

NOTICE OF MEETING

CABINET MEMBER SIGNING

Wednesday, 15th May, 2024, 3.00 pm - Alexandra House , 10 Station Road , Wood Green N22 7TR (watch the live meeting [Here](#))

Councillor: Peray Ahmet – Leader of the Council

Quorum: 1

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 any apologies for absence.

3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under agenda item 9 and 13).

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/QUESTIONS

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

- 6. KEY DECISION - APPROVAL OF A REVENUE BUDGET VIREMENT FROM THE HOUSING REVENUE ACCOUNT (HRA) RESERVES FOR THE PROVISION OF SERVICES TO MANAGE HOUSING DISREPAIR CASES, AND FUNDING FOR THE DELIVERY OF ELECTRICAL INSPECTION & CONDITION REPORTS (EICR) (PAGES 1 - 10)**
- 7. NON KEY-DECISION - THE SEVEN SISTERS MARKET PARTNERSHIP ADVISORY GROUP (SSMPAG) CABINET MEMBER APPOINTMENT (PAGES 11 - 22)**
- 8. NON-KEY DECISION - APPOINTMENT OF EXTERNAL AUDITORS - HOMES FOR HARINGEY (PAGES 23 - 28)**
- 9. NEW ITEMS OF URGENT BUSINESS**

As per item 3.

10. EXCLUSION OF THE PRESS AND PUBLIC

Items 10 and 11 are likely to be subject to a motion to exclude the press and public be from the meeting as *they* contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

- 11. EXEMPT - NON-KEY DECISION - APPOINTMENT OF EXTERNAL AUDITORS - HOMES FOR HARINGEY (PAGES 29 - 30)**

12. EXEMPT - KEY DECISION - APPROVAL OF A REVENUE BUDGET VIREMENT FROM THE HOUSING REVENUE ACCOUNT (HRA) RESERVES FOR THE PROVISION OF SERVICES TO MANAGE HOUSING DISREPAIR CASES, AND FUNDING FOR THE DELIVERY OF ELECTRICAL INSPECTION & CONDITION REPORTS (EICR) (PAGES 31 - 34)

13. NEW ITEMS OF EXEMPT URGENT BUSINESS

As per item 3.

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Tuesday, 07 May 2024

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Report for: Leader of the Council

Title: Approval of revenue budget virement from the Housing Revenue Account (HRA) reserves for the provision of services to manage housing disrepair cases, and funding for the delivery of Electrical Inspection & Condition Reports (EICR) programme.

Report authorised by: Jahedur Raham Operational Director Housing & Building Safety

Lead Officer: Laura Johnson 07973 803904; laura.johnson@haringey.gov.uk

Ward(s) affected: All

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

1. Describe the issue under consideration.

- 1.1 There is a need for additional £6.851m to fund the increasing cost of managing legal disrepair and to meet the revenue cost of the EICR inspection programme.
- 1.2 In September 2023, the Cabinet approved the “2023/24 Finance Update Quarter 1 (Period 3)” report. Resolution 3.6 approved “the revenue budget virements and receipt of grants as set out in Appendix 6”. A virement of £3.6M was approved for “Transfer from HRA reserve to cover the additional costs arising from legal disrepair cases and compensations.” Of the £3.6M, £2.3M was to cover the costs of the Council’s external lawyers for the financial year 2023/24. The remainder was to cover the costs of paying compensation to tenants/lessees as well as their legal costs.
- 1.3 The number of disrepair cases have continued to rise and on 9th November 2023, the Leader approved a variation to the contracts for all three law firms to a value not to exceed a cumulative total of £2.3M, accordingly, the maximum contract values were subsequently increased.
- 1.4 On approval of the virement the maximum cumulative contract value for the Council’s external law firms for the period 2023/25 will be £4.7m (£2.3m + £2.4m).
- 1.5 To address the need for works to housing disrepair cases in a timely manner, to mitigate against further legal costs and because the responsive repairs service does not have sufficient capacity to undertake the work required, £2m is required to appoint 4 contractors to work on historic disrepair cases.

- 1.6 Following transfer of responsibility for delivery and budget management of the Electrical Inspection & Condition Report programme from HRS to Building Safety & Compliance in 2023, a new contract has been tendered and an award report has been drafted, pending confirmation of budget provision under this report.
- 1.7 The programme was previously delivered by the Housing Repairs Service (HRS) electrical team, due to the type of work undertaken, this has previously been capitalised. There was no existing revenue budget that could be transferred from HRS to Building Safety with the responsibility for the service.
- 1.8 In line with the capitalisation policy this can no longer be capitalised, due to the core inspection programme being routine re-inspections. The regulatory requirement for this revenue funded work stream for 2024/25 is £651,000.00. Future requirements will be incorporated within the annual budget setting process.
- 1.9 The total additional spend requirement for disrepair and EICRs is £6.9m, which is made up of:
- Contractors to complete legal disrepair work £2m
 - Tenant / lessee legal costs £1.1m
 - Compensation payment for tenants £700k
 - Cost of external law firms £2.4m
 - Contractor to complete programme of EICRs £651k
 - **Total £6.9m**

2. Recommendations

That the Leader of the Council:

- a. Notes that of the £6.9m required, £3.4m will be funded from sources highlighted in the report 4.2.1.
- b. Approves a virement of £2.8m from the Housing Revenue Account (HRA) reserves for the provision of legal services for housing disrepair cases and the appointment of four contractors to complete repair work.
- c. Approves the virement of £0.7m from the HRA reserves to cover the cost of Electrical Inspection Condition Reports (EICRs) for 2024/25 for the Council housing portfolio for which Haringey Council holds responsibility for electrical safety.

3. Reasons for decision

- 3.1 This report seeks approval from the Leader a virement from the HRA reserve, so as to cover part of the projected costs of the law firms in 2024/25 (which is estimated to be £2.4M) as the agreed 2023/24 budget for the legal firms who are acting for the Council on legal disrepair cases is exhausted, resulting in outstanding invoices that need payment to ensure they are paid for their services and can continue to work for the Council. A virement is also required to have sufficient budget in place for the work that we need four external contractors to undertake repair work on legal disrepair cases and for provision of funding to complete EICRs.
- 3.2 The decision was not taken to February cabinet as the position was not clear on the total budget virement required. The funding gap has increased over a period of months as it become apparent the quantum of the budget shortfalls, this did not allow for sufficient time to draft and submit a report for the February cabinet meeting.
- 3.3 The Council is aware that it has significant problems with its housing stock. In cases where the Council has failed to satisfactorily address disrepair that has been reported, tenants and leaseholders are entitled to escalate their concerns through legal channels. If the Council does not respond to the pre-action letter within 20 working days and/or has not rectified the disrepair within an agreed timescale then the tenant/ lessee may issue legal proceedings seeking an order requiring that: the repair works are carried out, and that the Council pays damages as well as legal costs, court fees and interest.
- 3.4 The Council needs to ensure it has sufficient resources in place to repair the 1000+ housing disrepair claims where legal action has commenced. At the present time there is not sufficient capacity within the responsive repairs service to provide the required repairs, we therefore need to procure contractors to ensure that we can complete the repairs in a timely manner.
- 3.5 Legal and the Housing Repairs Service are building capacity to deal with the increased demand from housing disrepair inhouse, but in the meantime there is still a need to instruct external solicitors to enable them to continue to work on existing and new housing disrepair cases.
- 3.6 The Council has a regulatory responsibility to undertake Electrical Inspection & Condition Reports (EICRs) within its managed housing properties at least once every 5 years, and when a property is re-let. This provision is for the 5-year testing and remediation programme only. The costs associated with remediation of electrical faults, repairs and re-lets are included within the responsive repairs and voids budgets respectively.
- 3.7 To comply with the requirements of the Regulator for Social Housing, The Health and Safety Act 1974 and the requirements and the Council's

capitalisation policy, this programme requires a new annual revenue funding stream. This will be managed through the budget setting process from 2025/26 onwards and for 2024/25 requires an initial virement from the Council's reserves due to the completion of capital works identified through previous inspection programmes to date.

4. Alternative options considered.

4.1 Do Nothing

4.1.1 Doing nothing it is not an option for the following reasons:

4.1.2 It is necessary that the law firms continue to work on the cases referred to them and for the Council to continue to pay their fees. If the law firms were to cease work, those cases will not be addressed on behalf of the Council, which would most likely result in the tenants/ lessee's obtaining judgment against the Council.

4.1.3 Furthermore, in cases where the court has issued an Order against the Council and the Council fails to comply with its terms, there is a risk that a penal notice could be added to the Order, which could lead to senior officers being required to attend court and (in the worst-case scenario) being sentenced to a term of imprisonment.

4.1.4 In addition, where the Council fails to comply with Orders and pay compensation or costs in time, solicitors acting for the claimants may seek to enforce the Orders and may instruct bailiffs to attend the Council offices. For these reasons, it is essential that the law firms continue to act for the Council to protect its interests.

4.1.5 If contractors are not appointed to complete disrepair works, they will not be completed in a timely manner, causing further delay in resolution, further legal costs, and customer dissatisfaction. There are insufficient resources within the direct labour organisation in HRS to undertake the repairs required and, in the timescale, they need to be completed.

4.1.6 The Council has a regulatory duty to complete an EICR inspections in every property at least once every 5 years.

4.2 Identify savings and/or stop other Housing related works to fund disrepair works / legal costs.

4.2.1 To fund the required £6.9m costs, £3.5m one-off draw down from reserves has been requested to fund the exceptional costs for disrepair and the EICR inspection programme. The remaining £3.4m will be funded through savings

from the Housing Operations & Building Safety revenue budget. This saving will be delivered by a review and reconfiguration of HRS services, a potential increase from refunds/claims and the reallocation of £0.5m of the Housing Improvement Plan (HIP) Budget. All Housing related works required will continue to be reviewed, prioritised and funding agreed as part of the MTFS process.

There is an expectation to replenish the HRA reserve to maintain adequate reserves balance, ensuring the viability of the HRA.

Further information about the refunds/claims mentioned above is contained in the Exempt Report.

4.3 **Insourcing**

- 4.3.1 Insourcing has been considered as an option and capacity is currently being developed by both the Legal and Housing Teams, so that more of the new disrepair cases can be dealt with inhouse. However, there is a need to extend the contracts of the three firms in the meantime.
- 4.3.2 There is not sufficient resources withing HRS DLO to complete the required level of work in the timescale required for the outstanding disrepair caseload.
- 4.3.3 This is not an option for EICRs and has been considered in detail in the contract award report previously referred to.

5. **Background information**

- 5.1 The Council currently has over 1000 disrepair claims. The primary issue is that the total number of claims have built up at a rapid pace over the last year, due to lack of adequate contractor/housing repairs service capacity to complete the remedial works required. Disrepair claims cannot close until repair works are completed to a satisfactory standard, and failure to do so results in breaches, which incurs additional, avoidable legal costs and compensation. This is the primary cause of the increased costs in disrepair. The cost of works is unavoidable and will always have to be completed upon service of a valid claim. Therefore, the Council will either pay a lower, minimum unavoidable cost, or a significantly higher figure to achieve the same result in avoidable legal costs.
- 5.2 A decision was previously taken to outsource disrepair claims to external law firms to handle the legal aspects of the operation due to the volume increase in new claims. However, cases have been unable to close at the required level, due to the lack of repairs capacity. As a result, the number of claims with external solicitors have increased beyond initial expectations. There is not adequate resource to take back all, or a substantial proportion of those claims to the in-house team. Therefore, further funds are required to maintain

representation by the external solicitors, until the newly planned model can be implemented.

- 5.3 This problem has caused significant financial pressure on the budget. Rectification involves increasing the in-house legal team's capacity through recruitment, and the implementation of a pre-action model by the Disrepair Team, whereby caseworkers will handle the claims up to litigation, with the objective of drastically reducing the number of claims for which legal representation is required. This will apply to new cases, once the recruitment has been completed.
- 5.4 The existing caseload will still require representation, whether provided internally or externally. These cases are of particular concern, as they are escalating at scale and incurring substantial costs through lack of closure. Additional concerns with these cases are breach payments and reputational damage, through failing to comply with settlement agreements and Court Orders. Rectification of these cases involves the urgent provision of finance to allow for the contractors to be onboarded and commence repair works. There is a substantial backlog of these cases and therefore the additional legal resource will likely be required throughout the next financial year.
- 5.5 Once the new posts are filled and the contractors are on board, the new model will commence and run concurrently with the backlog clearance operation. With adequate capacity to complete repairs at the required scale and frequency, the costs of the new cases can be curtailed significantly, when compared to the backlog cases, by reducing legal fees on both sides through faster case closure.
- 5.6 Failure to adequately fund the repairs demand will result in significant financial escalation. A compound increase effect is in progress and action is required now to arrest the escalating costs. The costs incurred through disrepair claims are legal liabilities and cannot be avoided. There is a simple choice of investing in the operational requirements to complete works now or paying significantly higher costs in the future. In addition, tenants will remain in disrepair, despite engaging solicitors and obtaining settlements and Court Orders requiring the repairs to be completed.
- 5.7 The Council self-referred to the Regulator for Social Housing, over the failure to undertake a suitable programme of 5-yearly EICRs in January 2023. Since then, we have completed over 7,800 inspections to raise compliance from 45% to over 95%. To fail to provide sufficient funding to maintain this programme could result in risk of harm to residents due to poor maintenance of electrical installations in tenants' homes, additional risk from fire and further scrutiny and possible sanctions by the Regulator of Social Housing. An additional £651,000 is required to meet contractor costs.

- 5.8 The table below sets out the funding agreed in 2023/24 and the amount required in 2024/25 for disrepair and EICR works:

Item	Existing 2023/24	Proposed 2024/25
Contractor	£472k	£2m
Tenant / Lessee legal cost	£470k	£1.1m
Compensation	£315k	£700k
External law firms	£2.3m	£2.4m
Disrepair Total	£3.557M	£6.2m
EICR Works	N/A	£651,000
Virement Total		£6,851,000

6. Contribution to strategic outcomes

- 6.1 Improving the Council's capacity and procedures to deal with legal disrepair claims and implementation of a plan to reduce the number of legal disrepair claims received in the future, contributes to Theme 5 of the Corporate Delivery Plan of Homes for the Future, specifically the vision where homes will be of a higher quality by improving the quality of our repairs service.
- 6.2 This project will also help to deliver theme 5 of the Corporate Delivery Plan. A borough where everyone has a safe, sustainable, stable, and affordable home.

7. Carbon and Climate Change

- 7.1 This report requests the virement of budgets to support the delivery disrepair. The programmes themselves are the subject of individual procurements and award reports. Carbon and Climate Change is therefore considered in each of those reports in line with the "Carbon in All Cabinet Reports – Guidance for Report Writers"

8. Statutory Officers comments (Director of Finance (procurement), Assistant Director of Legal and Governance, Equalities)

8.1 Finance

- 8.1.1 There is need for additional £6.9m to fund the cost of legal disrepair cases, EICR and associated works and backlog of repairs works.

The report requests approval for a virement of £3.5m from the HRA reserve to part fund the cost of these works. This will leave the HRA reserve with a balance of £15.7m.

A key aspect of the HRA financial plan is to maintain an HRA reserve of £20m, to enable the Council to manage risks associated with the extensive development programme and changes in external environment such as borrowing rates, government policies, etc.

There is need to replenish the HRA reserve to ensure that the HRA remains viable, and that the Council continues to deliver the programmes set out in the business plan.

The remaining £3.4m required will be funded from other sources in the HRA as highlighted in the report.

If this £3.4m sum is not found from HRA resources, it may require further call on the HRA reserve which will impact on HRA viability and the Council's ability to deliver Housing services.

Further finance comments are contained in the exempt report.

8.2 Assistant Director of Legal & Governance

8.2.1 The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted.

8.2.2 The Executive is responsible for discharging Executive functions in accordance with the Council's policy framework and budget. Under Part 4, Rules of Procedure Section I, Financial Regulations, the Leader of the Council has the power to authorise the virements set out in the recommendations in section 2 of the report.

8.2.3 With respect to the costs of the Council's external lawyers: at a Signing on 28 March 2024 ([Agenda for Cabinet Member Signing on Thursday, 28th March, 2024, 2.00 pm | Haringey Council](#)) the Leader resolved as follows (and, in respect of (a) below, approved that the total sum of £1M be allocated to the law firms) -

- a. approves (in accordance with CSO 10.02.1(b)), the variation of the contracts awarded to Ashfords LLP, Birketts LLP and TLT LLP in October 2022, so as to increase the maximum value of each contract by the amounts set out in the Exempt Report;
- b. delegates Authority to the Assistant Director for Legal and Governance to further increase the maximum value of each contract as may be required from time to time provided that the cumulative amount

awarded under this paragraph and paragraph 2(a) above does not exceed £2.4M.

c. notes that, subject to budget remaining available from the £2.4M allocation, Legal Services may run a further procurement exercise (or make a direct award) with a view to awarding further contracts to one or more law firms in 2024.

d. notes that recommendations 2(a), (b) and (c) shall not be implemented until such time as the Cabinet or Leader have approved a virement to the HRA budget covering the £2.4M costs of the law firms.

8.2.4 The Assistant Director of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Leader of the Council from approving the recommendations set out in section 2 of the report.

8.2.5 Further Legal comments are contained in the Exempt report.

8.3 Equalities

8.3.1 The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

8.3.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.3.3 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socio-economic status as a local protected characteristic.

8.3.4 The purpose of this decision is to approve the virements to cover the cost of the law firms who are managing disrepair cases for the Council and completion of a programme of electrical inspection reports.

8.3.5 This decision is not expected to have any effect on those who share the protected characteristics and will not advance or hinder the Public Sector Equality Duty in Haringey. As such it will have a neutral impact on equalities.

8.3.6 As an organisation carrying out a public function on behalf of a public body, the firms will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

8.4 **Procurement**

8.4.1 Strategic Procurement note the contents of this report and confirm there are no procurement related matters preventing the Leader of the Council approving the recommendations stated in paragraph 2 above.

9. **Use of Appendices**

N/A

10. **Background papers**

1. Report "Variation of Contracts Awarded to Three Law Firms in relation to Housing Disrepair Cases" approved by the Leader on 28 March 2024:
[Agenda for Cabinet Member Signing on Thursday, 28th March, 2024, 2.00 pm | Haringey Council](#)

Report for: Leader Signing – 15th May 2024

Item number: To be added by the Committee Section

Title: Nomination to the Seven Sisters Market Partnership Advisory Group (SSMPAG)

Report authorised by: David Joyce, Director for Housing and Placemaking.

Lead Officer: Toussainte Reba, Head of Area Regeneration

Ward(s) affected: Seven Sisters

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

1. Describe the issue under consideration

- 1.1 The Seven Sisters Market (SSM) is a key landmark in Seven Sisters which has been shut since March 2020. The owners, Transport for London (TfL) and their commercial property arm, Places for London (PfL) have established the Seven Sisters Market Partnership Advisory Group (SSMPAG) in January 2024 to make recommendation on the long-term future of the market.
- 1.2 The establishment of the SSMPAG is a welcome step in the journey of the market. Its development will result in an exemplar project which uses a strengths-based approach to placemaking and is centred around local people, with the Latin American Community at its heart.
- 1.3 SSMPAG is a non-incorporated consultative and advisory body established by PfL, it has no separate, independent or corporate legal status and as such, must operate through PfL.
- 1.4 According to the Terms of Reference (TOR) for SSMPAG are attached at Appendix 1, the purpose of SSMPAG is to advise PfL in connection with its proposal to grant a long leasehold interest in the SSM Site, which is to be developed and managed in line with PfL's requirements whilst providing economic and social benefit to the local community.
- 1.5 The Group is led by an Independent Chair, Sufiya Patel, appointed by PfL to oversee the work of SSMPAG. The partnership group will include up to 4 market traders' representatives, up to 6 expert advisors and key stakeholders (ex-officio members/ "observers") including the GLA and Haringey Council.
- 1.6 The Chair of SSMPAG has requested that council nominates a representative to SSMPAG to act in an "observer" capacity – "The role is an observer role

and has no voting rights. The role of the observer member is to act as a conduit of information flow between the group and the council. The observer member may also be called upon to provide points of information or opinion when the group make recommendations”.

- 1.7 The Group is meeting in May 2024 and is expected to meet quarterly for 3 years – the time the Group expects to require in order to make a recommendation to Pfl on the market’s future with a long-term operator.

2. Cabinet Member Introduction

- 2.1 N/A

3. Recommendations

It is recommended:

- 3.1 That, in line with the council’s constitution, the Leader nominates the Lead Member for Council Housebuilding, Placemaking and Local Economy to represent the council as an observer on SSMPAG as described in the TOR for SSMPAG attached at Appendix 1.

- 3.2 That, in line with the council’s constitution, the nomination is noted at the next Full Council Meeting which is expected to be held on 20th May 2024.

4. Reasons for decision

- 4.1 The council has a longstanding interest in the return of SSM, a sustainable home for the trader community to resume their livelihoods would also have wider benefits for the local economy. A SSM with the Latin Village at its heart has the potential to be a catalyst for the local economy and would attract footfall in Seven Sisters/West Green Road District Centre at this time. The long closure of the market and building works has contributed the decline of the district centre surroundings and poor visitor experience at Seven Sisters Station entrance.

- 4.2 The return of the market would help to reinvigorate Seven Sisters town centre and help to maintain its vibrancy during the economic downturn.

- 4.3 Due to ongoing issues with the existing market building, Pfl are proposing to bring the market back in two phases: a first phase would see the market return temporarily with a limited indoor provision on the current site and an outdoor provision on vacant council land adjacent to the existing market. A lease agreement between the council and Pfl is required to enable this. Pfl expects to re-house all former traders within the indoor and outdoor temporary markets. Pfl have indicated that they are working to open the temporary market in 2024. The temporary market is expected to remain in situ for 3 years.

- 4.4 In a second phase, Pfl would return the market to its permanent home on a sustainable basis with a long-term operator. Pfl have expressed support for the

development of the existing site into a community-led asset creating both commercial and social returns for the wider community to create local wealth.

4.5 SSM comes under the Lead Member for Council Housebuilding, Placemaking and Local Economy's portfolio. The Lead Member receives regular updates on the market from Pfl, is familiar with key stakeholders on SSMPAG and is therefore best placed to act as "observer" on SSMPAG.

5. Alternative options considered

Not nominating a council representative

5.1 The council has a vested interest in seeing the Seven Sisters Market with its vibrant Latin Village return to its landmark home. As a non-voting member, the council has the opportunity hear directly from its partners and local stakeholders on a longstanding sensitive issue for Seven Sisters. The council would not benefit from "not being in the room" when these key conversations are taking place.

6. Background information

6.1 In March 2020, SSM was shut initially because of a failure in the power supply and then later in line with national COVID-19 restrictions. Independent surveys commissioned by TfL identified significant health and safety issues and the building was deemed unsafe to reopen.

6.2 In November 2020, considering the length of time the market was to remain closed, and the financial impact the closure had had on the livelihoods of the traders, staff and their families, the Mayor directed TfL to make available up to £500,000 in financial support to traders.

6.3 In August 2021, following Grainger's exit from the Wards Corner Development, a second Mayoral Directive enabled another package of support for traders whilst TfL made separate plans for a temporary market.

6.4 In September 2021, TfL identified a series of options for bringing the market back temporarily whilst challenges remained with the main market hall building. The preferred option identified in 2022 was to refurbish a section of the existing market to bring back non-cooking trades whilst the Food & Beverages trades would be housed on vacant land newly acquired by the council as part of Grainger's exit from the Wards Corner Development.

6.5 TfL also indicated support the development of the existing market site into a community-led asset creating both commercial and social returns for the wider community to create local wealth. To achieve this, TfL proposed to establish a new, independently chaired, partnership board which will assemble the right expertise including the community and traders to provide confidence and credibility to making the right decisions for the future of the site.

6.6 TfL proposed to invite any group linked to traders to bid for the long leasehold first with the partnership board managing the long-leasehold process to ensure the right appointee is chosen in a fair manner and that the appointee can succeed.

6.7 In October 2022, TfL appointed an Independent Chair to lead the Partnership Board and engage with local stakeholders to recruit members to the Board. In September 2023 TfL Property Ltd (TTLP) rebranded to Pfl and the new Partnership Group was established in January 2024.

6.8 In March 2024, Pfl launched an expression of interest (EOI) procurement for the long lease of the SSM which is expected to close in May 2024. In April 2024, Pfl shared the final TOR for SSMPAG (attached at Appendix 1) and requested a council representative on the Group to attend SSMPAG meeting at the end May 2024 which will be reviewing the EOI procurement and make recommendation to Pfl on next steps.

Conflict of Interest Consideration

6.9 In August 2021, further to Grainger's exit from the Wards Corner Development, Council Leader, Peray Ahmet and the Chair of the West Green Road/Seven Sisters Road Development Trust released a joint statement in support of the Wards Corner Community Plan which has planning consent to restore the existing market building and former Wards Corner Department Store, both owned by TfL.

6.10 Given that the nomination of the Lead Member for Council Housebuilding, Placemaking and Local Economy is in an observer capacity, the role is fairly limited and non-decision-making which is considered to limit conflict of interest on SSMPAG.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

Theme 8: Placemaking and economy

Placemaking

7.1 Pfl's approach to bring back the SSM is in line with the Corporate Plan 2022-24 Shaping Tottenham Outcome for this area which would see a focus on Your Seven Sisters Placemaking Programme with the return of the market as a key focus of activity that would be supported with wider access improvements to the district centre and to and from the underground and overground station.

Building an Inclusive Economy

7.2 The Corporate Plan focus on the Council's adoption of a Social Value Policy is aligned with Pfl's aspiration to deliver a sustainable community-led market with commercial and social returns for the wider community to create local

wealth. The market's long lease approach offers an opportunity for shared learning on social value.

8. Carbon and Climate Change

8.1 N/a

9. Statutory Officers comments: Finance, Procurement, Assistant Director of Legal and Governance, Equalities

Finance

9.1 There are no financial implications arising from this decision.

Procurement

9.2 There are no immediate procurement implications or considerations for this report.

Assistant Director of Legal & Governance

9.3 The Head of Legal Services has been consulted.

9.4 The TOR for SSMPAG specify that its role will be as follows:

9.5 The role of the SSMPAG is to provide advice, guidance, and recommendations to Places for London on:

- identifying options for the development of the entire site while ensuring alignment to the Mayor of London and Places for London's objectives, and noting the operational interface with Seven Sisters Underground Station
- the tender process for appointing an entity to take a long lease of the market site;
- the received Expressions of Interest and tenders from interested parties bidding to acquire a long lease of the site
- the financial sustainability and viability of the selected long lease organisation proposal

9.6 SSMPAG may make recommendations to Places for London on additional advice or services from third parties, which Places for London may choose to procure in line with own procurement regulations.

9.7 The ToR also provide that LBH will "nominate an officer or councillor to sit as an observer at Committee meetings. They will provide input of borough priorities and local plan". As such, there appears to be a fairly limited non-decision-making role for the Lead Member for Council Housebuilding, Placemaking and Local Economy. However, paragraph 1.5 above notes that the Lead Member "may also be called upon to provide points of information or opinion when the group make recommendations". Accordingly, it should be noted that the Lead Member for Council Housebuilding, Placemaking and Local Economy will still need to

consider whether their role on SSMPAG and any contributions made in relation to recommendations submitted by SSMPAG to Pfl, is likely to involve a conflict of interest, a perception of bias or predetermination of any matter which may then preclude the Lead Member from participating in related decisions made by the Council.

9.8 In carrying out duties on SSMPAG, the Lead Member will be expected to adhere to the Council's Code of Conduct. In addition, the SSMPAG ToR provides that –

- Places for London promotes the highest standards of conduct in public service. Group members will be expected to comply with any requirement of Places for London including TfL Code of Conduct, policies, processes on declaration of interests and gifts and hospitality, Standing Orders and any other governance or proprietary requirements.
- When undertaking work in connection with the Group, Members are required to agree to comply with the standards and processes relating to conduct as detailed in TfL/Places for London Code of Conduct ("the Code") which will be shared with members in letters of appointment.

9.9 Section 10.08 of the Articles to the Council's Constitution specifies the procedures that apply in relation to Members being nominated to sit on outside bodies. The process will depend on the nature of the "outside body". Based on the SSMPAG ToRs, it is considered that SSMPAG would come within the definition of a "partnership body". For partnership bodies, among other things, the Constitution provides that the Nominations Procedure is as follows –

- i.) Nominations to all organisations will be made or confirmed at each Annual General Meeting (AGM) of the Council. In the case of Association and "Partnership" bodies, which mainly exercise "executive" functions present, nominations of Cabinet members will be made by the Leader, or the Cabinet with the Leader's agreement, and merely recorded in the complete list approved at the AGM.
- ii.) The capacity in which members are nominated, the duration of the appointment and any other relevant terms and conditions will be set out in the report to the AGM and recorded in the minutes. Nominations will be stated as being made "at the request of the Council".
- iii.) A full list of existing and newly nominated or appointed councillors will be presented to the next meeting of full Council after the AGM setting out the name of the organisation, terms of appointment and status or capacity of the councillor within the organisation.

9.10 Accordingly, the Head of Legal Services confirms that there are no legal reasons preventing the Leader from approving the recommendations in this report.

Equality

9.11 The Council has a Public Sector Equality Duty under the Equality Act 2010 to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- 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

9.12 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

9.13 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.14 The decision is to nominate a council representative to SSMPAG as “observer”. This decision has no disproportionate impacts on individuals or groups with any of the protected characteristics. The decision will enable the council to work closely with local and strategic partner who have shared aspiration to see the Seven Sisters Market with its vibrant Latin Village return to its landmark home.

10. Use of Appendices

Appendix 1 – Seven Sisters Market Partnership Advisory Group Terms of Reference

11. Background papers

1. Cabinet Report – Wards Corner Acquisition Programme
2. Wards Corner Community Plan Statement

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Seven Sisters Market Partnership Advisory Group

Terms of Reference

1. Purpose

- 1.1 The purpose of the Seven Sisters Market Partnership Advisory Group (SSMPAG) is to advise Places for London in connection with its proposal to grant a long leasehold interest in the Seven Sisters Market Site, which is to be developed and managed in line with Places for London's requirements whilst providing economic and social benefit to the local community.

2. Terms of Reference

- 2.1 The role of the SSMPAG is to provide advice, guidance and recommendations to Places for London on:
- identifying options for the development of the entire site while ensuring alignment to the Mayor of London and Places for London's objectives, and noting the operational interface with Seven Sisters Underground Station
 - the tender process for appointing an entity to take a long lease of the market site;
 - the received Expressions of Interest and tenders from interested parties bidding to acquire a long lease of the site
 - the financial sustainability and viability of the selected long lease organisation proposal
- 2.2 SSMPAG may make recommendations to Places for London on additional advice or services from third parties, which Places for London may choose to procure in line with own procurement regulations.

3. Authority

- 3.1 SSMPAG is a non-incorporated consultative and advisory body established by Places for London and has no separate, independent or corporate legal status and as such, must operate through Places for London.
- 3.2 The SSMPAG's advisory role is limited to matters referred to within these Terms of Reference.
- 3.3 The SSMPAG may make recommendations to Places for London through the SSMPAG Secretariat which will be provided by Places for London.
- 3.4 The Chair and SSMPAG do not have delegated authority for any budgets or any decision-making. This responsibility remains with Places for London.
- 3.5 In conducting its business, SSMPAG must consider any resource implications and have regard to existing Places for London processes, and any guidance it provides.

4. Membership

- 4.1 Membership will consist of a Chair and maximum of eight independent representatives with skills and experience covering: a) property, b) governance, c) community wealth building, d) markets, and e) the public sector.
- 4.2 Where possible the SSMPAG will represent the demographics of Seven Sisters and ideally include a resident or person that works in the Seven Sisters/Haringey area.
- 4.3 Key stakeholders will be represented as ex-officio observer members.

4.4 Members are made up of volunteers who will serve for a term of up to three years, with the option of Places for London allowing membership to be extended for an additional term.

4.5 Membership includes:

a) Independent chair

The Chair will be recruited and selected in accordance with relevant TfL/Places for London protocols. The chair is independent and will oversee the work of the SSMPAG.

b) Expert Advisors (4-6)

Between four to six members will act in an individual capacity and not as representatives of any organisation or body to provide their expertise on the remit of the Group. Members should have expertise in one or more areas as identified in paragraph 5.1 of these Terms of Reference.

c) Market Traders

Between two and four trader representatives will be nominated to the group to represent the wider market trader views in the formation of advice and recommendations.

d) Ex-officio members

The following roles will be held by virtue of employment or membership of the following organisations. These are all observer roles:

- **Greater London Authority (GLA):** The Greater London Authority will nominate a representative to sit as an observer at SSMPAG meetings. They will provide input on Mayoral economic and social priorities and link with main London objectives.
- **London Borough of Haringey:** The London Borough of Haringey will nominate an officer or councillor to sit as an observer at group meetings. They will provide input of borough priorities and local plan.

4.6 The Group meetings may also include observers from other organisations invited by the Chair or by Places for London.

5. Organisational arrangements

5.1 The Group will meet, at least, a minimum of four times a year.

5.2 The Agenda, all reports, and other items for consideration by the SSMPAG must be circulated seven working days prior to the meeting. Papers will be circulated in electronic form.

5.3 Secretariat for the meetings will be supported by Places for London and shall record the names of all Group Members and additional attendees present at a meeting.

5.4 The minutes of the meeting shall be prepared by the secretariat, reviewed by the Chair, and shall be submitted for approval as to their accuracy to the next meeting.

5.5 Agendas and summary minutes will be made available to the general public if requested, except in those cases where information may be exempt for commercial reasons.

6. Code of Conduct & Declaration of Interests

6.1 Places for London promotes the highest standards of conduct in public service. Group members will be expected to comply with any requirement of Places for London including [TfL Code of Conduct](#), policies, processes on declaration of interests and gifts and hospitality, Standing Orders and any other governance or proprietary requirements.

6.2 When undertaking work in connection with the Group, Members are required to agree to comply with the standards and processes relating to conduct as detailed in TfL/Places for London Code of Conduct (“the Code”) which will be shared with members in letters of appointment.

6.3 The Code includes provisions in relation to adhering to the seven principles of public life (the Nolan principles) and the potential disclosure and registration of personal interests where they are affected by the work of the Group.

6.4 Members should exercise their judgement as to whether they have a disclosable pecuniary interest in relation to any matter to be considered or being considered at a meeting of the Group.

6.5 Where a member has a Disclosable Pecuniary Interest, they must disclose that interest to the meeting or to the Secretariat prior to the meeting. They must not participate in any discussion of the matter at the meeting or participate in any vote taken on the matter at the meeting unless they have obtained a dispensation from Places for London Monitoring Officer. Places for London Monitoring Officer can provide advice on Disclosable Pecuniary Interests on request.

7. Openness and Transparency

7.1 Places for London is committed to openness and to making the work of this Group transparent.

7.2 Minutes and reports will be available under the Freedom of Information Act 2000 (FOIA), Environmental Information Regulations 2024 (EIR) or other laws and regulations including any relevant exemptions.

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Report for: Leader of the Council

Title: Appointment of new auditors – Homes for Haringey (HfH)

Report authorised by : David Joyce – Director Placemaking and Housing

Lead Officer: Marc Blowers, T. 0208 489 4382
Email marc.blowers@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1 In accordance with the requirements of the Members Agreement, this reports seeks consent from the Council (as owner of the company) for Homes for Haringey to appoint new auditors .

2. Recommendations

- 1.1 That the Leader, acting for the Council in its role as owner of Homes for Haringey, agrees to give consent to HfH to appoint the Chartered Accountants identified in the exempt part of this report as external auditors to Homes for Haringey, as set out in appendix B of this report; and authorises the Director of Placemaking and Housing to write to HfH confirming that the Council has given its consent.

3. Reasons for decision

- 3.1 Homes for Haringey (HfH) is a wholly owned subsidiary company of the Council. As such it is a separate legal entity.
- 3.2 The Council is the owner of the company. The Leader and/or Cabinet are the decision makers in relation to Owner Consent matters. These are matters set out in Schedule 1 of the Members Agreement. Clause 1.1 and item number 23 of Schedule 1 of the Members Agreement specifies that, prior to appointing or changing the company's auditors, HfH must obtain prior written consent from the Council as owner of the company.
- 3.3 HfH requires an independent statutory audit on its financial statements for 2023/24. It is not possible to be included in the Councils audit process. PricewaterhouseCoopers, the previous auditors, gave their resignation on 21 December 2023.

- 3.4 Section 485(1) of the Companies Act 2006 states: “ An auditor or auditors of a private company must be appointed for each financial year of the company, unless the directors reasonably resolve otherwise on the ground that audited accounts are unlikely to be required.”
- 3.5 In order for the audit to take place for presentation to the August HfH Board and for the Company to meet its filing requirements with Companies House, the appointment of the auditor would need to take place prior to the next scheduled Board meeting, currently due on 21 May 2024.
- 3.6 A search was made on the Register of Statutory Auditors and recommendations sought. The Company Secretary HfH directly contacted small firms who specialise in auditing of small housing organisations and sought to obtain costs from several auditors. Only one submission was received as attached at Exempt Appendix A.
- 3.7 Appendix B of this report provides exempt information relating to financial costs of the award of this work by Homes for Haringey. These are funded by budgetary provision of Homes for Haringey not direct by the Council. Homes for Haringey as an independent company have their own Financial Regulations and statutory compliance regulations
- 3.8 If approved the proposed Accountants have confirmed to HfH they can meet the necessary timescales required to file the papers with Companies House and ensure the Board receives a report by August 2024 for consideration. Failure to file papers on time can incur penalty fines.
- 3.9 Although only one submission was received the Company Secretary of HfH is content that the proposed Chartered Accountants are an experienced audit company with suitable knowledge of companies similar in size and activity to Homes for Haringey. HfH is therefore content to recommend to the Council that they be appointed as external auditor.
- 3.10 Details of the costs submitted are provided in the exempt part of this report at paragraph 4.10.
- 3.11 If approval is not given to appoint the proposed Accountants a further exercise will be needed to attempt to source alternative proposals and costs from other experienced auditors by HfH. This could mean HfH not being able to meet the necessary timescales for submission to Companies House and fines being incurred.
- 3.12 This matter is not considered a key decision as it does directly impact on the communities or residents and it would not entail expenditure or savings by the Council. It is a matter in relation to the running of the company and compliance with deadlines and requirements of the Companies Act.

4 Alternative options considered

- 4.1 The Council could choose to instruct HfH to seek further submissions. This is likely to lead to HfH not being able to meet the deadline for filing papers with Companies House and incurring fines.
- 4.2 Alternatively the Council could choose not to give consent to HfH to appoint any auditors and not have the accounts audited. This would mean there would be a breach of HfH statutory requirements to have its accounts audited.

5 Background information

- 5.1 HfH is a separate wholly owned subsidiary company of the Council. The Council is the owner (i.e. sole member) of the Company. Accordingly, HfH is a separate legal entity to the Council. The key purpose and objective of the company is to (a) to provide private sector leases to the Owner for the provision of short term tenancies; and (b) to provide such other housing services as may be required by the Owner from time to time. The Council has 100% nominations rights to these dwellings to house residents requiring temporary accommodation.
- 5.2 This assists the Council in reducing temporary accommodation costs through reduced use of bed and breakfast or hotel accommodation.
- 5.3 This model was set up when HfH operated as the Council's ALMO, and it was retained when management of the Council's own housing stock reverted to the Council on 1 June 2022.
- 5.4 As part of the governance arrangements there is a Members Agreement in place, dated 9 June 2022. This is a legal agreement between the Council and HfH. The agreement sets out the terms upon which the Owner (the Council) will participate in the Company, as its sole owner, and how it will retain decisive influence over both the strategic objectives and significant decisions of the company.
- 5.5 One of these strategic decisions is the appointment or changing of new auditors.
- 5.6 The submission of the proposal of the appointment of new auditors by HfH complies with this requirement to seek approval.
- 5.7 Governance of HfH is managed and maintained through attendance at Board Meetings and regular liaison meetings with the Company Secretary and Senior Officer meetings. These include monitoring of compliance of the Members Agreement.
- 5.8 As a result Officers requested the proposal from HfH before the Board formally instructs the proposed new Chartered Accountants (Auditors), subject to approval by the Council.
- 5.9 The audit is needed to be completed by August 2024 for the Board to consider the report of the outcome. This will be within the necessary timeframe to allow filing of papers to Companies House on time. Late filing penalties were introduced in 1992

to encourage directors to file their accounts and reports on time. This information is required for the public record.

- 5.10 Subject to approval Officers will work in partnership with the Board and Company Secretary to ensure the statutory audit is completed on time to avoid late filing of papers and ultimately fines.

6 Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes’?

- 6.1 This model assists the Council specifically in relation to theme 5 of the current Corporate Plan – Homes for the future - by assisting those residents facing homelessness and providing temporary accommodation, which is safe, secure and well maintained.

- 6.2 The model also aims to support the Haringey Deal by supporting residents through the cost of living crisis and making sure everyone can live a secure, healthy and fulfilling life.

7 Carbon and Climate Change

- 7.1 The proposal to appoint new Auditors does not have a direct impact on Carbon or Climate change.

8 Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

8.1 Finance

HfH require an audit to comply with the Companies Act 2006 (CA 2006), which requires a ‘small’ subsidiary to be audited, if it is part of a ‘large’ group at any time during the financial year.

Being a subsidiary, the company accounts will be included in the Council’s group accounts.

The independent audit will provide external validation and assurance on the true and fair view of company's assets, liabilities, and financial position.

The cost of the audit will be borne by HfH.

8.2 Procurement

Strategic Procurement confirms the value of the proposed contract award as stated in Part B (exempt) is below the threshold requiring compliance with the Public Contract Regulations 2015.

8.3 Assistant Director of Legal & Governance

The Head of Legal Services has been consulted in the preparation of the report.

The Council owns HfH and is its sole Member. The exercise of functions as owner of HfH is an Executive function. As such, the proposed decisions can be taken by the Leader. The rationale for those decisions and legal implications are set out in the body of the report.

HfH is required to comply with its duties under the Companies Act 2006. So far as is pertinent to this decision, under section 485(1) of that Act, HfH is required to appoint auditors for each financial year. Accordingly, it is important that HfH are able to appoint auditors as has been recommended, because a failure to do so will mean that HfH is in breach of its statutory duties.

The reason that HfH is required to obtain prior written consent from the Council approving that HfH may appoint new auditors, is that this is a requirement of Clause 1.1 and Schedule 1 of the Members Agreement (which was entered into by the Council and HfH on 9 June 2022).

Further, it should be noted that the proposed decision is not a unilateral decision for the Council. Accordingly, once the Council has provided written consent to HfH, it will be a matter for the HfH Board of Directors to appoint the auditors. It is anticipated that HfH will do so at its next Board meeting, which is currently scheduled to take place on 21 May 2024.

8.4 Equality

The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The decision in this report relates to the appointment of new auditors for Homes for Haringey. This decision is not expected to have any positive or negative impacts on those with protected characteristics and as such will have a neutral impact on equalities in the borough.

As an organisation carrying out a public function on behalf of a public body, the auditors appointed will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

9 Use of Appendices

Appendix A (Exempt) – Proposal from Chartered Accountants.
Appendix B – Exempt Report

10 Background papers

i) Members Agreement dated 9 June 2022

11 Local Government (Access to Information) Act 1985

Appendix A and B are NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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