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04 November 2026

To: All Members of the Overview and Scrutiny Committee

Dear Member,

Overview and Scrutiny Committee - Monday, 9th November, 2026

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

6. CALL IN SELBY URBAN VILLAGE – AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS (PAGES 1 - 24)

A. Joint Report of the Monitoring Officer and Section 151 Officer on the Call In -
E. Report of the Corporate Director for Culture Strategy and Communities responding to the Call in –

Yours sincerely

Ayshe Simsek
Democratic Services and Scrutiny Manager
0208 489 2929

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Agenda Item 6

Report for: **Call In -** Overview and Scrutiny Committee - 9th November 2026

Title: **Joint report of the Monitoring Officer and the Chief Finance Officer on the Call-In of a Decision taken by Cabinet on 20th October 2026 for Selby Urban Village - award of contracts for heat supply arrangements.**

Report authorised by: Fiona Alderman, Monitoring Officer and Taryn Eves, Chief Finance Officer & Section 151 Officer

Lead Officer: Haydee Nunes de Souza, Deputy Monitoring Officer

Ward(s) affected: N/A

Report for Key/ Non Key Decision: N/A

1. Describe the issue under consideration

To advise the Overview and Scrutiny Committee on the call-in process, and in particular whether the decision taken by Cabinet on 20th October 2026 relating to Selby Urban Village, award of contracts for heat supply arrangements, is within the policy and budgetary framework.

2. Cabinet Member Introduction

N/A

3. Recommendations

That Members note:

a. The Call-In process;
b. The advice of the Monitoring Officer and Chief Financial Officer that the decision taken by the Cabinet was inside the Council's policy and budgetary framework.

4. Reasons for decision

The Overview and Scrutiny Committee is expected to take its own decision with regard to whether a called-in decision is outside or inside the policy and budgetary framework when considering action to take in relation to a called-in decision.

5. Alternative options considered

N/A

6. Background information

Call-in Procedure Rules

6.1 The Call-In Procedure Rules (the Rules) appear at Part 4, Section H of the Constitution, and are reproduced at Appendix 1 to this report.

6.2. The Rules prescribe that once a validated call-in request has been notified to the Chair of Overview and Scrutiny Committee (OSC), the Committee must meet within 10 working days to decide what action to take. In the meantime, all action to implement the original decision is suspended.

6.3 If OSC Members determine that the original decision was **within** the policy framework, the Committee has three options:

(i) to not take any further action, in which case the original decision is implemented immediately.

(ii) to refer the original decision back to Cabinet as the original decision-maker. If this option is followed, the Cabinet must reconsider their decision in the light of the views expressed by OSC within the next 5 working days, and take a final decision.

(iii) to refer the original decision on to Full Council. If this option is followed, Full Council must meet within the next 10 working days to consider the call-in. Full Council can then decide to either:

- take no further action and allow the decision to be implemented immediately, or
- to refer the decision back to the Cabinet for reconsideration. The Cabinet's decision is final

6.4 If OSC determine that the original decision was **outside** the budget/policy framework, it must refer the matter back to the Cabinet with a request to reconsider it on the grounds that it is incompatible with the policy/budgetary framework.

6.5 In that event, the Cabinet would have two options:

(i) to amend the decision in line with OSC's determination, in which case the amended decision is implemented immediately.

(ii) to re-affirm the original decision, in which case the matter is referred to a meeting of full Council within the next 10 working days. Full Council would have two options:

- to amend the budget/policy framework to accommodate the called-in decision, in which case the decision is implemented immediately, or
- to require the decision-maker to reconsider the decision again and to refer it to a meeting of the Cabinet, to be held within five working days. The Cabinet's decision is final.

The Policy Framework

6.6 A definition of The Policy Framework is set out in the Constitution at Article 4 of Part Two (Articles of the Constitution) which is reproduced as follows:

"Policy Framework

These are the plans and strategies that must be reserved to the full Council for approval:

- *Crime and Disorder Reduction (community safety) Strategy*
- *Development Plan documents*
- *Youth Justice Plan*
- *Statement of Gambling Policy*
- *Statement of Licensing Policy*
- *Treasury Management Strategy*

Any other policies the law requires must be approved by full Council.

Such other plans and strategies that the Council agrees from time to time that it should consider as part of its Policy Framework:

- *Housing Strategy*

6.7 The policy framework is intended to provide the general context, as set by Full Council, within which decision-making occurs. In an Executive model of local government, the majority of decisions are taken by the Executive – in Haringey's case this being the Cabinet/Leader/Cabinet member. Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 the determination of a matter in the discharge of an Executive function nonetheless becomes a matter for the full Council if the proposed determination would be contrary to a plan or strategy adopted or approved by Full Council in relation to the function in question. Case law makes it clear that it would not be a proper use of a full Council approved plan or strategy to seek to make it a means for Full Council to micro-manage what ought to be Executive decisions.

7. Current Call-In

7.1 On 27th October 2026, a call-in request was received in relation to the Cabinet decision taken on 20th October 2026 on the recommendation to approve the award of contracts for Heat Supply arrangements at Selby Urban Village. A copy of the Cabinet report dated 20th October 2026; the published draft minutes and the call-in request all form part of the published Agenda pack distributed to Members of the OSC, and so are not reproduced again here as appendices to this report.

7.2 The request does not assert that the decision was outside the policy or budgetary framework, and in any event, the Chief Financial Officer also confirms her view that the Cabinet decision is within the budgetary framework.

7.3 In summary, the key assertions made in the call-in is that the decision relies on significant amounts of exempt information, is based on decisions made in a

previous policy context and does not guarantee value for money for residents. In support of the concern, the call-in raised the following matters:

- The report relies on significant amounts of exempt information regarding costs and terms of the contract, the value of the contract, costs to the council and risks related to the contract including the council's assessment of and mitigation of risks, thereby depriving members and residents of information they need to scrutinise and assess the decision. Further that the level of exempt information goes against the presumption of openness in the council's decision-making processes.
- The decision to enter into a contract with Energetik should be reconsidered in light of two developments, since the decision made on 8th January 2026 to engage in a direct procurement exercise with Energetik. The award report states that Energetik is fully owned by Enfield council but in June 2026, Enfield Council's Cabinet agreed to the sale of Energetik. This decision leaves Haringey entering a 40-year contract shortly before a change in Energetik' s ownership posing significant risk to future tenants at Selby Urban Village. Further, in a report dated 14th October 2026, Enfield Council highlighted the need to closely monitor Energetik' s liquidity position.
- The decision locks future Haringey Council Tenants into a supply arrangement with Energetik as a monopoly, with future tenants being unable to choose energy suppliers in response to competitive tariffs and other offers.
- The proposal is not in line with the council's net zero commitments, because Energetik' s network is currently supplied by gas with classified low carbon heat not expected to be available until July 2029. The call in states that this is liable to further delays and relies on the NLWA construction programme. The cabinet report does not set out what mitigations are in place to prevent delay. The report also fails to explain why other sustainable options such as Air Source Head Pumps and Ground Source Heat Pumps were not chosen over energy generated through the incineration of waste.

7.4 The call-in went on to detail alternative courses of action, namely:

- That this decision is not taken forward.
- Refer a revised report to the relevant scrutiny panel including

    - Transparent consideration of the financial risks arising from this decision, including the liquidity issues facing Energetik
    - Transparent consideration of the changed policy context and the risk to Haringey's residents, including the proposed sale of Energetik to a private provider
    - Consideration of alternative energy suppliers for the Selby Urban Village Development
    - Consideration of an open procurement exercise prioritising affordability for council tenants
    - Options for alternative energy sources, including heat pumps

8. Monitoring Officer's Assessment

8.1 The Call-In Procedure Rules require that:

"*The [Overview and Scrutiny] Committee shall consider any report of the Monitoring Officer / Chief Finance Officer as to whether a called-in decision is inside or outside the policy / budget framework. The Overview and Scrutiny Committee shall have regard to that report and any advice but Members shall determine whether the decision is inside or outside the policy/ budget framework."*

8.2 The Monitoring Officer considered the request on 28th October 2026, and determined that it met the 6 criteria for validity as set out in the Call-In Procedure Rules.

8.3 Following investigation and consideration, the Monitoring Officer made an assessment of whether the decision was outside the policy framework and concluded that it was not because the subject matter of the call-in is not contrary to the list of plans and strategies which comprise the policy framework set out at paragraph 6.6 above.

9. Conclusion

9.1 For the above reasons, the Monitoring Officer concludes that the Cabinet's decision was not outside of the policy framework.

10. The Section 151 Officer's Assessment

10.1 The Section 151 Officer's assessment is that the decision taken by Cabinet on the 20th October 2026 regarding the award of contracts for Heat Supply Arrangements to Selby Urban Village is within the financial framework of the authority.

11. Contribution to strategic outcomes

N/A

12. Statutory Officers comments (Chief Finance Officer (including procurement), Director of Legal and Governance, Equalities)

Finance and Procurement

The Chief Finance Officer's comments are set out above.

Legal implications

The Monitoring Officer's views are set out above.

Equality

N/A

13. Use of Appendices

Appendix 1 Call-In Procedure Rules

14. Local Government (Access to Information) Act 1985

N/A

Part Four, Section H
Call-In Procedure Rules

1. When a key decision is made by the Executive (that is, the Leader, Individual Cabinet Members or the Cabinet) or a committee of the Cabinet, the decision shall be published and shall be available for inspection at the Civic Centre and on the Council's website, normally within 2 working days of being made. The right to Call-In does not apply to a decision by way of an appeal hearing or a quasi-judicial procedure.

2. The notice of the key decision will be dated and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days after the publication of the decision, unless a valid request has been received objecting to the decision and asking for it to be called-in. This does not apply to "urgent" decisions.

3. The Monitoring Officer will deem valid a request that fulfils all of the following 6 criteria:

   (a) it is submitted by any five Members of the Council.

   (b) it is received by the Democratic Services Manager by 10am on the fifth day following publication.

   (c) it specifies the decision to which it objects.

   (d) it specifies whether the decision is claimed to be outside the policy or budget framework.

   (e) it gives reasons for the call-in and outlines an alternative course of action.

   (f) it is not made in relation to a decision taken in accordance with the urgency procedures in paragraph 18 below.

4. The Democratic Services Manager will forward all timely and proper call-in requests, once deemed valid by the Monitoring Officer, to the Chair of the Overview and Scrutiny Committee and the Overview and Scrutiny Manager and will notify all Cabinet Members including the decision maker and the relevant Chief Officer.

5. A key decision will be implemented immediately after a call-in request is deemed invalid by the Monitoring Officer or after the expiry of ten working days following the receipt of a valid call-in request by the Chair of the Overview and Scrutiny Committee, unless a meeting of the

Overview and Scrutiny Committee takes place during the 10-day period.

6. If a call-in request is deemed valid, the Democratic Services Manager will forward the call-in request to the Monitoring Officer and/or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall inside or outside the policy or budget framework.

7. Unless a key decision is designated "urgent" pursuant to paragraph 18, when it shall be implemented immediately, no action shall be taken to implement the decision until 5 working days have elapsed after the date of the publication of the decision. In the event that a call-in request has been received, no action shall be taken until the Monitoring Officer has determined the validity of the request.

8. Subject to paragraph 5, when a request for call-in is deemed valid, all action to implement the key decision is suspended until the Overview and Scrutiny Committee has met to decide what action to take. The Committee must meet no later than 10 working days after the Chair has received a valid call-in request.

9. Discussion of any called-in decisions shall precede all other substantive items on the agenda of the Overview and Scrutiny Committee. Any reports of the Monitoring Officer and Chief Financial Officer shall be part of that agenda.

10. The Committee shall consider any report of the Monitoring Officer / Chief Finance Officer as to whether a called-in decision is inside or outside the policy / budget framework. The Overview and Scrutiny Committee shall have regard to that report and any advice but Members shall determine whether the decision is inside or outside the policy / budget framework. If the Overview and Scrutiny Committee determine that the decision was within the policy / budget framework, the Committee has three options:

    (a) The Overview and Scrutiny Committee may decide not to take any further action, in which case the key decision is implemented immediately.

    (b) The Overview and Scrutiny Committee may decide to refer the decision back to the decision maker, in which case the decision maker has 5 working days to reconsider the key decision before taking a final decision.

    (c) The Overview and Scrutiny Committee may decide to refer the decision to Full Council.

11. When the Overview and Scrutiny Committee refers a decision to Council (when the decision is deemed to fall within the policy / budget

framework), any Council meeting must be held within 10 working days (with an extraordinary meeting being called if necessary) of the date of the Overview and Scrutiny Committee's referral.

12. When considering a called-in decision (when this decision is deemed to fall within the policy / budget framework) the Council has two options:

    (a) The Council may decide not to take any further action, in which case the decision is implemented immediately.

    (b) The Council may refer the decision back to the decision maker, in which case the decision maker has 5 working days to reconsider the decision before taking a final decision.

13. Once a final decision has been made there is no further right of call-in. This decision or any other key decision having the same effect may not be called-in again for a period of six months following the date at which the final decision was taken.

14. If the Overview and Scrutiny Committee determines that the decision is outside the policy / budget framework, the Committee shall refer the decision to the decision maker and with a request to reconsider it on the grounds that it is incompatible with the policy / budget framework. The decision maker shall have 5 working days in which to reconsider the decision.

15. The decision maker has two options:

    (a) Amend the decision in line with the Overview and Scrutiny Committee's determination, in which case the decision is implemented immediately.

    (b) Reaffirm the original decision, in which case the decision goes to a Council meeting which must convene within 10 working days of the reaffirmation of the original decision.

16. When considering a called-in decision where a decision maker fails to amend a decision in line with the Overview and Scrutiny Committee's determination, that it falls outside the policy / budget framework, the Council has two options:

    (a) Amend the policy / budget framework to accommodate the called-in decision, in which case the decision is implemented immediately.

    (b) Require the decision maker to reconsider the decision again and refer it to a meeting of the Cabinet to be held within 5 working days of the Council meeting. The Cabinet's decision is final.

17. Abuse of Call-in

(a) Members are expected to ensure that call-in is not abused, or causes unreasonable delay to the functioning of the Cabinet.

(b) The call-in procedure is to be reviewed annually (see paragraph 18 g), if such a review leads to the conclusion that the call-in procedure is being abused, the Constitution may be amended to include greater limitations.

18. Call-In and Urgency

(a) The call-in procedure set out above shall not apply when the action being taken is urgent or time-critical in terms of (b) below.

(b) A key decision will be urgent if any delay in implementation likely to be caused by the call-in procedure would seriously prejudice the Council's or the public's interests.

(c) A key decision which has not been given the requisite publicity for a key decision or a private meeting and which the Chair of Overview and Scrutiny Committee has agreed is 'urgent and cannot reasonably be deferred' is not regarded as urgent for the purposes of call-in unless it fulfils the criteria of paragraph (b) above.

(d) If a key decision is urgent and therefore not subject to call-in, this will be stated on the record.

(e) In order for a key decision to be deemed urgent, the Chair of the Overview and Scrutiny Committee must agree that the decision is both reasonable in all circumstances and that it should be treated as a matter of urgency. In the absence or unavailability of the Chair the consent of the Mayor is required. In the absence of both, the consent of the Deputy Mayor shall be required.

(f) Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.

(g) The operation of the provisions relating to call-in and urgency shall be monitored annually and a report submitted to Council with proposals for review if necessary.

19. Call-In and the Forward Plan

(a) The Overview and Scrutiny Committee should consider the Forward Plan as its chief source of information regarding forthcoming Cabinet decisions.

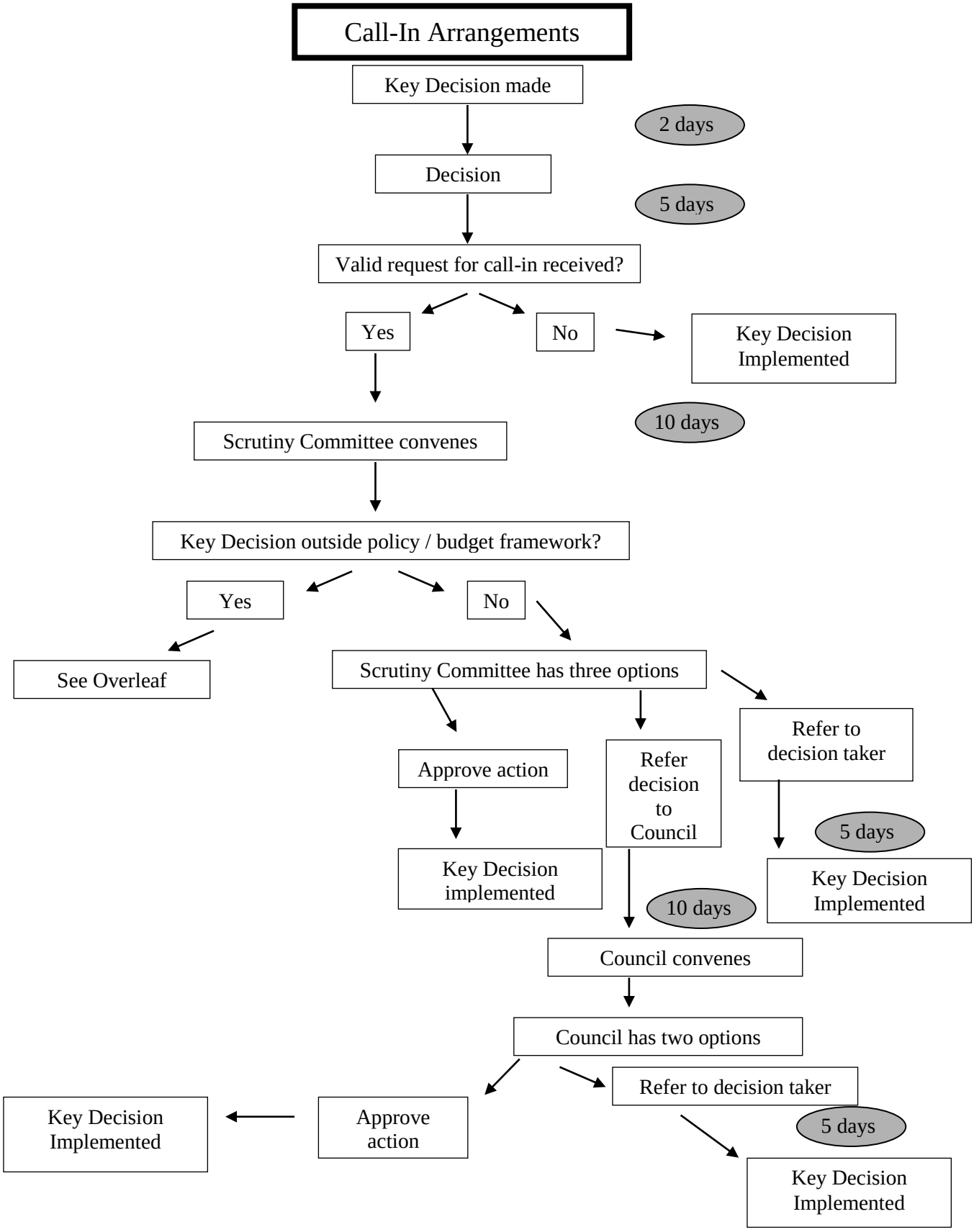
(b) The Overview and Scrutiny Committee may select a forthcoming decision and examine the issues around it.

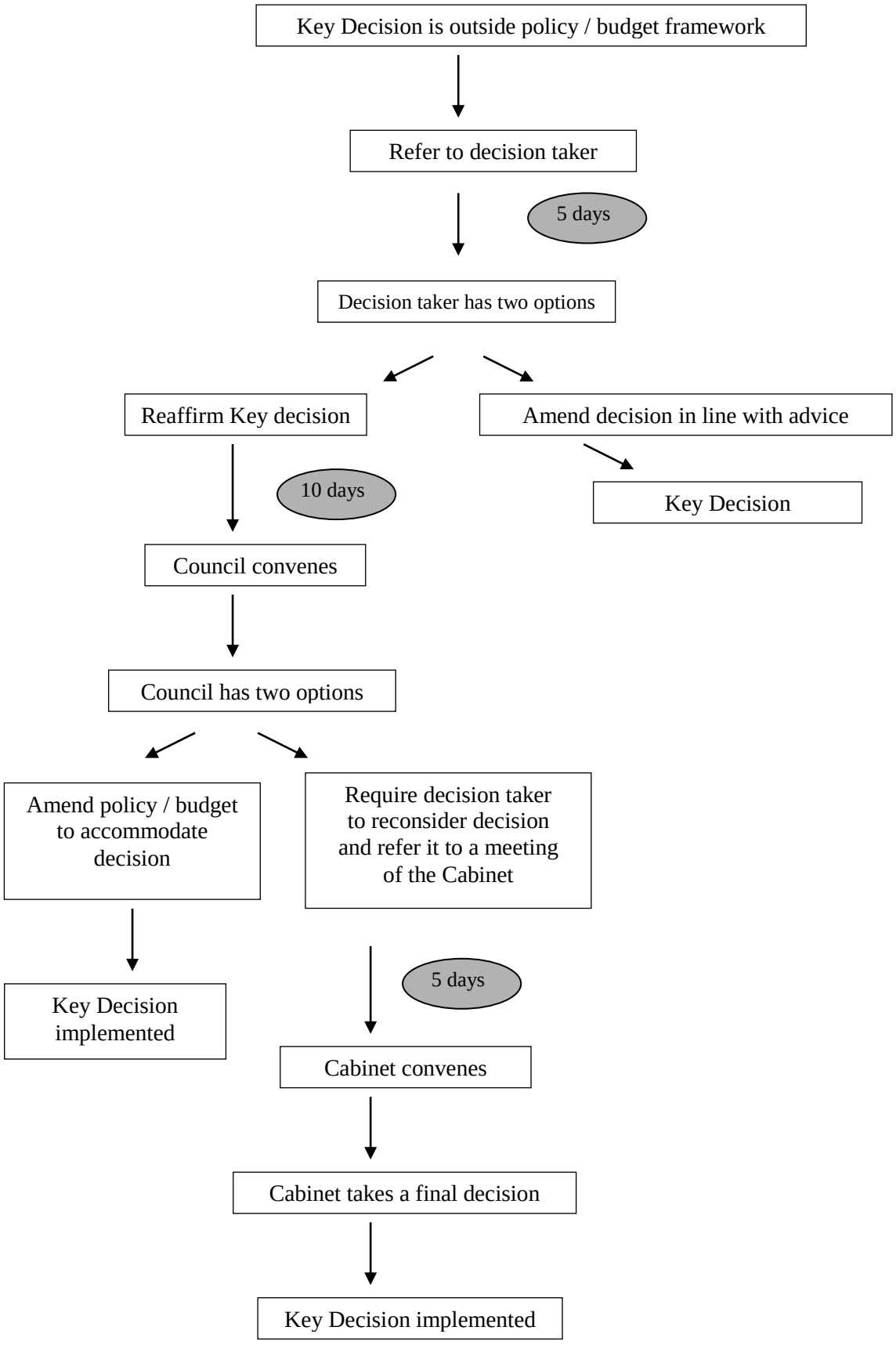
(c) In order not to obstruct the Council in its business, the Overview and Scrutiny Committee may call-in a key decision in advance of its actually being taken. In such a situation all the time-limits apply as above, except that a key decision cannot actually be implemented any sooner than it would have been had the Overview and Scrutiny Committee not called it in.

(d) Where the Overview and Scrutiny Committee has called-in a key decision from the Forward Plan before it due date, the decision cannot be called-in again after the final decision has been taken.

20. Monitoring Arrangements

The operation of the provisions relating to call-in and urgency shall be monitored by the Democratic Services Manager, and a report submitted to Council annually with proposals for review if necessary.


Call-In Arrangements
Key Decision made
2 days
Decision
5 days
Valid request for call-in received?
Yes
No
Key Decision Implemented
10 days
Scrutiny Committee convenes
Key Decision outside policy / budget framework?
Yes
No
See Overleaf
Scrutiny Committee has three options
Approve action
Refer decision to Council
Refer to decision taker
5 days
Key Decision implemented
Key Decision Implemented
10 days
Council convenes
Council has two options
Refer to decision taker
Approve action
Key Decision Implemented
5 days
Key Decision Implemented


Key Decision is outside policy / budget framework
Refer to decision taker
5 days
Decision taker has two options
Reaffirm Key decision
Amend decision in line with advice
10 days
Key Decision
Council convenes
Council has two options
Amend policy / budget to accommodate decision
Require decision taker to reconsider decision and refer it to a meeting of the Cabinet
Key Decision implemented
5 days
Cabinet convenes
Cabinet takes a final decision
Key Decision implemented

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Report for:	**Special Overview and Scrutiny Committee on 9th November 2026**
Title:	**Call-in of Cabinet's decision relating to Selby Urban Village – award of contracts for heat supply arrangements**
Report Authorised by:	**Jess Crowe, Corporate Director of Culture, Strategy & Communities**
Lead Officer(s):	**David Sherrington, Head of Estate Renewal**
Ward(s) affected:	**Bruce Castle (LB Haringey), Upper Edmonton (LB Enfield)**
Report for Key/ Non Key Decision:	**Key Decision**

1. DESCRIBE THE ISSUE UNDER CONSIDERATION

1.1. The purpose of this report is to provide further information to support the Overview and Scrutiny Committee's consideration of the issues raised in the 'call-in' of the Cabinet decision of 20th October 2026 in relation to the awarding of contracts to a third-party heat supplier for the heat connection agreements and supply agreements (including management/ maintenance of residential secondary network) for 40 years for the Selby Urban Village development, N17.

2. CABINET MEMBER INTRODUCTION

2.1. My introduction to the original report considered by Cabinet on 20th October 2026 set out the case as I see it for that decision. This report deals with the specific points raised in the call-in, and I confirm my view that nothing raised in the call-in or set out in this report changes my view that the decision taken on 20th October 2026 was the correct one.

3. RECOMMENDATIONS

3.1. It is recommended that the Committee take into account the information in this report when considering its decision on this matter.

4. BACKGROUND

The decision and the call-in

4.1. At its meeting on 20th October 2026, Cabinet made a number of decisions relating to the awarding of heat connection and supply contracts for the Selby Urban Village development. The decisions and the report are published on the Council's website and are accessible at the link provided in Section 8 below.

4.2. Following the publication of the draft minutes of the meeting on 20th October 2026, a 'call-in' of the decision was received and deemed valid in line with the criteria set

out in Part Four, Section H of the Council's Constitution. Accordingly, the matter is now to be considered by the Overview and Scrutiny Committee.

Reasons for the call-in

4.3. The call-in form gives four reasons for the call-in:

1. **Exempt Information:**
   The decision report relies on significant amounts of exempt information regarding the costs and terms of the contract. Exempt information includes the total value of the contract, costs to the council and crucially risks related to the contract, and the council's assessment of risks and mitigations. This deprives members and residents of the information needed to scrutinise and assess this decision.

   The council's constitution sets out that decision making should take "a presumption in favour of openness". Exempting the council's assessment of the risks associated with Energetik contradicts this principle

2. **Changed policy context:**
   Since the decision of 8 January 2026 to engage in a direct procurement exercise with Energetik, there have been significant changes to Energetik's financial position and outlook.

   The current report highlights that "Energetik is fully owned by Enfield Council as the sole shareholder". However, in June 2026, Enfield Council's cabinet agreed in principle to the sale of Energetik, whilst retaining a "golden share". The decision leaves Haringey Council entering a forty-year contract shortly before a change in Energetik's ownership posing significant risk to future tenants at Selby Urban Village.

   A recent report to Enfield Council further highlights the need to closely monitor Energetik's 'liquidity position' in light of slower progress expanding the network.

   The Cabinet decision should therefore be reconsidered in this new context.

3. **Affordability for residents:**

   This decision would lock future Haringey Council tenants into a supply arrangement with Energetik as a monopoly.

   Most of Haringey's current tenants have the ability to choose energy supplier and switch in response to competitive tariffs and consumer offers. This decision would not be equitable and leave future tenants at Selby Urban Village without the same consumer freedoms as other Haringey tenants.

4. **Sustainability:**

   The proposal is not in line with the council's net-zero commitments. Currently, the Energetik network is supplied by gas, with "classified low carbon heat" not expected to be available until July 2029, after the first tenants should have moved on site. This is liable to further delays and relies on the North London

Waste Authority's ongoing construction programme. The public report does not set out what mitigations are in place to prevent delay.

The report also fails to explain why more sustainable options, such as Air Source Heat Pumps and Ground Source Heat Pumps, were not chosen over energy generated through the incineration of waste.

4.4. The report also requests a revised report to be taken to the relevant scrutiny panel including:

- Transparent consideration of the financial risks arising from this decision, including the liquidity issues facing Energetik
- Transparent consideration of the changed policy context and the risk to Haringey's residents, including the proposed sale of Energetik to a private provider
- Consideration of alternative energy suppliers for the Selby Urban Village Development
- Consideration of an open procurement exercise prioritising affordability for council tenants
- Options for alternative energy sources, including heat pumps.

4.5. This report provides an officer response to the given reasons for call-in, and the proposed variations to the decisions made by Cabinet on 20th October 2026. The report of the Monitoring Officer and Section 151 Officer, which is also presented as part of this item, makes recommendations about whether any of the decisions fall outside the financial and policy framework.

4.6. **REASON 1: Exempt Information**

"The decision report relies on significant amounts of exempt information regarding the costs and terms of the contract. Exempt information includes the total value of the contract, costs to the council and crucially risks related to the contract, and the council's assessment of risks and mitigations. This deprives members and residents of the information needed to scrutinise and assess this decision.

The council's constitution sets out that decision making should take "a presumption in favour of openness". Exempting the council's assessment of the risks associated with Energetik contradicts this principle."

Response

4.7. The use of exempt information was necessary and consistent with Schedule 12A of the Local Government Act 1972**,** which permits local authorities to withhold commercially sensitive information relating to their own financial affairs and those of third parties where disclosure would be likely to prejudice commercial interests.

4.8. This information was not withheld from decision-makers; Cabinet Members received and considered the full reports including the exempt appendices and exempt risk register, which contained detailed information on contract costs, commercial terms, value-for-money assessments, legal advice and risk mitigation measures. The decision was therefore made on the basis of all relevant information and was

subject to the Council's established decision making and governance arrangements.

4.9. The purpose of using exempt information was to protect the Council's negotiating position and financial interests in relation to the contracts being awarded. Publishing commercially sensitive information such as pricing mechanisms, contract values and negotiating assumptions regarding a supplier named in the public report (due to the direct procurement route), could undermine the Council's negotiating position and potentially result in poorer value for money for the Council and residents.

4.10. The public interest test was applied, in determining whether information should remain exempt. The outcome of that was that whilst there is a public interest in transparency concerning council decision making, that interest was outweighed in the this case by the need to protect the Council's commercial position and ensure value for money for residents. Only information meeting this test for exemption was withheld from publication. In preparing the Cabinet report, care was taken to ensure that the public report summarised the rationale for the recommendations, allowing members and the public to understand the basis of the decision, including the planning requirements, appraisal of alternatives, value-for-money assessment and strategic considerations.

4.11. The Oversight and Scrutiny committee will have access to the Cabinet reports and appendices, public and exempt, as part of this call in process.

4.12. **REASON 2: Changed policy context**

"Since the decision of 8 January 2026 to engage in a direct procurement exercise with Energetik, there have been significant changes to Energetik's financial position and outlook.

The current report highlights that "Energetik is fully owned by Enfield Council as the sole shareholder". However, in June 2026, Enfield Council's cabinet agreed in principle to the sale of Energetik, whilst retaining a "golden share". The decision leaves Haringey Council entering a forty-year contract shortly before a change in Energetik's ownership posing significant risk to future tenants at Selby Urban Village.

A recent report to Enfield Council further highlights the need to closely monitor Energetik's 'liquidity position' in light of slower progress expanding the network.

The Cabinet decision should therefore be reconsidered in this new context."

Response:

4.13. The public report remains correct in stating that Energetik is fully owned by Enfield Council as the sole shareholder. The possibility of a change in ownership was considered as part of the due diligence process and was addressed in the independent commercial advisor's report. This was in part because of the Enfield Cabinet Report in June 2026 which indicated that Enfield had a preference to pursue a full sale to a strategic partner for Energetik to secure additional investment, expertise and delivery capacity for future growth.

4.14. If ownership changes, the contracts between Haringey and Energetik would continue unchanged. Energetik would remain bound by its obligations to supply heat and meet service standards, irrespective of who owns the company. Should Haringey consider that Energetik is not meeting its contractual obligations following any ownership change, it would retain contractual rights to require performance, pursue remedies and escalate disputes.

4.15. The Enfield Council report published by Enfield Council in June states that a proposed sale would be supported by a "Golden Share" arrangement, intended to maintain oversight of affordability, decarbonisation and service quality. It also states that no immediate changes to customer service arrangements are proposed.

4.16. The independent assessment therefore concluded that the decision to seek a sale does not introduce significant additional risks. However, as any final sale structure is not yet known, this risk is further mitigated by:

- Existing contractual protections.
- Regulatory oversight through Ofgem's heat network regime.
- Requirements for financial resilience and continuity of supply.
- MutualCo and step-in arrangements designed to protect customers if a heat network operator gets into financial difficulty.

4.17. The report note that heat networks will become regulated by Ofgem from January 2027. This regulatory regime will introduce consumer protections, service standards, dispute resolution processes and supplier-of-last-resort arrangements. These protections apply irrespective of ownership changes.

4.18. In relation to Energetik's liquidity position, the Council's commercial advisers and officers reviewed financial and commercial information, including financial resilience and credit checks. Financial resilience was identified at as risk and this is reflected in the exempt risk register, along with mitigation measures and ongoing monitoring arrangements.

4.19. **REASON 3: Affordability for residents**

“This decision would lock future Haringey Council tenants into a supply arrangement with Energetik as a monopoly.

Most of Haringey’s current tenants have the ability to choose energy supplier and switch in response to competitive tariffs and consumer offers. This decision would not be equitable and leave future tenants at Selby Urban Village without the same consumer freedoms as other Haringey tenants.”

Response

4.20. District heat network customers do not have the same supplier-switching arrangements as individual gas or electricity customers; this is an inherent characteristic of heat networks nationally and not unique to Selby Urban Village. However, the requirement to connect to a District Heat Network is part of the project’s planning approvals and obligations with Enfield, Haringey and the GLA, and connecting to a district heat network has been part of the project’s energy strategy since 2024.

4.21. From January 2027, heat networks will be regulated by Ofgem, bringing consumer protections comparable to those available in other energy markets, and ensuring that heat networks will have to comply with fair pricing, as set by Ofgem. The regulatory oversight includes pricing transparency, service standards, complaint handling and supplier-of-last-resort arrangements. These protections significantly strengthen safeguards for residents compared with previous heat networks delivered.

4.22. The Council also undertook extensive commercial due diligence before recommending entering into agreements, in considering affordability and value for money. Independent advisers benchmarked the proposed arrangements against comparable heat networks and concluded that the contractual terms was consistent with market practice and represented fair and reasonable terms. Energetik reviews its heat charges on an annual basis, increasing charges by CPI. This approach provides a transparent and standardised basis for uplift and is in line with approaches taken on other heat networks. This provided assurance that residents would not be exposed to terms that were not aligned with the wider heat network sector.

4.23. In considering affordability, the Council reviewed whether the proposed terms are fair when compared with the realistic alternatives available to the development. The Council assessed comparators and obtained independent advice to conclude that connection to the heat network represented an acceptable and deliverable solution that was broadly consistent if not better than on site air source heat pumps. The decision was taken on the basis of benchmarking, professional advice and a detailed assessment of value for money.

4.24. **REASON 4: Sustainability**

“The proposal is not in line with the council’s net-zero commitments. Currently, the Energetik network is supplied by gas, with “classified low carbon heat” not expected to be available until July 2029, after the first tenants should have moved on site. This is liable to further delays and relies on the North London Waste Authority’s ongoing construction programme. The public report does not set out what mitigations are in place to prevent delay.

The report also fails to explain why more sustainable options, such as Air Source Heat Pumps and Ground Source Heat Pumps, were not chosen over energy generated through the incineration of waste.”

Response

4.25. The development was designed to connect to a district heat network in accordance with planning policy and the site's approved planning and energy strategy. Connection to a heat network forms part of London's strategic energy hierarchy and supports future decarbonisation at network scale.

4.26. Although the Energetik network currently uses gas-fired energy generation, the reports identify a pathway to decarbonisation through future connection to currently classified low-carbon energy sources. The risk of delays to decarbonisation programmes is identified and assessed in the exempt risk register.

4.27. The Council tested alternative solutions, including air source heat pump arrangements. Independent analysis concluded that moving away from the approved district heat network solution would result in significant additional capital expenditure for the project, which is not within the development budget, therefore making the project unviable.

4.28. This would also delay delivery and require significant redesign and planning amendments which are not guaranteed to be acceptable in planning terms. These programme risks would also put the project's grant funding at risk (see paragraph 4.33). The additional costs and programme delay risk depriving the council of delivering new Council homes and community facilities. Details on the cost of alternative solutions can be found in the 20 October 2026 Exempt Report para 5.1.

4.29. The Council therefore concluded that district heat network connection remained the most viable route to delivering the approved development while maintaining programme certainty and achieving long-term decarbonisation objectives.

SECTION 2 of Call-In form: Variation of Action Proposed:

4.30. Officers have considered the proposed section 2 of the Call-in form: Variation of Action Proposed:

4.31. **ACTION PROPOSED: "Do not take this decision forward"**

Response

4.32. Officers do not consider that the proposed alternative represents a viable option in the context of the Selby Urban Village programme. To not take this decision forward would have serious programme and financial implications, putting at risk the viability and delivery of the Selby Urban Village development. A delay to the award of the heat supply contracts would prevent the progression of the heat network design and installation on the live site, requiring the main works contractor to suspend or defer critical elements of their work. This would impact the wider delivery programme and resequencing, delaying the overall development.

4.33. Delays would give rise to significant financial risk to the council. A Phase 1 programme delay would put the £20m MHCLG Local Regeneration Funding at risk as the project would not meet external grant funding requirements associated with the funding award (completion by March 2028) and would require an application for extension of grant programme deadlines with MHCLG. In addition, the Council would be exposed to substantial loss and expense claims from the contractor due to delay on site, should the decision not be taken forward.

4.34. **ACTION PROPOSED:**

"**Refer a revised report to the relevant scrutiny panel including:**

- **Transparent consideration of the financial risks arising from this decision, including the liquidity issues facing Energetik**
- **Transparent consideration of the changed policy context and the risk to Haringey's residents, including the proposed sale of Energetik to a private provider**
- **Consideration of alternative energy suppliers for the Selby Urban Village Development**
- **Consideration of an open procurement exercise prioritising affordability for council tenants**
- **Options for alternative energy sources, including heat pumps.**"

Response

4.35. These reports which has been referred to the Overview and Scrutiny Committee seeks to address the points noted above.

4.36. **Consideration of financial risks, including liquidity issues:** See response above in paragraph 4.18.

4.37. **Consideration of changed policy context:** See response above in paragraphs 4.13-4.18.

4.38. **Consideration of alternative suppliers:** As noted in the 8 January 2026 Cabinet Report approving the procurement exercise, and the 20 October 2026 Cabinet report for awarding contracts, Energetik is currently the only viable district heat network provider capable of serving the development due to geographical location, and meeting planning requirements.

4.39. **Open procurement exercise:** The January 2026 Cabinet decision considered procurement options and approved direct negotiations because Energetik was identified as the only viable provider with an existing and expandable network capable of serving the site. An open procurement exercise would not be expected to generate alternative heat network providers where no alternative district heat network exists. This would not be an appropriate use of the Council's resources and finances.

4.40. **Alternative energy sources:** Alternative energy solutions, particularly air source heat pumps, were considered and costed. They were assessed as more expensive in capital and consumer pricing terms and would lead to delay to delivery of much-needed council homes and community and sports infrastructure. Details relating to alternatives are available within the 20 October 2026 Exempt Report in para 5.1.

5. CONTRIBUTION TO STRATEGIC OUTCOMES

5.1. The contribution of the decision in question to strategic outcomes was set out in the report on 20th October 2026.

6. STATUTORY OFFICER COMMENTS

Finance – General Fund / HRA

6.1. The Section 151 Officer has been consulted in the preparation of this report.

6.2. The financial implications of the decisions taken by Cabinet were detailed in the 20th October 2026 cabinet report.

Legal

6.3. The Director of Legal and Governance has been consulted in the preparation of this report, and their views are as set out in their Monitoring Officer report. The legal comments made in the 20th October 2026 Cabinet report are unchanged.

Equalities

6.4. The Equalities implications of the decisions taken by Cabinet were detailed in the 20th October 2026 cabinet report.

Procurement

6.5. The Procurement implications of the decisions taken by Cabinet were detailed in the 20th October 2026 Cabinet report and 8th January 2026 Cabinet report approving the procurement exercise.

7. USE OF APPENDICES

7.1. N/A

8. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Report to 20th October 2026 Cabinet regarding the Selby Urban Village Heat Supply Arrangements Cabinet's decisions:
https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=11441&Ver=4

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