lendlease not to recruit any Haringey Council employee/Councillor/consultant who has worked for Haringey on the HDV over the past 3 years (2015-2017). Furthermore, neither should Lendlease provide such individuals with any payment or service or benefits for a period of five years from the date of establishing the joint venture. This should include

No.	Recommendation
	any company that is a subsidiary company of Lendlease.
12	The overarching agreement with Lendlease, to establish the HDV, should not contain an exclusivity percentage. Any exclusivity percentage should only be applied on a site by site basis following consideration of value for money and an appraisal of likely costs for each project.
13	In view of the interrelationship between Regeneration, Planning and the HDV, the Leader of the Council should ensure responsibility for Regeneration and the HDV are set out in the same portfolio. In addition, and following Recommendation 12 of the interim scrutiny report on governance, in order to remove any ambiguity concerning responsibilities for Regeneration and the HDV with that of the Local Planning Authority, it is recommended Cabinet responsibility for Regeneration and Planning is disaggregated and allocated to separate members.
14	No decision to commit any site should go ahead without a full and detailed equality impact assessment on each site. This work should be commissioned and completed independently, in order to demonstrate sufficient separation to the overarching Overview and Scrutiny Committee who should oversee this.
15	Given that the commercial portfolio would transfer immediately after establishing the HDV, a full and detailed equality impact assessment should be undertaken before the portfolio is transferred. If time allows, this should be undertaken by an independent external advisor. The final list of commercial properties proposed for transfer should be made public. The impact on the HRA should be quantified and made transparent as part of that listing.
16	<p>To ensure <b>residents' rights</b> are protected, a set of formal policy documents should be drafted specifically related to the rights of tenants and leaseholders living in properties to be transferred to the HDV. These policies must establish and set out firm and transparent criteria and principles regarding residents' rights, including:</p> <ul style="list-style-type: none"> <li>a. That a clear, legally enforceable, commitment be made to council tenants to be re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice.</li> <li>b. To protect homes for future generations of Haringey residents, the right-to-buy scheme should not be offered on replacement homes built by the development vehicle.</li> <li>c. In developing HDV tenancy and evictions policies, strong safeguards should be put in place to protect vulnerable tenants from eviction.</li> <li>d. That overcrowded tenants be offered a replacement property of a size that meets their needs.</li> </ul>

No.	Recommendation
	<p>e. That robust and meaningful resident consultation be guaranteed, with a commitment that sites can only be transferred to the HDV once full resident consultation, has taken place. As part of the consultation process, the difference between refurbishment and demolition should be made clear with a clear choice of regeneration or renewal being stated i.e. not everything needs to be demolished.</p> <p>f. There should be a Ballot of tenants and leaseholders as part of the consultation process and that the Council should provide the evidence to residents that it is beneficial for sites to be transferred to the HDV. <i>(This recommendation was not agreed by all Panel members)</i></p> <p>g. Resident leaseholders should be provided with a package of support, including independent legal advice regarding their position, so they don't lose out when their property is subject to CPO.</p> <p>h. A clear policy should be set out to protect residents from onerous leasehold terms and escalating ground rents. In developing this policy, it is recommended consideration be given to Nationwide Building Society's new valuation policy for new build leasehold properties<sup>2</sup> (<a href="#">available here</a>).</p>
17	That a Residents' Charter, setting out the expectations of Northumberland Park residents (or any other affected estate), written by the residents themselves, be adopted by Cabinet to give a clear public commitment to meeting the ambitions of tenants and resident leaseholders.
18	<p>The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV incorporate <b>important protections for the provision of affordable, and target rent social housing</b>, including:</p> <p>a. That the development vehicle be bound by Haringey's planning policy requiring at least 40% affordable housing and the Council should seek to use profits from the vehicle to boost affordable housing and target social rented numbers.</p> <p>b. Contractually making sure that target rent social homes are not transmuted into affordable rent homes.</p> <p>c. There should be no loss of target rented social housing – that is housing which was, prior to any demolition, council</p>

<sup>2</sup> <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/press-releases/archive/2017/5/05-protect-homeowners>



No.	Recommendation
	<p>housing. Any new developments must reprovide – at minimum – an equivalent number of target rented homes on the same rents (without service charges) and security of tenure. The basis for calculating the number of such social target rent homes to be reprovided should be the number of council homes and leasehold properties on any estates before any people accept alternative accommodation i.e. the position at the start of any community engagement and consultation.</p> <p>d. All HDV viability assessments should be made public in full with no redactions.</p>
19	<p>Consideration should be given to establishing a wholly council-owned housing company to purchase and manage HDV affordable homes and target rent social homes. This will ensure that there will be no reduction in homes wholly owned and managed by the council.</p>
20	<p>Given that the HDV will operate in line with Haringey’s Housing Strategy the mixed communities model pursued by the HDV, with mix-tenure housing built in the same locality, must be underpinned by genuine social integration. Safeguarding for achieving this should include:</p> <ul style="list-style-type: none"> <li>a. Social housing must be of the same standard as private housing</li> <li>b. All new build of all tenures should be pepper potted, with no “poor door” arrangements</li> <li>c. A retail offer which reflects the needs and wishes of all residents rather than aimed at just higher-income residents</li> <li>d. Leisure amenities must be equally accessible to private and social tenants</li> <li>e. Blocks of private flats should not be gated</li> </ul>
21	<p>The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV reflect <b>estate regeneration / development best practice</b>, including:</p> <ul style="list-style-type: none"> <li>a. There should be no building on Metropolitan Open Land.</li> <li>b. Good practice guidance, published by the Mayor of London on estate regeneration, should be complied with.</li> </ul>

No.	Recommendation
	<p>c. There should be a suitable proportion of homes built to comfortably accommodate people with disabilities and all properties should be built to Lifetime homes standards.</p> <p>d. All building work by the HDV should be done to Passive House or Code 6 energy efficiency standards.</p> <p>e. Priority in all development design and building contracts should be given to sustainable housing contractors</p> <p>f. Ensuring all contracts engaged in by the HDV with third parties are awarded by transparent competitive tender.</p> <p>g. Arrangements being put in place with the construction subsidiary of Lendlease to provide local employment and training opportunities; particularly in respect of equalities groups, including job support and training for disabled people.</p> <p>h. To ensure the HDV provides decent jobs, preference in all subcontracts on HDV developments should be given to firms:</p> <ul style="list-style-type: none"> <li>○ Where apprentices are training for a Level 3 qualification and constitute 10% of the firms workforce.</li> <li>○ That are approved by the South-East Region TUC (SERTUC) as a good reputation concerning blacklisting, health and safety and have a trade union recognition agreement and comply with existing construction industry collective agreements.</li> <li>○ Where workers are all directly employed with CSCS cards and have recognised skill qualifications.</li> </ul> <p>i. No HDV or sub-contractor employee should be paid less than the London Living Wage.</p>
22	The HDV must use all measures available, including any changes to national/regional policy, to enable homes built by the HDV to be only sold to UK residents, with priority given to Haringey residents and those with a local connection to Haringey (not overseas buyers).
23	Given the number of housing estates already listed for transfer to the HDV, and the significant number of commercial properties paying rent to Homes for Haringey which are scheduled for transfer, we recommend that clear consultation with the board of Homes for Haringey is initiated forthwith. This would be to establish in detail the likely impact of the HDV on Homes for Haringey, the Housing Revenue Account and the Homes for Haringey repairs service and any other significant factors, e.g. impact on staffing, equalities, the impact on other estates and overall viability of Homes for Haringey and its in house services.

No.	Recommendation
24	Both the revenue and the capital costs incurred by the Council and HFH in preparing any site for transfer to the HDV should be reimbursed to the Council and HFH at the date of the transfer. These costs incurred to commence from the date any site was identified as moving to the HDV until the actual legal date of its transfer to the HDV. For example, the revenue and capital costs would include all staff costs, all repair and capital costs involved in providing accommodation for residents decanted, all leaseholder costs, all legal costs and all disturbance costs to both residents and leaseholders. These costs listed are examples only, all other costs incurred should also be reimbursed.
25	The 1% rent reduction due as part of the government's 4 year rent reduction agenda should be appealed to the DCLG to be ceased for the Council and HFH properties within the HRA. The appeal to request exemption from any further rent reductions to enable the resultant extra rental income to assist with the regeneration of housing / estates.
26	That the Cabinet commit to exploring all options for using Haringey's right-to-buy receipts in conjunction with the HDV.
27	<p>The legal framework for the HDV must establish firm principles which would be binding on any development carried out by the HDV. Cabinet must ensure the following important protections <b>to guarantee ongoing democratic control</b> of major decisions:</p> <ul style="list-style-type: none"> <li>a. No scheme land transfer to take place without Cabinet approving the business plan which should 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 for development and an assessment of the key risks.</li> <li>b. Regular reports to Cabinet on the performance of the Haringey Development Vehicle, based on clear and robust key performance indicators. As set out in the interim scrutiny report (Recommendation 6), these should include: (i) Challenging targets for both revenue and capital growth from the management of the Council's commercial property portfolio; and (ii) Ambitious regeneration outcome targets to help improve the health, wellbeing, safety and life chances of those within regeneration areas (and beyond).</li> <li>c. Ward Councillors should be kept fully informed about specific proposals in their ward and a meaningful consultative structure established to ensure Ward Councillors are fully aware of, involved in, and able to influence the decision making process, and methodology, on any site decant and demolition.</li> <li>d. The HDV's Strategic Business Plan should be updated and presented to Overview and Scrutiny on an annual basis and senior HDV staff must be available to answer questions as required.</li> </ul>
28	The Overview and Scrutiny Committee must itself commit to ongoing scrutiny, possibly by setting up a separate HDV Scrutiny

No.	Recommendation
	Panel.
29	An independent advisor with experience in finance, risk and partnerships should be appointed to assist the Committee/Panel with its scrutiny work.

#### 4. Reasons for decision

*“Given that authorisation is scheduled for agreement at Cabinet in summer of 2017, the Panel believe that the proposals to establish the HDV would benefit from further scrutiny ahead of any final decision to be taken. It is suggested that further scrutiny would allow for further member engagement and to address the potential risks identified...”*

Interim Scrutiny Report on HDV Governance, January, 2017, HRSP

4.1 Overview and Scrutiny can review or scrutinise decisions made or actions taken in connection with the discharge of any of the Cabinet’s functions and make reports and recommendations to the Cabinet in connection with the discharge of any functions and make reports or recommendations on matters affecting the area or its inhabitants. In this context, and following the publication of the Panel’s interim report on governance arrangements, the Overview and Scrutiny Committee agreed on 17<sup>th</sup> January 2017, that the Panel should undertake further scrutiny of the proposed HDV.

4.2 The **Terms of Reference** for this scrutiny project are outlined below:

- To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;
- To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do;
- To establish and provide recommendations on whether overcrowded tenants can be offered a replacement property of a size that meets their needs;
- To further establish and provide recommendations on whether the financial arrangements of the proposed HDV adequately protect the Council’s interest;
- To consider the impact of the HDV on the Council’s Commercial Portfolio, including the impact on current businesses and those who work in them;
- To consider the impact of the HDV on Metropolitan Open Land;
- To consider the equalities impact of the HDV;
- To further establish the risks of the venture and make recommendations on whether these risks can be adequately mitigated.

4.3 The recommendations contained in this report address these concerns.

#### 5. Alternative options considered

5.1 As outlined in section 6, evidence for this review was gathered in a variety of ways. Options considered are outlined in the body of the report. However, the Overview and Scrutiny Committee could decide not to approve the Panel’s

report and recommendations, which would mean they could not be referred to Cabinet for a response.

## 6. Methodology

- 6.1 During spring, the Panel held six evidence gathering sessions, meeting stakeholders with a wide range of knowledge and experience. This included local witnesses, such as council officers and community group representatives, as well as external contributors. A list of witnesses is attached at **Appendix 1** and the evidence they submitted is included at **Appendix 2**.
- 6.2 In addition to evidence received during this review, it is important to note that recommendations set out in this report reflect findings from earlier scrutiny investigations as well. This additional work, including the interim report on governance and the Call-In of the Cabinet's Decision to proceed to the Preferred Bidder phase of the procurement process, was undertaken during 2016/17 as part of the overall work programme for Haringey's Overview and Scrutiny Committee.
- 6.3 Members of the Panel also attended / asked questions at Cabinet meetings and assessed a range of documentary evidence and other published material. The reports and minutes from the following meetings were of particular interest:
- [HDV Business Case \(Cabinet, November 2015\)](#)
  - [Interim HRSP Report on HDV Governance \(OSC, January 2017\)](#)
  - [Cabinet Response to Interim HRSP Report \(Cabinet, February 2017\)](#)
  - [Approval of Preferred Bidder for HDV \(Cabinet, February 2017\)](#)
  - [Call-In: Recommendation of a Preferred Bidder for the HDV \(OSC, March 2017\)](#)
  - [Recommendation of a Preferred Bidder for the Haringey Development Vehicle – Outcome of Call-in to Overview and Scrutiny Committee \(Cabinet, March 2017\)](#)
- 6.4 Further information about the HDV, including links to the reports and minutes above, answers to FAQs, the HDV timeline and next steps, can be found via the following web-link – [Haringey Development Vehicle \(FAQs\)](#).

## 7. Introduction

- 7.1 A number of themes emerged from the Panel's investigations. These are set out below and relate, primarily, to: the business case; audit and risk; the scale of the proposed HDV, officer capacity; and concerns about the financial modelling and timing of the decision.
- 7.2 These findings have been used to develop recommendations which are based on important principles, including: protecting the Council's financial position; anticipating and managing risk; protecting residents' rights, the provision of affordable housing; advancing equality; ongoing democratic control and accountability; and ensuring transparency and probity.

7.3 Despite the above, it should be noted the subject of this inquiry has been unusually difficult to scrutinise by virtue of it being subject to ongoing negotiations, much of which has been deemed commercially sensitive. As a result, the Panel's recommendations are based on the information that was available concerning the HDV and from lessons learnt elsewhere. The Panel's concerns, findings and recommendations are intended to be useful in ensuring all matters are properly considered before a decision is made on whether to progress with the joint venture.

## 8. The Business Case

8.1 Building on concerns raised in sections 6.4 – 6.8 of the interim scrutiny report on governance, the 2015 Business Case for the HDV was quickly identified as a key line of enquiry for this review.

8.2 As set out in Appendix 2, several witnesses highlighted the substantive political and financial changes that have occurred since the decision was taken to enter into procurement for an Investment Partner for the HDV.

8.3 As demonstrated by evidence below, there was consensus that the Business Case needed to be revisited. This preceded the announcement of the unexpected General Election, which has brought further uncertainty and will mean further change. It was noted that this should be made a priority in order to limit the risks and uncertainties faced by the Council.

*“The Council’s Business Case of 2015 was prepared before the EU referendum and before the numerous changes in housing and planning law which were enacted in the Housing and Planning Act 2016 and trailed in the White Paper recently released. As a result of these changes in the economic and political environment the Council’s decisions have to be tested against a much wider range of possible circumstances than must have seemed likely in 2015.*

*“The economy of the UK is very weak, with low investment; what little growth we have being driven by expanding household debt and no clear prospect that we’ll be able to take advantage of a devalued pound to increase our exports. Many of our export sectors in finance, insurance and related professional services are directly threatened by brexit while others – like the university sector, a huge earner of foreign exchange, are threatened by visa restrictions. We share with Greece the decline in real incomes in the last decade.*

*“We thus need to consider the possibility that the UK economy will fail to grow and may contract in the coming decade. Furthermore the effect of inflation of import prices leading to higher interest rates would both impoverish an indebted population and change balance of power within the HDV.*

*“The other contextual factor is related to housing policy: it keeps changing in ways which make it ever harder for councils to resume house-building. That’s one of the reasons why Haringey has proposed the HDV. But it seems quite possible that government will find ways of extending the Right to Buy to Council-owned companies or in other ways inhibit the efforts of London Boroughs to circumvent government policy. Although the Minister has backed off the RtB threat recently we cannot be very confident.”*

Prof Michael Edwards, UCL Bartlett School of Planning

- 8.4 In addition, the Panel note with concern that Crossrail 2 was not included in the 2017 Budget, announced on 8 March.

*“The existing good transport links are continuing to be strengthened, with the real possibility of Crossrail 2 making a further significantly positive impact on the Borough.”*

Page 18, HDV Business Case, October 2015

- 8.5 An article in the Evening Standard<sup>3</sup> (3<sup>rd</sup> April) reports that several property developers and housing associations had written to Philip Hammond urging him to announce the go-ahead for Crossrail 2. Without it, they said, they could not commit to building the number of homes required by the London Plan.
- 8.6 The Panel also note the emerging Wood Green Area Action Plan is predicated, to a significant extent, on Crossrail 2 being given the go-ahead, with a station located in Wood Green. Given the stated aim is to transfer key Council buildings, such as River Park House and other Station Road buildings into the HDV, the Panel considers that there is a real substantial risk in this strategy and provides another reason for updating the Business Case.
- 8.7 Therefore, at the time of writing, Crossrail 2 is by no means certain to go ahead. However, it appears essential in order to provide capacity for the intensification of the whole Upper Lea Valley Opportunity Area and for the commercial expansion of Wood Green as a centre.

**Recommendation 1a**

**No decision on the HDV should be taken** until a fully updated business case is prepared and evaluated. For the avoidance of doubt, before Cabinet is asked to approve the legal documentation to establish the HDV, and its first set of business plans, there must be a meaningful update to the Business Case, originally published in 2015, to ensure it is still fit for purpose. The updated business case should:

- Review the economic modelling used in the initial Business Case to reflect recent circumstances, which have increased economic uncertainty, including: Brexit, Crossrail 2, numerous changes in housing and planning law which were enacted in the [Housing and Planning Act 2016](#), the recently released [Housing White Paper](#) (“Fixing our broken housing market”), a new good practice guide to estate regeneration published by the Mayor of London, and the results of the “snap” General Election.
- Be made public and transparent with sufficient time for meaningful scrutiny before a decision is taken.

**Recommendation 1b**

If time allows, this should be undertaken by an independent external advisor commissioned for this purpose.

<sup>3</sup> <http://www.standard.co.uk/news/transport/crossrail-2-property-developers-and-housing-associations-call-for-firm-commitment-a3505696.html>



## 9. Audit and Risk

- 9.1 It is recognised there is an inherent commercial risk in the establishment of a Local Asset Backed Vehicle (LABV) which is operated as a Limited Liability Partnership. However, throughout the course of this review, the Panel raised concerns that risks associated with the HDV had increased following publication of their interim report on governance.
- 9.2 The Panel's interim scrutiny report on governance highlighted the following:
- The lack of published evidence of the effectiveness of LABVs and their success in delivering large scale regeneration projects;
  - Financial and political uncertainty generated by the referendum decision to leave the European Union (Brexit);
  - Opacity of information on the operation of other LABVs;
  - The scale of the proposed HDV and prospective investment required from the Council far exceeds any other LABV established to date;
  - The paucity of consultation undertaken with affected tenants in both the commercial portfolio and prospective estate regeneration sites;
  - Unequal relationship with private sector partner.
- 9.3 With this in mind, a key line of enquiry for this review was to further establish the risks of the venture and to make recommendations on whether these risks can be adequately mitigated.
- 9.4 The Council's risk registers are the main means of identifying and recording risks, aiming to quantify the likelihood of the risk occurring and the impact that it would have on the Council's priorities. Their purpose is to provide a framework for debate on the mitigating controls and actions that may be required to reduce the level of risk to the council, to an appropriate level. They also allow for progress against actions to be monitored, so that the level of risk can be regularly re-evaluated. Risk registers are internal documents, to be used to identify, manage, monitor and control risks effectively.
- 9.5 It is recognised that some high level elements of the risk analysis are in the public domain, through Cabinet papers, scrutiny discussions and other material (including the online FAQ). However, because the detail of the governance structure is still the subject to negotiation, the Panel has not been able to consider a detailed risk register and/or in-depth assessments for the HDV. As a result, it has not been possible to explore in detail how the Council's exposure has been addressed, and the extent of the remaining risk.
- 9.6 The Panel was disappointed with this, especially as evidence received related to concerns about the structure of the HDV which, in the opinion of Justin Guest, a local resident and risk specialist, provided *"an open ended commitment by the Council but no proper way of managing that risk via an appropriate level of control over the actions of the HDV, and how money is taken out of the HDV (via fees etc.)"*.

**Table 2 – Four proactive remedies for managing risk**

<b>Accept It</b>	If managing or reducing the risk is not cost effective, but the risk is acceptable.
<b>Control It</b>	If it's an unacceptable risk, you should look to increase controls on it, e.g. putting more stringent management strategies in place to control or reduce the impact.
<b>Transfer It</b>	Insure against the consequences of the risk materialising, e.g. taking out contents insurance on the business premises.
<b>Avoid It</b>	Change the course of a business strategy to avoid the risk, e.g. withdrawing a problematic product line.

- 9.7 The points above, along with various concerns outlined in Appendix 2, lends support to the need for the full risk register and comprehensive risk assessments to be made available for public scrutiny prior to any decision being taken. For example, Justin Guest made the point that it was vital to work backwards from all the things that could go wrong, highlighting these clearly in a matrix that “sets out where risk arises and how it is allocated or mitigated / managed”.

#### **Recommendation 2**

That the full risk register, and comprehensive risk assessments, for the HDV be made available to the Housing and Regeneration Scrutiny Panel and made public **prior to any decision being taken**. This should work backwards from all the things that can go wrong, setting out where risk arises and the remedy for managing risk i.e. accept it, control it, transfer it, or avoid it.

- 9.8 In view of the above and the fact that the detailed financial structure and modelling of the HDV is also still subject to discussion, as part of the Preferred Bidder stage of the procurement process, the Panel was keen to further understand how risks would be managed.
- 9.9 Therefore, in addition to evidence received from the Council’s Head of Audit and Risk, outlined in sections 6.44 – 6.48 of the interim report on governance, the Panel considered the following points in relation to the audit function.
- 9.10 The Council’s external auditors are BDO. The “appointed auditor” has the ability to review or investigate any significant matters that comes to their attention during the course of an audit or as a result of concerns raised to them. The duties and the powers of the External Auditor are set out in the [NAO Code of Audit Practice](#) and the [Local Audit and Accountability Act 2014](#).
- 9.11 The role of the external auditor is to form an opinion on:
- Financial Statements
    - o Whether the financial statements give a true and fair view of the financial position of the group and authority and its expenditure and income for the period in question.

- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework set out in legislation, applicable accounting standards or other direction.
  - Other Information
    - Whether other information, published together with the audited financial statement, is consistent with the financial statements (including the Council's statutory Annual Governance Statement).
  - Use of Resources
    - Whether the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
  - Additional Powers and Duties of the External Auditor
    - To allow electors to raise questions about the accounts and to consider objections
    - Where appropriate, to consider the issue of a report in the public interest and to make a written recommendation to the authority.
    - Where appropriate, to apply to the court for a declaration that an item is contrary to law.
    - Where appropriate, to consider whether to issue an advisory notice or to make an application for judicial review.
- 9.12 In relation to the HDV, BDO have stated they will review the Council's work to address identified issues and to ensure appropriate plans around governance, performance management and risk management are in place. This review will form part of their normal annual duty to review the arrangements for the "proper use of resources" of the Council and will be reported in the Audit Completion Report presented to the Corporate Committee in September.
- 9.13 Evidence gathering by the Panel confirmed that the external auditor has held initial discussions about the HDV with the Council's officers, and has asked a number of questions regarding the availability of information used to inform decisions on the HDV. Toward the end of evidence-gathering, the Panel learned of a commitment that this review would be sufficiently progressed to allow concerns to be raised before the intended date for Cabinet's decision on the HDV proposal.
- 9.14 In addition to work taking place as part of the annual audit, the external auditor was also considering, under its additional powers and duties, a number of issues that have been reported to them by local residents.
- 9.15 In the event that the external auditor raises significant concerns with regard to the HDV, these will be discussed with Council Officers with a view to addressing them. However, as noted above, the External Auditor has a number of options available to them, under the Local Audit and Accountability Act, should these be required.

- 9.16 Given the potential risks posed by the HDV, the Panel are concerned findings from the external auditor may not be fully available before Cabinet is asked to establish the HDV, and its first set of business plans.
- 9.17 The Panel also received an update on the work of internal audit. The Panel was reminded that internal audit provides independent and objective assurance to the Council, its members, the Chief Executive and Senior Leadership Team and to the Chief Financial Officer to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 9.18 Internal audit needs to comply with the statutory [2013 UK Public Sector Internal Audit Standards \(PSIAS\)](#). For 2017/18 a full 30 day internal audit programme has been agreed and a draft project plan agreed. This is based on undertaking the following:
- Some high level assurance and advisory work regarding the planned governance of the HDV project and how risk is being identified, managed and communicated
  - A review of the proposed governance arrangements and testing the controls and mitigations in place to manage the identified risks if/when the approval to establish the HDV has been obtained
  - Some operational risk based systems audits, focused on the achievement of business objectives within governance processes embedded by management.
- 9.19 Evidence gathering by the Panel also confirmed that the focus, number and timing of audits (within the 30 day programme) undertaken on the HDV will be determined by risk assessment if/as the HDV is progressed. Additional days of audit will be provided if risk assessments, or outcomes from early review work demand it.
- 9.20 Whilst a draft project plan has been agreed, the Panel understands that at present, it is anticipated that internal audit will not report the outcomes of its initial work to Corporate Committee until 25<sup>th</sup> July. The timing of this report concerns the Panel as the audit report will be presented subsequent to the Cabinet meeting on 3<sup>rd</sup> July where a decision to establish the joint venture will be taken. As a result, the Panel believe the internal audit report should precede any final decision on the HDV. In addition, the Panel would like to see further information on what the 30 day programme of internal audit will entail.

**Recommendation 3**

**No decision should be taken** to establish the joint venture until:

- The Council’s External Auditor has reviewed concerns, including those referred to them, relating to the HDV. Findings should be published (with actions to mitigate any risks set out and followed up) and considered by Corporate Committee.
- Corporate Committee has considered the outcomes of the initial work that has been undertaken by internal audit concerning the HDV.

**Recommendation 4**

Any final approval to establish the HDV by Cabinet must be accompanied by a robust set of measures to audit the work of the joint venture on a continuous basis. This must include a detailed plan of how the 30 days per year of the internal auditor looking at the HDV will be spent.

- 9.21 Should the Cabinet decide to approve the legal documentation to establish the HDV the Panel sets out further recommendations (sections 10–24), concerning its design and operation, to ensure transparency and accountability.

**10. Officer Capacity and Equality of Partnership**

*“The business plans of the HDV will provide the opportunity for the Council to enshrine its objectives into the sites and vehicle.”*

Page 6, HDV Business Case, October 2015

- 10.1 On the issue of risk, concerns have been raised about whether the 50:50 arrangements constitutes an “equal partnership”, and therefore whether the council’s objectives are achievable, especially as *“commercial interest will no doubt conflict with the council’s motivations at times”* (Prof Loretta Lees, Leicester University).

*“The people on the other side of this transaction do this sort of thing every day (think PFI). Officers in Haringey and Councillors do not. However exciting a piece of work this is, there is a need to step back and actually ask yourself are you well equipped to negotiate and manage a deal with partners who have such an advantage with respect to their level of competency and experience.”*

Justin Guest, Local Resident and Risk Specialist

- 10.2 One way of addressing this is to ensure there is sufficient senior officer capacity so the Council’s interests can be properly managed. This was highlighted by Cllr Ed Turner, Deputy Leader, Oxford City Council, based on his experience from various partnership development schemes:

*“Commitment of sufficient senior officer capacity (and of course strong relations with elected members) is vital. If there is insufficient officer resource to support the Board, the council’s interest could slide, and very full engagement (along with officers doing the ‘day job!’) is essential.”*

- 10.3 Similar issues were raised by other witnesses, especially as at the start of this scrutiny inquiry much needed to be resolved in negotiations with Lendlease, the preferred partner. Evidence submitted by Pete Redman, Associate Centre for London, highlights that *“the details of risk mitigation, and projected returns, in the final document should be “tested to destruction”, possibly with a further stage by this Scrutiny Committee as part of that process”*.
- 10.4 The Panel feel strongly that capacity issues need to be addressed before Cabinet is asked to establish the HDV. Further comments relating to risks associated with officer capacity, and whether a 50:50 arrangement constitutes an “equal partnership” in reality are set out in Appendix 2.

**Recommendation 5**

To address concerns raised by expert witnesses, and by Panel members themselves, about whether the 50:50 arrangements constitutes an “equal partnership”, and therefore whether the council’s objectives (policy framework/corporate plan) are achievable, the Head of Paid Service must ensure there is sufficient officer capacity to support the Council with its engagement with the HDV. This must be guaranteed, and outlined, before Cabinet is asked to establish the HDV.

**11. Due Diligence**

- 11.1 Due diligence is central to the issue of risk and risk management. However, as highlighted by questions raised by Justin Guest, a local resident and risk specialist, it is unclear to the Panel whether a full due diligence has been undertaken:

*“I see no discussion... on how (due diligence) is to be carried out (and indeed, if any proper (due diligence) has been carried out and by whom.)*

*“Normally in a situation like this there is a rigorous (due diligence) process that looks at all aspects of the process by professionals (with insurance to back up their advice and work) and not (with the greatest of respect) an amateur Scrutiny Panel.*

*“Who has looked at this and torn it to pieces to work out where this whole thing breaks?”*

- 11.2 Similar concerns were highlighted by the Panel during their earlier investigation. Whilst it is acknowledged this may be due to how information on the HDV has been presented, a number of issues remain unclear.

**Recommendation 6**

To ensure clarity, details of the due diligence process for establishing the HDV, and its first set of business plans, should be included in the HDV Cabinet report. This should include clear, comprehensive information on the work that has been carried out, by whom, and steps that have been taken as a result.

**12. Financial Modelling**

- 12.1 The Panel heard evidence from officers who stated that the HDV will be constituted as a Limited Liability Company and as such is required to comply with the Companies Act 2006 as it refers to the delivery of annual statement of accounts. The statement of accounts will be completed by appropriately qualified accountants and the accounts will be subject to external audit to ensure that they show a true and fair view of the financial situation. The annual statements will be presented to the Board. In addition to these normal safeguards around financial integrity, the HDV will employ independent cost accountants who will ensure that the costs applied in business cases represent good value to the HDV.
- 12.2 The nature of the financial flows to and from the HDV are complex in nature and the Council is in the process of assessing the financial skills it will need on the Council's client side to capture the complexity within the Council's and Homes for Haringey accounts.
- 12.3 From the evidence received, the Panel believe that **short-term** liabilities (i.e. the bills and invoices of all description that would come from Lendlease and be charged to the joint venture) would appear to be matched, or netted-off, against the Loan Note, a **long-term** asset of the HDV. Officers should provide clear and transparent information on how this will work to protect Haringey's interest and this should be done prior to any contract with Lendlease being signed.

**Recommendation 7a**

Information on what the Balance Sheet will look like on Day One, including the short- and long-term assets and liabilities, should be included in the HDV Cabinet report. To ensure clarity, it is recommended that a model balance sheet is included to illustrate what the basic HDV financial structure will look like.

**Recommendation 7b**

In addition:

- i. The updated HDV Balance Sheet, including any major changes to assets or liabilities, should be reported quarterly to the Housing and Regeneration Scrutiny Panel.
- ii. Management Accounts for the HDV should be reported quarterly to the Housing and Regeneration Scrutiny Panel.

- 12.4 The issue of what the two partners commit to the HDV is central to managing financial risks to the Council. The Panel heard evidence regarding this, for example from Professor Steve Jefferys (see Appendix 2i), which is reflected in the recommendation below.

**Recommendation 8**

The legal framework for the HDV must include binding guarantees in relation to dispute resolution mechanisms and, in order to reduce financial risk, the legal framework for the HDV must allow the Council (giving six months notice) to withdraw from the HDV every five years and without any compensation to be paid to Lendlease or to its subsidiaries or staff, and with the whole property portfolio being transferred back to Haringey.

**13. Governance Risk**

- 13.1 Whilst the Panel's earlier investigation focused primarily on governance, during this review the scale and ambitions of the HDV were highlighted, leading to further discussions about the importance of HDV decision-making. The statements below were of particular interest:

*"Find good people to be ... Board members. These should be skilled people with experience and business acumen. These are not representative roles and need not be officers or members. They will have duties to the (HDV), and will be accountable to the Borough through appointment or removal by the Borough. Keep your very best most senior people in a Borough only role, overseeing the work of (HDV) Board members, and to act in extremis if necessary."*

Pete Redman, Associate, Centre for London

*"It strikes me you need someone with commercial experience of these structures acting for the council to make sure you get a good deal. I would not leave this to officers who have little or no experience of how the real (commercial) world works."*

Justin Guest, Local Resident and Risk Specialist

- 13.2 With this in mind, the recommendation below has been put forward to address these concerns.

**Recommendation 9**

A professional independent advisor should be appointed, by the Council, to sit on the HDV Board to ensure Haringey board members have a clear understanding of the matters put before them and the implications of any decision made by the board, to allow them to act in the best interest of the Council and local residents. This advisor would not be voting but would have full access to information and be able to input and participate at board meetings.

**14. Project Management**

- 14.1 As highlighted by the interim scrutiny report on HDV governance there are opportunities and strengths within the HDV proposal and, on the other hand, risks and weaknesses.
- 14.2 With this in mind the importance of successful project management, including independent external evaluation and feedback, was highlighted. In particular, the OGC Gateway methodology was considered by the Panel as a means of managing risks. This is a process that examines programmes and projects at key decision points in their lifecycle and is recognised as best practice in central government, where it is mandatory, the health sector and local government.
- 14.3 Underlying the OGC Gateway process is a set of guiding principles. These are applied by all Gateway users to maintain standards and are applicable to a range of programmes and projects, including:
- policy development and implementation
  - organisational change and other change initiatives
  - acquisition programmes and projects
  - property/construction developments



- IT enabled business change
- procurements using or establishing framework arrangements

- 14.4 OGC Gateway Reviews deliver a "peer review" in which independent practitioners from outside the programme/project use their experience and expertise to examine the progress and likelihood of successful delivery of the programme or project. The review uses a series of interviews, documentation reviews and the teams experience to provide valuable additional perspective on the issues facing the project, and an external challenge to the robustness of plans and processes.
- 14.5 Successful project management provides an important vehicle for the delivery of local outcomes. Good and effective management and control of programmes and projects is, therefore, essential to the successful delivery of local objectives. The OGC Gateway Process is designed to provide independent guidance to ensure programmes and projects are delivered.
- 14.6 Given the HDV *"model is unproven, and the scale at which Haringey is undertaking it is unprecedented"* (Prof Lees, Leicester University) the Panel hope the recommendation below will be taken forward, ideally before a decision is taken.

**Recommendation 10**

Cabinet should invite and establish a Gateway Review (using OGC methodology) to deliver a "peer review" in which independent practitioners from outside the project use their experience and expertise to examine the progress and likelihood of successful delivery of the project. Ideally this should happen before a decision is taken to establish the HDV.

**15. Ensuring Transparency and Probity**

- 15.1 During evidence gathering, Professor Steve Jefferys, Emeritus Professor, London Metropolitan University, provided a critical analysis of Joint Private-Public 'Special Purpose Vehicles', highlighting the importance of transparency and probity. In view of this evidence, attached in full at Appendix 2i, the following recommendation has been put forward in order to protect the council's commercial interest.

**Recommendation 11**

To ensure probity, and to protect the council's commercial interests, the legal agreement to establish the HDV should contain a commitment from Lendlease not to recruit any Haringey Council employee/Councillor/consultant who has worked for Haringey on the HDV over the past 3 years (2015-2017). Furthermore, neither should Lendlease provide such individuals with any payment or service or benefits for a period of five years from the date of establishing the joint venture. This should include any company that is a subsidiary company of Lendlease.

Exclusivity and Value for Money Requirements

- 15.2 As set out in the Approval of Preferred Bidder for the HDV Cabinet Report (14<sup>th</sup> February 2017):

*“The recommended preferred bidder is Lendlease on the basis that this bidder received the highest overall score across all the criteria from the Evaluation Panel, and satisfied the minimum (or “floor score”) requirement across all five criteria set out...”*

15.3 A key element of the preferred bidder’s proposal, set out in section 6.38 of the Cabinet report, is *“a construction exclusivity, whereby the preferred bidder’s construction arm will be guaranteed a proportion of construction contracts, subject to satisfying value for money requirements”*.

15.4 This element of the proposal raised concerns during the Call-In meeting, held by the Overview and Scrutiny Committee on 2<sup>nd</sup> March 2017. These concerns, and Cabinet’s response to recommendations, are set out in the minutes (web-links below) from each meeting:

[Call-In: Recommendation of a Preferred Bidder for the HDV \(OSC, 2<sup>nd</sup> March 2017\)](#)

[Recommendation of a Preferred Bidder for the Haringey Development Vehicle – Outcome of Call-in to Overview and Scrutiny Committee \(Cabinet, 7<sup>th</sup> March 2017\)](#)

15.5 Matters relating to exclusivity and value for money requirements remained a key line of enquiry during this review. In view of the issues highlighted by the Overview and Scrutiny Committee in March, the statement below was of particular interest:

*“At one point in the publicly available papers the benefits of guaranteed future work for the (joint venture) is mentioned; elsewhere there is emphasis that future work “may” be transferred to the (joint venture). There should be no open promise of future work. The Borough should assess the proposal for each project in advance and then decide whether it is suitable for the HDV. The partner’s role (as distinct from the joint venture) will vary with each project, or type of project. There is no single % of exclusivity for the partner that is right for all projects and the % for each should be decided as part of that project’s business plan before transfer to the (joint venture).”*

*Pete Redman, Associate, Centre for London*

**Recommendation 12**

The overarching agreement with Lendlease, to establish the HDV, should not contain an exclusivity percentage. Any exclusivity percentage should only be applied on a site by site basis following consideration of value for money and an appraisal of likely costs for each project.

HDV Relationship with the Local Planning Authority

15.6 The Leader of the Council appointed the following Members to her Cabinet, with effect from 22 May:

Cllr Ejiofor	Deputy Leader and Cabinet Member for Customer Services
Cllr Ahmet	Cabinet Member for Environment
Cllr Arthur	Cabinet Member for Finance and Health

Cllr Ayisi	Cabinet Member for Communities
Cllr Demirci	Cabinet Member for Corporate Resources
Cllr Goldberg	Cabinet Member for Economic Development, Social Inclusion and Sustainability
Cllr Strickland	Cabinet Member for Housing, Regeneration and Planning
Cllr Vanier	Cabinet Member for Adult Social Care and Culture
Cllr Weston	Cabinet Member for Children and Families

- 15.7 The information above is noted. However, it was apparent, from the interim scrutiny report on governance, that there should be clear lines of separation between the Local Asset-Backed Vehicle (LABV), the Local Authority and the Local Planning Authority. This is because although an LABV may be partly owned by a Local Authority, in terms of any planning application and development process it should not receive, or appear to receive, any preferential treatment in the planning process, like any other applicant.
- 15.8 It was evident that other local authorities had sought to remove any ambiguities or perceptions about potential perceived conflicts that the LABV may have with the Local Planning Authority. While planning is a non-executive function, the member of the executive has lead responsibility for matters of planning policy.
- 15.9 *“The arrangements for the governance of the vehicle itself – covering matters such as the constitution of the Board, the decisions reserved to members of the company, the arrangements for resolving deadlocks etc. – will be set out in the Members’ Agreement and other legal documents which have been negotiated during procurement dialogue and which will be finalised with the preferred bidder before being presented to Cabinet for approval” (Approval of Preferred Bidder for HDV, Cabinet, February 2017).*
- 15.10 Within this framework, *“Board Members and voting rights are split 50/50 between both partners.... the Council will nominate 3 Board members, two officers (yet to be determined) and one Member (yet to be determined).” (Interim Scrutiny Report on HDV Governance, January, 2017).*
- 15.11 In terms of the proposed delegated decision schedule, decisions will either be made by the HDV or reserved to partners (the Council and Investment Partner). The following provides a summary of the division of decision making within the proposed HDV:

<b>The Council as partner</b>	<b>The HDV</b>
<ul style="list-style-type: none"> <li>• Approves Business Plans (including variations/reviews) and authorises new sites</li> <li>• Approves terms of development and management agreements</li> <li>• Makes decisions on reinvestment of dividends</li> <li>• Resolves Board deadlock in collaboration with private sector partner</li> </ul>	<ul style="list-style-type: none"> <li>• Decides how to deliver Business Plans’ high level outcomes</li> <li>• Proposes further sites and initiates Business Plans for them</li> </ul>

- 15.12 In this context, the Panel remains concerned that the Cabinet Member for Housing, Regeneration and Planning could be a potential representative of the Council on the HDV Board, which may give rise to some ambiguity as regard to planning process given their oversight of the planning function as well.
- 15.13 The following recommendation was put forward in January, and the Cabinet response noted.

<i>Response to the Interim Scrutiny Report on HDV Governance</i>		
<b>Recommendation 12</b> To remove any ambiguity between the roles of the HDV with that of the Local Planning Authority, it is recommended that the Cabinet responsibility for each is disaggregated and allocated to separate members.	<b>This is accepted.</b> Whilst the Cabinet Member for Planning is not part of the local planning authority, Cabinet responsibility for Planning will not sit with the member or members that are nominated to the Board of the HDV or with a member who has lead responsibility for the relationship with HDV.	Leader of the Council  Summer 2017

- 15.14 In view of the recent Cabinet reshuffle (above) the Panel are unclear whether this response has been taken forward at this stage. With this in mind, the Panel agreed a further recommendation was needed. It is hoped the Cabinet responsibilities will provide clarity moving forwards.

<b>Recommendation 13</b> In view of the interrelationship between Regeneration, Planning and the HDV, the Leader of the Council should ensure responsibility for Regeneration and the HDV are set out in the same portfolio. In addition, and following Recommendation 12 of the interim scrutiny report on governance, in order to remove any ambiguity concerning responsibilities for Regeneration and the HDV with that of the Local Planning Authority, it is recommended Cabinet responsibility for Regeneration and Planning is disaggregated and allocated to separate members.
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## 16. Advancing Equality

- 16.1 One of the reasons cited for the Preferred Bidder Call-In<sup>4</sup> *“included: a failure to undertake proper Equalities Impact Assessments, potentially meaning the decision may well breach the Council’s public sector equalities duty...”* (Minutes, Overview and Scrutiny Committee, 2<sup>nd</sup> March 2017).
- 16.2 However, as set out in the Cabinet reports considered on 14 February and 7 March, and highlighted at the Call-In meeting itself, the recommendations to Cabinet expected in July 2017 – to establish the HDV, and to agree the first set of business plans – will be accompanied by full Equality Impact Assessments.
- 16.3 The potential impact of the individual business plans is likely to be greater than that of the decision to establish the HDV. At present, these business plans, and

<sup>4</sup> <http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&MId=8162&Ver=4>

the final terms of the HDV's establishment, are still in development. However, the evidence presented to the Panel highlighted that many opportunities existed to help address inequalities. For example:

*"Growth in housing supply, of all tenures, and extra resources for targeted services, will provide a positive step to address inequality."*

Pete Redman, Associate, Centre for London

*"...Seeing developments progress in a timely fashion and with replacement of social rented housing should have positive equalities impact, as would any provision of training and apprenticeships."*

Cllr Ed Turner, Deputy Leader, Oxford City Council

16.4 The Council is exploring how best to embed equalities into the governance of the HDV to ensure due regard is given to the Public Sector Equality Duty. As set out in Section 26, this will include full Equality Impact Assessments being considered by Cabinet in relation to all future business plans and any other decision made by the Council related to the HDV.

16.5 The impact of the HDV on the Council's Commercial Portfolio, including the impact on the current businesses and those who work in them was also a key line of enquiry. The following comments were made during evidence gathering:

*"Commercial property leases offer a fair balance between the interests of the tenants and landlord, and there is a well-tested framework for compensation. Transfer to the HDV does not change these."*

Pete Redman, Associate, Centre for London

*"Our Oxpens project is a mixed-use development and we see no issues here. We...always look for trading and business opportunities for council services, while accepting these have to be competitive."*

Cllr Ed Turner, Deputy Leader, Oxford City Council

16.6 The evidence presented by Council Officers also made clear *"with leases simply transferring from the Council to the HDV, with no change, the impact of the transfer itself on current businesses will be negligible. Any impacts following transfer would arise from the management regime to be agreed in the business plan for the portfolio (which is still under development, and subject to approval by Cabinet in summer 2017) and from the HDV Board's implementation of that business plan over time."*

Project Team Scrutiny Briefing

16.7 Despite these reassurances, the Panel still has particular concerns and are keen that all opportunities are taken to address inequality. This is particularly true for the Commercial Portfolio tenants, who the Panel understand have only received limited information on the HDV. To support these efforts to address inequality, the Panel recommend further work in these areas be undertaken by an independent external advisor.

**Recommendation 14**

No decision to commit any site should go ahead without a full and detailed equality impact assessment on each site. This work should be commissioned

and completed independently, in order to demonstrate sufficient separation to the overarching Overview and Scrutiny Committee who should oversee this.

#### **Recommendation 15**

Given that the commercial portfolio would transfer immediately after establishing the HDV, a full and detailed equality impact assessment should be undertaken before the portfolio is transferred. If time allows, this should be undertaken by an independent external advisor. The final list of commercial properties proposed for transfer should be made public. The impact on the HRA should be quantified and made transparent as part of that listing.

### **17. Residents' Rights**

- 17.1 The provision of housing, particularly to vulnerable members of society, is one of the most important responsibilities for a local authority. The Panel is particularly mindful of the anxiety and concern of residents of housing estates expected to be transferred to the vehicle.
- 17.2 To assist the Cabinet in allaying these concerns, and mindful that the assets that comprise the Council's main stake in the Vehicle are largely residents' homes, the Panel would suggest the following commitments be made by Cabinet in advance of the final decision to establish the HDV.

#### **Recommendation 16**

To ensure **residents' rights** are protected, a set of formal policy documents should be drafted specifically related to the rights of tenants and leaseholders living in properties to be transferred to the HDV. These policies must establish and set out firm and transparent criteria and principles regarding residents' rights, including:

- a. That a clear, legally enforceable, commitment be made to council tenants to be re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice.
- b. To protect homes for future generations of Haringey residents, the right-to-buy scheme should not be offered on replacement homes built by the development vehicle.
- c. In developing HDV tenancy and evictions policies, strong safeguards should be put in place to protect vulnerable tenants from eviction.
- d. That overcrowded tenants be offered a replacement property of a size that meets their needs.
- e. That robust and meaningful resident consultation be guaranteed, with a commitment that sites can only be transferred to the HDV once full resident consultation, has taken place. As part of the consultation process, the difference between refurbishment and demolition should be made clear with a clear choice of regeneration or renewal being stated

i.e. not everything needs to be demolished.

- f. There should be a Ballot of tenants and leaseholders as part of the consultation process and that the Council should provide the evidence to residents that it is beneficial for sites to be transferred to the HDV. *(This recommendation was not agreed by all Panel members)*
- g. Resident leaseholders should be provided with a package of support, including independent legal advice regarding their position, so they don't lose out when their property is subject to CPO.
- h. A clear policy should be set out to protect residents from onerous leasehold terms and escalating ground rents. In developing this policy, it is recommended consideration be given to Nationwide Building Society's new valuation policy for new build leasehold properties<sup>5</sup> ([available here](#)).

#### **Recommendation 17**

That a Residents' Charter, setting out the expectations of Northumberland Park residents (or any other affected estate), written by the residents themselves, be adopted by Cabinet to give a clear public commitment to meeting the ambitions of tenants and resident leaseholders.

### **18. The Provision of Affordable Housing**

18.1 The Panel heard about development schemes elsewhere in London that had not produced the levels of affordable housing originally promised, and had led to development far beyond the budgets of residents prior to development. This is a particular concern for the HDV, given it will focus development in areas and sites of high concentration of affordable and social housing, which if transferred for redevelopment may reduce the supply and the proportion of social and affordable housing.

#### Viability Assessments

18.2 A key contributor to this shortcoming was the failures of the 'viability assessment' process with developers able to renege on previous commitments by arguing that it would be financially unviable for them to build the numbers of affordable housing agreed at the outset.

18.3 The Panel was particularly interested in evidence submitted by 35% Campaign, concerning developers, financial viability and regeneration at the Elephant and Castle in Southwark<sup>6</sup>. The Panel heard from one witness who had subsequently obtained a redacted copy of the viability assessment, which exposed flaws in the viability process and raised serious questions about its legitimacy.

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<sup>5</sup> <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/press-releases/archive/2017/5/05-protect-homeowners>

<sup>6</sup> Evidence submitted by Jerry Flynn, 35% Campaign (Appendix 2j)

- 18.4 In terms of the HDV it is recognised that the viability assessment would be brought forward by the 50:50 owned joint venture rather than the developer acting independently. This should be seen as an opportunity for utmost transparency and accountability. To ensure this the Panel recommend that the HDV's viability assessments are made public in full with no redactions.

**Recommendation 18**

The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV incorporate **important protections for the provision of affordable, and target rent social housing**, including:

- a. That the development vehicle be bound by Haringey's planning policy requiring at least 40% affordable housing and the Council should seek to use profits from the vehicle to boost affordable housing and target social rented numbers.
- b. Contractually making sure that target rent social homes are not transmuted into affordable rent homes.
- c. There should be no loss of target rented social housing – that is housing which was, prior to any demolition, council housing. Any new developments must reprovide – at minimum – an equivalent number of target rented homes on the same rents (without service charges) and security of tenure. The basis for calculating the number of such social target rent homes to be reprovided should be the number of council homes and leasehold properties on any estates before any people accept alternative accommodation i.e. the position at the start of any community engagement and consultation.
- d. All HDV viability assessments should be made public in full with no redactions.

- 18.5 The Panel heard compelling evidence from Cllr Ed Turner, Deputy Leader, Oxford City Council. He described various regeneration schemes which provided new homes for local people. This evidence, set out in Appendix 2c, provides the context for the recommendation below. During evidence gathering, the Panel was also made aware of many other wholly-owned housing companies established by local authorities across the country.

**Recommendation 19**

Consideration should be given to establishing a wholly council-owned housing company to purchase and manage HDV affordable homes and target rent social homes. This will ensure that there will be no reduction in homes wholly owned and managed by the council.

**19. Mixed Communities**



- 19.1 The Panel heard interesting evidence on how development can encourage or inhibit mixed communities, for example:

*“Policy makers everywhere accept uncritically mixed communities policies in the face of evidence which suggests they will not be successful in terms of social inclusion or reducing poverty and will lead to significant gentrification”*

Bridge et al (2012) Mixed Communities, Gentrification by Stealth

- 19.2 The renewal of Haringey’s council estates through the HDV is underpinned by the idea of mixing tenures in newly built mixed communities in order to:

*“Deliver economic growth and provide new housing on the scale required, the Council has to use its own landholdings. Estate renewal on the Council’s large and medium sized estates also provides a major opportunity to increase the number of homes, to improve the mix of tenures and sizes and to address the condition of the housing stock.”*

*“Achieve estate renewal by intensification of land use and establishment of a range of mixed tenures, together with tenure change across the Borough where appropriate. To secure wider social and economic benefits in areas affected, including community facilities, skills and training, health improvement or crime reduction for the benefit of existing residents.”*

Prof Loretta Lees, Leicester University

- 19.3 *“Yet mixed communities initiatives have been found, after extensive academic and policy research, both in the UK and the US, to produce gentrification and the displacement of public housing tenants. Current plans to redevelop council estates in Haringey will not only displace tenants from their homes but it also goes against the idea of the social (and economic) sustainability of cities (as is embedded in the London Plan and national urban policy).”*

Prof Loretta Lees, Leicester University

- 19.4 During the course of the review, the Panel received a wide range of evidence concerning mixed tenure council estate regeneration policies in London. This included information on the Aylesbury and Heygate estates in Southwark, the Ferrier estate in Greenwich, and Woodberry Down estate in Hackney.

**Table 3 – Main lines of criticism<sup>7</sup>**

- *“Most mixed community policy is one-sided – seldom advocated (or implemented because of land costs) in wealthier neighbourhoods.”*
- *“In terms of claims of greater social interaction, social capital – that there is little evidence that people from diverse backgrounds ‘actually mix’ - DCLG (2010) research also no evidence more social interaction - assumptions that physical proximity leads to closer social ties – is challenged in work of Butler and Robson (2003) on Brixton – incoming middle classes attracted by idea of diversity but no evidence social interactions – or Davidson’s (2010) research on socially mixed neighbourhoods in the redevelopment of riverside in London by major developers – which highlights high levels of segregation, gated developments and new residents in privately owned housing not seeing ‘the local area as offering appropriate or desirable retail, public, social and leisure facilities’ and instead gravitating towards central London and spending their money and leisure time elsewhere – little investment in surrounding neighbourhood.”*
- *“That mixed communities policies tackle the symptoms of poverty and inequality and not the causes (Cheshire. 2007) – mixed communities policy cannot reduce deprivation – statistics may show an increase in educational attainment, in income levels – but this reflects the composition of the incoming residents not any improvements in economic circumstances of existing residents.”*
- *“Cheshire (2007) disputes the view that ‘making communities more mixed makes the life chances of the poor any better’ - low income people can benefit from living in low cost areas.”*
- *“Successful at improving ‘place poverty’ not ‘people poverty’.”*

19.5 In addition, the evidence presented to the Panel highlighted key concerns in relation to the displacement of low income residents, gentrification of council housing estates and the loss of social housing.

19.6 A number of these concerns have been addressed elsewhere in this report. However, to ensure the model pursued by the HDV promotes genuine social integration, the Panel has put forward a number of additional recommendations. These are based on the lessons and safeguards from other council housing estate regeneration developments.

19.7 Further evidence is attached at Appendix 2, especially the submissions from Professor Loretta Lees, Dr Jane Martin, and 35% Campaign.

<sup>7</sup> Dr Jane Lewis, London Metropolitan University (Appendix 2f)

**Recommendation 20**

Given that the HDV will operate in line with Haringey's Housing Strategy the mixed communities model pursued by the HDV, with mix-tenure housing built in the same locality, must be underpinned by genuine social integration. Safeguarding for achieving this should include:

- a. Social housing must be of the same standard as private housing
- b. All new build of all tenures should be pepper potted, with no "poor door" arrangements
- c. A retail offer which reflects the needs and wishes of all residents rather than aimed at just higher-income residents
- d. Leisure amenities must be equally accessible to private and social tenants
- e. Blocks of private flats should not be gated

**20. Estate Regeneration/ Development Best Practice**

- 20.1 In the course of its work, the Panel heard extensively of different case studies of estate regeneration, which is an aim of the HDV proposal. With the aim of assisting Cabinet by referring to good practice elsewhere, and to help ensure the HDV accomplishes its aims, the Panel has the following suggestions for commitments prior to any final decision on the HDV.

**Recommendation 21**

The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV reflect **estate regeneration / development best practice**, including:

- a. There should be no building on Metropolitan Open Land.
- b. Good practice guidance, published by the Mayor of London on estate regeneration, should be complied with.
- c. There should be a suitable proportion of homes built to comfortably accommodate people with disabilities and all properties should be built to Lifetime homes standards.
- d. All building work by the HDV should be done to Passive House or Code 6 energy efficiency standards.
- e. Priority in all development design and building contracts should be given to sustainable housing contractors
- f. Ensuring all contracts engaged in by the HDV with third parties are awarded by transparent competitive tender.

- g. Arrangements being put in place with the construction subsidiary of Lendlease to provide local employment and training opportunities; particularly in respect of equalities groups, including job support and training for disabled people.
- h. To ensure the HDV provides decent jobs, preference in all subcontracts on HDV developments should be given to firms:
  - o Where apprentices are training for a Level 3 qualification and constitute 10% of the firms workforce.
  - o That are approved by the South-East Region TUC (SERTUC) as a good reputation concerning blacklisting, health and safety and have a trade union recognition agreement and comply with existing construction industry collective agreements.
  - o Where workers are all directly employed with CSCS cards and have recognised skill qualifications.
- i. No HDV or sub-contractor employee should be paid less than the London Living Wage.

## 21. Overseas Buyers

*“Earlier this year (2016), the Guardian revealed how a 50-storey block of 214 luxury apartments by the river Thames in Vauxhall was more than 60% owned by foreign buyers. In one of the starkest examples of the impact of foreign investment, it found that a quarter of the flats were held by companies in secretive offshore tax havens, and many were unoccupied<sup>8</sup>.”*

The Guardian, 30<sup>th</sup> September 2016

- 21.1 Throughout the course of this review, the Panel’s evidence gathering highlighted real concerns, across London, about the number of homes being bought by overseas investors and the impact this is having on housing costs, gentrification and the scale of “buy-to-leave”.
- 21.2 A recent Transparency International report<sup>9</sup> notes *“price rises consistently outstrip wage increases, dozens of prospective buyers compete for a shrinking pool of affordable stock whilst rent prices rise even higher... As a consequence, it is becoming more difficult to afford to stay in London for average people, with the Government admitting the UK housing system was “broken” in February 2017<sup>10</sup>. In response to this housing crisis the Mayor of London, Sadiq Khan, has launched an investigation into overseas investment*

<sup>8</sup> <https://www.theguardian.com/cities/2016/sep/29/london-mayor-sadiq-khan-inquiry-foreign-property-ownership>

<sup>9</sup> <http://www.transparency.org.uk/publications/faulty-towers-understanding-the-impact-of-overseas-corruption-on-the-london-property-market/>

<sup>10</sup> <http://www.bbc.co.uk/news/uk-politics-38884601>

*into the property market to assess its scale and whether it is a contributory factor to the capital's housing issues."*

- 21.3 The research by Transparency International also revealed that 100% of the 51 apartments at South Gardens, a flagship development at Elephant Park, replacing the now-demolished Heygate Estate, were sold to overseas investors. Evidence from Jerry Flynn, 35% Campaign, highlighted that many residents that had bought their council homes under the right-to-buy scheme in the 1980s were forced to leave the Elephant and Castle area as new properties on offer were far beyond the compensation they were given, which could be as low as £80,000<sup>11</sup>. Evidence received by the Panel showed prices at Elephant Park start at £569,000 for a studio flat and go higher than £1 million, meaning homes are out of reach for those on the average Southwark wage of £34,139. The homes on offer in the new development were being marketed as assets to global investors with adverts seen in China, Malaysia and Hong Kong<sup>12</sup>. Due to these high prices and extensive marketing, sales of homes in the development have been dominated by overseas investors.
- 21.4 The issues outlined above are a concern. As a result, the Panel hope that findings from the GLA's research will improve understanding of the role of overseas buyers in the London property market in order to inform how the HDV would manage the uptake of the new housing it seeks to provide.

**Recommendation 22**

The HDV must use all measures available, including any changes to national/regional policy, to enable homes built by the HDV to be only sold to UK residents, with priority given to Haringey residents and those with a local connection to Haringey (not overseas buyers).

**22. Property Management**

HDV Relationship with Homes for Haringey

- 22.1 Various issues in relation to the Housing Revenue Account and Homes for Haringey have been considered and recommendations were put forward in January as part of the interim scrutiny report on HDV governance.

<i>Response to the Interim Scrutiny Report on HDV Governance</i>		
<p><b>Recommendation 13</b> Given that the HDV will be delivering the regeneration of local estates managed by the ALMO it is recommended that:</p> <p>(i) there should be an alignment of the business plans of the two</p>	<p><b>This is accepted.</b> Close collaboration between Homes for Haringey and the HDV will be essential, from strategic planning right through to day-to-day operations. This will indeed be particularly important in the lead-up to any decision to transfer a site currently managed by Homes for Haringey, but will be equally</p>	<p>Director of Housing and Growth</p> <p>Ongoing</p>

<sup>11</sup> <http://www.standard.co.uk/news/london/residents-of-the-heygate-estate-forced-to-move-out-of-london-8743216.html>

<sup>12</sup> <http://www.independent.co.uk/news/uk/home-news/end-of-an-area-for-notorious-heygate-estate-social-housing-gives-way-for-high-rise-in-prices-8929998.html>

organisations to ensure that there is strategic and structured process through which sites best suited for regeneration are transferred to the HDV;	important in other areas of joint work, for example in managing housing estates where multi-phase estate renewal is underway and in managing blocks containing both Council-owned homes and HDV-owned commercial properties. Sites can and will only be transferred to the HDV once full resident consultation has taken place (and in accordance with the HDV documentation).	
(ii) Further clarification and reassurance is provided as to the position and future viability of the HRA once HRA land is drawn down in to the HDV.	<b>This is accepted.</b> The impact on the Council's Housing Revenue Account will have to be understood as part of any decision to transfer a site to the HDV. This will be set out as part of the financial implications in any Cabinet decision to transfer sites to the HDV, whether as part of the initial decision to set up the HDV (for the first phase of sites) or in any later decision to transfer further HRA sites to the HDV. It will in turn be reflected in the Council's HRA business plan.	Chief Operating Officer  Ongoing

- 22.2 The Cabinet response, highlighted above, is noted and moving forward it is recognised close collaboration between Homes for Haringey and the HDV will be essential, from strategic planning right through to day-to-day operation. With this in mind, the Panel has put forward an additional recommendation in this area to ensure all matters are properly considered.

### **Recommendation 23**

Given the number of housing estates already listed for transfer to the HDV, and the significant number of commercial properties paying rent to Homes for Haringey which are scheduled for transfer, we recommend that clear consultation with the board of Homes for Haringey is initiated forthwith. This would be to establish in detail the likely impact of the HDV on Homes for Haringey, the Housing Revenue Account and the Homes for Haringey repairs service and any other significant factors, e.g. impact on staffing, equalities, the impact on other estates and overall viability of Homes for Haringey and its in house services.

### Costs Incurred Preparing Sites for Transfer

- 22.3 In addition, there are further significant issues and costs relating to the transfer of council estates to the HDV. In order to prevent these costs falling to the

Council, with only a promise of repayment in the future when development costs are paid, the Panel recommends the following:

**Recommendation 24**

Both the revenue and the capital costs incurred by the Council and HFH in preparing any site for transfer to the HDV should be reimbursed to the Council and HFH at the date of the transfer. These costs incurred to commence from the date any site was identified as moving to the HDV until the actual legal date of its transfer to the HDV. For example, the revenue and capital costs would include all staff costs, all repair and capital costs involved in providing accommodation for residents decanted, all leaseholder costs, all legal costs and all disturbance costs to both residents and leaseholders. These costs listed are examples only, all other costs incurred should also be reimbursed.

Welfare Reform and Work Act 2016

- 22.4 Within its evidence gathering the Panel understood that the [Welfare Reform and Work Act 2016](#) and [amendment regulations](#) required registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015 to 2016 baseline and to comply with maximum rent requirements for new tenancies. This reduction also applies to affordable rented properties. With this in mind, the following recommendation has been put forward to assist with the regeneration of housing / estates across the borough.

**Recommendation 25**

The 1% rent reduction due as part of the government's 4 year rent reduction agenda should be appealed to the DCLG to be ceased for the Council and HFH properties within the HRA. The appeal to request exemption from any further rent reductions to enable the resultant extra rental income to assist with the regeneration of housing / estates.

Use of Right-to-Buy Receipts

- 22.5 The Council is currently handing a large amount of right-to-buy money back to the Government, due to the restrictions placed upon the council's use of these receipts. Only 30% of this income can be used to build new homes, meaning that 70% must be found elsewhere.
- 22.6 Legal opinion would need to be obtained as to whether the joint venture arrangement would fall within the permitted "body" definition of the right-to-buy regulations but also meet the other relevant criteria in relation to the provision of affordable housing. However, if this has not been considered within the current financial model then, if the legal view was that right-to-buy receipts could be utilised in this arrangement, in theory – and subject to agreement - this could provide subsidy within the financial model and potentially enable the provision of additional affordable social target rented housing.

**Recommendation 26**

That the Cabinet commit to exploring all options for using Haringey's right-to-buy receipts in conjunction with the HDV.

**23. Ongoing Democratic Control**

- 23.1 As the HDV proposals entail transferring the Council's assets to a joint venture, the Panel has concerns that this could entail a loss of accountability and democratic control over publicly-owned property. To help ensure there is an ongoing relationship to allow elected members to scrutinise decisions and reflect the interests of residents, the Panel has the following suggestions for commitments to be made prior to any final decision on the HDV.

**Recommendation 27**

The legal framework for the HDV must establish firm principles which would be binding on any development carried out by the HDV. Cabinet must ensure the following important protections **to guarantee ongoing democratic control** of major decisions:

- a. No scheme land transfer to take place without Cabinet approving the business plan which should 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 for development and an assessment of the key risks.
- b. Regular reports to Cabinet on the performance of the Haringey Development Vehicle, based on clear and robust key performance indicators. As set out in the interim scrutiny report (Recommendation 6), these should include: (i) Challenging targets for both revenue and capital growth from the management of the Council's commercial property portfolio; and (ii) Ambitious regeneration outcome targets to help improve the health, wellbeing, safety and life chances of those within regeneration areas (and beyond).
- c. Ward Councillors should be kept fully informed about specific proposals in their ward and a meaningful consultative structure established to ensure Ward Councillors are fully aware of, involved in, and able to influence the decision making process, and methodology, on any site decant and demolition.
- d. The HDV's Strategic Business Plan should be updated and presented to Overview and Scrutiny on an annual basis and senior HDV staff must be available to answer questions as required.

**24. Commitment to Ongoing Scrutiny**

- 24.1 Given the regeneration and development focus of the HDV will span a period of 15-20 years, with an option to extend thereafter, the importance of ongoing scrutiny was highlighted throughout. This builds on earlier recommendations put forward, such as ensuring Overview and Scrutiny has an opportunity, on an annual basis, to review the HDV's Strategic Business Plan and performance against it. This critical friend challenge is based on best practice highlighted by the Centre for Public Scrutiny:

*“Now, more than ever, we need trusted decisions. We believe that decisions are better made when they involve others, whether that's democratically elected*



*representatives, those affected by the decisions or other key stakeholders, including employees and partners.”*

Page 1, Centre for Public Scrutiny Strategy 2017-20

- 24.2 In addition, and in view of provisions already set out in the Council’s Rules of Procedure (Constitution, Part 4, Section G) the following recommendations have been put forward for consideration by the Overview and Scrutiny Committee.

**Recommendation 28**

The Overview and Scrutiny Committee must itself commit to ongoing scrutiny, possibly by setting up a separate HDV Scrutiny Panel.

**Recommendation 29**

An independent advisor with experience in finance, risk and partnerships should be appointed to assist the Committee/Panel with its scrutiny work.

**25. Contribution to strategic outcomes**

- 25.1 In agreeing a tight and focused scope, consideration was given to how this scrutiny review could contribute to strategic outcomes.
- 25.2 The recommendations outlined in this report relate to:
- Priority 4 of the Corporate Plan – “Sustainable Housing, Growth and Employment”
  - Priority 5 of the Corporate Plan – “Create homes and communities where people choose to live and are able to thrive”

**26. Statutory Officers Comments**

**Legal**

- 26.1 Under Section 9F Local Government Act 2000 (“The Act”), Overview and Scrutiny Committee have the powers to review or scrutinise decisions made or other action taken in connection with the discharge of any executive and non-executive functions and to make reports or recommendations to the executive or to the authority with respect to the discharge of those functions. Overview and Scrutiny Committee also have the powers to make reports or recommendations to the executive or to the authority on matters which affect the authority’s area or the inhabitants of its area. Under Section 9FA of the Act, Overview and Scrutiny Committee has the power to appoint a sub-committee to assist with the discharge of its scrutiny functions. Such sub-committee may not discharge any functions other than those conferred on it.
- 26.2 Pursuant to the above provisions, Overview and Scrutiny Committee has established Scrutiny Review Panels of which include Housing and Regeneration Scrutiny Panel to discharge on its behalf defined scrutiny functions. On the request from Overview and Scrutiny Committee, Housing and Regeneration Scrutiny Panel has undertaken a review of the proposed Haringey Development Vehicle, the establishment of which is to be considered

by Cabinet in July 2017. In accordance with the Council's Constitution, the Panel must refer the outcome of its review to Overview and Scrutiny Committee for consideration and approval.

- 26.3 Overview and Scrutiny Committee must now determine whether to approve the Housing and Regeneration Scrutiny Panel's findings and recommendations. The Committee has broad powers in this regard and should give due consideration to the extent to which the remit of the review has been met or otherwise. The remit of the Scrutiny Panel's review is defined in the terms of reference set out in Paragraph 4.2 of this report. There are aspects of the review that are not strictly within the Scrutiny Panel's terms of reference. For example, the parts with the headings "Project Management" "The Provision of Affordable Housing" "Mixed Communities" "Overseas Buyers" "Welfare Reform and Work Act 2016" and "Use of Right to Buy Receipts". The Committee may decide to accept the findings under these headings on the basis of its importance and relevance to the subject matter and if consent had been sought for inclusion in the review, it would have been granted. Overall, the Committee should consider whether the findings and recommendations are based on good evidence, whether they accord with good practice and whether they are reasonable and rational.

### **Finance**

- 26.4 The costs of undertaking this scrutiny review have been contained within existing budgets while the Panel has put forward a number of recommendations for consideration.
- 26.5 Where there are financial implications of implementing the recommendations within this report, it is important that the recommendations are fully costed and a funding source identified before they can be agreed. If the recommendation requires funding beyond existing budgets or available external funding, then Cabinet will need to agree the additional funding before any proposed action can proceed.
- 26.6 Specific comments in relation to individual recommendations, from the Deputy Chief Finance Officer, are as follows:
- Recommendation 3 – the external auditor has been working with the Council to address identified issues. Should additional work be required this will require identification of an appropriate funding source.
  - Recommendation 7a and 7b – these would be prepared by the HDV Finance function and not the Council's Finance Officers.
  - Recommendation 9 – appointment of a professional advisor will require the identification of an appropriate funding source.
  - Recommendation 10 – will require the identification of an appropriate funding source.

- Recommendation 15 – appointment of an external advisor will require the identification of an appropriate funding source. The impact on the HRA will be considered in the financial comments within the July Cabinet report.
- Recommendation 19 – the establishment of a wholly council-owned housing company could incur significant legal and professional fees in set up costs although consideration could be given to using the Council's ALMO for this purpose.
- Recommendation 23 – the financial impact on Homes for Haringey will be considered in the financial comments within the July Cabinet report.
- Recommendation 24 – the reimbursement of revenue and capital costs incurred by the Council and HFH in preparing any site for transfer will need to be considered as part of the Members agreement and Strategic Finance Business Plan. This will be addressed as part of the July Cabinet report.
- Recommendation 26 – the use of right-to-buy receipts to provide grant subsidy within the Strategic Business Plan would need to be further considered and legal advice obtained.
- Recommendation 29 – the appointment of an independent advisor, to assist Overview and Scrutiny with its work, will require the identification of an appropriate funding source (unless this is done on a voluntary basis).

## **Equality**

- 26.7 The Council has a public sector equality duty under the Equality Act (2010). This requires the Council to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act;
  - Advance equality of opportunity between people who share a protected characteristic and those who do not;
  - Foster good relations between people who share a protected characteristic and those who do not.
- 26.8 As set out in the Cabinet report considered on 14 February and 7 March, the recommendations to Cabinet expected in July 2017 – to establish the HDV, and to agree the first set of business plans – will be accompanied by full Equality Impact Assessments. The potential impact of the individual business plans is likely to be greater than that of the decision to establish the HDV. Those business plans, and the final terms of the HDV's establishment, are still in development.
- 26.9 The Council is exploring how best to embed equalities into the governance of the HDV to ensure due regard is given to the public sector equality duty. This

will include full Equality Impact Assessments being considered by Cabinet in relation to all future business plans and any other decision made by the Council related to the HDV.

- 26.10 Bespoke equality training has been provided to Council Officers who have been working on the HDV business plans to ensure the Council pays due regard to the Public Sector Equality Duty.

## 27. Use of Appendices

Appendix 1 – Review Contributors

Appendix 2 – Evidence Pack

## 28. Local Government (Access to Information) Act 1985

[Nationwide steps in to protect homeowners from unfair leasehold practices \(Press Release, 5<sup>th</sup> May 2017\)](#)

[Crossrail 2: Property developers and housing associations call for “firm commitment” \(Evening Standard, 3<sup>rd</sup> April 2017\)](#)

[Recommendation of a Preferred Bidder for the Haringey Development Vehicle – Outcome of Call-in to Overview and Scrutiny Committee \(Cabinet, 7<sup>th</sup> March 2017\)](#)

[Call-In: Recommendation of a Preferred Bidder for the HDV \(OSC, 2<sup>nd</sup> March 2017\)](#)

[Faulty Towers: Understanding the impact of overseas corruption on the London property market \(Transparency International UK, March 2017\)](#)

[Approval of Preferred Bidder for HDV \(Cabinet, 14<sup>th</sup> February 2017\)](#)

[Cabinet Response to Interim HRSP Report \(Cabinet, 14<sup>th</sup> February 2017\)](#)

[More affordable housing promised \(BBC News, 7<sup>th</sup> February 2017\)](#)

[Interim HRSP Report on HDV Governance \(OSC, 17<sup>th</sup> January 2017\)](#)

[London mayor launches unprecedented inquiry into foreign property ownership \(The Guardian, 30<sup>th</sup> September 2016\)](#)

[HDV Business Case \(Cabinet, 10<sup>th</sup> November 2015\)](#)

[End of an area for notorious Heygate estate: social housing gives way for high rise in prices \(The Independent, 8<sup>th</sup> November 2013\)](#)

[Residents of the Heygate estate forced to move out of London \(Evening Standard, 2<sup>nd</sup> August 2013\)](#)

[Haringey Development Vehicle \(Online FAQs\)](#)

External web links have been provided in this report. Haringey Council is not responsible for the contents or reliability of linked websites and does not necessarily endorse any views expressed within them. Listings should not be

taken as an endorsement of any kind. It is your responsibility to check the terms and conditions of any other web sites you may visit. We cannot guarantee that these links will work all of the time and we have no control over the availability of the linked pages.

## Appendix 1

## Review Contributors

The Panel interviewed the following witnesses as part of their evidence gathering – in order of their appearance before the group

Name	Role
Justin Guest	Local Resident and Risk Specialist
Cllr Ed Turner	Deputy Leader, Oxford City Council
Pete Redman	Associate, Centre for London
Professor Loretta Lees	Professor of Human Geography, Leicester University
Dr Jane Lewis	Senior Lecturer (Sociology/Social Policy), London Metropolitan University
Gail Waldman	The Highgate Society
Professor Michael Edwards	Senior Lecturer, Economics of Planning at UCL Bartlett School of Planning, and Honorary Professor
Professor Steve Jefferys	Emeritus Professor, European Employment Studies, London Metropolitan University
Jerry Flynn	35% Campaign, Southwark
Dr Denis Dillon	Birkbeck College, University of London
Dan Hawthorn	Director of Housing and Growth, Haringey Council
Tracie Evans	Chief Operating Officer, Haringey Council
Patrick Uzice	Principal Lawyer for Property, Planning and Regeneration, Haringey Council
Stephen Hartrick	Manager Commercial Estates, Haringey Council
Laura Bridges	Property Review Programme Manager, Haringey Council

## Appendix 2

### Evidence Pack

A	Council Project Team	Haringey Council
B	Justin Guest	Local Resident and Risk Specialist
C	Cllr Ed Turner	Deputy Leader, Oxford City Council
D	Pete Redman	Associate, Centre for London
E	Professor Loretta Lees	Professor of Human Geography, Leicester University
F	Dr Jane Lewis	Senior Lecturer (Sociology/Social Policy), London Metropolitan University
G	Professor Michael Edwards	Senior Lecturer, Economics of Planning at UCL Bartlett School of Planning, and Honorary Professor
H	Gail Waldman	The Highgate Society
I	Professor Steve Jefferys	Emeritus Professor, European Employment Studies, London Metropolitan University
J	Jerry Flynn	35% Campaign, Southwark

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2a. Briefing from Council Project Team

**Haringey Development Vehicle (HDV) – Scrutiny Stage 2  
Briefing from Council project team**

- 1. To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice.***
- 2. To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do.***
- 3. To establish and provide recommendations on whether overcrowded tenants can be offered a replacement property of a size that meets their needs.***

At the 2 March meeting of the Overview & Scrutiny Committee, the Council's external legal advisor confirmed that Procurement Regulations permit the parties, at Preferred Bidder stage, to 'optimise, specify and clarify' the terms of the preferred bidder's submission before financial close. He also confirmed that all of the commitments made by Cabinet members in the Cabinet meeting on 14 February were comfortably within the scope of 'optimise, specify and clarify' and therefore that there would be no legal/procurement obstacle to securing these elements at Preferred Bidder Stage. Our preferred bidder is aware of these issues and that we intend to enshrine the appropriate commitments in the final agreements to be put to Cabinet for approval in summer 2017.

- 4. To further establish and provide recommendations on whether the financial arrangements of the proposed HDV adequately protect the Council's interest.***

The detailed financial structure and modelling is still the subject of the discussion as part of the Preferred Bidder stage of the procurement process. It's therefore not possible to explore in detail how the Council's interests are reflected and the extent of the protection. However, the high level elements of the financial structure are in the public domain, through the cabinet papers, scrutiny discussions and other material (including the online FAQ at [www.haringey.gov.uk/hdv](http://www.haringey.gov.uk/hdv)). The structure has been designed - by the Council team - specifically to protect the Council's financial interests, and all the fundamental elements have been accepted by the preferred bidder.

- 5. To consider the impact of the HDV on the Council's Commercial Portfolio, including the impact on current businesses and those who work in them.***

With leases simply transferring from the Council to the HDV, with no change, the impact of the transfer itself on current businesses will be negligible. Any impacts following transfer would arise from the management regime to be agreed in the business plan for the portfolio (which is still under development, and subject to approval by Cabinet in summer 2017) and from the HDV Board's implementation of that business plan over time.

2a. Briefing from Council Project Team

**6. To consider the impact of the HDV on Metropolitan Open Land.**

The provisional list of commercial portfolio properties proposed in November 2015 for possible transfer to the HDV included two properties (the Finsbury Park cafe and the 'Mushroom House' in Woodside Park) adjacent to parks designated as Metropolitan Open Land (MOL). The final list of sites proposed for transfer will not be confirmed until closer to the final Cabinet decision in summer 2017, with the recommended list based on a number of considerations including the implications for open space.

In any case, if one or both of these sites (or any other similarly located site) were to transfer, this would be a transfer of ownership but not of use. The MOL designation is defined in terms of what you can do with the land, rather than who owns it i.e. it's a planning designation which is blind to ownership. Any development on open land at any time, whether owned by the Council, HDV or anyone else, is subject to very strict planning rules which set a high bar and are subject to members' decision.

**7. To consider the equalities impact of the HDV.**

As set out in the Cabinet report considered on 14 February and 7 March, the recommendations to Cabinet expected in summer 2017 – to establish the HDV, and to agree the first set of business plans – will be accompanied by full Equality Impact Assessments. The potential impact of the individual business plans is likely to be greater than that of the decision to establish the HDV. Those business plans, and the final terms of the HDV's establishment, are still in development, so at this stage it will only be possible to talk about the equalities impact at a high level and on a provisional basis.

**8. To further establish the risks of the venture and make recommendations on whether these risks can be adequately mitigated.**

The detailed governance structure is still the subject of the discussion as part of the Preferred Bidder stage of the procurement process. It's therefore not possible to explore in detail how the Council's exposure has been addressed, and the extent of the remaining risk. However, the high level elements of the risk analysis and proposed governance structure are in the public domain, through the cabinet papers, scrutiny discussions and other material (including the online FAQ at [www.haringey.gov.uk/hdv](http://www.haringey.gov.uk/hdv)). The structure has been designed - by the Council team - specifically to protect the Council's exposure to risk, and all the fundamental elements have been accepted by the preferred bidder.

## Evidence from Justin Guest, Local Resident and Risk Specialist

Zena,

I have read the documents. Comments below. Obviously I am not 100% familiar with HDV, nor what work has been done to date, but I hope these are helpful:

### Risks and Risk Management (Incentives)

- Scrutiny Committee Report identifies risk (“very significant risks”) and weaknesses- not clear how these are being identified, managed, mitigated or allocated to appropriate parties (a key principle of risk management is that the risks should be allocated and borne by those best positioned to absorb/manage them)
- I have a real problem with a structure that sees an open needed commitment by the council but no proper way of managing that risk via an appropriate level of control over the actions of the HDV, and how money is taken out of the HDV (via fees etc)
- A key approach here is to look at who is incentivised to do what when you determine if you are going in the right direction
- Please remember that the people on the other side of this structure (including the lawyers taking massive fees) are not there to help Haringey, and thus they and everything they say and do must be treated with a level of healthy scepticism and suspicion
- It strikes me you need someone with commercial experience of these structures acting for the council to make sure you get a good deal. I would not leave this to Officers who have little or no experience of how the real (commercial) world works.
- Who is advising Haringey, are they sufficiently on the hook that the advice they offer means you have recourse to them and their professional indemnity (indeed has anyone checked their PI to ensure an appropriate level of cover is available?)

### Governance and Control:

- 50:50 does not give the council the ability to control the actions of the HDV, it only offers both sides the ability to frustrate the other, and by extension the risk of paralysis that will critically injure the HDV is extremely high (I have experience of this in a previous investment, it never ends well)
- Shareholding is only one level of control of a business, the Board make up is also critical as this is what actually runs the HDV and makes daily and material decisions!
- I would expect that the council would have a number of protections that I am not clear it does, such as reserved matters that allow it at board and shareholder level to block or drive through certain decision irrespective of what the other side says
- You need to be clear that the shareholder agreement ensures that shareholdings cannot be inappropriately transferred to third parties without Haringey permissions
- You need to be clear the basis that decisions are made as to where money flows etc, as I can see scope for lots of people paying themselves lots of money!

## 2b – Justin Guest, Local Resident and Risk Specialist

- The external third party are ostensibly bringing money in to the partnership to make money, and it is not clear how they can be driven to achieve social objectives if they are not money making?
- 6.20 Of the scrutiny committee report is relevant here, as the relationship is not going to be one of equals, certainly not one of similar incentives and drivers.
- I would suggest that Haringey needs a professional advisor to sit on the HDV board to ensure that the decisions made are appropriate and the Haringey board members are not led by the nose. It may be that this person may have no voting rights but can have full participation (in discussion) rights, observer and advisory status so as to properly advise the Haringey board members.

### Capital Sources

- Are you clear the other partner is putting in sufficient equity at risk, that they are not debt financing directly themselves or via the HDV (and therefore not putting their own money in) their contribution with a view to allowing the lenders to take security either over their shares or the assets themselves in the HDV
- You need to be clear the partner brings their own money in and it does not rely on bank financing that goes into the HDV as its contribution. Fine if the lending sits on their own balance sheet, so long as they do not mortgage their shares in the HDV! - Where is the money coming in from, and in what form?

### Due Diligence & Risk Management

- I see no discussion in the Scrutiny Panel report on how DD is to be carried out (and indeed, if any proper DD has been carried out and by whom.)
- Normally in a situation like this there is a rigorous DD process that looks at all aspects of the process by professionals (with insurance to back up their advice and work) and not (with the greatest of respect) an amateur Scrutiny Panel. Who has looked at this and torn it to pieces to work out where this whole things breaks?
- I would want to see a proper risk matrix that sets out where risk arises, and how it is allocated or mitigated/managed
- You need a proper and experienced third party to advise and guide you!
- Who retains ownership of the building assets if this all goes wrong?

### Nuclear Issues

- I see no discussion of who is responsible if this all goes wrong. I cannot see the council walking away from its social obligations if the commercial partner pulls the plug or goes insolvent and an administrator steps in.
- Even though the structure is through a Limited Liability partnership, in effect the council will have to absorb losses and are offering (essentially) a Parent (Haringey council backed) guarantee that is not being valued or even recognised.

## 2b – Justin Guest, Local Resident and Risk Specialist

- Overall I am not clear that the risks and rewards of this approach are appropriately set out and shared, especially not if the council could inherit and take responsibility for a massive black hole of a disaster if the commercial partner walks away. Are their parent on the hook for anything (think risks and rewards all the time)?
- This strikes me as an ‘everything on black 8’/, betting the farm’ opportunity...

I should say that I do not necessarily see this initiative as a bad thing- Haringey might have little option, but as presently presented there are huge risks that are not approximately managed or allocated that even I (as someone who knows little about this detail) can see. Much of this is basic schoolboy stuff, and it will allow the HDV partners to take Haringey to the cleaners with little recourse.

Jus

### Further Comments:

- As stated several times above, there is a significant need for external advice to guide Haringey through this process, advice that following the scrutiny panel meeting I was not clear is being offered- I do not see that the requisite level of analysis, diligence and risk assessment it being carried out. The lack of officer participation in the scrutiny committee was disappointing.
- The people on the other side of this transaction do this sort of thing every day (think PFI). Officers in Haringey and Councillors do not. However exciting a piece of work this is, there is a need to step back and actually ask yourself are you well equipped to negotiate and manage a deal with partners who have such an advantage with respect to their level of competency and experience.
- Again, if this goes wrong the council will not be able to walk away from its social responsibilities to its citizens- even if its commercial partner does. This can lead to the council having to shoulder massive liabilities, liabilities that could effectively see the council collapse financially with the all the risks that such an event would entail.
- You may need to assess the implications as to what happens if the worst case occurs- what is the down side? If property is being transferred in as an in specie contribution can an administrator seize this property etc,
- Should this worst case scenario occur it will likely be in the near term when many of those making decisions will still be in office! Are you clear if you have any legal liability?
- As stated at every occasion, my comments are not premised on the basis of being against this initiative. They are premised on the need to ensure that it is done correctly, as the down side is enormous!

**Manage risk:** here are the four main proactive remedies for managing risk.

- Accept it** if managing or reducing the risk is not cost effective, but the risk is acceptable.
- Control it** if it's an unacceptable risk, you should look to increase controls on it, e.g. putting more stringent management strategies in place to control or reduce the impact.
- Transfer it** insure against the consequences of the risk materialising, e.g. taking out contents insurance on the business premises.
- Avoid it** change the course of a business strategy to avoid the risk, e.g. withdrawing a problematic product line.

OK

lift

## **Note to Haringey Council Housing and Regeneration Scrutiny Panel**

### **1. Personal introduction**

I am grateful for the invitation to comment on Haringey Council's proposed "Haringey Development Vehicle". By way of personal background, I am Deputy Leader (Labour) of Oxford City Council, having been a councillor since 2002. In the past I have led on Housing and Strategic Planning; I now lead on Finance and Assets. I am a member of the Local Government Association's Economy, Environment, Housing and Transport Board and was a member of the Lyons Review of Housing Policy commissioned by the Labour Party. Outside my council role, I am a senior lecturer at Aston University, and have recently held funding to undertake comparative research into English and German housing policy.

I am happy to comment on national and international lessons from development partnerships, but in this note particular focus on our experience in Oxford.

### **2. Partnership development schemes in Oxford**

In Oxford, I have been involved with providing political leadership on three regeneration schemes:

- **Rose Hill:** In 2005 our Council agreed to replace 97 council-owned prefabricated properties (plus about 17 in private ownership) which had become structurally unsound, as well as some poor quality council and housing association sheltered accommodation. 73 secure tenants would be rehoused. The Council chose Oxford Citizens Housing Association as the project partner, not least because it owned poor-quality property in the area and thus had a stake in the development. In turn, these procured a development partner (Taylor Wimpey was subsequently chosen). The scheme was largely funded by cross-subsidy (overall 254 new homes were built, of which 100 were social rented, 41 shared ownership, and the rest for private sale), but also with some government grant. Tenants were given the option of a new Council tenancy via a transfer, whether on Rose Hill or elsewhere, or the option of a move to one of the new properties on a social rented tenancy with OCHA (often with just one move due to the phasing of the scheme, sometimes with two moves). In the end, 30 council tenants took up new social rented tenancies in the scheme, as well as 15 housing association tenants. Others moved to council tenancies on the estate or beyond. The scheme has been viewed as a success, and indeed led to other important regeneration initiatives, including a new community centre.
- **Barton:** Oxford City Council owned a 90 acre site next to the existing Barton council estate. In 2010 we decided to progress development, and went out to the market to find an appropriate partner. We established a 50/50 "Limited Liability Joint Venture Partnership" with the successful bidder, Grosvenor, to

build around 880 homes. At the same time, clear planning parameters for the site were set, including a requirement for at least 40% social rented housing (normally the Local Plan would have required 40% social rent and a further 10% intermediate, but the high infrastructure costs, including major new roads and a new school made this impossible). The Council chose an investment partnership model which meant that Grosvenor invested in the partnership by providing the equity/expertise to deliver the planning and infrastructure. Plots are then sold to individual housebuilders. This gives a strong degree of control over design and delivery than straightforward sale of the land. Senior council officers represent the interest of the Council on the board, with their involvement “steered” by elected members as appropriate. There is a reconciliation mechanism in the event of “gridlock” on the board, which has not been used. Initially, the 40% social rented units were to be bought by the Council through the HRA, but because of the forced reduction in social rent, this became financially unviable and instead the partnership agreed to sell these units to a new local housing company being established by the Council. Different housebuilders are being brought in in phases to build the housing, and the development is proceeding on time and according to plan.

- **Oxpens:** The Council has established a new partnership vehicle (“Oxwed”) with Nuffield College (a major landowner and investor in the city centre) to lead regeneration of some low-grade industrial and former railway land near the station, with a mix of ownership (some recently held by a government agency but purchased from it; some in council ownership; some owned by third parties who we hope will sell). There is an established planning framework for the site. The Council is making a loan of £4.26 million to the new partnership, but will receive a receipt of £8 million for its land. The proposed outcome is a mixed-use scheme, but led by residential development, which will be compliant with local plan requirements for 50% affordable housing (of which 80%, so 40% of the total, will be social rented – this may well be purchased by the Council’s new local housing company). We are currently reviewing the options for bringing in a development partner. The Council and the College will retain a direct interest in the scheme during the development phase and indeed the partners may retain other elements, such as Build to Rent or the commercial elements, for their own use or to generate an ongoing revenue stream.

### 3. Initial reflections

In this section I hope to share some reflections on partnership working by the Council. These will particularly draw on the Barton and Rose Hill projects, as Oxpens is at a less advanced stage of development.

- A major positive about partnerships is that, on the one hand, you do not have the local authority bearing all development risk (given high land values and the size of projects, this would have been very hard for us to countenance,



although we do some smaller council-house building projects). On the other hand, you can retain much more control with a partnership, particularly an ongoing vehicle with 50% council ownership, than simply by disposing of a site and attempting to handle issues through the planning process. Indeed, the planning process is getting weaker as a means of controlling development, and securing affordable housing, and it is in my view important that councils retain a stake where they bring land to a development. Our Council is also a strong advocate of active stewardship of its property assets and retaining a partnership approach though a continuing ownership interest which is beneficial both for the Council and the developer.

- Absolutely critical is the initial discussion and agreement of terms. We were clear from the outset about the requirement to provide social rented housing – this has happened without the least quibble, but undoubtedly it would have been more difficult if this was not a “given” at the establishment of the partnership. Key issues to think about in establishing the partnership are:
  - Affordable housing (and of course being clear about future ownership of this, rent levels, and mix)
  - Design quality
  - Phasing
  - Infrastructure provision
  - Apprenticeships and local jobs as part of construction
  - Living wage
  - Any restrictions on sale (in Rose Hill, we restricted sale to multiple purchasers, but to little effect)
  - Dispute resolution mechanisms
- In each case, the selection of a partner was crucial and it was key that they were in tune with our values as a local authority. Grosvenor worked well for us – they had good references from other local authorities and, although necessarily as a commercial organisation they are different to a council, they were extremely clear they wanted a very high-quality design, and a development to be proud of. Nuffield College are also very exacting in this regard, and we have just completed a round of informal discussions with potential development partners and are clear that we have a choice of high quality partners that will share our values and will work with us on a 50/50 basis.
- Commitment of sufficient senior officer capacity (and of course strong relations with elected members) is vital. If there is insufficient officer resource to support the Board, the council’s interest could slide, and very full engagement (along with officers doing the “day job”!) is essential.
- There are some difficult dilemmas in estate regeneration nowadays. One concerns the “right to buy”. There is much to commend council ownership of housing stock, but for new schemes this represents a major financial challenge and potentially erodes the community benefits of a scheme. Third-party ownership of stock can avoid the right to buy, although some residents may be unenthusiastic about this option (whether for this or other reasons). Another is about attitudes to under-occupation. Do you allow people who are

under-occupying a property to move into a new one which is also larger than they need? Existing residents will often favour this, but it will deprive a household in greater need of a more appropriate property.

- Thought needed to be given in Barton to how existing residents on the estate would benefit from the regeneration – significant investment is being committed to community facilities, and we are also looking at favouring Barton residents for the new social rented homes as part of a local lettings plan, to integrate the communities.

#### 4. Comments on scrutiny questions

I have been asked to look over some of your key questions and provide comment, which I have done in italics.

- A. To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;

*To me, there is no obstacle at all in principle here, if the scheme stacks up financially, and if this is agreed with the partner from the outset (such agreement would be essential and it is good you are probing this at this stage). There may be some practical issues about the phasing of development (e.g. availability of property for decant) and also some residents may upon reflection decide not to return, if they are decanted because development cannot be phased so that they just move once. The one caveat is around the small differences between types of tenancy that can be offered by different landlords, although recent legislative changes have narrowed these and the gap might be narrowed further through an agreement.*

- B. To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do;

*Again this is something that would need to be “hardwired” in to the agreement, but (with the caveat above) I do not see any obstacle in principle.*

- C. To establish and provide recommendations on whether overcrowded tenants can be offered a replacement property of a size that meets their needs;

*This would of course depend on the mix of property, and having enough units of sufficient size. As noted above, there is also a dilemma about how to handle under-occupation.*

- D. To further establish and provide recommendations on whether the financial arrangements of the proposed HDV adequately protect the Council’s interest;

*This is clearly something that will need to be assessed legally, and it might be that the Council commissions external legal advice, and/or that Internal Audit reviews the scheme. However, such partnerships can certainly work for a local authority, and*

*indeed may protect it from risks which would occur with either a model where land is fully disposed of (scheme delays, not meeting obligations) or where the council retains full ownership and control (immediate exposure to cost over-runs and the vagaries of our over-heated housing markets). The other question with partnerships is of action to be taken if there is a failure during the development period (e.g. "step in" rights and a facility to retrieve the Council's property through a buy-back provision).*

- E. To consider the impact of the HDV on the Council's Commercial Portfolio, including the impact on current businesses and those who work in them;

*I am not well-placed to comment on the specifics. Our Oxpens project is a mixed-use development and we see no issues here. We also always look for trading and business opportunities for council services, while accepting these have to be competitive.*

- F. To consider the impact of the HDV on Metropolitan Open Land;

*This sounds like an issue for the planning process to consider. Unacceptable developments should not get planning permission whoever is building them, although of course if the applicant is a partnership where the council has a 50% stake, you have a greater element of control over this (as you do over, for instance, design quality – in Barton we rejected all first round bids from housebuilders on design quality!). You might also consider independent design review as part of the process.*

- G. To consider the equalities impact of the HDV;

*Several key issues are identified in your other questions (housing affordability, housing mix). Seeing development progress in a timely fashion and with replacement of social rented housing should have positive equalities impact, as would any provision of training and apprenticeships.*

- H. To further establish the risks of the venture and make recommendations on whether these risks can be adequately mitigated.

*As noted above, risks for this sort of partnership are probably lower than for other forms of development, but it will be important to ensure the robustness of the legal arrangements, the strength of the council's representation on the Board, the financial standing of the partner, and an appropriate dispute resolution mechanism are in place.*

I look forward to discussing these issues with you on Friday.

Ed Turner  
Oxford / Aston  
March 2017

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## HDV Scrutiny Stage 2

3<sup>rd</sup> April 2017

### Pete Redman's main points

#### Opening remarks

Our public-sector bodies are almost completely focussed on delivering services, with increasingly scarce resources.

The maintenance, and maximisation, of public sector asset values, takes second place. In practice, most public-sector asset holders perform poorly in this respect. Reasons for this include:

- Difficulty in recruiting and retaining skilled people
- Funding restrictions on investment
- Multiple, and sometimes contradictory, priorities
- Slow decision making.

The result leads to diminishing public-sector asset values relative to the market and even value destruction. Lowering relative asset values weakens the ability of the public sector to deliver services in the long run.

In the absence of government subsidies to invest we need mechanisms to capture market value uplift and to maximise the value of existing public-sector assets.

#### Options

All options are a variant on risk transfer in exchange for a return. Some have not worked so well:

- The attempt to transfer all risk through **Private Finance Initiatives** to the private sector has failed as agreed returns at the start have ended up being too low now that finance costs, and operating costs, have proven to be much lower than expected.
- A full transfer of risk through outright **sale of public sector assets** and land has often led to receipts that were too low.
- Market development by public-sector bodies, ie **full risk retention**, has also led to poor returns, relative to the private sector, for the reasons given above.

Some combination of retained control, shared risk and shared returns with skilled private sector partners seems more likely to offer the best balance.

There are various models: many have been considered in the preparation of the HDV. If well structured, there is not much to choose between these as the total of control, risk transfer, and return is generally a zero sum. More of one is balanced by less of another. Structures in themselves do not create money. The choice depends on risk appetite and the requirements of the parties.

The HDV, as currently described, appears to have a good fit with LB Haringey's requirements.

2d – Pete Redman, Associate, Centre for London

It is worrying, though, that the 50/50 JV option has been overly promoted as a panacea, as though through rose-tinted glasses. It could be the best but it is not much better in total than the other risk sharing options.

## Risks

The two main types of risk are project failure and partner failure.

The Client (Borough) should be able to maintain a 25% cost overrun (or cost/time/quality failure) on its largest **project** without causing severe disruption to its financial status. A large retail and commercial redevelopment at Wood Green might be at this limit. It is important to remember that each agreed project within the HDV should be treated separately for this risk measure.

No one supplier should deliver more than 33% of total activity; eggs should be spread across more than one basket. We are finding that single large framework agreements carry debilitating costs when the **partner** fails. But in this case the HDV deliberately allows for each project to be delivered through its own subsidiary. If this leads to different procurement routes and a spread of contractors across the HDV activities, then risks are spread.

If the HDV **partner** “goes under” then the exact methods, and costs, of recovery should be spelt out in advance. In theory, the HDV will still have value and it would be possible for LB Haringey to acquire all the shares, or find another partner to acquire these, at the then market value.

The risk of “unequal partners” is of a lower order in my view. Each will be bound by its contractual commitments to the other, and the best partnerships are where each brings different skills and resources to the table. [But see below on governance risk.]

It would be wise for the Scrutiny Committee to list out all possible types of failure, and for the proponents to show how these would be managed, along with a multivariate risk analysis, prior to commitment to the HDV and to each business proposal within the HDV.

## Housing Estates

The Centre for London research (*Another Story*, 2016) showed that only a minority of remaining undeveloped estates are economic for redevelopment without government subsidy. Costs of rehousing, the disruption, and the time this takes (5 to 15 years is not uncommon) are often underestimated. Each estate has its own characteristics. Many would show a more economic return through incremental improvement rather than demolition. We found that tenants are not adequately compensated through the Home Loss Payment for the upheaval involved, whereas we found no financial justification for greater compensation for leaseholders.

A 50/50 JV for LB Haringey’s town centre project, and for its commercial properties, is not necessarily the right option for each housing estate.

We have much to learn still in making estate regeneration fair and optimal for all the parties involved: existing residents, future residents, landlord, developer, the wider community, and the public purse. Even our very best current examples have significant downsides. There has been a conflation in the debates on mixed tenure, generally considered a good thing but rarely proven as such, and the mix of tenures required to generate funding from market activity. Most tenure mix to date has been driven by the latter. Until we get this right there is no single option for good redevelopment. The HDV should not be judged on whether it offers the “right” model for housing

2d – Pete Redman, Associate, Centre for London

estate redevelopment. If it proves to be so in some cases then it could be used for that, but other options should be kept open for other estates.

It is not at all clear that there is yet a chosen best proposal for Northumberland Park, nor that, when decided, the HDV is the best vehicle for that proposal.

## **Comments on the prepared questions:**

*- To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;*

This is possible but it is a policy decision for the Borough and not for the JV partner.

*- To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do;*

It would be unwise for the HDV to be the long-term landlord of sub-market housing. It would be preferable, and financially more efficient, for a not-for profit, regulated, body to be the landlord. This could include the council itself, an organisation linked to the council, a housing association, and possibly a role for Homes for Haringey. Completed schemes should be transferred out of the HDV to the chosen landlord.

*- To establish and provide recommendations on whether overcrowded tenants can be offered a replacement property of a size that meets their needs;*

Offers of accommodation should meet current needs. This is a policy decision for the Borough and not for the JV partner.

*- To further establish and provide recommendations on whether the financial arrangements of the proposed HDV adequately protect the Council's interest;*

See discussion on options and risk above.

Much remains to be resolved in the negotiations with the preferred partner. The details of risk mitigation, and projected returns, in the final document should be “tested to destruction”, possibly with a further stage by this Scrutiny Committee as part of that process.

*- To consider the impact of the HDV on the Council's Commercial Portfolio, including the impact on current businesses and those who work in them;*

2d – Pete Redman, Associate, Centre for London

Commercial property leases offer a fair balance between the interests of the tenant and landlord, and there is a well-tested framework for compensation. Transfer to the HDV does not change these.

*- To consider the impact of the HDV on Metropolitan Open Land;*

It is rare to develop Metropolitan Open Land. In the few cases where this has happened other land has been offered as substitution, or improvements have been made to the remaining MOL, for example better public access. In general, we should protect the green sites and corridors within our cities.

*- To consider the equalities impact of the HDV;*

Growth in housing supply, of all tenures, and extra resources for targeted services, will be a positive step to address inequality.

*- To further establish the risks of the venture and make recommendations on whether these risks can be adequately mitigated.*

See comment and discussion above. Four risks need emphasis:

**Possession risk.** Never give a contractual commitment that at some future date a property asset will be transferred to the JV. Only contractually commit when you are able to transfer, i.e. when vacant possession is obtained.

**Governance risk.** Find good people to be JV Board members. These should be skilled people with experience and business acumen. These are not representative roles and need not be officers or members. They will have duties to the JV, and will be accountable to Borough through appointment or removal by the Borough. Keep your very best most senior people in a Borough only role, overseeing the work of JV Board members, and to act in extremis if necessary.

**Objectives risk.** The papers (to Cabinet) to date indicate a multitude of objectives for the JV. This is a weakness, especially when partnering with a single-minded developer. The priorities should be narrowed down.

**Exclusivity risk.** At one point in the publicly available papers the benefits of guaranteed future work for the JV is mentioned; elsewhere there is emphasis that future work “may” be transferred to the JV. There should be no open promise of future work. The Borough should assess the proposal for each project in advance and then decide whether it is suitable for the HDV. The partner’s role (as distinct from the JV) will vary with each project, or type of project. There is no single % of exclusivity for the partner that is right for all projects and the % for each should be decided as part of that project’s business plan before transfer to the JV.

Pete Redman



## Scrutiny Session, Haringey Development Vehicle, London

### Statement by Professor Loretta Lees

### 3rd April 2017

#### Relevant expertise and professional role

Since September 2013 I have been Professor of Human Geography and Director of Research, Department of Geography, University of Leicester. I was previously Professor of Human Geography and Chair of the Cities Research Group at King's College London. I have a PhD in Geography (awarded 1995) from the University of Edinburgh. I am an international expert on urban regeneration, gentrification, urban sustainability, urban policy, urban communities and urban public space. I have published five books on processes of gentrification<sup>1</sup> and two books specifically on London<sup>2</sup>. All of these books are underpinned by academic research on topics of direct relevance to this statement. In addition, I have particular expertise on council estate regeneration/renewal/gentrification in London, which informed the production of a booklet - The London Tenants Federation, Lees,L, Just Space and SNAG (2014) *An Anti-Gentrification Toolkit for Council Tenants in London*<sup>3</sup> and an academic paper on the Aylesbury Estate - Lees,L. (2014a) The urban injustices of New Labour's 'new urban renewal': the case of the Aylesbury Estate in London<sup>4</sup>. These two pieces of research were submitted as evidence to the London Assembly's Housing Committee Investigation into Social Housing Estate Regeneration<sup>5</sup>.

I am an expert urbanist and a Londoner. I live in Archway, Islington. I was invited as an expert guest to the first meeting of the Urban Regeneration Committee at the GLA to talk about urban regeneration in London<sup>6</sup> and I have delivered numerous key note speeches in both London and around the globe on gentrification, mixed communities policy, and so on. My current academic focus is on the future of council housing in London in terms of the future social sustainability of London as a whole (Lees, 2014b)<sup>7</sup> for which I have been awarded a £615,341 ESRC<sup>8</sup> research grant.

<sup>1</sup> Lees,L. et al. (2016) *Planetary Gentrification*, Polity Press: Cambridge; Lees,L. et al. (2015) (eds) *Global Gentrifications: uneven development and displacement*, Policy Press: Bristol; Bridge,G., Butler,T., and Lees,L. (eds) (2011) *Mixed Communities: gentrification by stealth?*, Policy Press: Bristol; Lees,L. et al. (2010) *The Gentrification Reader*, Routledge: London; and Lees,L. et al. (2008) *Gentrification*, Routledge: New York.

<sup>2</sup> Imrie,R. and Lees,L. (2014) (eds) *Sustainable London? The future of a global city*, Policy Press: Bristol; Imrie,R., Lees,L. and Raco,M. (2009) (eds) *Regenerating London: governance, sustainability and community in a global city*, Routledge: London.

<sup>3</sup> <http://www.londontenants.org/publications/other/Staying%20Put.pdf>

<sup>4</sup> Lees, L. (2014a) The urban injustices of New Labour's 'new urban renewal': the case of the Aylesbury Estate in London, *Antipode*, 46:4:921-947.

<sup>5</sup> <http://www.london.gov.uk/sites/default/files/Volume%203-%20Social%20Housing%20Estate%20Regeneration%20Consultation%20Responses.pdf> (Volume 2 Sub-006, Sub-006a, Sub006b)

<sup>6</sup> <http://www.london.gov.uk/moderngov/documents/s26533/Regeneration%20the%20Situation%20in%20London.pdf>

<sup>7</sup> Lees, L. (2014b) The death of sustainable communities in London, in Imrie,R. and Lees,L. (eds) *Sustainable London? The future of a global city*, Policy Press: Bristol, pp.149-172.

<sup>8</sup> PI: Lees,L., CoIs: Hubbard,P. and Tate,N. ESRC 2017-2020. Gentrification, Displacement, and the Impacts of Council Estate Renewal in C21st London (full fec £769,176).

In this statement I draw in particular on my academic research on (and thus evidence from) the Heygate Estate being redeveloped as Elephant Park by Lend Lease and on my international expertise on mixed communities policy and state-facilitated gentrification and displacement. This statement questions the decision taken by Haringey to redevelop a number of its council estates as newly built, mixed communities through the Haringey Development Vehicle. My statement relates to the broader context of the reduction of council housing provision across London in general, and the increasing rent and house prices that make it difficult for lower and even middle income groups to remain in the city.

**My key argument is that mixed communities initiatives like the HDV lead to gentrification and displacement and that this is not in the public interest of either Haringey residents nor of London more generally.**

The ‘new’ urban renewal of Haringey’s council estates through the HDV is underpinned by the idea of mixing tenures in newly built mixed communities:

6.3 To deliver economic growth and provide new housing on the scale required, the Council has to use its own landholdings. Estate renewal on the Council’s large and medium sized estates also provides a major opportunity to increase the number of homes, to improve the mix of tenures and sizes and to address the condition of the housing stock.

6.14 Achieve estate renewal by intensification of land use and establishment of a range of mixed tenures, together with tenure change across the Borough where appropriate. To secure wider social and economic benefits in areas affected, including community facilities, skills and training, health improvement or crime reduction for the benefit of existing residents.

Yet mixed communities initiatives have been found, after extensive academic and policy research, both in the UK and the US, to produce gentrification and the displacement of public housing tenants. Current plans to redevelop council estates in Haringey will not only displace tenants from their homes but it also goes against the idea of the social (and economic) sustainability of cities (as is embedded in the London Plan and national urban policy).

***The idea of redeveloping public housing estates as mixed communities***

The concept of mixed communities re-emerged as a major urban policy and planning goal in the 1990s in reaction to large concentrations of supposedly socially homogenous populations of poor people living in the inner cities of Western Europe and North America. UK policy makers drew on US policy makers ideas about poverty deconcentration. In 1992 Congress passed the US Department of Housing and Urban Development’s HOPE VI program (Housing Opportunities for People Everywhere), the result of the National Commission on Severely Distressed Public Housing. HUD began to demolish large public housing projects at the centre of US cities and to disperse project residents using Section 8 rental vouchers. In the late 1990s in the development of New Labour’s urban renaissance agenda the council estate played a symbolic and ideological role as a signifier of a spatially concentrated, dysfunctional underclass. Blair’s Social Exclusion Unit was set up to deal with such social problems: ‘Over the last two decades the gap between these worst estates and the rest of the country has grown....It shames us as a nation, it wastes lives and we all have to pay the costs of

dependency and social division’ (Blair in SEU<sup>9</sup>). Council estates were one of their main concerns: ‘...over the past 20 years, poverty has become more concentrated in individual neighbourhoods and estates than before, and the social exclusion of these neighbourhoods has become more marked’ (SEU, 2000<sup>10</sup>). Their solution was a ‘New Deal for Communities’ based on the creation of mixed communities - ‘the Mixed Communities Initiative’.

Schoon (2001)<sup>11</sup> outlines the distinct rationales in policy debates for social mixing. First, the ‘defending the neighbourhood’ argument claims that since middle class people are stronger advocates for public resources, socially mixed neighbourhoods will fare better than those without middle class households. Second, the ‘money-go-round’ argument claims that tenurially and socio-economically mixed neighbourhoods are able to support a stronger local economy than areas of concentrated poverty. Finally, the ‘networks and contacts’ argument draws on Robert Putnam’s (1995<sup>12</sup>) influential account of bridging and bonding social capital to promote social mixing as the way to generate social cohesion and economic opportunity. Central to New Labour’s urban renaissance agenda was the idea that in socially mixing council estate communities the benefits of urban revitalization/gentrification would ‘trickle down’ to the lower and working classes economically, socially, and even culturally.

***A mixed communities initiative - the Heygate Estate – now Lend Lease’s Elephant Park***

The now demolished Heygate Estate in Elephant and Castle, Southwark, was home to over 3,000 people. In 2011 when demolition of the Heygate Estate began it was ranked 3<sup>rd</sup> out of all 32 London boroughs for income inequality. The demolition of the Heygate Estate was part of a wider plan to regenerate the area around the Elephant and Castle road junction and shopping centre. Efforts to regenerate the Heygate began in the 1990s with New Labour’s Single Regeneration Budget, the masterplan for the demolition of the estate was adopted by Southwark Council in 2004 and in 2007 Lend Lease (an Australian property development company with a global portfolio and a controversial track record; see <http://www.newstatesman.com/2013/02/southwark-accidentally-leaks-confidential-information>) were chosen as the developers<sup>13</sup>. The decanting of tenants began and three years after the ‘New Homes for Heygate Tenants’ plans were approved, only one planning application had been submitted out of a promised 16 new Housing Association-run blocks. Dave Ware, Regeneration Team Project Director, said at a Walworth Community Council meeting ‘I can only apologise and say that this was more difficult than we appreciated’.

As part of the decantment of the Heygate Estate the council set out to ‘persuade’ the tenants into accepting new Housing Association properties in the Heygate area (with no security of tenure, more expensive rents and with less controls over housing associations) or council properties outside their local district of Walworth. Council tenants were asked to find homes

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<sup>9</sup> SEU (1998) *Bringing Britain Together: a national strategy for neighbourhood renewal*, Cm4045, The Stationary Office: London.

<sup>10</sup> SEU (2001) *A new commitment to neighborhood renewal: national strategy action plan*, Social Exclusion Unit: London. P7.

<sup>11</sup> Schoon, N. (2001) *The chosen city*, Spon Press: London.

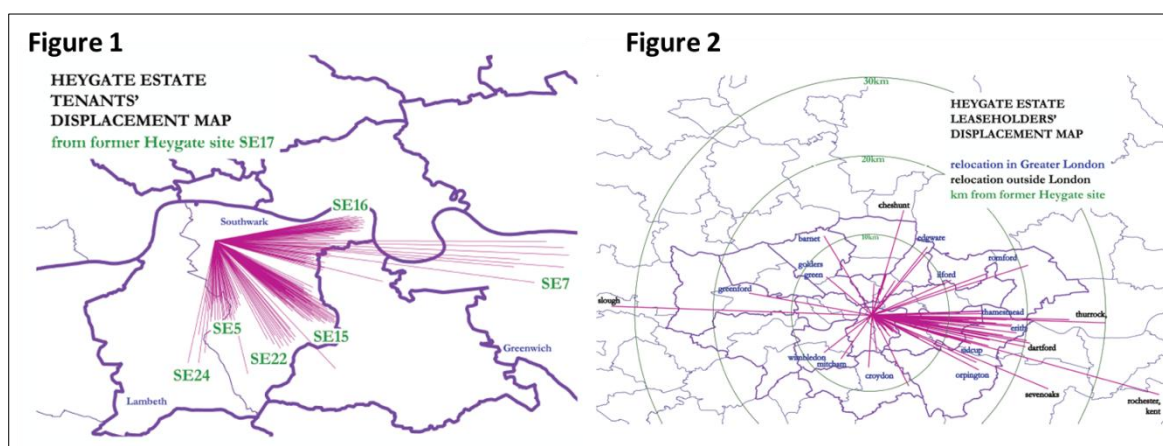
<sup>12</sup> Putnam, R. (1995) Bowling alone: America’s declining social capital, *Journal of Democracy*, 6 65-78.

<sup>13</sup> See <http://www.corporatewatch.org/?lid=4635> on the <http://www.kpmg.com/uk/en/services/advisory/management-consulting/pages/business-resilience.aspx> processes issued by Lend Lease.

themselves through the Council’s Homesearch waiting list and bidding scheme and were given only 6 months to do so:

‘it took six times because you know, if you don’t accept any of the bidding you go back, you know, you go to the bottom again. But you know, I think I got mine after the third bidding’ (ex Heygate council tenant who was displaced, interview 2013).

Then the council began to issue eviction notices over the heads of those who failed to find their own council place or refused the council’s offer of alternative housing (see Figure 1 council tenant displacement).



Some leaseholders were offered part-rent, part-buy flats in the nearby ‘socially mixed’ Strata Tower in ‘intermediate affordable housing’ in floors 2-10 run by the Family Mosaic Housing Association. The applicant needed to purchase at least 25% of the flat, they also had to earn between £18,000 to £60,000. The Strata Tower was the only retained-equity scheme offered but the service charges alone were unaffordable to most former Heygate residents. One leaseholder from the Heygate who was offered a flat in the Strata Tower, was given £150,000 for her 3-bed flat on the Heygate Estate, but flats in the Strata Tower ranged from a studio flat at £240,000 to 3 bed flats at £775,000. The 2-bed penthouse went on the market for £1.6 million. Moreover she had worked three jobs, seven days a week to pay off her mortgage and saw her ‘right to buy’ flat as an investment for her children. To buy in the Strata (or indeed elsewhere in London) she would need to get another mortgage – not easy on her low income and with insecure jobs and new mortgage restrictions – her life security and investment was destroyed (see Figure 2 leaseholder displacement).

Only a small percentage of Heygate council tenants signed up for the ‘right to return’ (which means moving twice) – some of those because they wanted to remain council tenants (even if it meant living elsewhere) – but the evidence from New Orleans shows<sup>14</sup> that once people have moved once and got kids into school etc. they are loath to move again. A film was made about two tenants who were forced to move from the Heygate (see southwarknotes.wordpress.com/heygate-estate/ - Janet and Larry Move Out by King Chain Productions), it shows well the stress and upset that displacement causes. In 2009 the BBC’s Inside out programme also featured displacement from the Heygate Estate ([http://www.bbc.co.uk/insideout/content/articles/2009/03/05/london\\_heygate\\_s15\\_w8\\_video](http://www.bbc.co.uk/insideout/content/articles/2009/03/05/london_heygate_s15_w8_video)

<sup>14</sup> Government reports confirm that half of the working poor, elderly and disabled who lived in New Orleans before Katrina have not returned. Read Arena (2012) on the transformation of New Orleans public housing from public to private.

[feature.shtml](#)). When the tenant mentioned earlier searching the Homesearch waiting list, who signed the ‘right to return’ was asked: ‘And would you like to go back once it’s finished, once it’s completed?’, she answered: ‘That one I’m not sure. Because I moved away from London and I’m in Kent...I had...friends when I was there but I lost contact...I still have their numbers but it’s the distance and everything’ (interview, 2013).

The demolition began in 2011 and is now complete and the bulk of the new build ‘mixed community’ has been constructed. Southwark Council sold the Heygate for £50 million (and they have not yet even finished paying off the building of the original estate) and then spent a further £44 million moving 1,000 residents out. Southwark Council’s expected capital receipts from the Heygate land are almost equal to the costs incurred in emptying and demolishing the buildings! None of the homes in the new development will include ex-Heygate council tenants or leaseholders. Despite there being an explicit rationale for the inclusion of Heygate residents in the Southwark Plan (see [http://www.southwark.gov.uk/info/856/planning\\_policy/1241/the\\_southwark\\_plan/1](http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan/1)), the new flats are all for private sale.

In 2014 Lend Lease marketed the newly named Elephant Park overseas in East Asia, to wealthy off-plan buyers looking for second homes, investments, buy-to-lets, homes for their student sons and daughters etc. While the Heygate was home to 1,194 social-rented flats at the time of its demolition, the new £1.2bn Elephant Park will provide just 82 such homes among its 2,500 units (although note none of these will be council). Five hundred flats will be “affordable” – ie. rented out at up to 80% of London’s superheated market rate, on the affordable housing con read: London Tenants Federation (2012) *The Affordable Housing Con*, Available at: <http://www.londontenants.org/publications/reports/LTF%20-%20afordable%20housing%20con%20final%20xxx.pdf>. The bulk are for private sale, at £569,000 for a studio, or £801,000 for a two-bed flat.

On Lend Lease and share of profits read:

<http://35percent.org/2016-05-11-no-profit-share-the-true-value-of-the-heygate-regeneration/>

Lend Lease will profit not Haringey:

<http://35percent.org/2016-12-05-heygate-profits-north-of-a-hundred-million/>

On Lend Lease and viability assessment, showing how Lend Lease operates read:

<http://35percent.org/2015-06-25-heygate-viability-assessment-finally-revealed/>

### ***The evidence base on Mixed Communities policy***

Social mix policies rely on a common set of beliefs about the benefits of mixed communities, with little evidence to support them, and a growing evidence base that contradicts the precepts embedded in social mix policies that should make policy-makers sit up and take note. As Cheshire (2009)<sup>15</sup> argues mixed communities policy is essentially a faith-based policy since there is scant real evidence that making communities more mixed makes the life

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<sup>15</sup> Cheshire, P. (2009) Policies for mixed communities: a faith based displacement activity?, *International Regional Science Review*, 32:3:343-375.

chances of the poor any better. Indeed, academic research has found that the rhetoric of ‘social mix’ more often hides a gentrification strategy and in that a hidden social cleansing agenda (Cameron, 2003; Uitermark et al., 2007)<sup>16</sup>. Indeed, conceptually, policy claims about the causal links between more socially mixed communities, increased social mixing, the development of social capital and cohesion, and decreased social exclusion and deprivation, have been criticised as something of an ‘analytical sack of potatoes’ (Fine, 2001; Kearns, 2003)<sup>17</sup>. Drawing on ESRC funded research (ESRC RES-451-26-0340), Bridge, Butler and Lees (2011)<sup>18</sup> collated academic and policy evidence on mixed communities policy from around the globe and stated clearly: ‘...the overwhelming conclusion of this review is that is that social mix policies are largely ineffective in enhancing the welfare of the poorest residents, and in some cases detrimental to the welfare of the urban poor’ (p.319).

International experts on mixed communities policy are clear that it is a failure with respect to the social mobility of the poor and that the end result is more often than not some form of gentrification. As Gotham (2001)<sup>19</sup> has shown with respect to the HOPE VI program in the US: ‘the redevelopment of public housing [in the US] is a form of “exclusive” development that is designed to exclude the very poor from the revitalized spaces and render them safe for resettlement by the wealthy and affluent’. Mixed communities policy in London has not aided the revitalization of depressed neighbourhoods, rather it has reduced affordable housing and contributed to spiralling rents and prices (Arbaci and Rae, 2013; Imrie and Lees, 2014)<sup>20</sup>.

As the *What Works Centre for Local Economic Growth* (2015)<sup>21</sup> report makes clear, we know very little about the ways in which the ‘new’ urban renewal programmes enacted on London council estates have shaped the lives of the original dwellers that they were designed to improve. This is because many of the original residents fail to make it back to the redeveloped neighbourhoods. The Heygate Estate is now symbolic of this.

### ***The academic evidence on displacement***

Gentrification induced displacement can be direct or indirect. Marcuse (1985:207)<sup>22</sup> is clear that displacement is related not only to the actual removal of low-income households by eviction or compulsory purchase, but also the fact that indigenous residents might not feel at home anymore in the changed neighbourhood because of the general decline of working class

<sup>16</sup> Cameron, S. (2003) Gentrification, housing redifferentiation and urban regeneration: ‘Going for Growth’ in Newcastle upon Tyne, *Urban Studies*, 40 2367-2382. Uitermark, J., J. Duyvendak and R. Kleinhans (2007) ‘Gentrification as a governmental strategy: social control and social cohesion in Hoogvliet, Rotterdam’, *Environment and Planning A*, 3:1:125-141.

<sup>17</sup> Fine, B. (2001) *Social capital versus social theory*, Routledge: London, p.190. Kearns, A. (2003) Social capital, regeneration and urban policy, in Imrie, R. and Raco, M. (eds) *Urban renaissance? New Labour, community and urban policy*, Bristol: Policy Press, pp.37-60.

<sup>18</sup> Bridge, G., Butler, T., and Lees, L. (eds) (2011) *Mixed Communities: gentrification by stealth?*, Policy Press: Bristol.

<sup>19</sup> Gotham, K.F. (2001) ‘Redevelopment for whom and for what purpose?’ in K. Fox Gotham (ed.) *Research in Urban Sociology Volume 6: Critical Perspectives on Urban Redevelopment* (Oxford: Elsevier) p.437.

<sup>20</sup> Arbaci, S. and Rae, I. (2013) Mixed tenure neighbourhoods in London: policy myth or effective device to alleviate deprivation?, *International Journal of Urban and Regional Research*, 37:2:451-479. Imrie, R. and Lees, L. (2014) (eds) *Sustainable London? The future of a global city*, Policy Press: Bristol

<sup>21</sup> <http://whatworksgrowth.org/policy-area/estate-renewal/#.VUCVBtjnnIU>

<sup>22</sup> Marcuse, P. (1985) Gentrification, abandonment and displacement: connections, causes and policy responses, *Journal of Urban and Contemporary Law*, 28:195-240.

culture and identity. As he argues, ‘When a family sees the neighbourhood around it changing dramatically, when their friends are leaving the neighbourhood, when the stores they patronise are liquidating and new stores for other clientele are taking their places, and when changes in public facilities, in transportation patterns, and in support services, all clearly are making the area less and less livable, then the pressure of displacement is severe’. Marcuse (1986)<sup>23</sup> discusses exclusionary displacement:

‘Exclusionary displacement from gentrification occurs when any household is not permitted to move into a dwelling, by a change in conditions which affects that dwelling or its immediate surroundings, which

- (a) is beyond the household’s reasonable ability to control or prevent;
- (b) occurs despite the household’s being able to meet all previously imposed conditions of occupancy;
- (c) differs significantly and in a spatially concentrated fashion from changes in the housing market as a whole; and
- (d) makes occupancy by that household impossible, hazardous or unaffordable’.

A number of academic and policy studies have underlined the difficulties that relocated public housing residents have in rebuilding social networks (eg. Clampet-Lundquist, 2004a,b; Gibson, 2007)<sup>24</sup>, and this should come as no surprise given the many studies of displaced communities and social networks as a result of post-war urban renewal programmes. As even the GLA (2015:14)<sup>25</sup> now recognize, ‘a process of “gentrification” may, over time, accompany regeneration, the new homes being occupied by households more affluent than previous residents’.

***What we are seeing is what Hyra (2008) has called ‘new’ urban renewal***

‘New’ urban renewal: is a term that Hyra (2008)<sup>26</sup> has used to refer to the C21st urban renewal of public housing projects in the US through the Federal Government’s HOPE VI program. He argues that today’s urban renewal of public housing projects in the US is similar to, but distinct from post-war urban renewal. Like post-war urban renewal it is state-led, but it differs in that today there are global factors contributing to this urban transformation and as opposed to post-war urban renewal, where a good proportion of low income groups benefitted from the renewal, today real estate developers and those seeking to invest in property prosper whilst low income groups are displaced from the communities they know and call home. The case of the Heygate Estate shows this well and it is not in the public interest of Haringey’s council tenants, nor of Londoners as a whole, if we want a properly diverse and socially mixed city as The London Plan claims it does.

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<sup>23</sup> Marcuse, P. (1986) Abandonment, gentrification and displacement, in Smith, N. and Williams, P. (1986) (eds) *Gentrification of the City*, Allen and Unwin, p.153-177.

<sup>24</sup> Clampet-Lundquist, S. (2004a) Moving over or moving up? Short-term gains and losses for relocated HOPE VI

Families, *Cityscape*, 7, 1, 57 - 80. Clampet-Lundquist, S. (2004b) HOPE VI relocation Moving to new neighborhoods and building new ties, *Housing Policy Debate*, 15, 2, 415 - 447. Gibson, K. (2007) The relocation of the Columbia Villa community: views from residents, *Journal of Planning Education and Research*, 27:5-19.

<sup>25</sup> <https://roeregeneration.wordpress.com/2015/03/06/london-assembly-paper-knock-it-down-or-do-it-up/>

<sup>26</sup> See Hyra, D. (2008) *The New Urban Renewal: the economic transformation of Harlem and Bronzeville*, University of Chicago Press: Chicago. Hyra was a community development expert in the US Department of the Treasury, he also worked for HUD, and is now a professor at the American University, Washington, DC.

***The value of council tenancies for low income groups***<sup>27</sup>

This HDV will impose long-term and potentially unforeseen risks on Haringey Council, rendering formerly secure council estates and tenancies inherently insecure.

I recommend you read: White,H. and Lees,L. (2015) Report for draft Housing and Planning Bill, *Why we Can't Afford to Lose it: local authority housing in London protects the poor from homelessness*. Submitted as Evidence. <http://ch1889.org/wp-content/uploads/2015/11/Canweaffordtolosethem-FC2.pdf>

***Key points relevant taken from the document:***

Local authority housing plays an essential role in protecting those who are vulnerable as a result of old age, mental illness or physical disability, as well as those on low incomes, from homelessness.

§ Local authority tenants with a secure tenancy are better protected than housing association or private tenants.

§ The Pre-action Protocol for Possession Claims by Social Landlords protects both local authority and housing association tenants. Housing associations, unlike local authorities, however, can seek possession of a property using a Ground 8, Section 8 Notice.

In sum, council housing best protects marginal populations.

***Good practice with respect to estate regeneration***

The council has said:

2.4 In agreeing this approach, we make clear commitments: to do our utmost to re-house council tenants in the area where they currently live and on similar terms, if that's what they want; that a Resident's charter is adopted, which sets out the expectations of Northumberland Park residents and is written by the residents themselves; that the development vehicle will be bound by our planning policy requiring 40% affordable housing; and that consultation with residents is guaranteed, with a commitment that sites can only be transferred to the vehicle once that has taken place.

To establish and provide recommendations on the feasibility of the proposed joint venture model of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;

- To establish and provide evidence and recommendations on whether the HDV can deliver a tenancy and evictions policy which protects vulnerable tenants in the same way as council tenancies do.

See above on the displacement that comes with these schemes and the affordable housing con.

On a residents charter, the right to stay put etc., I recommend you read Lees,L. (2017) *Report for GLA's draft good practice guide to estate regeneration*. Submitted to GLA. Attached.

***Key points relevant taken from the document:***

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<sup>27</sup> White,H. and Lees,L. (2015) Report for draft Housing and Planning Bill, *Why we Can't Afford to Lose it: local authority housing in London protects the poor from homelessness*. Submitted as Evidence.



**TENURE & SECURITY:** The guidance needs to say more about security of tenure – council tenants can lose their secure tenancies through being forced to move into new homes that are no longer classified as ‘council’ homes. Council estate residents facing displacement need more than ‘high priority’ in local allocations policy. Guarantees over moving to the same or similar rent levels need to be much clearer in this respect. Many residents on regenerated estates end up paying much higher rents, service charges and council tax despite pre-regeneration promises that rents would not go up. As the evidence presented at the Aylesbury CPO public inquiry showed (<http://35percent.org/2016-09-18-aylesbury-compulsory-purchase-order-rejected/>) leaseholders are also badly affected by estate regeneration, they need a ‘London market value promise’ which means that they are given enough money (with no increase in mortgage or new service charges) to be able to afford to buy the same kind of property in the same borough or on the regenerated estate. The guidance needs to be clearer about leaseholder rights.

**THE RIGHT TO STAY PUT:** There is much emphasis on the ‘right to return’, not the right to stay put – to be able to remain in the same community, to be able to return to the (redlined) footprint of the original estate. This needs to be central to the guidance, to avoid the wholesale destruction of socially and ethnically mixed urban communities in London. Equally, if residents are given the right to return to a suitable home, who ultimately determines what a suitable home might be, and that the offer to residents is ‘reasonable’?

**AFFORDABLE HOUSING:** There are many get-out caveats in the guidance: for it to carry more weight these need to be removed. For example, it is implied that the loss of affordable homes could be justified if it allows the construction of ‘better quality homes at existing or higher densities with at least the equivalent amount of floorspace’, taking into account ‘community benefits’ and the amount of affordable housing elsewhere in the borough (mirroring London Plan policy 3.4). This provides existing social housing residents little reassurance as there is no definition of what a better home might be, or what community benefits follow from the provision of better housing. The baseline principle – that there should be no net loss of affordable housing is also flawed, as most ‘affordable housing’ is simply not affordable for the majority of London’s council estate residents. We argue that the guidance should ensure that estate redevelopment ensures a net *increase* in council housing (the only truly affordable housing for low income Londoners) given London’s housing crisis.

### **Risks for the Council and Haringey residents**

Haringey’s vehicle stands out. It is a JV, which is unusual. In addition, the scale of its ambitions – using public land with a gross development value of £2bn – mark it out as an extreme case. Public land is being transferred to a private company. This is a huge cost to the council, in terms of land and revenue.

The model is unproven, and the scale at which Haringey is undertaking it is unprecedented.

The council is becoming a speculative house builder, in an uncertain post-Brexit market. This involves taking on very high levels of risk.

Given Lend Lease’s track record outlined above, the council must question whether sharing its land and profits with Lend Lease is prudent. Lend Lease’s commercial interest will no doubt conflict with the council’s motivations at times.

At this stage Haringey’s DV is exceptionally light on detail, and involves very few guarantees to citizens for a scheme with so many uncertain elements. This is privatisation of both council land and council housing.

Haringey residents need guarantees about aspects of the DV.

**Requests**

Scale the scheme down if it cannot be stopped altogether.

Pursue a wholly-owned model.

As with other models of regeneration the number of social homes get reduced incrementally as the scheme nears completion. In this case, Haringey, at pre-contract phase, are not even making any promises about net numbers of social homes. This is concerning. We need numbers that are agreed in advance and stuck to.

A guarantee is also needed to ensure that the homes have identical qualities to council tenancies, and that they remain this way in perpetuity. The same for leaseholder properties.

A ballot and a right of return need to be enshrined.

# Notes for Haringey Housing and Regeneration Scrutiny Panel

Dr Jane Lewis

London Metropolitan University

April 3rd 2017

# Dr Jane Lewis

- Dr Jane Lewis is a Senior Lecturer in Sociology and Social Policy at London Metropolitan University. She has worked previously as a lecturer in urban regeneration and in geography as well as in urban regeneration and economic development posts in local government in London. Jane has wide experience teaching at under-graduate and post-graduate levels with specific expertise in urban inequalities; globalisation and global inequalities; housing and urban regeneration policy and is course leader of the professional doctorate programme in working lives and of masters' courses in urban regeneration and sustainable cities dating back to 2005. Jane has a research background in cities and in urban inequalities, urban regeneration policy and economic and labour market conditions and change.

# aims

- 1. Invited following presentation Haringey Housing Forum on concerns relating to council estate regeneration schemes in London in name of mixed communities polices
- 2. Senior Lecturer Social Policy at LMU (attached note)
- 3. Terms of reference of Scrutiny Panel focus on 1and 2 – relating to rehousing of council tenants in HDV redevelopments and to 7 – equalities implications

# Haringey Development Vehicle (HDV) and Northumberland Park

- ‘development projects’ proposed for the first phase of the HDV include Northumberland Park Regeneration Area – includes 4 estates, Northumberland Park estate largest
- Northumberland Park Regeneration Area largest project HDV will be involved in
- LB Haringey high levels inequality – concentration deprivation in east of Borough and in Northumberland Park in particular – suffers some of highest levels deprivation in country - amongst 5% most deprived SOA’s in England – low and falling incomes, high unemployment and very high levels education and health inequalities (10 year difference life span men) – also 48% population white as compared to 66% in LBH and 71% London and 38% population black/black British (20% LBH, 10% London)
- First and foremost – talking about deprivation and poverty – ‘equalities implications’ of proposed HDV

# Aims for regeneration Northumberland Park Regeneration Area

- LB Haringey (2015) *Haringey's Housing Strategy 2015-2020* - 'mixed communities [is] at the heart of our approach'
- wanting a mix of homes across the borough to address housing market imbalance –affordable new homes in centre and west and more market and intermediate homes in Tottenham (62% social housing)
- Tottenham Strategic Regeneration Framework (2014), Tottenham Area Action Plan, Strategic Master Plan (2015) – all identify Northumberland Park Regeneration Area –as in need of comprehensive regeneration involving shift from single tenure council housing estate to mixed tenure development
- Northumberland Park seen as having potential to deliver new homes – mention of delivering 2000 new homes– land owned by Council and current estate is low density

# ‘what will the HDV mean for Northumberland Park residents?’

- ‘do our utmost to rehouse any existing council tenants’
- Mixed communities and more of a mix of homes
- large proportion likely to be demolished
- Promise same number of ‘habitable rooms’ rather than same number of housing units – 45% stock one bedroom flats
- Raises questions over future houses owned by HDV and HDV tenancies
- **Lessons and safeguards from other council housing estate regeneration developments in London?**



# 'Mixed communities' policies as a means of reducing growing concentration of deprivation in council estate estates

- Mixed communities/mixed tenure policies become key part housing (planning/regeneration) policy for last 20 years since 1990s/2000s in UK and more widely in US (HOPE VI)/Europe (Netherlands – focus on ethnic de-concentration)
- **Why?**
- Developed in context growing concentration poverty and deprivation in council housing estates in the UK in 1970s/80's and 90's
- **Solution**
- Reduce concentration of deprivation and poverty in poor neighbourhoods through developing a **mix of tenure and diluting poverty by attracting higher income residents into low income single-tenure neighbourhoods**
- Hills (2007) *Ends and Means. The Future of Social Housing in England* - highlighted the **growing concentration of poverty in social housing and growing income polarisation between tenures and argued that key way to improve poor council housing estates was to change them from single tenure estates to 'genuinely mixed communities'**

# 'mixed communities' and council estate regeneration policy in 2017

- **Increasingly** seen as 'only' means of both regenerating council housing estates as
- **financial model** – new private housing subsidises new social housing
- tackling housing crisis - increasing number of new homes – increasing the density of council housing estates and optimising LA owned land
- Adonis and Davis (2015) *City Villages: More homes, better communities* IPPR volume of essays – 'City villages comprise socially mixed, multi-tenure housing' -optimising local authority owned land
- Savills (2016) *Completing London's Streets* - densification social housing estates to build more housing – key focus of policy today
- **That policy makers everywhere accept uncritically mixed communities policies in the face of evidence which suggests they will not be successful in terms of social inclusion or reducing poverty and will lead to significant gentrification (Bridge et al (2012) *Mixed Communities. Gentrification by Stealth*)**

# 3 main lines criticism of mixed communities policies (Bridge et al. 2012)

- **1. most mixed community policy is one-sided** – seldom advocated (or implemented because of land costs) in wealthier neighbourhoods
- **2. in terms of claims of greater social interaction, social capital** – that there is little evidence that people from diverse backgrounds ‘actually mix’ - **DCLG (2010) research also no evidence more social interaction** - assumptions that physical proximity leads to closer social ties – is challenged in work of Butler and Robson (2003) on Brixton – incoming middle classes attracted by idea of diversity but no evidence social interactions – or Davidson’s (2010) research on socially mixed neighbourhoods in the redevelopment of riverside in London by major developers – **which highlights high levels of segregation, gated developments and new residents in privately owned housing not seeing ‘the local area as offering appropriate or desirable retail, public, social and leisure facilities’ and instead gravitating towards central London and spending their money and leisure time elsewhere** – little investment in surrounding neighbourhood
- **3. That mixed communities policies tackle the symptoms of poverty and inequality and not the causes** (Cheshire. 2007) – **mixed communities policy cannot reduce deprivation – statistics may show an increase in educational attainment, in income levels – but this reflects the composition of the incoming residents not any improvements in economic circumstances of existing residents**
- Cheshire (2007) **disputes the view that’ making communities more mixed makes the life chances of the poor any better’** - low income people can benefit from living in low cost areas
- **Successful at improving ‘place poverty’ not ‘people poverty’**

## Main concerns

# displacement of low income residents, gentrification of council housing estates and loss of social housing

- council housing estates were seen as a 'buffer' to gentrification in London – changing fast plans to regenerate/demolish council housing estates and redevelop them into new mixed tenure communities taking place across London
- pressure to realise both high value and under-utilisation of LA owned land
- Key battle ground
- Evidence **displacement** – either **direct** (decanting/rehousing) or **indirect** (rents/costs become too high) of existing residents
- Council estate regeneration schemes across London are leading to gentrification and 'social cleansing'
- loss of large numbers of social housing
- and the creation of more segregated not more balanced communities

# Loss of social housing

- Current mixed-tenure approach to estate regeneration is leading to a further decline in social housing
- GLA (2015) report on the challenges of estate regeneration looked at 50 schemes planned over the period in London from 2005-2015
- while overall number of homes set to double from 34,000 to 68,000
- 8,000 fewer social homes and
- 33,000 more private market homes

# Examples of mixed tenure council estate regeneration policies in London

- **Large number of regeneration schemes on council housing estates across London in which partnership with local authority and private developer (and housing associations) – all involve:**
- **Increase in density (commonly double housing density)**
- **Shift to mixed tenure, 50% or more private sale**
- **Loss of social housing units**
- **Displacement of existing low income residents (tenants and leaseholders)**
- **Aylesbury and Heygate estates in LB Southwark, Ferrier estate in LB Greenwich, Woodberry Down estate in LB Hackney are some of largest**

# Heygate and Aylesbury estates

- **Heygate estate** – 1200 council homes demolished replaced by 2469 new homes – 25% 'affordable' but only 80 social homes
- Lend Lease developer – LB Southwark sold land £50m – first thing they did was to revise down the proportion of social housing from 35% negotiated with LB Southwark – no monitoring of profit income – not eligible until end development in 2025
- Large increase in density/shift to mixed tenure/displacement social housing residents (Lees maps of location of displaced residents) and loss social housing – gentrification (land values)- new Elephant Oark development – over £1m for 2 bedroom flat
- wider Elephant and Castle redevelopment/opportunity area – 5000 new homes - 1,715 affordable homes, 874 of which will be shared ownership – 629 at rates up to 40% market rate and 212 at up to 50% of market rent
- **Aylesbury estate** - 2759 homes demolished and replaced by 4200 new homes – 1525 social homes - **50% for sale and 50% affordable** of which 75% social and 25% intermediate)
- Tenants promise of return to new social home with L&Q (phase 1) and Notting Hill Housing Trust
- Large increase in density/shift to mixed tenure/loss of social housing (1000)
- **most marketable sites – overlooking Burgess Park – private sale (maximise profits)**

# 35% Campaign

- Developers shifting the goal posts once they have contract
- Substituting affordable rent homes for social rent (developers and housing associations) – council estate regeneration schemes in which developers delivering affordable rent homes when social rent homes were required by planning consent – across London
- Ferrier estate in LB Greenwich 1906 homes demolished and replaced by 4400 mixed tenure – Berkeley Homes on Kidbrook Village site 67 affordable rent homes at up to 62% market rent built in place of 67 supposedly social rent homes
- Claremont estate in Brixton Notting Hill Housing Trust (RSL on Aylesbury estate) sold land by LB Lambeth for £1.5m on basis would provide 100% social housing - pleaded viability problems and new agreement 40% affordable of which 70% social homes – so far all 37 units built are affordable at up to 68% market rent
- Local authorities often no procedures in place for monitoring and enforcement of Section 106 affordable and social housing agreements



# Woodberry Down estate, LB Hackney

- Principles of regeneration of Woodberry Down council estate – an estate of over 2000 homes built in 1940's/50s – in the planning policy documents set out clear aims to develop **'cohesive mixed communities', an 'integrated and balanced community', a 'tenure blind' community**
- Partnership developer Berkeley Homes working with LB Hackney, Genesis Housing Association and Woodberry Down Community Organisation (WDCO)
- Serious issues emerging and WDCO and LB Hackney beginning to ask serious questions about the way the development is going (WDCO 2016)
- Concern is about what type of community is being developed and that what is emerging are 2 highly segregated communities – social 'apartheid', polarised between lower income social housing tenants and wealthy new residents and (absent) investors, no 'middle income'
- **'growing demarcation between affordable and other tenures'**

# Woodberry Down estate, LB Hackney

- Phased demolition of estate – 2000 homes replaced by over 5000 new homes by 2031
- increase in density
- new mixed tenure development – 40% social rent and shared ownership and 60% private sale
- loss of social housing – 1555 social homes (80% of estate) replaced when finished by 1088 social homes – **loss of 547 social homes** - plus 1177 'affordable' homes
- Existing tenants move only once, rehoused and flats of same size guaranteed

# Growing concerns

## *A balanced and integrated community in Woodberry Down: WDCO.s View (2016)*

- **Growing tension and changing goal posts by developer:**
- **‘growing demarcation between affordable and other tenures’:**
- Berkeley Homes 3 developments – Skyline (30 floors) £1.1-£1.2m, Park Collection £1m and Nature Collection £560,000 to £1m – not originally supposedly targeting overseas and high end luxury market
- Marketed extensively in south east Asia – 55% first phase sold to overseas investors – large ‘buy-to let’ – transient tenants – many residents weekday only
- Second tower - not in first master plan
- Postponement of demolition of ‘seven blocks’ – worse condition on estate – first areas to be developed not worse but most marketable – overlooking reservoir where private ownership over-represented
- Berkeley Homes want private gyms and swimming pools for sole use private owners in private blocks – challenged by WDCO/LB Hackney
- Private blocks have private security guards (Genesis no longer afford) and concierge
- Private homes superior courtyards, water features and other open space which is often gated - Rivulet Gardens private paths and locked gates
- Retail strategy – Berkeley Homes own – not allowing fish and chip, pound shops – encourage the type of retail that will attract people to buy flats – Italian Deli, cafe

# Woodberry Down – new private apartments

The Park Collection at Woodberry Down  
Luxury Premium Apartments and Penthouses in  
tranquil natural surroundings

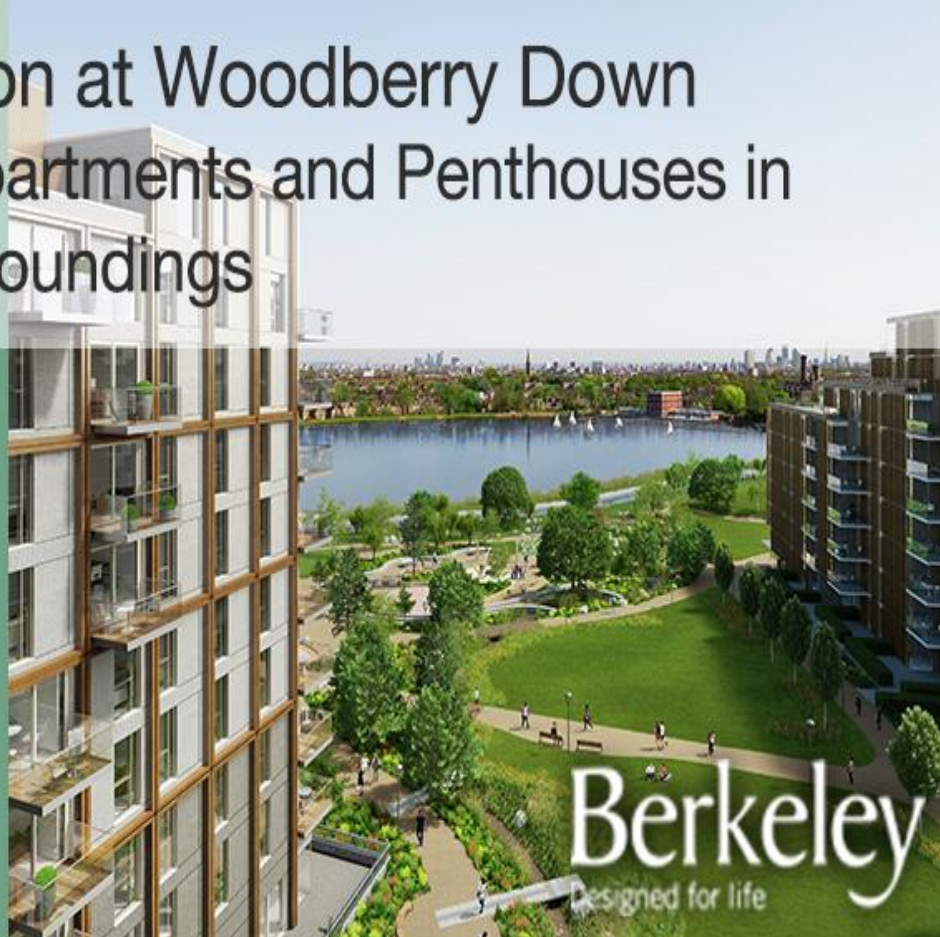
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# Some lessons, safeguards and models

- Increasingly market-led and increasing shift away from principles of balanced and integrated or mixed community
- Developer has power – particularly given financial model in which social housing funded in part through sale private homes – argue need to realise highest market value
- Developer changes goalposts arguing that market has changed (Brexit)– now need to target more high end/overseas investors
- Creating **highly segregated and separate communities** – perhaps especially so and difficult In London given London housing market - and growing economic and housing market inequality in London – creating genuinely mixed communities becomes even and ever harder
- Certainly in Woodberry Down there are growing difficulties and growing concerns emerging
- council housing estates are being demolished all over London and replaced with mixed tenure developments involving gentrification, displacement and the loss of social housing
- Lessons to be learned from all of these examples of council estate regeneration – from talking to the tenants associations
- Growing numbers of campaigns and campaigning organisations highlighting key issues and lessons
- Growing number of alternative models
- Including growing evidence that refurbishment is often a better solution than demolition
- Of course, basics – resident involvement (real participation), no loss of social housing and increase in social housing and in affordable housing at significantly less than 80% market rent, every resident right to be rehoused, same tenancy and rent
- But the question is, solution to what? It depends, of course, on what the aims are in the first place.

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2g – Professor Edwards

HDV Scrutiny

5 April 2017

Notes from Prof Michael Edwards, UCL Bartlett School of Planning.

My comments are mainly about the risks and uncertainties which the Council confronts. In this I'm drawing on experience since my first professional job working on the economics of Milton Keynes, through a career of consultancy, research and teaching on the economics of planning and property development. In particular I set up and ran for 15 years a Masters programme on property development and planning, initially with a European scope but now more broadly international. I have also learned a lot from being involved in the King's Cross development of the last 25 years, and the GLA London Plan process from 2000 onwards. I'm a member of the Highbury expert Group on Housing Supply.

But first I want to make a comment as a resident. I have lived in Seven Sisters Ward for 14 years. I am a regular reader of the Council's glossy magazine which comes through my letter box and I also get periodic emails from the Council. I have read draft Town and Country Planning documents as they appear and have made representations on some of them. But I have never been consulted on the HDV proposal and I think it's impossible that I would have missed an announcement about it, given my professional interest.

2g – Professor Edwards

Risks

Alternatives

### **Risks**

The Council's Business Case of 2015 was prepared before the EU referendum and before the numerous changes in housing and planning law which were enacted in the Housing and Planning Act 2016 and trailed in the White Paper recently released. As a result of these changes in the economic and political environment the Council's decisions have to be tested against a much wider range of possible circumstances than must have seemed likely in 2015.

The economy of the UK is very weak, with low investment; what little growth we have being driven by expanding household debt and no clear prospect that we'll be able to take advantage of a devalued pound to increase our exports. Many of our export sectors in finance, insurance and related professional services are directly threatened by brexit while others – like the university sector, a huge earner of foreign exchange, are threatened by visa restrictions. We share with Greece the decline in real incomes in the last decade.

We thus need to consider the possibility that the UK economy will fail to grow and may contract in the coming decade. Furthermore the effect of inflation of import prices leading to higher interest rates would both impoverish an indebted population and change balance of power within the HDV.



The other contextual factor is related to housing policy: it keeps changing in ways which make it ever harder for councils to resume house-building. That's one of the reasons why Haringey has proposed the HDV. But it seems quite possible that government will find ways of extending the Right to Buy to Council-owned companies or in other ways inhibit the efforts of London Boroughs to circumvent government policy. Although the Minister has backed off the RtB threat recently we cannot be very confident.

So what are the risks we should be looking at:

- (1) The risks of **debt** exposure of the HDV. We are told that the IP will match the value of the Council's successive transfers of property with injections of equal amounts of its own equity finance. Then on top of that the HDV will borrow the money to do its developments. Can the HDV borrow through the Public Works Loan Board (at about 2% currently) or would it have to pay open market interest rates of perhaps (7-8%)? I'm not a local government finance professional but I doubt whether a private company would be eligible for PWLB.

In any event (whatever the interest rate) If interest rates then rise, it could indefinitely postpone the moment when Haringey begins to receive 50% of the profits from the

venture. (We are told that the Council would receive profits only after all debts are repaid.)

- (2) All the work of managing the HDV and the property portfolio handed over to it on day 1 would be undertaken by the IP (Lend Lease). This would presumably mean that the IP is expected to charge the HDV with its costs, and these costs would undoubtedly include some level of profit to themselves on each task performed. The IP would thus be enjoying steady profits from these operations while the Council would gain no profit share from the HDV until much later, if at all.
- (3) If the government goes ahead with measures which would impose the Right to Buy on sub-market dwellings produced by Council subsidiaries, the HDV could be losing units which it had made such sacrifices to produce.
- (4) The Council's cash flow under the HDV regime would, at least initially, fall because the flow of rents from its commercial property portfolio would instead flow to the HDV. The leader of the council in her recent article, implicitly accepts this prospect, but expects it to be made good by growing income from Business rates and Council Tax. That may be so, but we ought to be able to see the figures.

(5) A final risk which I consider should be explored is what happens if and when the IP or decides to sell its share. We are assured by the Council Leader that Haringey would have to consent to any such sale. But if economic conditions become very adverse and there are few willing buyers the Council might not have much choice. I raise this point because we have seen examples, especially in Germany, of large portfolios of rented housing falling into the hands of hedge funds of the very aggressive kind which then exert intense pressure to raise rents and evict those who cannot pay.

I have listed all these risks because they appear to me to be possibilities which should be explored before the scheme is finalised. Perhaps they have been explored. Your committee and the general public at least need detailed reassurances and surely should be able to scrutinise the cash flow projections which correspond to them.

**Alternatives:**

Among the alternatives which should be explored I am not at all happy that the set is wide enough or serious enough.

The “do nothing” strategy **Option 1 Base Case** gets little attention in the Business Case document. But it could really be the best strategy in current conditions insofar as “regeneration” on current models almost invariably leads to a reduction in social rented

2g – Professor Edwards

housing. (Assembly) It would, in that event, maximise the Council's capacity to house those in greatest need including the homeless, while not meeting the Opportunity Area targets for total dwelling numbers.

This would combine well with a more piecemeal approach: developing individual sites or estates as and when it can feasibly be done in the changing economic and policy environment. If political conditions improve, for example, the Council would be able to borrow and build in the normal way. If conditions get worse, the Council would at least have battened down the hatches.

There is a lesson from King's Cross here. Camden negotiated one huge planning permission for KXC with one huge S106 agreement alongside it. The local community groups called for the Council to give permissions stage by stage but were defeated. Under intense negotiation the scheme was to have about 41% of affordable housing units of various kinds, with some co-funding from the HCA from the Labour Government. In the first half of the development this went well. But after HCA funds for affordable housing were severely cut back by coalition and conservative governments, the developer exercised a clever clause in the S106 agreement which enabled them to reduce the social housing % in the later phases. Camden was tied down to a 2006 contract and had to accept a reduction to about 31%.

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Had the permission been split into phases, a fresh negotiation would have taken place for the later phases and, since market values for homes had escalated enormously, it would have been possible to negotiate at least the same level of affordable housing, and probably more.

I tell this story not because there's a likely parallel in Tottenham, but because it illustrates the dangers of committing an entire long-term programme in one agreement.

Finally we should be looking at 2 other alternatives:

A Development **Corporation**. London has two already and why don't we explore how good one would be for Haringey. Although there is criticism of the level of community engagement in the 2 existing ones, they are at least governed by accountable bodies, with planning meetings open to the public and fully subject to FOI. It also has the attraction of being able to draw on GLA funds.

Finally the study should explore a **majority**-owned public-private company, perhaps on the model of the Sociétés d'économie mixte in France, hundreds of which have been operating for decades. The law prescribes that public bodies, taken together, must have a minimum of 51% control, and maximum of 85%. It's a distinctly lower level of privatisation than the 50% proposed here because the public owner can ultimately break a deadlock in the public interest. The economist Nicholas Falk has also written compellingly on German and Dutch models which we should be learning from.

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Extract: Kober article 19 January 2017

<http://www.haringey.gov.uk/news/article-council-leader-cllr-claire-kober-haringey-development-vehicle>

That transfer of land constitutes the Council's 50% equity stake in the development. The private partner then matches that stake with an equal cash equity contribution, cementing the 50/50 nature of the partners' relationship. The vehicle will then borrow whatever additional funds it needs to pay for development, and do the building work. The proceeds from development are then used first to repay the borrowing, and what's left over is split 50/50 between the partners.

and

First of all, I'm determined that council budgets – and the services which depend on them – are protected. The first principle has to be that we are no worse off. Where the council loses rental income from commercial property transferred into the vehicle on day one, we are absolutely clear that the vehicle will make good the difference. As the vehicle's work goes on, we will very closely manage both our General Fund and Housing Revenue Account, always ensuring that any impact is manageable. In the long run, our costs will be greatly outweighed by the returns from development and the increases in council tax and business rate income.

2h. Gail Waldman, The Highgate Society

## **HARINGEY'S SCRUTINY PANEL**

### **GAIL WALDMAN**

#### **EXPERIENCE**

I am an architect (retired). I was a partner and later a director of a small architectural practice from 1980. Work was mainly in the public sector for housing associations, universities and colleges, and charities including BAFTA and the British Board of Film Classification.

Since retirement in 2012:

The Highgate Society Planning Group , member. Work involved:

- review of Haringey's Local Plan
- briefing QC on Site Allocation for Highgate Bowl
- witness at Planning Appeals (all won)

The Highgate Society Traffic & Transport Group, Chair

Highgate Conservation Area Advisory Committee, member

Stroud Green Conservation Area Advisory Committee, member

Highgate Neighbourhood Forum, committee member during drafting of the Highgate Neighbourhood Plan, drafted areas of policy for Plan

#### **HDV ISSUES**

### **PROMISES FOR SOCIAL RENT AND AFFORDABLE HOUSING CANNOT BE KEPT**

#### **Planning matters:**

1. **Viability impact on provision of social rent and affordable housing**  
The National Planning Policy Framework does not require developers to build out schemes that will lose them money. All planning applications (above the 10 units at which affordable housing is required to be provided) are accompanied by a Viability Statement. As it stands, these viability statements, because they contain sensitive financial information are not available to the public or, at best, can be seen in redacted form. In 2008, in order to encourage developers to continue building, a 20% - 25% profit margin was allowable. It could be argued that times have been a lot better over the last few years and the profit margin could have been lowered without risk to development taking place. It could be argued now that Brexit threatens profit margins. It is because of the Viability Statements that so little affordable, or indeed social rent, housing has been built over the last decade.

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2. **Land prices affect viability**

Developers will pay 'over-the-odds' for land in the following circumstances:

- to avoid the affordable housing planning requirement
- if the developer can show it is not financially feasible in its Viability Statement to provide the affordable housing planning requirement
- if pre-Application advice indicates that a high density would be acceptable.

The middle range of PTAL (Public Transport Accessibility Levels) is very wide.

<https://data.london.gov.uk/dataset/public-transport-accessibility-levels>

3. **London Mayor's Promises**

Sadiq Khan made bold and much-publicised commitments to making developers provide affordable housing to meet the targets which each Borough is obliged to reach under the London Plan. Given the position on the NPPF, Viability Statements and land values this was an unachievable promise. He has recently consulted on a Housing SPG which proposes to subsidise affordable housing such that any provision over 30% up to 50% would be subsidised pro-rata.

<https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/supplementary-planning-guidance/affordable-housing-and>

Consultation on this SPG closed on 28 February 2017. The final form of it is therefore not known and cannot be relied upon when calculating the provision of affordable housing to be provided under the HDV.

4. **Islington Council commissioned Report on Land Values**

Islington Council has been at the forefront of trying to tackle viability issues. It commissioned Professor Sarah Sayce BSc PhD FRICS IRRV Professor of Sustainable Real Estate at the Royal Agricultural University to look at land values. Dr. Sayce has brought forward several suggestions in her Report:

<file:///C:/Users/Gail/Downloads/Viability%20and%20the%20Planning%20System%20Research%20January%202017.pdf>

5. **Haringey's Local Plan**

The Local Plan went through Examination in Public last August. The Examiner submitted her comments to Haringey shortly afterwards. The Plan included sections for the areas of the Borough which would be most affected by the HDV. It is not yet adopted.

6. **Area Action Plans for Tottenham**

[http://www.haringey.gov.uk/sites/haringeygovuk/files/06\\_tottenham\\_aap\\_dtp\\_221215.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/06_tottenham_aap_dtp_221215.pdf)

**Previous consultation outcomes**

1.24 Initial consultation on the broad proposals for Tottenham was undertaken in January 2014. A number of public consultation events were also held that attracted over 80 residents and stakeholders. The full report is available on the Council's website. In summary, consultation feedback highlighted a number of common themes:



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- The need for the AAP [Area Action Plan] to be clear about what is being proposed (i.e. where and why, as well as the implications for local neighbourhoods, local residents and businesses);
- That the area is already densely populated and concern as to whether the number of new residential developments proposed for Tottenham is appropriate and equitable in a Borough-wide sense;
- That existing deficiencies in community infrastructure (including health care facilities, primary school places and local open space) serving the area will be further exacerbated if additional housing is added - new infrastructure provision must be secured and not just promised;
- Concern that regeneration will lead to the gentrification of Tottenham, with existing residents and businesses forced out of the local area;
- A desire to see the distinctive existing character and heritage of neighbourhoods retained and preserved;
- The need for further detail on employment provision, including: the types of jobs proposed to be delivered, how these will be secured for local benefit and greater clarity on the proposals for existing local employment sites, including proposals to support, retain (including through relocation) and grow local businesses, as well as the need to secure affordable workspace; and
- That regeneration in Tottenham should not be solely for, or in the hands of, major developers and landowners but should be in collaboration with the existing community

This summary of concerns deserves careful scrutiny. Further:

1.27 Finally, a public consultation was held in February and March 2015 on the 'Preferred Options' draft of the AAP2 (alongside consultation on other Local Plan documents, including emerging Alterations to the Strategic Policies, Development Management DPD and the Site Allocations DPD). All comments to this consultation were summarised and considered, and where appropriate, changes were made to the AAP in response to these. The key messages from the consultation were:

- Concerns regarding how and where infrastructure will be delivered to service the planned residential and commercial growth, in particular, health care and school places;
- Tottenham's existing heritage and character should be protected and used as a basis for conservation-led development;
- Refurbishment and the continuance of the Decent Homes programme for estates are preferable to other forms of estate renewal;
- Affordable housing is not genuinely affordable for many of Tottenham's population; and
- Local businesses need to be supported in the regeneration of Tottenham

Cabinet members have claimed that these consultations were consultations on the HDV. This is highly arguable in the light of what was actually proposed and, later, the Examiner's comments:

Objective 4: A different kind of housing market

3.15 Tottenham has a great mix of housing, it was the last great Victorian suburb, but it is part of a city where housing demand is outstripping supply and in some areas the housing quality does not appropriately meet need. We want Tottenham to be known for having a high quality yet affordable housing market, **and will work with local residents to begin an ambitious programme of estate renewal where necessary to deliver this. We will secure investors to provide a portfolio of housing types at a range of prices and tenures to ensure more people get access to the quality homes they need.** (My emphasis in bold)

#### **POLICY AAP1: REGENERATION & MASTERPLANNING**

C. The Council will take a proactive approach to working with landowners, the Mayor of London, the local community and other interested parties to help deliver the changes needed in Tottenham to meet the shared vision for the regeneration of Tottenham.

D. Development proposals will be expected to maximise the use of public and private sector investment to provide a range of types and sizes of homes, create mixed and balanced

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communities within neighbourhoods, create economic opportunities for local residents and businesses, improve and enhance the local environment, and reduce carbon emissions and adapt to climate change, in accordance with the other policies of this AAP and Haringey's Local Plan.

Table 2 to 4.8 includes Northumberland Park and Northumberland Park North as 'Estate Renewal Schemes'. Hitherto (see AAP1 C above) reference has been made to 'Regeneration'. So what is the difference between 'Estate Regeneration' and 'Estate Renewal' ?

**Estate Regeneration**

- Grant must be used for the purposes of estate regeneration: development that is undertaken to improve the social and physical environment of housing estates
- Proposals must be intended to create or sustain social housing.

From :

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/575800/Estate\\_Regeneration\\_Programme\\_Funding\\_Prospectus.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/575800/Estate_Regeneration_Programme_Funding_Prospectus.pdf)

Estate Renewal - the meaning is obvious - demolition.

How clear was it to residents and others that there is a distinction in meaning between the two?

**Key neighbourhood area objectives**

5.82 The North Tottenham Neighbourhood Area consists of three major regeneration and development schemes that will transform an area that currently experiences fundamental social and economic disadvantage (where, for example, male life expectancy is seven years lower than the Borough average) and which is dominated by poorly designed and fragmented housing estates and industrial land, into a new leisure and residential destination for London.

5.83 High Road West and Northumberland Park are focused on delivering transformative housing estate renewal, whilst the substantial private investment coming forward from Tottenham Hotspur Football Club (THFC) in the Northumberland Development Project provides an opportunity to create a scheme at the heart of the place making ambitions for north Tottenham.

**Site Allocation - Northumberland Park North**

5.110 Comprehensive masterplanned improvement of the area to improve existing, and create new, residential neighbourhoods through the **delivery of a major estate regeneration programme** that will include:

the provision of additional high quality housing with an increased range of types, sizes, and tenures;

**improvements to existing housing stock**; new public spaces; and new community infrastructure.

Town Centre uses will be encouraged on the High Road and Northumberland Park.

**Site Allocation - Northumberland Park**

5.114 Comprehensive masterplanned improvement of the area to improve existing, and create new, residential neighbourhoods through the **delivery of a major estate regeneration programme** that will include:

the provision of additional high quality housing with an increased range of types, sizes, and tenures;

**improvements to existing housing stock**; new public spaces; and new community infrastructure.

**Site Allocation - High Road West**

Site Requirements

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- The site will be brought forward in a **comprehensive manner to best optimise the regeneration opportunity.**
- Development should accord with the principles set out in the most up-to-date Council-approved masterplan.
- Creation of a new residential neighbourhood through increased housing choice and supply, with a minimum 1,400 new homes of a mix of tenure, type and unit size (including the re-provision of existing social rented council homes, the offer of alternative accommodation for secure tenants, and assistance in remaining within the area for resident leaseholders from the Love Lane Estate)

**Chapter 6: Implementation and Delivery****Working in partnership**

6.4 The Council does not have the resources to implement the AAP alone. Implementation and delivery of the AAP will require the Council to work closely with a range of different partners, including landowners and developers, as well as infrastructure providers, the Greater London Authority and Transport for London, to ensure a coordinated framework and approach to delivery. The AAP provides the necessary framework for coordinating a large number of development proposals, along with investment in infrastructure, across the whole of the Tottenham area, over the life of the Plan, and across all partners involved.

Council as a landowner and developer

6.8 The Council has substantial landholdings across the AAP area, much of which has been allocated for redevelopment. The Council is committed to bring its sites forward in a timely manner and will, if appropriate, enter into joint ventures or other such arrangements, to facilitate this.

6.9 Any procurement exercise will be undertaken in an open and transparent manner.

I again suggest these do not amount to consultation about the HDV. There is no mention of Broadwater Farm anywhere in the Local Plan. See also Examiners' proposed alteration AAP Mod 41 below.

Whilst 6.9, above might be taken as a promise to consult this may be a risky assumption. At the least it should include all documentation relating to the negotiations, including material on viability, and that there should be no confidential or redacted material

7. **Examiner's comments on Tottenham policies in Local Plan**

[http://www.haringey.gov.uk/sites/haringeygovuk/files/schedule\\_of\\_modifications\\_to\\_the\\_tottenham\\_aap.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/schedule_of_modifications_to_the_tottenham_aap.pdf)

I cannot copy and paste these suggested amendments. Please refer to the above document. However particular attention should be brought to:

**AAPMod8**

Amend Policy AAP1 Part C to read:

C. The Council will take a proactive approach to working with landowners, the Mayor of London, existing site users, the local community and other interested parties to help deliver the changes needed in Tottenham to meet the shared vision for the regeneration of Tottenham.

**AAPMod14**

Amend paragraph 4.14 to include additional text at the end of the paragraph to read:

To support delivery of inclusive and mixed communities the Council will give consideration to the most appropriate housing mix and tenure to be delivered on individual schemes, in line with Policy DM13(C).

**DM13C** The Council may seek to alter the tenure and/or mix of affordable provision to be secured on a case-by-case basis to avoid affordable housing of a certain tenure or size being

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over or under represented in an area, or to assist in improving development viability (e.g. through provision of a greater ratio of intermediate housing).

The Examiner has not proposed any changes to DM13 C. It comes somewhat as a surprise that affordable housing might be "over-represented" anywhere.

**AAPMod41**

re NT3, NT4 & NT 5:

**NT3: Northumberland Park North NT4: Northumberland Park NT5: High Road West**

Insert a new paragraph at the appropriate location within the 'Site Commentary' section to provide more information on the process for estate renewal as follows:

The process for undertaking estate renewal will follow the following steps:

- Engagement with residents across the site prior to the commencement of any proposals to inform them of what is being proposed, the process for how they will be engaged and the proposed timetable;
- The establishment of Residents Steering Group;
- The appointment of an Independent Advisor to help people through the process and to inform them of their right and options as tenants or leaseholders;
- The appointment of an architect to begin drawing up the site masterplan in consultation with the Residents Steering Group, including capacity testing, resulting in potential development options.
- The conducting of financial appraisals of the development options;
- Discussion with residents on the finds of the above studies, seeking agreement to the selection of a preferred proposal;
- Working up the preferred proposal for planning permission, including decant arrangements and the phasing of development;
- Appointment of a contractor to commence works.

8. **Community Infrastructure Levy (CIL)**

**Proposed changes to Haringey CIL**

[http://www.haringey.gov.uk/sites/haringeygovuk/files/preliminary\\_draft\\_charging\\_schedule\\_consultation\\_document\\_2017\\_1.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/preliminary_draft_charging_schedule_consultation_document_2017_1.pdf) consultation 10 March - 21 May 2017.

3. How is CIL calculated and charged?

3.1 The regulations require two distinct aspects to be considered. Firstly, a 'charging authority' (the Local Authority) needs to demonstrate that new development necessitates the provision of new, or improved, infrastructure. Secondly, that the rate included in the proposed levy does not make development proposals unviable, in particular with regards to expected costs that would be associated with the provision of on-site infrastructure (for the purposes of CIL, affordable housing is regarded as an on-site requirement and will continue to be secured through s106 obligations).

The existing CIL levels are:

2.7 Haringey's currently adopted CIL Charging Schedule is set out below.

Adopted Haringey CIL Charging Schedule Use CIL charge (£/square metre)

	Western	Central	Eastern
Residential	£265	£165	£15
Student accommodation	£265	£165	£15
Supermarkets	£95		
Retail Warehousing	£25		
Office, industrial, warehousing, small scale retail (use class A1-5)			Nil Rate
Health, school and higher education			Nil Rate
All other uses			Nil Rate

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Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit. Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items, and other ranges of goods, catering mainly for car borne customers.

4.1 .....The latest outcomes of this study indicate that there is a total funding gap that CIL can contribute towards of approximately £345m

The proposed CIL levels are:

Use	Western	Central	South Eastern	North Eastern	Mayoral CIL
Residential	£265	£165	£130	£15	£35
Student accommodation	£265	£165	£130	£15	£35
Warehouse living	N/A	N/A	£130	N/A	£35
Supermarkets	-----	-----	£95	-----	£35
Retail Warehousing	-----	-----	£25	-----	£35
Office, industrial, warehousing, small scale retail (use class A1-5)	-----	-----	Nil Rate	-----	£35
Health, school and higher education	-----	-----	Nil Rate	-----	Nil
All other uses	-----	-----	Nil Rate	-----	£35

Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit. Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items, and other ranges of goods, catering mainly for car borne customers.

6.2 .....Haringey CIL is still in a “bedding in” period. Due to planning consents lasting for three years, although a total in excess of £13m has been calculated as liable, only £1.4m has been collected. This is due to the payment of CIL being at the point of commencement of development. As such the residual £11.7m-worth of CIL liable development currently has planning consent, but has not yet commenced development. Assuming the developments are commenced in the coming years, the collected amount will increase over the coming years.

### Will CIL cover our Infrastructure needs?

BNP Paribas estimate there is a shortfall of £345m between now and 2027. If the shortfall of £11.7m (above) is added to the expected CIL raised in the South East of the Borough at £130 from Site Allocations in the Local Plan which would raise £18.7m, you have a total £30.2m - 10% of the expected shortfall. The Consultation document does not project how this massive gap would be closed especially as the Site Allocations represent a large one-off windfall.

### From the Local Plan for Tottenham:

Infrastructure

5.104 The infrastructure projects in the neighbourhood area are:

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- New pedestrian and cycling bridge at Northumberland Station.
- New and enhanced education facilities commensurate with the growth in forecast population in Northumberland Park.
- New health facility to be delivered as part of the redevelopment of Tottenham Hotspur Football Club
- New rail and station facilities at Northumberland Park associated with the delivery of increased rail connectivity, as well as Crossrail 2.
- New and enhanced bus routes reflecting the area's role as a key regional growth hub.
- Improvements to community infrastructure provision, including a crèche, a new library and education hub, a new healthcare centre including a pharmacy and new leisure facilities associated with the redevelopment of Tottenham Hotspur Stadium.
- Improvements to White Hart Lane Station and a new entrance to the station to align with the new public square and the new clear route provided by the square from the station to the new football stadium.

Will the CIL level for the North East area be enough to pay for these?

How many will be paid for under the planning permission for THFC?

How many will be paid for by TfL or Network Rail?

What other Infrastructure might be needed during the lifetime of the Plan?

**Incentive to develop or a gift?**

The level of CIL is so appreciably lower in the newly designated North East area at £15, it presupposes a massive drop in the projected property values from South to North Tottenham. And yet the Business Plan for the HDV is predicated on an increase of property values by almost double their present values. Without that increase, the partners in an HDV would apparently gain no profit from the venture and would likely not be so intent to embark on this venture. Is the profit therefore not being gained at the expense of infrastructure?

The Consultation Document proposes a new list of CIL projects:

Haringey CIL funding may be applied in whole or part to the provision, improvement, replacement or maintenance of the following infrastructure:

Educational Facilities

Further Education Facilities

Health and wellbeing Facilities

Parks and Open Spaces

Social and Community Facilities

Transport and Highways (excluding works that area required as part of a development proposal to be secured through a Section 278 Agreement)

Enterprise Space

Sports and Leisure Facilities

Public Realm Improvements

Community Safety Measures

District Energy Network and associated infrastructure

The above list is not in order of priority. The above list excludes infrastructure projects that are required to make a development acceptable in planning terms in accordance with the planning policies set out in the Council's Local Plan. Whilst CIL will be the Council's main mechanism for securing funding towards the infrastructure that is required to support the cumulative demands from development in Haringey, there will be some instances where individual development gives rise to their own requirements for infrastructure in order to make the development acceptable in planning terms. Such infrastructure will be secured as part of the development through the use of planning conditions or planning obligations.

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Further details on this approach are set out in the Council's Planning Obligations SPD. This Regulation 123 list therefore explicitly excludes the provision of infrastructure that is required to make a development acceptable in planning terms and which meets the legal tests of Regulation 122 of the CIL Regulations. Through the publication of this list the Council therefore retains its discretion to negotiate necessary planning conditions and s106 planning obligations to secure such infrastructure.

Is Northumberland Park going to be short-changed at £15 and not get the benefits that the rest of the Borough might see? This is surely literally building in a poorer quality of life for those living in this area. The cost is the same whether by means of Section 106 Agreements, more negotiable than CIL which is not. Can S106s realistically be expected to remedy the position?

**CROSS BOROUGH CONCERN**

**What are the risks?**

- it is not clear that Haringey would have a power of veto in the 50:50 partnership
- the Council will be £11.5m in debt this year. Haringey's 50% share of the HDV's profit is seen as the only way of covering the debt
- the unsound Business Case (2015) assumes CrossRail 2 will go ahead and there will be a station Wood Green. Brexit has happened
- Haringey would put its commercial property into the HDV on Day One - its share of the LLP's equity. Lendlease would only provide a loan note to cover its share. If Lendlease were to go bust, Haringey's commercial portfolio would be at risk
- Haringey will lose the revenue stream from current residential and commercial rents causing a serious dip in their finances.
- Council income and liabilities arising from the HDV are not separated
- financial viability of developments is a planning test. In Highgate developers have used viability as a means to provide little or no affordable housing. Haringey cannot guarantee it will achieve its goal of 50% affordable housing
- Haringey's 50% profit relies on property values almost doubling in Tottenham, Wood Green and Northumberland Park
- how affordable will rents be for existing tenants? The project has been described as 'social cleansing'. Promises to re-provide social rent homes may well be hollow
- residents could resist moving, delaying redevelopment of the large estates (1700 and 1200 people in Northumberland Park and Broadwater Farm alone)

These are just some of the concerns about this project

NOTES PREPARED BY GAIL WALDMAN 2 APRIL 2017

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2i. Steve Jefferys

Haringey Scrutiny Panel April 5 2 pm

### **Professor Steve Jefferys**

My contribution to the Scrutiny Panel's work is partly based upon research projects I led when I was Director of the Working Lives Research Institute at London Metropolitan University:

The Construction Industry in London and Diversity Performance (2006)

Migrants' Pathways to Northumberland Park (2006)

Employment, Skills and Training Needs of Refugees, Asylum Seekers and Recent Migrants in Haringey (2007)

Out-sourcing and shared services in Education (2010)

Since retiring as Emeritus Professor in 2015 I have researched Bridgepoint Capital (a private equity firm) and one of its major subsidiaries, Care UK, for the trade union UNISON.

I hope to provide helpful evidence concerning the HDV's financial structure. In my view, the evidence and the Council's silences on key financial issues cast major doubts upon the joint-HDV's ability to deliver:

- (a) larger numbers of social rent properties, of private sector 'London Living Rent' properties and of 'affordable' homes for purchase in Haringey than there are currently;
- (b) guarantees of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;
- (c) adequate protection of the Council's interests and mitigation of the huge risks involved.

Finally, I am a long-term Crouch End/Tottenham/Hornsey/Muswell Hill resident. I lived in Haringey from 1946-65, 1974-86, and from 2000 to date – some 50 of my 71 years. I attended Rokesly Infants and Crouch End Primary Schools and for the past two years am now living in a rented flat in Crouch End. Naturally, I'm a life-long Spurs fan too.

Here are **Proposals** covering six distinct areas that arise from my work I consider Haringey would be well-advised to secure in negotiations with LendLease that would:

### **Reduce financial risks**

1. LendLease to invest new capital in the HDV equivalent to the **real** value of each tranche of transferred Council land and property (ie only after full planning permission has been obtained) **on the date** of each and every such transfer by Haringey.
2. Lendlease not permitted at any time to borrow directly or indirectly either against the Haringey property portfolio or on the basis of the HDV partnership agreement.
3. Restricting the rate of interest on all new borrowing by the HDV to twice the interest rate charged by the PWLB (Public Works Loan Board).

2i. Steve Jefferys

4. Requiring the HDV to borrow on the open market with a specialist finance monitoring function created that is fully independent (of LendLease and any other contractors, as well as of Haringey's HDV tendering process), to ensure the best terms are obtained.
5. Keeping the permitted maximum profit on building development to a maximum of 10%, with a specialist cost monitoring function created that is fully independent (of LendLease and any other contractors, as well as of Haringey's HDV tendering process), to ensure construction costs and overheads cannot be inflated.
6. Ensuring all contracts engaged in by HDV with third parties are awarded by transparent competitive tender (and analysed by highly competent external advisors who have no previous connections with LendLease or Haringey Council officers or councillors).
7. Allowing the Council (giving six months' notice) to withdraw from the HDV every five years and without any compensation to be paid to LendLease or to its subsidiaries or staff, and with the whole property portfolio being transferred back to Haringey.

**Give strong guarantees to tenants**

8. All council house and housing association tenants affected by HDV redevelopment be given an unconditional right to return to a social home in the same area with the same living space and same tenancies at the same rent.
9. Where the tenants affected by HDV redevelopment are relocated and do not wish to return they will have the right to new accommodation under the same tenancy and rental conditions as before their temporary relocations.
10. Involve tenants/residents fully in decisions relating to all HDV plans for regeneration of social housing estates and associated developments.

**Strengthen social housing targets**

11. All council housing and housing association homes affected by HDV redevelopment to be fully 'reprovisioned' (by absolute number of dwellings and floor area) - **without** these homes being taken into account in relation to the overall HDV social housing commitment.
12. There must be an increase (of an average of 50%) in the total numbers of social rented homes in any area affected by HDV development, with five-year secure tenancies offered at rents within the future overall Benefits Cap (currently £442.31 for couples and families and £296.35 for single people).

**Provide decent jobs**

13. LendLease/HDV must give preference in all subcontracts on HDV developments to firms:
  - a. Where apprentices are training for a Level 3 qualification and constitute 10% of the firm's workforce.
  - b. That are approved by the South-East Region TUC (SERTUC) as of good reputation concerning blacklisting, health and safety and have a trade union recognition

2i. Steve Jefferys

agreement and comply with existing construction industry collective agreements.

- c. Where workers are all directly employed with CSCS cards and have recognized skill qualifications.
14. No HDV or sub-contractor employee to be paid less than the London Living Wage.
  15. HDV staff remuneration policy to be set unilaterally by the HDV's Haringey Council directors.

### **Improve sustainability**

16. Building to be done to Passive House or Code 6 energy efficiency standards, with workforce to undergo training in energy literacy.
17. Priorities in all development design and building contracts to be given to sustainable housing contractors

### **Ensure probity**

18. LendLease must commit not to recruit any Haringey Council employee or Councillor or consultant who has worked for Haringey over the past 3 years (2015-2017), nor to provide any of these with any payment or service or benefits in kind for a period of five years from the date of the agreement. This clause also applies to all LendLease's wholly and partly-owned subsidiaries.
19. The salary ratio between HDV's highest and lowest full-time earnings (salary plus bonuses) will be no greater than ten to one.
20. All services to the HDV will be tendered for in the normal way and if LendLease is the successful bidder, their staff will be brought in-house into the HDV so that those involved are remunerated in line with the HDV's own remuneration policy.

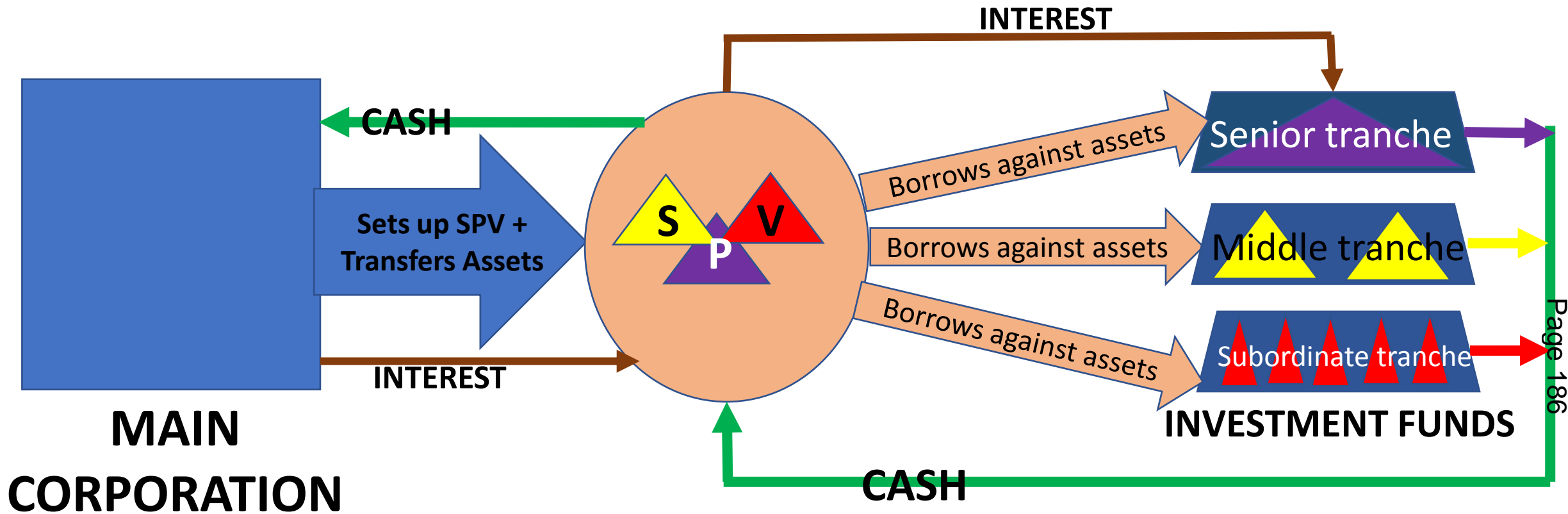
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# A Critical Analysis of Joint Private-Public 'Special Purpose Vehicles'

Steve Jefferys

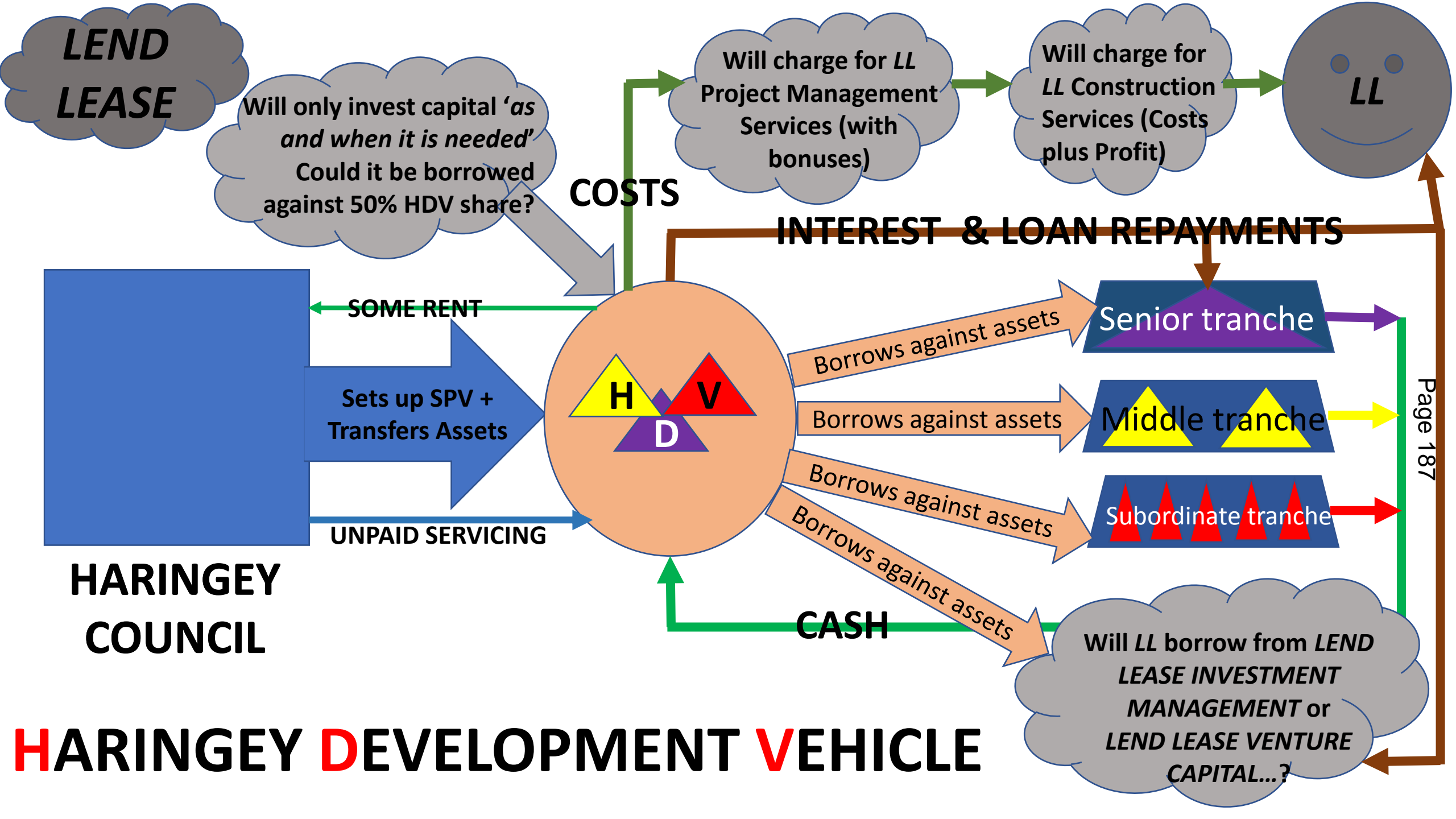
London Metropolitan University

April 5 2017



**SPECIAL PURPOSE VEHICLE**

Funds loan CASH against the SPV's assets **not** based on the credit worthiness of the Main Corporation



# PRIVATE COMPANY OBLIGATIONS

1. To funders
2. To business and employment contracts
3. To ensure business has enough money:
  1. to operate, develop and build
  2. to meet **all** its financial obligations –
    1. Debt repayments on loans incurred by the HDV
    2. Payments to contractors to cover their costs
    3. Payments to contractors for any management services provided
    4. Paying directly employed staff
    5. £3m pa rent repayments to Haringey over first five years
4. Development sequencing and rent levels ('non-affordable', 'affordable' or 'social rent') are dependent on three key financial arrangements:
  - ✓ CAPITAL
  - ✓ COSTS
  - ✓ INTEREST RATES



# PRIVATE SECTOR CUPIDITY

## 1. LOW CAPITAL INVESTMENT

- ❖ Commercial portfolio to be transferred on Day 1 = **undisclosed sum + only 'as and when needed'**
- ❖ Estates '*not worth large amounts of money*' = **less than 'equal' new capital investment**

## 2. HIGH COSTS

- ❖ No public tendering for **all** HDV services = **above market costs**
- ❖ No cap on 'normal' 14% profit by developers = **above market costs**
- ❖ High HDV salaries with big bonuses = **above market costs**

## 3. HIGH INTEREST ON LOANS

- ❖ Private equity capital looks for a 'normal' 10% pa return
  - ❖ By comparison:
    - ❖ **Public Works Loan Board maturity loan rates for 5 to 18 years range from 1.46% to 2.64%**
    - ❖ **In 2015 Warrington Labour Council (45/58) issued £150m 40-year public bond in 2015 starting at 0.85% interest rising annually by CPI with repayments starting after 30 years. Labour gained 5 seats in 2016.**
- ❖ No debt interest or repayment modelling has been made public by Haringey Council nor by Lend Lease

# LOSING DEMOCRATIC CONTROL

## 1. COMMERCIAL SECRECY

- ❖ In 2015 Council used a 'bespoke financial model' to score a Joint Private-Public Partnership Vehicle (Option 6, 80%) against a fully Council-owned Vehicle (Option 4, 40%).
- ❖ This 2015 model is still 'confidential' to 'protect the Council's commercial position' and will be 'updated' and 'considered by Cabinet in summer 2017 as part of the decision to establish the HDV' (Cllr JA)

## 2. DECISION-MAKING PRIORITIES

- ❖ *'The proceeds from development are then used first to repay the borrowing...'* (Cllr CK)

But as we have demonstrated:

- ❖ **'Development' can profit LendLease and **not** profit the HDV**
- ❖ **All the HDV directors will be legally obliged to tweak 'development' to prioritise maximising profits so that Private Investors and Building & Development costs are met.**
- ❖ **Financial compliance will deny the Council what is claimed will be 'a powerful blocking vote if proposals were not acceptable' (Cllr AS)**

# Complete control

Developers, financial viability and  
regeneration at the Elephant and  
Castle

## **Elephant Amenity Network /35% campaign**

Aim – to maintain local plan policy requiring a minimum of 35% affordable housing on developments with 10 or more units

Strategic policy 6 Southwark Core Strategy

## **Our obstacle - viability assessments (VA)**

- Applicants are required to submit a financial appraisal to demonstrate why the policy requirement amount or mix of affordable housing cannot be delivered on-site.

Southwark's Draft Affordable Housing policy 2011

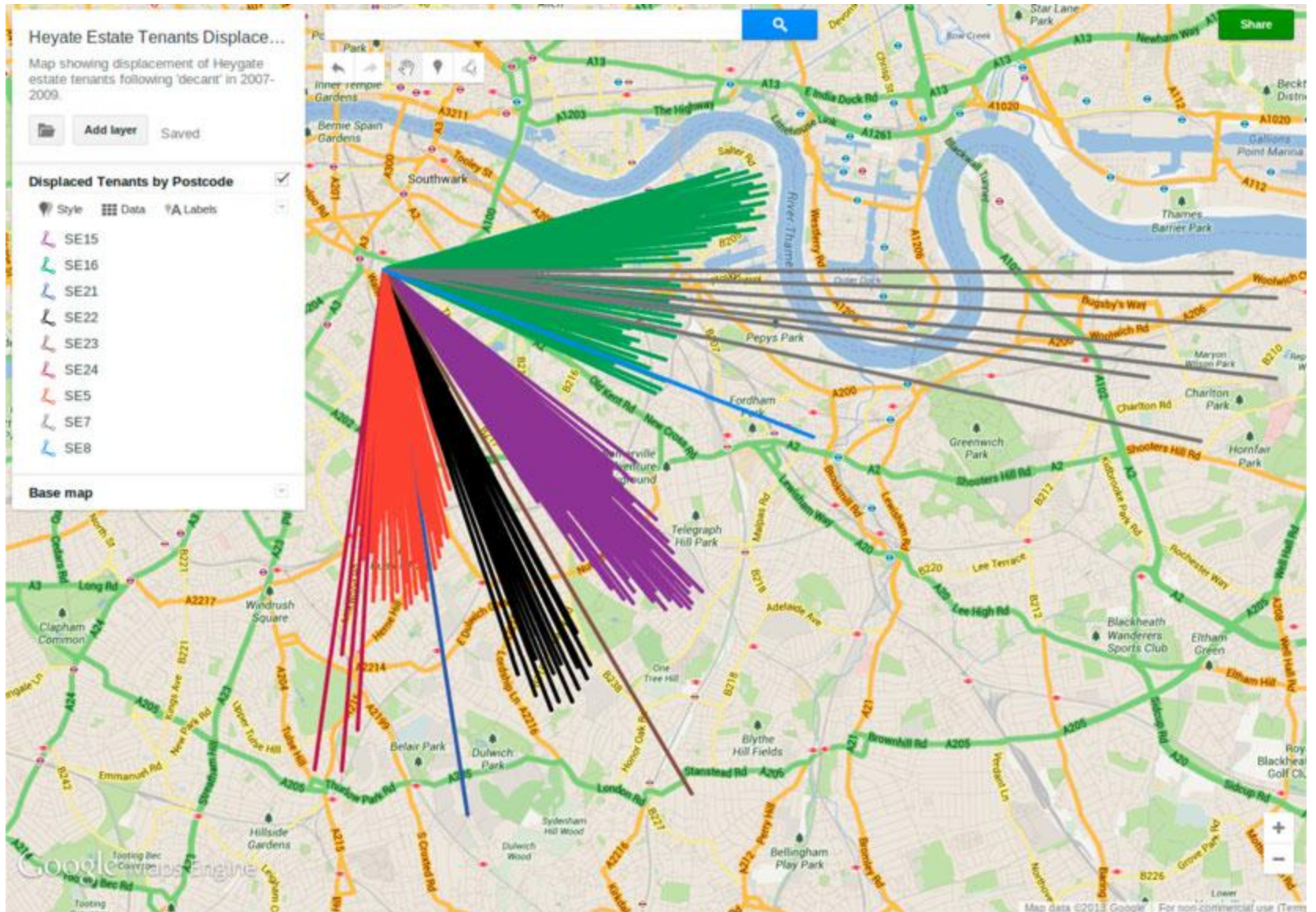
## The attraction of VAs for developers - seven viability assessed developments (north Southwark):

	Estimated Gross Development value (GDV) £ million	Affordable Housing Offer £ million	% of Total	Total Units
One Blackfriars	700	29	4	274
Baby Shard Trilogy	300	18.8	6	148
Tribeca Square	250	1	0.4	273
Bankside Quarter	1000	65	6.5	500
185 Park Street	300	30	10	163
South Bank Tower	620	27	4	173
One the Elephant	230	3.5	1.5	284
<b>TOTAL</b>	<b>3400</b>	<b>174.3</b>	<b>5.12</b>	<b>1320</b>

5.12% affordable housing , by value terms (Sources; planning documents, media real estate reports)

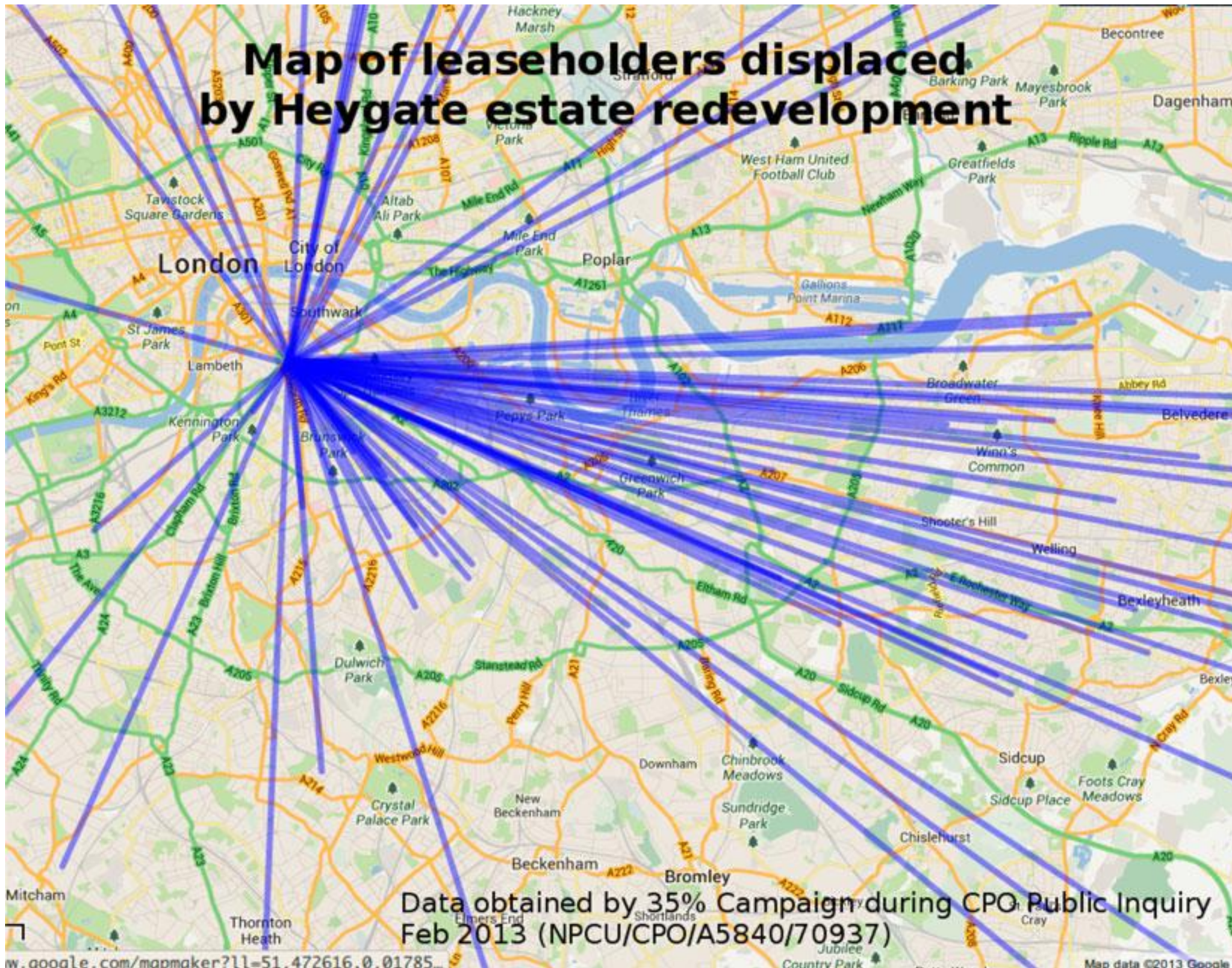
## Case study – the Heygate estate

- Built 1972- 1974
- Earmarked for redevelopment 1998
- Decanted and demolished 2007-2008
  
- 580 secure tenants
- 278 insecure tenants
- 106 leaseholders
  
- 45 Heygate households rehoused in new homes





# Map of leaseholders displaced by Heygate estate redevelopment



Data obtained by 35% Campaign during CPO Public Inquiry  
Feb 2013 (NPCU/CPO/A5840/70937)

## The New Heygate

- 2007 - Lendlease adopted as regeneration partner
- 2010 – Regeneration Agreement with Lend Lease for 25% affordable housing
- 2012 - Planning permissions granted  
2400+ units  
25% affordable housing  
79 social rented units  
social rented homes replaced by  
affordable rent (50% market rent)

## The Heygate Viability Assessment (VA)

- Private and confidential – not to be seen by planning committee
- Appraised by District Valuers Service (DVS)
- 9.4% 'indicative viable level of affordable housing' (Planning Officer's report para 154)
- Released May 2015 after FOI request May 2012
- Two redacted DVS reports also released

# The problem with the viability assessment

- The latitude it allowed for value judgements
- It tested Lend Lease's chosen scheme of 25% affordable housing, not a 35%, policy compliant scheme
- The testing was done by the LL's appointed agents, Savills
- Savills chose the measure of viability- the benchmark – '25% profit on cost/20% IRR based on a fixed land value of £48m' (5% higher than that agreed in the Regeneration Agreement )

## **Lend Lease's virtuous profit circle**

- The higher the profit....the higher the benchmark....the more 'unviable' the scheme....the less affordable housing can be built....the higher the profit

## The DVS agrees ....

- ‘the scheme...is clearly unviable..’

## ...but disagrees....

- ‘profit benchmark’ is too high; ‘average is 15%’
- residential revenues are too low; suggests 5% ‘improvement’
- (residential values estimated at £598psf; sold for £1012psf)

**The more the developer pays for land, the less affordable housing the community gets**

**The five viability assessment estimates;**

- £37.3m (existing use as housing estate)
- £48.5m (existing use with premium)
- £72m (based on sales of comparable sites)
- £48m (the actual price paid by Lend Lease)
- £26.4m (the DVS estimate)

Scenario Analysis

Scenarios	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>INPUTS</b>	Base													
Residential	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Costs	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%
Finance	7.50%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%
Land Value	£48,000,000.00	£48,000,000.00	£48,000,000.00	£26,400,000.00	£26,400,000.00	£48,000,000.00	£48,000,000.00	£26,400,000.00	£26,400,000.00	£48,000,000.00	£48,000,000.00	£26,400,000.00	£26,400,000.00	£48,000,000.00

	0	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000
Escalation	Base +2%	Base +2%	Base +2%	Base +2%	Base +2%	DVS	DVS	DVS	DVS	Base +2%	Base +2%	Base +2%	Base +2%	DVS
Affordable %	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Intermediate Value	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Social Value	99	99	99	99	99	99	99	99	99	99	99	99	99	99
<b>OUTPUTS</b>														
Scheme Profit £														
Scheme Profit on Cost %														
Scheme IRR														
H4 Profit £														
H4 Profit on Cost %														
H4 IRR														

Scenarios	15	16	17	18	19	20	21	22	23	24	25	26	27	28
<b>INPUTS</b>														
Residential	0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0.00%	0.00%
Costs	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-3.25%	-2.50%	-2.50%
Finance	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%	7.50%	7.50%	7.50%
Land Value	£48,000,000.00	£26,400,000.00	£26,400,000.00	£48,000,000.00	£48,000,000.00	£26,400,000.00	£48,000,000.00	£48,000,000.00	£26,400,000.00	£26,400,000.00	£26,400,000.00	£26,400,000.00	£48,000,000.00	£48,000,000.00
PF														
PM														
DM														
CIL	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	9040000	0	0
Escalation	DVS	DVS	DVS	Base +2%	Base +2%	Base +2%	Base +2%	DVS	DVS	DVS	DVS	DVS	Base +2%	DVS
Affordable %	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	35.00%	35.00%	35.00%
Intermediate Value	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Social Value	99	99	99	99	99	99	99	99	99	99	99	99	120	99
<b>OUTPUTS</b>														
Scheme Profit £	£261,821,132	£283,248,342	£294,456,614	£282,785,805	£294,845,286	£314,109,476	£324,725,513	£322,983,596	£334,303,364	£353,543,799	£364,067,717	£227,275,314	£32,509,663	£10,666,615
Scheme Profit on Cost %	20.84%	27.94%	24.07%	22.40%	23.58%	25.51%	26.60%	25.59%	26.73%	28.71%	29.81%	18.74%	-2.37%	0.78%
Scheme IRR														
H4 Profit £														
H4 Profit on Cost %														
H4 IRR														



## The DVS's 28 scenarios

- 14 redacted outputs (scheme profit £; scheme profit on costs %)
- 14 unredacted outputs
  - 11 give 20% profit
  - 6 give 25%profit
  - 12 give profits between £261m - £364m
  - All have at least 25% affordable housing; three have 35% affordable housing

[NB 9.4% 'indicative viable level of affordable housing' (Planning Officer's report para 154)]

## Scenario 26

- Profit on cost 18.74%; £227.275m
- 35% affordable housing (some reduction in social rented)
- 5% improvement in residential sales values
- Lower land value £26.4m

## DVS's second conclusion 'after a series of meetings...to reach consensus'

- no 5% improvement
- higher benchmark land value - £48m
- affordable rent at 50% market rate instead of social rent
- higher thresholds for intermediate housing
- £65m profit gap – but no further input changes (eg higher residential values) to address this
- 'the scheme *as currently composed* does not provide a policy compliant affordable housing provision'
- no mention of 9.4% 'indicative viability level'
- recommends a review mechanism

## Summary of our views

- Main purpose of VA to demonstrate 25% not viable; 35% not tested and was not an option.
- Viability was measured by profit and it was the failure to reach this 'benchmark' that made the scheme unviable, not financial loss
- The inputs (land value, sales value) could have been varied and the profit reduced to deliver more affordable housing
- The unredacted DVS scenarios show that 25% affordable housing, including social rent, could have been delivered.
- Scenarios showed profits between £260m and £364m; all exceeded 20% profit in Regeneration agreement, six exceeded 25% profit in VA
- There was no reasonable justification for not implementing the recommended review mechanism, that may have increased the amount of affordable housing or made it cheaper.

## Conclusion

- Heygate VA shows how the process of determining viability is contingent on contested facts, opinions and argument
- It shows how a secret part of planning process has become the determining factor in planning decisions and has fallen under the control of developers.
- But there has been a reaction – Shell centre, Greenwich Peninsula, Bishopsgate's Goodsyrd all thrust VA's centre stage
- Islington, Greenwich Southwark toughened viability policies; GLA to follow?
- Some campaigning gains, but no victories – next battle. Serious challenge against developer assumption that they are due whatever they can claim.

## Post Script - Overage

Elephant Park (Heygate estate)

6.2 The Council shall be entitled to Profit overage equal to 50 per cent of the Net Profit.

Regeneration Agreement for Elephant & Castle 23 July 2010

“Lend Lease have informed the Council that no overage is forecast at the end of phase 1(Trafalgar Place)”

[Response to FOI request ref:570320](#)

20 April 2016

## One the Elephant

“The council will receive a minimum £12.248m overage payment from the One the Elephant scheme”.

Response to FOI request ref: 757786

NB

- One the Elephant has 284 units, but no affordable housing.
- A tariff payment in lieu of affordable housing would have been £33.2m
- Lendlease paid Southwark £6.5m for the land and made a £3.5m s106 contribution towards a leisure centre.
- Scheme revenues £209m (\$AD345) (Lendlease 2016 Half Year Results 17 Feb 2016)

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**Report for:** Overview and Scrutiny Committee, 13 June 2017

**Title:** Overview and Scrutiny Work Programme Development 2017-18

**Report authorised by :** Michael Kay, Democratic Services and Scrutiny Manager

**Lead Officer:** Christian Scade, Principal Scrutiny Officer  
Tel: 020 8489 2933, Email: [christian.scade@haringey.gov.uk](mailto:christian.scade@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** N/A

**1. Describe the issue under consideration**

1.1 This report sets out how the foundations will be laid for targeted, inclusive and timely work on issues of local importance where scrutiny can add value.

**2. Recommendations**

2.1 That the Committee:

- (i) Agree the outline work programme at 4.7 for Overview and Scrutiny for 2017-18, providing any further comment they wish;
- (ii) Approve the Draft Scope and Terms of Reference for the Environment and Community Safety Scrutiny Panel's review of Residential Street Sweeping, attached at Appendix A.

**3. Reasons for decision**

3.1 The Overview and Scrutiny Committee (OSC) is responsible for developing an overall work plan, including work for its standing scrutiny panels. In putting this together, the Committee will need to have regard to their capacity to deliver the programme and officers' capacity to support them in that task.

**4. Approach**

- 4.1 As this is the final municipal year of this administration, it is suggested that the Committee focus its efforts on ensuring work undertaken to date is concluded, rather than begin new areas of work that may not be completed before the 2018 election.
- 4.2 Prior to the end of the previous municipal year, the Committee agreed that there would be little value in holding another 'Scrutiny Café' event with stakeholders given each panel had already identified work it could undertake this year.

- 4.3 Due to the rescheduling of this meeting, following the unexpected announcement of a General Election, it has not been possible to arrange the traditional question and answer session with the Leader and Chief Executive to consider the executive's priorities for the year ahead.
- 4.4 Individual scrutiny panels will be developing their work programmes according to their own priorities and remaining work from the previous years. In some cases, this will involve engagement with stakeholders at their first meeting. Prior to any review work being commenced, it is expected that the Overview and Scrutiny Committee will consider and approve scoping proposals as usual.
- 4.5 At the meeting of the OSC on 27 March, it was agreed that the Environment and Community Safety Committee be commissioned to undertake two reviews – on street cleaning and on Haringey's parks. The draft scope and terms of reference for the review of Residential Street Sweeping is attached at Appendix A for the Committee's comment and approval.
- 4.5 Panel chairs will also continue to hold briefing sessions on Corporate Priorities with priority, performance and finance leads to support strategic understanding and enable work programmes to be linked to corporate priorities.
- 4.6 Over the past year, the OSC undertook efforts to ensure effective financial scrutiny at each of the three stages –budget setting, expenditure monitoring, outturn reviewing. These efforts included training for Members, regular scrutiny of in-year expenditure and the positive response of Cabinet to Scrutiny recommendations in the setting of the MTFs.
- 4.7 For the remainder of meetings of the year, the following sets out the expected issues to be considered at each of the meetings of the OSC in the next year. This is based on the updates requested in the last municipal year, and the assumption that the process for scrutiny of budget setting will run the same as last year (though the recent restructure of the Senior Leadership Team and establishment of a new Chief Finance Officer post, to be recruited to, may mean this is subject to change):
- 17 July
    - Council's Suicide Prevention plan
    - Complaints update
    - Performance update – Q1
    - 2016/17 Outturn report
    - Treasury Management Statement
    - Process for budget setting
    - OSC Annual Report 2016-17
    - Environment & Community Safety Scutiny Panel's report on Fear of Crime
  - 16 October
    - Update on Customer Services
    - Update on Welfare Reform
    - Update on Haringey Job Support
    - Budget Monitoring – Q1
    - Environment and Community Safety Panel's report on Street Sweeping

- 21 November
  - Budget Monitoring – Q2
  - Performance update – Q2
- 16 January
  - Priority X budget Scrutiny
- 29 January
  - Budget Scrutiny – panel feedback and recommendations
  - Environment and Community Safety Panel's report on Parks (tbc)
- 26 March
  - Update on Finsbury Park Scrutiny work
  - Conclude all OSC work of current administration
  - Budget Monitoring – Q3
  - Performance update – Q3

4.8 OSC Members are welcome to suggest any additional matters they would in particular like to pursue, in particular for the October and November meetings, or if there are additional Cabinet Members that should be invited to give evidence. As usual, the OSC will use the Forward Plan of Key Decisions in identifying matters for consideration on a more immediate timescale.

4.9 There is currently no proposal for a general training offer for Members of OSC, as has occurred in previous years with financial scrutiny and charring skills. As ever, Members are invited to make any requests for training direct to Democratic Services or to discuss shared needs in an informal meeting of OSC members.

## 5. Background – Good scrutiny practice

*“Scrutiny is based on the principle that someone who makes a decision...should not be the only one to review or challenge it. Overview is founded on the belief that an open, inclusive, member-led approach to policy review...results in better policies in the long run.”*

Jessica Crowe, former Executive Director, Centre for Public Scrutiny

5.1 Developing an effective work programme is the bedrock of an effective scrutiny function. The careful selection and prioritisation of work is essential if the scrutiny function is to be successful, achieve added value and retain credibility. A summary of what needs to be done to develop a successful work programme is provided below.

### **An effective scrutiny work programme should reflect a balance of activities:**

- Holding the Executive to account
- Policy review and development – reviews to assess the effectiveness of existing policies or to inform the development of new strategies
- Performance management – identifying under-performing services, investigating and making recommendations for improvement

- External scrutiny – scrutinising and holding to account partners and other local agencies providing key services to the public
- Public and community engagement – engaging and involving local communities in scrutiny activities and scrutinising those issues which are of concern to the local community

**Key features of an effective work programme:**

- A member led process, short listing and prioritising topics – with support from officers – that:
  - reflects local needs and priorities – issues of community concern as well as Corporate Plan and Medium Term Financial Strategy priorities
  - prioritises topics for scrutiny that have most impact or benefit
  - involves local stakeholders
  - is flexible enough to respond to new or urgent issues

5.3 Depending on the selected topic, and planned outcomes, scrutiny work will be carried out in a variety of ways, using various formats. This will include a variety of one-off reports. In accordance with the scrutiny protocol, the OSC and Scrutiny Panels will draw from the following to inform their work:

- Performance Reports;
- One off reports on matters of national or local interest or concern (e.g. Casey Report);
- Issues arising out of internal and external assessment (e.g. Ofsted, Care Quality Commission);
- Reports on strategies and policies under development, or other issues on which the Cabinet or officers would like scrutiny views or support;
- Progress reports on implementing previous scrutiny recommendations accepted by the Cabinet or appropriate Executive body.

5.4 In addition, in-depth scrutiny work, including task and finish projects, are an important aspect of Overview and Scrutiny and provide opportunities to thoroughly investigate topics and to make improvements. Through the gathering and consideration of evidence from a wider range of sources, this type of work enables more robust and effective challenge as well as an increased likelihood of delivering positive outcomes. In depth reviews should also help engage the public, and provide greater transparency and accountability. It is nevertheless important that there is a balance between depth and breadth of work undertaken so that resources can be used to their greatest effect.

**6. Contribution to strategic outcomes**

- 6.1 The contribution of scrutiny to the corporate priorities will be considered routinely as part of the OSC's work.

**7. Statutory Officers comments**

**Finance and Procurement**

- 7.1 There are no financial implications arising from the recommendations set out in this report. Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications these will be highlighted at that time.

**Legal**

- 7.2 There are no immediate legal implications arising from the report.
- 7.3 In accordance with the Council's Constitution, the approval of the future scrutiny work programme falls within the remit of the OSC.
- 7.4 Under Section 21 (6) of the Local Government Act 2000, an OSC has the power to appoint one or more sub-committees to discharge any of its functions. In accordance with the Constitution, the appointment of Scrutiny Panels (to assist the scrutiny function) falls within the remit of the OSC.
- 7.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the Overview and Scrutiny Committee. Such reports can then be referred to Cabinet or Council under agreed protocols.

**Equality**

- 7.6 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - Advance equality of opportunity between people who share those protected characteristics and people who do not;
  - Foster good relations between people who share those characteristics and people who do not.
- 7.7 The Committee should ensure that it addresses these duties by considering them within its work plan and those of its panels, as well as individual pieces of work. This should include considering and clearly stating;

- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
- Whether the impact on particular groups is fair and proportionate;
- Whether there is equality of access to services and fair representation of all groups within Haringey;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

7.8 The Committee should ensure that equalities comments are based on evidence. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

#### **11. Use of Appendices**

Appendix A - Environment and Community Safety Scrutiny Panel, Residential Street Sweeping - Draft Scope and Terms of Reference (2016/17)

#### **12. Local Government (Access to Information) Act 1985**

**N/A**

**Environment and Community Safety Scrutiny Panel**  
**Residential Street Sweeping - Draft Scope and Terms of Reference (2016/17)**

Review Topic	Review / Project Title
<p><b>Rationale</b></p>	<p>As part of the savings proposals agreed as part of the Medium Term Financial Strategy for 2015-18, a reduction of £2.8 million was made in the Integrated Waste Management Contract. The frequency of street sweeping in residential roads was reduced from twice to once weekly, delivered over 5 days, as a result of this. The benefits of this universal approach were felt to be that;</p> <ul style="list-style-type: none"> <li>• There was a consistency across the borough, with all wards receiving the same level of service;</li> <li>• It was easy to understand and explain; and</li> <li>• All residents were given an equal opportunity to prevent litter being dropped.</li> </ul> <p>It was acknowledged that there was a risk arising from this that levels of cleanliness would be reduced and the Council would not meet its target for being in the top quartile for London on street cleanliness. The service reductions were implemented at the start of January 2016. Performance declined from January to April 2016 whilst the new cleanings schedules were settling in but subsequently improved, albeit not quite up to previous levels. There were issues on Homes for Haringey estates though and the twice weekly sweep to these areas was reinstated as a result of these.</p> <p>It is proposed that, within the current level of costs, the review look at the options that are available to improve outcomes and whether there might be merit in moving to a system that is more responsive to levels of need. In doing this, the review will look at:</p> <ul style="list-style-type: none"> <li>• Relevant performance data from Haringey, including resident satisfaction levels;</li> <li>• Volumes of rubbish collected in different parts of the borough;</li> <li>• Service models used by other boroughs and comparative performance levels; and</li> <li>• Housing estates and the work undertaken by Homes for Haringey; and</li> <li>• The outcome of the Team Noel Park pilot.</li> </ul>
<p><b>Scrutiny Membership</b></p>	<p>Members of the Environment and Community Safety Scrutiny Panel will carry out this review:            Councillors: Tim Gallagher (Chair), Barbara Blake, Clive Carter, Makbule Gunes, Bob Hare, Adam Jogee and Anne Stennett            Co-optees/ Non Voting Member Ian Sygrave (Haringey Association of Neighbourhood Watches)</p>
<p><b>Terms of Reference</b> (Purpose of the</p>	<p>To consider and make recommendations on, within the current level of costs, the options available to improve the cleanliness of residential streets across the borough in order to achieve greater level of equality</p>

<b>Review/ Objectives)</b>	of outcome.
<b>Links to the Corporate Plan</b>	Priority 3 - A clean, well maintained and safe borough where people are proud to live and work; Objective 2: To make our streets, parks and estates, clean, well maintained and safe.
<b>Evidence Sources</b>	This will include: <ul style="list-style-type: none"> <li>• Performance data, including resident satisfaction levels;</li> <li>• Interviews with key officers, stakeholders and resident groups;</li> <li>• Information and data from other London boroughs, particularly those using different models of service.</li> </ul>
<b>Witnesses</b>	The following witnesses will be invited to take part in the review/submit evidence: <ul style="list-style-type: none"> <li>• Stephen McDonnell, Zoe Robertson, Tom Hemming – Commercial and Operations;</li> <li>• Andrew Reidy, Paul Peters – Veolia;</li> <li>• Peter Purdie - Homes for Haringey</li> <li>• Tidy Britain Group</li> <li>• Resident Associations</li> <li>• Association of London Cleansing Officers</li> </ul>
<b>Methodology/Approach</b>	A variety of methods will be used to gather evidence from the witnesses above, including: <ul style="list-style-type: none"> <li>- Desk top research</li> <li>- Evidence gathering sessions with witnesses</li> <li>- Visits</li> </ul>
<b>Equalities Implications</b>	The review will consider to what extent current arrangements meets the needs of all sections of the community, including young people and emerging communities.
<b>Timescale</b>	The review will aim to complete its evidence gathering by the end of July 2017.
<b>Reporting arrangements</b>	The Director for Commercial and Operations will coordinate a response to Cabinet to the recommendations.
<b>Publicity</b>	The project will be publicised through the scrutiny website and scrutiny newsletter providing details of the scope and how local people and community groups may be involved. The outcomes of the review will be similarly published once complete.
<b>Constraints / Barriers / Risks</b>	Risks: Not being able to get key evidence providers to attend on the agreed date of evidence gathering. Not being able obtain evidence from key informants e.g. local authorities
<b>Officer Support</b>	Lead Officer; Robert Mack, Scrutiny Policy Officer, 0208 489 2921 <a href="mailto:rob.mack@haringey.gov.uk">rob.mack@haringey.gov.uk</a> Service Contact: Zoe Robertson, Head of Commissioning & Client, Commercial & Operations