NOTICE OF MEETING

URGENT AGENDA FOR THE CABINET

Friday, 13th November, 2026, 1.30 pm - George Meehan House, 294 High Road, Wood Green, N22 8JZ.

Watch the meeting live, or view all of our meetings on Youtube

Members of the public are welcome to attend this meeting. If you wish to speak at the meeting please register by emailing the Democratic Services Officer. Contact details can be found at the end of the agenda front sheet.

Elected Members:: Mark Blake (Chair), Tammy Hymas (Vice-Chair), Gio Iozzi, Tehseen Khan, Jo Kuper, Georgia Twigg, Johann Beckford, Ata Berk Aksit, Dixie-Ann Joseph and Erin Wolson

Quorum: 4

1. EXPLANATORY NOTE

The meeting has been called to meet with the Council's Constitutional requirements as per Part Four, Section H, Paragraph 16(b) of the Haringey Constitution that Cabinet, as the decision maker, has 5 working days to reconsider the decision before taking a final decision.

As per the Local Government Act 1972, Paragraph 100B, Access to agenda and connected reports**:** copies of the agenda for a meeting of a principal council and…copies of any report for the meeting shall be open to inspection by members of the public at the offices of the council. Any document which is required…to be open to inspection shall be so open at least five clear days before the meeting, except that:

(a) where the meeting is convened at shorter notice, the copies of the agenda and reports shall be open to inspection from the time the meeting is convened.

This meeting is being held under the above provisions.

2. 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.

3. APOLOGIES

To receive any apologies for absence.

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. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE - SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS (PAGES 1 - 62)

Part Four Section H (Call in Procedure Rules) paragraph 10(b) of the Constitution requires that when the Overview and Scrutiny Committee decides

to refer a decision back to a decision maker then the decision taker has 5 working days to reconsider the decision before taking a final decision.

The full list of additional information is contained within the main report appendices.

6. OFFICER RESPONSE TO MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE - SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS (PAGES 63 - 70)

Additional officer report to respond to recommendations of the Overview and Scrutiny Committee

7. EXCLUSION OF THE PRESS AND PUBLIC

Note from the Democratic Services and Scrutiny Manager

Items 8 and 9 allow for consideration of exempt information in relation to items 5 and 6.

TO RESOLVE

That the press and public be excluded from the remainder of the meeting as items 8 and 9 contain exempt information as defined under paragraphs 3 and 5, Part 1, Schedule 12A of the Local Government Act 1972:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

8. EXEMPT - MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE - SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS (PAGES 71 - 98)

Exempt appendices relating to item 5.

9. ADDITIONAL EXEMPT APPENDICES - SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS (PAGES 99 - 114)

Democratic Services Contact: Richard Plummer, Committees Manager
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Fiona Alderman
Director of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Thursday, 12 November 2026

Public Questions
Any resident, council tax payer or national non domestic rate payer of the Borough may ask the Chair of any Committee or its sub bodies any question on anything for which the Committee is responsible at any ordinary meeting. Notice of questions must be given in writing to the Democratic Services Manager by 10 a.m. on such day as shall leave three clear days before the meeting (e.g. Tuesday for a meeting on the following Monday). The notice must give the name and address of the sender. Should a question be rejected, the questioner will receive a written response advising of this, including the reasons for the rejection.

Deputations
A deputation may only be received by a Committee or its sub bodies if a requisition signed by not less than ten residents of the Borough, stating the object of the deputation, is received by the Democratic Services Manager not later than 10am to leave three clear days prior to the Committee meeting.

Accessibility Requirements
If you would like to attend and you have any special requirements, please email Richard Plummer, Committees Manager at richard.plummer@haringey.gov.uk. Please note that public seating is limited and will be allocated on a first come first served basis.

Advice To Members On Declaring Interests
Information on declaring an interest is set out in the Council's Constitution in Part 5 Section A. However, you may need to obtain specific advice on whether you have an interest in a particular matter.
If you need advice, you can contact:
• Monitoring Officer
• the Legal Adviser to the Committee; or
• Democratic Services.
If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

Agenda Item 5

Report for: Cabinet – 13 November 2026

Title: Call In – SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS

Report Author: Councillor Luke Cawley- Harrison, Vice Chair of Overview and Scrutiny Committee

Ward(s) affected All

Report for Key/ Non-Key Decision: Key decision

1. Describe the issue under consideration

1.1 This report sets out the outcome of the Overview and Scrutiny Committee's consideration of the Cabinet's decision on Selby Urban Village - Award of Contracts for Heat Supply arrangements.

2. Introduction

2.1 The Overview and Scrutiny Committee considered the Cabinet's decision on Selby Urban Village - Award of Contracts for Heat Supply arrangements at a special meeting on 09 November 2026.

2.2.1 The Committee heard representations from the lead call in signatory, Cllr Ali, who in summary raised the following.

2.2.2 Further scrutiny of the decision to enter a long-term agreement with Energetik was required and that significant risks had not been adequately considered. Cllr Ali's concerns centred on Energetik's uncertain financial future, particularly following Enfield Council's decision to pursue a sale of the company and warnings in Enfield council reports about liquidity pressures, reliance on customer growth, and risks attached to substantial council loans. The call in further argued that the Cabinet report did not sufficiently acknowledge these issues or the implications of a potential change in ownership.

2.2.3 Particular concern was raised about future Selby Urban Village residents being locked into a 40-year heat network via a monopoly supplier without the ability to switch suppliers, potentially exposing them to higher costs despite assurances of affordable energy.

2.4 Further concerns related to the network's environmental credentials. The planned transition to low-carbon heat relied heavily on the North London Waste Authority's Energy Recovery Facility; a project viewed as uncertain and high risk. Until then, the network remained dependent on gas. Alternative technologies, such as air and ground source heat pumps, were suggested as potentially more sustainable options.

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2.5 In conclusion, the call-in argued that circumstances had changed significantly since earlier cabinet decisions were taken, particularly Energetik's proposed sale, and Cllr Ali asked that the decision be referred back to Cabinet to reconsider risks and alternative options.

Overview and Scrutiny Committee noted the following information in response to questions to the call in lead signatory

2.6 That changing circumstances, in particular, concerns about Energetik's liquidity and slower-than-expected network expansion, justified revisiting the decision.

2.7 That public documents which outlined these changing circumstances were not referenced in the Haringey Cabinet report, where a 40-year agreement was being pursued with Energetik.

2.8 That the NLWA had confirmed that the incinerator project would would be distributing low carbon heat was delayed and that residents would move into Selby Urban before the revised completion date, meaning that gas heat supply would continue longer than 2029 and should be a key consideration by Cabinet.

2.9 That other partners in the area that had anticipated connecting to the DEN had not yet signing up to Energetik and that the reasons for this and the resulting risks needed to be fully understood by the Cabinet, and that the business model of Energetik seemed to rely on contracts for the Selby Urban area and if other partners were not connecting that this might impact on the financial liquidity of the company. In response officers could not speak for other partners but the concerns on financial liquidity of Energetik had been considered in the exempt part of the report by Cabinet.

2.10 The 2021 Local Plan was being followed which included connection to District Energy Networks.

2.11 The experience of residents reporting charging issues with other DEN heat providers in the borough, with them not being able to change providers, and a need to ensure that there is technical expertise by the provider to fix things in a timely way when things go wrong to support residents in the future.

2.12 Noting that decisions on planning sustainability and affordability for the delivery of the heat network were made in Jan 2026, under the previous administration, and the reason for the call in was a result of recent Enfield cabinet reports on the change in ownership of Energetik and the audit risk report on their financial position.

2.13 Having more public information on the contract in the public a domain was stressed given the impact that the decision would have on the everyday lives of residents.

Response to the Call in from the Cabinet Member for Placemaking and Economy

2.14 Councillor Joseph, Cabinet Member for Placemaking and Economy, presented the response to the call in supporting the Cabinet decision from the 20th of October 2026 and outlining: that the current administration had inherited a heat and energy

strategy requiring connection to a District Heat Network, based on GLA energy requirements and planning obligations agreed by both Haringey and Enfield. Cllr Joseph stated that extensive due diligence had been undertaken to secure fair and reasonable contractual arrangements and safeguard residents' interests. The decision included measures to support a future transition away from high-carbon energy sources and compliance with future home standards. Cllr Joseph also highlighted Ofgem regulation of heat networks from January 2027 as providing stronger consumer protections and fairer pricing oversight. The scheme was presented as essential to delivering new homes and community facilities at Selby Urban Village, bringing long-term benefits to residents and voluntary sector organisations in one of the borough's most deprived areas, while ensuring transparency and accountability in decision-making.

2.15 **The Committee continued to consider the Officer report responding to the call and put forward questions to officers and the Cabinet Member noting the following key information in relation to the grounds of the call in which were the exempt information allocation, changed policy context, financial risks, including liquidity issues with Energetik, sustainability and affordability for residents.**

2.16 There was awareness of concerns raised in Enfield reports about Energetik's financial position and ongoing monitoring by its owner, Enfield Council. These issues formed part of the council's due diligence, including advice from independent commercial advisers. The potential sale of Energetik was recognised as a known risk and was considered when developing the October Cabinet report. It was noted that the agreement was a contractual arrangement with Energetik itself, meaning its obligations would remain enforceable regardless of any future change in ownership. There were also appropriate protections in place to manage these risks and that they had been considered from the outset of the project. The Committee noted that this information had been placed in the exempt part of the report following a public interest test, keeping in mind that negotiations with Energetik involved protecting the Council's commercial position, but the exempt papers were available to the Cabinet and informed their decision making.

2.17 The non-publication of the NLWA report on the incinerator delay as part of the Cabinet report may have been due to the updating of the timetable with the NLWA which was a live issue at the time when report authors were writing the Cabinet report. However, the exempt report considered by Cabinet contained details about how the council had mitigated and managed risk with any potential delay.

2.18 Noted that Ofgem regulations due to take effect from January 2027, largely formalised existing standards Energetik operated under within a statutory regulatory framework. As a result, officers considered that the transition to Ofgem oversight would strengthen enforcement and consumer protection but would not significantly change how Energetik managed or delivers its heat network services.

2.19 Noted that in the event of Energetik becoming insolvent, there was a way in which a supplier would come in and ensure that heat and hot water continued to be provided, meaning that service was always continued. This protection would be coming in as part of the Ofgem regulation.

2.20 Noted that Enfield Council intended to retain a “golden share” if Energetik was sold, allowing it to maintain oversight and protect residents’ interests. It was also explained that the contract included fixed mechanisms for price increases. It was further noted that the availability (standing) charge may only rise by CPI, while the usage charge followed an agreed industry-standard formula linked to inflation and energy costs. Independent advisers had reviewed these arrangements and confirmed they were consistent with normal heat network market practice, providing contractual safeguards against arbitrary price increases.

2.21 Officers explained that the high level of exempt information reflected the fact that negotiations with Energetik were still ongoing and involved a sole supplier, making it necessary to protect both the council’s negotiating position and the company’s commercially sensitive information. Alternative heat solutions, including air source heat pumps and other low-carbon technologies, were assessed by independent advisers. Their benchmarking found that Energetik’s proposed costs were broadly comparable to, and in some cases slightly lower than, alternative options to consumers. Officers therefore considered that available alternatives had been thoroughly evaluated and that the proposed arrangement offered value for money alongside compliance with the existing energy strategy. In terms of standing charge and usage charge was deemed to be fair and reasonable.

2.22 It was noted that 40 years was a standard term for this type of agreement because that is linked to the lifespan of the equipment that was being placed on the site.

2.23 Officers explained that the decision followed a long-established process linked to the Selby Urban Village design and planning work. Under the Greater London Authority (GLA) energy hierarchy and the council’s Local Plan, connection to a district heat network was to be prioritised where available. Independent advisers reviewed the proposed arrangements with Energetik and concluded that the contract terms, pricing and duration were fair and reasonable. While alternative energy options and fallback scenarios were examined throughout negotiations, officers found that connecting to the district heating network remained the most appropriate option. The Committee stated that alternative approaches, associated costs and programme impacts had been explored in detail, ensuring the council understood the consequences should negotiations fail, before recommending approval of the October Cabinet decision

2.24 The reports also indicated that Enfield council would like to still retain some degree of control and influence over the future shape of Energetik as the council had a lot of residents who were reliant on Energetik. Therefore, it was in Enfield Council’s interest to make sure that what Energetik remained reasonable and fair provider of heat in the borough.

2.25 It was noted that there was no practical alternative district heat network available to serve the site, and connecting to another network would be significantly more expensive. The approved planning framework, based on the Greater London Authority (GLA) energy hierarchy, required connection to a district heat network where a fair and reasonable offer exists. Independent assessment confirmed that Energetik's terms met this test. While changing course was technically possible, it would require fresh planning approvals from both Haringey Council, Enfield

Council, and the GLA, creating substantial delays, additional costs, and risks to the project. It was noted there was no guarantee that alternative proposals would secure planning consent, making the existing approach the lowest-risk and most deliverable option.

2.26 The cost of switching to an on-site source heat energy centre would be significantly higher. This suggested option was also outlined to be outside the approved council budget envelope, given the financial pressures on the project. The costs and impacts of changing course were detailed to the Cabinet as part of the exempt papers.

2.27 The Committee heard that resident and commercial heat charges, under the agreement, consisted of a fixed availability charge (effectively a standing charge) and a usage-based consumption charge. The availability charge increased annually in line with CPI, while the consumption charge was linked to the retail gas component of CPI. Tariffs were benchmarked against recognised heat network comparators through Heat Trust, with the benchmarking methodology formally reviewed every ten years. Energetik had committed to charging Selby Urban Village residents the same tariffs as customers in Enfield. It was further explained that while Ofgem would not impose price caps, its regulation from 2027 would require charges to be fair, transparent, proportionate, cost-reflective, and supported by clear tariff-setting processes. These contractual and regulatory protections were presented as important safeguards for residents, although officers acknowledged that no arrangement could fully predict or mitigate pricing risks over a 40-year period.

2.28 Members queried whether district heat networks inherently created a monopoly. Officers responded that this was almost universally the case and that this was understood when the policy framework was established and when previous Cabinet decisions were taken to proceed with connection to a district heat network for this site. Under the London Plan 2021, major developments were to prioritise connection to district heat networks where available. Therefore, as Selby Urban Village was a major development, connection to a district heat network was effectively the preferred and policy-compliant option, reflecting a strategic planning decision that such networks offer the most suitable approach to energy provision for developments of this scale.

Further representations from the Call-in signatory and responses.

2.29 Councillor Ali highlighted concerns from Enfield Council's operating plan, which warned that Energetik's liquidity position would require ongoing monitoring. Cllr Ali noted that financial forecasts relied on drawing down £2.5 million from a £6 million working capital facility and only achieved break-even if all anticipated connection fee income was realised. Cllr Ali's key argument was not the detailed financial assumptions themselves, but that these significant financial risks and concerns about Energetik's future viability were not referenced in the Cabinet report, making it unclear whether Cabinet had fully considered them when reaching its decision.

2.30 It was contended that circumstances had changed materially since the project began. Initially, the council expected to contract with a publicly owned company

capable of delivering decarbonised heat by 2029. However, the prospect of Energetik being sold and the anticipated delay to decarbonised energy until 2032 raised questions about whether the original assessment remained valid. The Call in lead signatory challenged whether the council had adequately reassessed the relative merits of the heat network against alternatives such as heat pumps, suggesting there was a risk that the heat network was being judged on optimistic assumptions while alternative options were assessed based on their potential drawbacks and risks. In response the Committee heard that the key change concerned the source of energy generation rather than the service received by residents. Under the proposed arrangement, consumers would pay the same agreed tariff regardless of whether heat was initially generated from gas, waste-to-energy, or another source. Any additional costs arising from delays to decarbonisation or the use of gas instead of lower-carbon sources would be borne by the supplier, not passed directly to residents through different unit prices. Therefore, it was noted that changes to the energy source did not materially alter the consumer offer, as residents would continue to receive the same heat supply at the same contractual rates. The project was linked to the conditions of the GLA funding and had now reached a stage where implementation was ready to proceed. There were assurances provided by officers, the contractual protections being negotiated with Energetik, and the safeguards intended to protect future residents.

2.33 The Committee noted that moving to an alternative heating solution would have significant consequences for the project. A change of approach was estimated to delay delivery by 10-12 months, creating both direct and indirect costs. Direct costs would arise from programme delays, contractual implications and redesign work. Indirectly, around 100 homes at Selby Urban Village are intended for households in temporary accommodation. Delaying the scheme would mean residents remained longer in expensive temporary housing, where council costs exceed the government subsidy received. Officers therefore concluded that the financial and social costs of changing course were substantial, would be outside the current budgetary envelope and formed an important factor in assessing the risks and benefits of alternative options.

Exempt information

2.34 The Deputy Monitoring Officer advised that all Cabinet reports were reviewed by legal officers, including consideration of exempt information. Exempt material could only be withheld under specific statutory categories, which must be clearly identified in the exempt report. While the required public interest test was undertaken when applying exemptions, it was acknowledged that the rationale was not always explicitly documented in reports. It was suggested that this may be an area where the committee could make recommendations to improve transparency and demonstrate more clearly how decisions to withhold information have been balanced against the public interest.

2.35 It was further noted that Officers initially identify material that they believe was commercially sensitive or otherwise exempt, and legal services would then assess whether it fell within the exemption categories in Schedule 12A of the Local Government Act 1972. The guiding principle was transparency, with only

genuinely exempt information withheld. Legal officers and Democratic services challenged proposed exemptions, sometimes questioning whether information should remain confidential or, conversely, whether publication could undermine the council's negotiating position. The process therefore involved balancing openness against legitimate commercial and legal considerations, with exemptions kept to the minimum necessary.

2.36 It was further noted that there was no public right to challenge the classification of exempt information because ultimately the decision about what was exempt had to first fall into the statutory categories and these were very limited and concerned identifying an individual, or financial and commercial information, union negotiations, or if enforcement action was required. Also, it was not possible to exempt information without applying the reasons above and it had to be justified on a statutory basis.

2.37 It was suggested that officers should provide clearer explanations of why information was exempt, rather than simply citing commercial sensitivity. While the exempt content itself cannot be disclosed, reports could better explain the basis for exemption, an outline of what was being made exempt, and whose interests are being protected, improving transparency and public understanding.

2.38 The Committee were informed that all Cabinet reports, including exempt information, are carefully reviewed by legal officers and Democratic Services, and that proposed exemptions were challenged where necessary to ensure only genuinely confidential information is withheld, usually where disclosure could prejudice ongoing negotiations or reveal commercially sensitive financial details.

2.39 The Committee continued to consider the exempt financial and commercially sensitive information considered by Cabinet on Selby Urban Village - Award of Contracts for Heat Supply arrangements the 20th of October 2026 in the exempt part of the meeting and put forward questions and clarifications before resuming the meeting in public and setting out their decisions

3. Decision and Recommendations

3.1 The Committee firstly agreed that the Cabinet decision on Selby Urban Village - Award of Contracts for Heat Supply arrangements was within the Budget and Policy Framework as set out in the report to the Committee from the Deputy Monitoring Officer and Section 151 Officer.

3.2 Following careful consideration of the information provided to the Committee, from the; written reports from officers submitted as part of the agenda papers; responses from the lead Call-in; and the responses provided by the Cabinet Member and Officers at the meeting, a majority of the Committee determined to refer the decision back to Cabinet for re-consideration. This was to allow Cabinet to reassess the decision with further consideration of the financial risks arising from the decision, including the current financial position of Energetik and potential sale, and from having transparent consideration of the changed policy

context relating to Haringey residents. This was also so that the decision can be made in full light of the most recent information available.

3.3 As part of the decision to refer the decision back to Cabinet for reconsideration, the Committee made the following more detailed recommendations and comments. These were based on considering the following grounds of the call in: the exempt information allocation, changed policy context, financial risks, including liquidity issues with Energetik, sustainability and affordability for residents.

Recommendation 1- Exempt information Allocation

3.4 The Committee had concerns about the information that was contained in the exempt part of the Cabinet report pack and felt that some of the exempt documents contained information that could have been made public. Therefore, the Committee made a recommendation to the Monitoring Officer, that future Cabinet reports are compiled with information that prioritises the public interest, and that exempt information is added as a last resort. This could mean having a document that has redactions of exempt information rather than full exemption of appendices or other papers. However, the Committee did not feel that for this particular decision, that whether the information was public or exempt altered the decision made by the Cabinet.

In response to the above recommendation, the report writing guidance section on exempt information will be refreshed and circulated to all report authors. There will also be manager training workshop organised to further reiterate the prioritisation of public interest when separating information in a report.

Recommendation 2 – Changed Policy Context

3.5 The Committee considered the concerns around the changed policy context to the decision and took into account:

- Information available around Energetik and their future changed ownership,
- Potential delayed completion from 2029 to 2032 of the facility at Edmonton ECO Park to provide low carbon heat in the network as indicated in NLWA published papers for the meeting on the 12th of November.
- Availability of full audit risk assessment table report on the analysis of contract risks with Energetik and the need for more fuller information on the financial risks arising from the decision, including the current financial position of Energetik and potential sale
- The published reports to Enfield Council on the need to closely monitor Energetik's liquidity position.

The Committee agreed that the above information was not presented to Cabinet in the report to them on the 20th of October 2026 when they took the decision. Therefore, a majority of the Committee felt that this information could have materially changed the Cabinet's decision. The Committee therefore recommend that this further information, as outlined above, is provided to Cabinet in an additional report to allow them to reconsider their decision with full information to hand.

Further Overview and Scrutiny comments responding to the call in.

Affordability for residents.

3.6 The Committee considered the concerns raised about the Cabinet decision locking in Haringey Council tenants to an energy provider for 40 years and that the supplier was perceived as a monopoly. The Committee felt that, fundamentally, this aspect of the decision had not changed and was in line with previous Cabinet policy decisions made about this site grant funding requirements and a required connection to the nearest District Energy Network. Therefore, there was no action put forward to Cabinet

Sustainability

3.7 The Committee considered the representations on sustainability and felt again that there had been no material change in the sustainability elements of this Cabinet decision compared to previous decisions made by Cabinet and would not be taking forward the action proposed in the call in to consider alternative energy suppliers or open procurement exercises or options for alternative energy sources through recommendation. However, the Committee encouraged Cabinet Members to ensure that they had explored all options and be confident that they are making a robust and wide-ranging decision.

3.8 Inconclusion, it was not agreed to refer this to a scrutiny panel as requested in the call in and, as set out above, the decision was to refer the key decisions back to Cabinet for reassessment with further information included as part of the Cabinet Report.

4. Appendices

Appendix 1 - Call in submission
Appendix 2 - Officer response to call in
Appendix 3 – Monitoring Officer report
Appendix 4 - Excerpt of Cabinet minutes, 20 October 2026
Appendix 5 - Cabinet report on Selby Urban Village - Award of Contracts for Heat Supply arrangements

Appendix 6 – Exempt Cabinet report on Selby Urban Village - Award of Contracts for Heat Supply arrangements

Appendix 7 - Exempt Cabinet Minutes on Selby Urban Village - Award of Contracts for Heat Supply arrangements

‘CALL IN’ OF DECISIONS OF THE CABINET

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

TITLE OF MEETING	Cabinet
DATE OF MEETING	20th October
MINUTE No. AND TITLE OF ITEM	15 Selby Urban Village – Award of Contracts for Heat Supply Arrangements

1. Reason for Call-In/Is it claimed to be outside the policy or budget framework?

This decision is not claimed to be outside the policy or budgetary frameworks, but 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.

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.

2. Variation of Action Proposed

- Do not take this decision 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.



Signed:

Councillor: Ibrahim Ali..... (Please print name): Ibrahim Ali

Countersigned:

1. Councillor: Sue Jameson (Please print name): Sue Jameson
2. Councillor: Seema Chandwani (Please print name): Seema Chandwani
3. Councillor: Emily Arkell (Please print name): Emily Arkell.....
4. Councillor: Dana Carlin (Please print name): Dana Carlin.....

Date Submitted:

Date Received :
(to be completed by the Democratic Services Manager)

Notes:

1. Please send this form to:

   Ayshe Simsek(on behalf of the Proper Officer)
   Acting Democratic Services and Scrutiny Manager
   5th Floor
   River Park House
   225 High Road, Wood Green, London N22 8HQ
   Tel: 8489 2920
   Fax: 020 8881 5218

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

2. The proper officer will forward all timely and proper call-in requests to the Chair of the Overview and Scrutiny Committee and notify the decision taker and the relevant Director.

3. A decision will be implemented after the expiry of ten working days following the Chair of Overview and Scrutiny Committee's receipt of a call-in request, unless a meeting of the Overview and Scrutiny Committee takes place during the 10 day period.

4. If a call-in request claims that a decision is contrary to the policy or budget framework, the Proper Officer will forward the call-in requests to the Monitoring Officer and /or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall outside the policy or budget framework.

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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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.

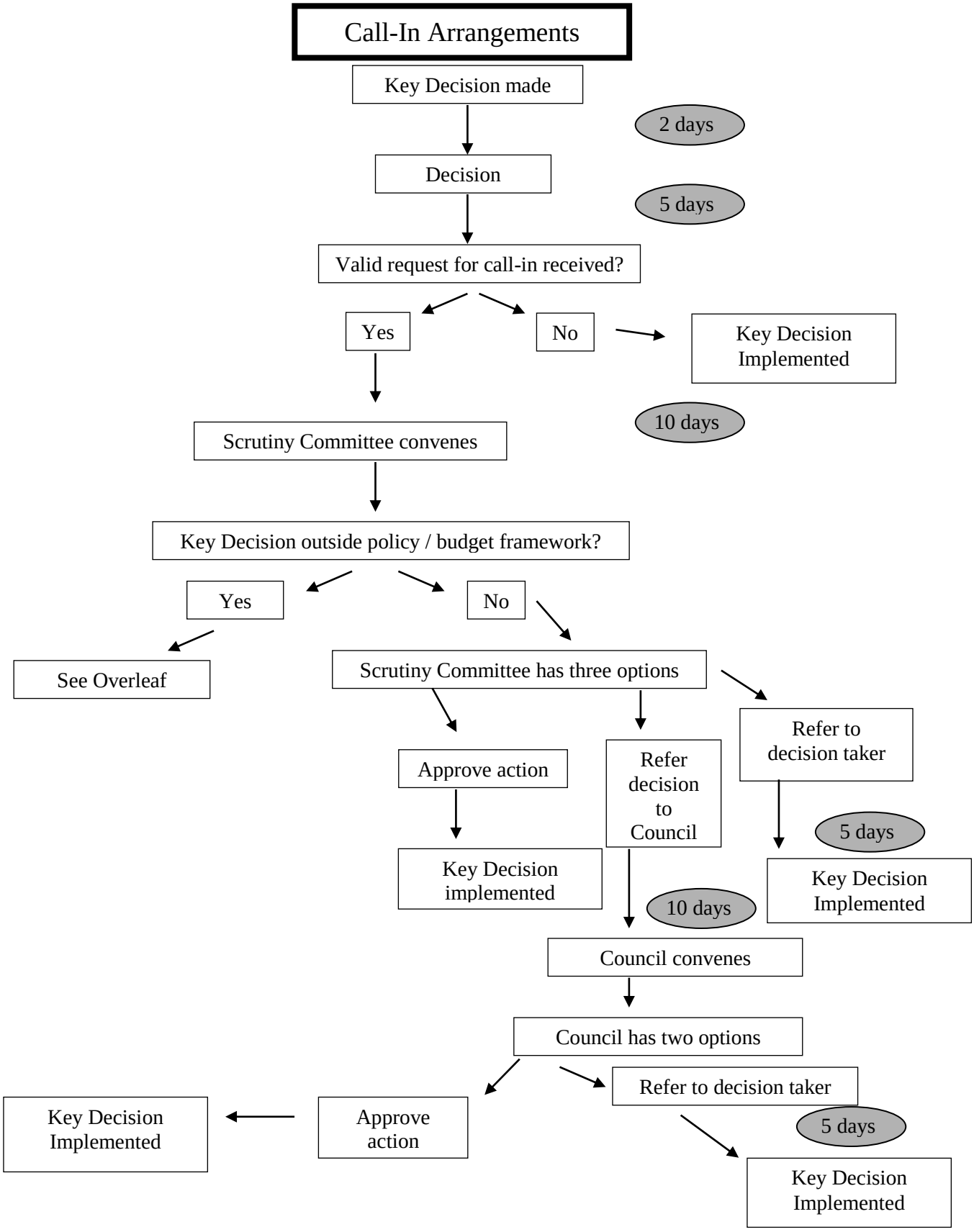
(b) The Overview and Scrutiny Committee may select a forthcoming decision and examine the issues around it.

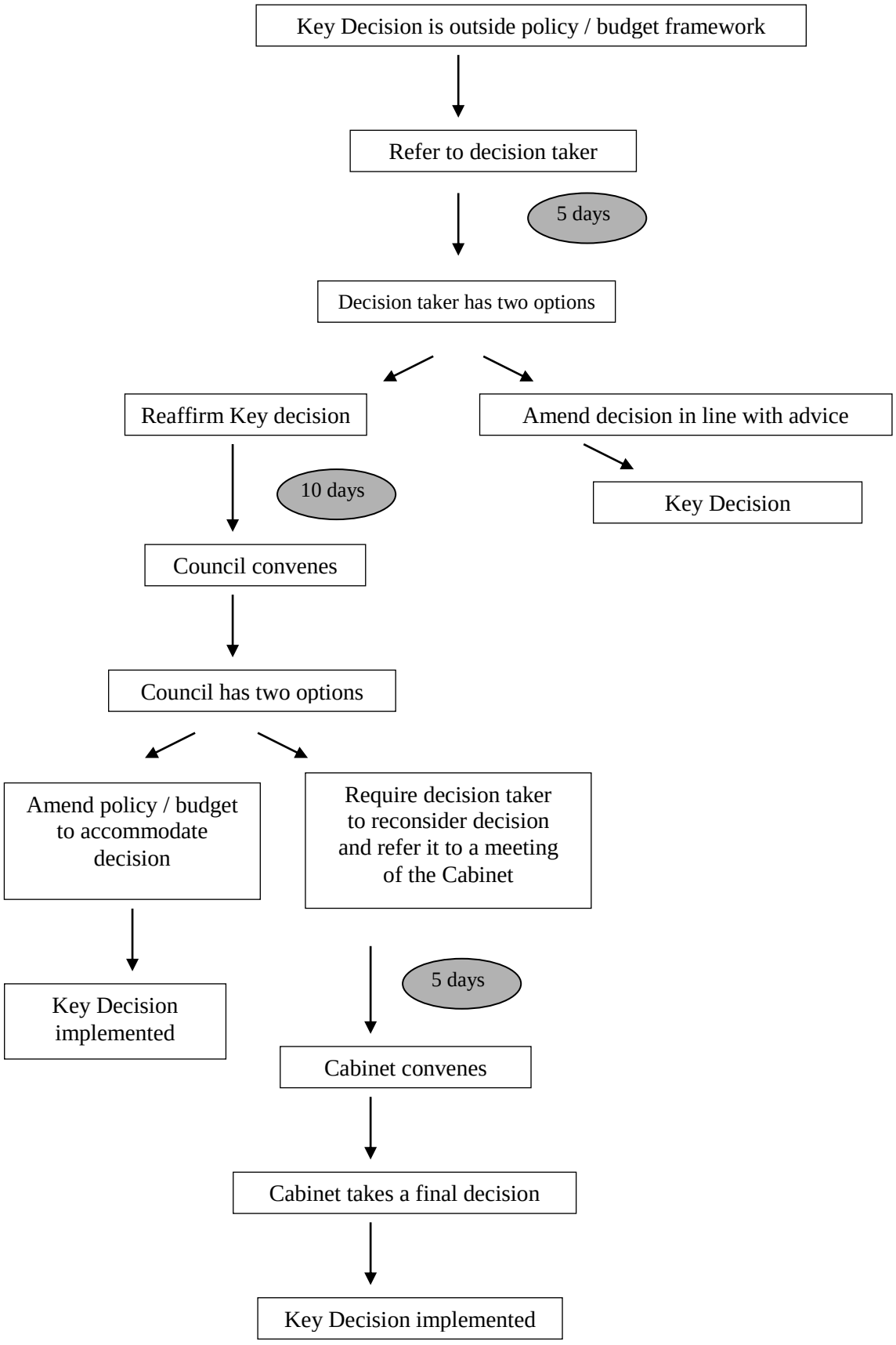
(c) In order not to obstruct the Council in its business, the Overview and Scrutiny Committee may call-in a key decision in advance of its actually being taken. In such a situation all the time-limits apply as above, except that a key decision cannot actually be implemented any sooner than it would have 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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SELBY URBAN VILLAGE - AWARD OF CONTRACTS FOR HEAT SUPPLY ARRANGEMENTS

Councillor Kuper recused herself from the meeting for this item, following her declaration noted in item 4.

The Cabinet Member for Placemaking & Local Economy introduced the report.

It was explained that the Selby Urban Village development was being delivered to provide 202 new council-rent homes, alongside a community hub incorporating workspace, community facilities, parkland, sporting facilities, play areas, biodiverse spaces and a local shop. The Council continued to work in partnership with the Selby Trust to deliver a development intended to support the wellbeing and quality of life of residents.

The Cabinet member noted that the reduction of the housing waiting list and providing high-quality community infrastructure were identified as key objectives of the Council. The Selby Urban Village development was intended to contribute towards these objectives. To support delivery of the scheme, contracts for heating and hot water supply were to be awarded to ensure that the new homes and associated community and sports facilities would be ready for occupation upon completion. The development's energy and heat strategy had been established earlier in the project's delivery and included a requirement for the scheme to connect to the Energetik District Heat Network. This requirement arose from the Greater London Authority Energy Hierarchy and the planning obligations applying to the development.

It was stressed that the Council had undertaken due diligence to review the requirement for connection to the heat network, consider alternative options, assess the proposed heat supply arrangements and seek value for future residents and community facility operators. Safeguards had been secured to ensure that the network would not remain dependent on higher-carbon energy sources over the long term and would be capable of meeting Future Homes Standards. In addition, the planned introduction of Ofgem regulation of heat networks from January 2027 was expected to provide greater oversight of pricing and consumer protections.

The Cabinet member explained that the Selby Urban Village development was intended to deliver new housing, community facilities and infrastructure within an area identified as having significant levels of deprivation. The scheme aimed to

provide a sustainable, long-term development that would deliver benefits for local residents and the wider community.

Following questions from Councillors Iozzi, Wolson, Hymas, Powell and Ali the following information was shared:

- It was explained that the SUV would be delivered to ensure that residents had low energy costs, which would be energy efficient. It was additionally noted that there would be heat retention and carbon reduction built into the site, as well as environmental improvements as part of the development, including new trees, sustainable drainage and biodiverse habitats. It was also noted that the site would include methods for active travel.

- It was stressed that value for money was crucial to the development of contracts for the project and that officers had worked to undertake benchmarking and independent reviews for the project. It was additionally noted that the Council sought further price protections and welcomed regulatory support to protect these.

- It was explained that the Council had undertaken due diligence on the Council's proposed decision to work with Energetik, and how it would price energy for residents. It was explained that Energetik was part of the Heat Trust, which set out standards for customer service.

- Officers explained that the work undertaken to investigate heat solutions on this project ensured that the provider would be required to ensure a low carbon heat supply was provided within the required time frame. It was explained that any risk for non-delivery would fall to the provider, if there were any delays.

- It was explained that the reason for the decision was to ensure that the programme would be delivered on time, which would ensure that there were no cost over-runs.

- It was explained that the utilisation of the incinerator as part of the heat source was an inherited aspect of the project, and that the Council would have preferred a more environmentally friendly option. However, it was stressed that the proposed solution was the only viable option to ensure timely delivery

of the project. It was stressed that any significant changes and delays would create poor value for money outcomes. It was explained that the Council had reviewed all available options to deliver the project in a cost-effective manner.

- Officers explained that there had been due diligence undertaken on the offer of the connection to Energetik, and that the Council had examined all options of potential failure and what the risks that arose from that. would be from any of these options, which would be part of the protections within the proposed contract. The Council was confident that these protections would be sufficient to ensure that residents would still receive heat supply.

RESOLVED:

That Cabinet:

1. Approved the award of Heat Connection Agreements, for a term of 40 years, to Lee Valley Heat Network Operating Company Limited (Company No. 09763702) for: Selby Village (residential); Commercial Unit Space within the residential development; Commercial Connection – Selby Centre; and Commercial Connection – Sports Pavilion. The total contract value was as set out in the exempt recommendations.

2. Approved the award of the Selby Urban Village Framework Supply Agreement, for a term of 40 years, to Lee Valley Heat Network Operating Company Limited (Company No. 09763702). This committed the Council to the relevant supply costs contained within the subsidiary supply agreements over the 40-year contract term, including those identified within the exempt recommendations.

3. Noted that, through the subsidiary Construction Supply Agreement, the Council would meet the cost of heat supply during the construction period, including commissioning activities, with these costs already accounted for within the project's capital budget.

4. Noted that, through the subsidiary Residential Customer Supply Agreements, the Council would contribute the landlord’s availability charge applied by Energetik for the residential heat network at Selby Urban Village. The

proportion of the total availability charge and the estimated cost to the Council over the 40-year contract term were set out in the exempt recommendations.

5. Noted that, through the subsidiary Residential Customer Supply Agreements, social housing tenants would contribute the tenant availability charge applied by Energetik for residential heat supply at Selby Urban Village. The proportion of the total availability charge was set out in the exempt recommendations.

6. Noted that, through the subsidiary Residential Customer Supply Agreements, social housing tenants would be responsible for their variable heat usage charges during their tenancy.

7. Noted that, through the subsidiary Commercial Customer Supply Agreements, commercial tenants occupying the Community Centre, Sports Pavilion and Commercial Unit would be responsible for their availability charges and variable usage charges during their occupation.

8. Noted that, through the subsidiary Void Supply Agreements, the Council would be responsible for the availability and usage charges for heat supplied to residential and commercial void properties for a term of 40 years with Lee Valley Heat Network Operating Company Limited. The estimated cost to the Council over the contract term was set out in the exempt recommendations.

9. Delegated authority to the Corporate Director of Finance and Resources, following consultation with the Head of Legal and the Lead Member for Placemaking, to finalise the terms of the contracts, ensure that they remained fair and reasonable, agree the final legal documentation and complete execution of the agreements.

Reasons for the Decision

The overall design concept and sustainability objectives for the Selby Urban Village project had previously been approved by Cabinet in September 2023 and subsequently through the *Gateway 0 Report - Phase 2, Selby Urban Village* in June 2024. The energy strategy was developed in accordance with the energy policies of the London Plan and the policies of both Haringey and Enfield Councils, with the aim of achieving low-carbon development in line with the London Plan energy hierarchy. These policies, together with the project's planning approvals, required connection to

a district heat network on fair and reasonable commercial terms, unless such a connection was not possible, practical or viable.

Energetik was identified as the only viable district heat network provider serving the area. As a result, the Council undertook a review of the proposed agreements and entered into direct negotiations with Energetik regarding the connection to the network, the supply of heat to residential and non-residential buildings, and the management and maintenance of residential heat supply systems. This approach was consistent with the direct procurement strategy approved by Cabinet on 7 January 2026.

The Heat Connection Agreement and Framework Supply Agreement were long-term contracts covering different aspects of the district heat network. Together, they established the framework for both operation of the network infrastructure and the supply of heat to customers.

Under Section 11 of the Landlord and Tenant Act 1985, the Council was required to provide and maintain a functioning heating system for secure tenants. The Council therefore needed to implement heat supply arrangements for the 202 new council homes being delivered through the development. It also needed to ensure reliable heating provision for the new Community Centre, Sports Pavilion and Commercial Unit so that these facilities could be occupied and operated as intended. The proposed allocation of residential availability charges between the landlord and social tenants had been reviewed and was considered to accurately reflect the responsibilities established under the Landlord and Tenant Act 1985.

Work had been undertaken to mitigate the risks associated with connecting to the Energetik district heat network and with the proposed contractual arrangements. Further details of these risks and mitigations were contained within the exempt report. Delegated authority was recommended to allow final contract terms to be negotiated and refined, ensuring that the final agreements remained fair and reasonable to the Council before execution.

Alternative Options Considered

Option 1: Do Not Connect to the Energetik District Heat Network

This option was considered but discounted.

Planning policies and planning approvals required the development to connect to the nearest district heat network, namely Energetik, unless fair and reasonable contractual terms could not be secured. To mitigate against the possibility that acceptable terms could not be agreed, the Council explored alternative technical solutions, including the construction of an on-site energy centre using low-carbon heating technologies. However, as the principal contract terms were considered fair and reasonable, subject to final negotiation, this alternative option was not pursued. Further details, including cost implications, were contained within the exempt report.

Option 2: Connect to an Alternative District Heat Network Supplier

This option was considered but rejected.

Although other district heat network operators existed elsewhere in London, the capital costs and practical challenges associated with installing pipework over the distances required to connect the Selby Urban Village development to networks in locations such as Stratford or Brent rendered this option unviable.

Option 3: Procure Heat Supply from Energetik but Manage the Network Separately

This option was considered but rejected.

The Council considered procuring heat supply from Energetik while separately managing and maintaining the residential secondary heat network, either directly or through another provider. Technical advice indicated that this approach would have significant ongoing financial, resource and capacity implications. Procuring both the heat supply and the associated management and maintenance services from Energetik was considered more cost-effective and operationally efficient than establishing separate management arrangements.

Report for:	Cabinet, 20 October 2026
Item number:	15
Title:	Selby Urban Village – award of contracts for heat supply arrangements
Report authorised by:	Jess Crowe, Corporate Director for Culture, Strategy and Communities
Lead Officer:	David Sherrington, Head of Estate Renewal
Ward(s) affected:	Bruce Castle (LB Haringey), Upper Edmonton (LB Enfield)
Key/Non Key Decision:	Key decision

1. Describe the issue under consideration

1.1. The Selby Urban Village (SUV) development is a partnership between the Council and the Selby Trust to transform the Selby Centre site and Bull Lane Playing Fields into a new accessible and well-connected neighbourhood, made up of 202 new council homes, new sporting facilities, improved open space, play facilities and a new Community Centre.

1.2. The SUV development consists of “Phase One” delivering a new community building, a pavilion building with changing rooms, improved park and sports pitches. “Phase Two” will deliver 202 new Council homes alongside a small commercial unit of 112 sqm.

1.3. The development received planning permission in 2025 under two planning approvals as the site comes within both Enfield’s Planning Authority (Phase One - 24/03470/FUL) and Haringey’s Planning Authority (Phase Two - HGY/2024/2851), and was referred to the GLA sue to scale. The planning approvals follow LBH, LBE and GLA energy policy, requiring the SUV development to connect to a district heat network on “fair and reasonable commercial terms” and unless “not possible, practical or viable to connect”.

1.4. A main works contractor has been appointed to deliver for Phase One and Phase Two and have been mobilising on site and undertaking preparatory works, aiming to formally commence Phase One in Autumn 2026. This mobilisation period includes RIBA stage 4 detailed design of heat supply infrastructure, based on the tender pack information which included connection to a district heat network.

1.5. On 8 January 2026 Cabinet approved a procurement exercise for Selby Urban Village (SUV) heat supply contracts, via direct negotiations with the district heat network, Lee Valley Heat Network Operating Company Limited (company

number: 09763702), referred to by their trading name as ‘Energetik’ in this report.

1.6. In line with Contract Standing Order (CSO) 2.01 (c), this report seeks approval to award 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, to ensure that the construction site, residents, tenants, and building users of the new development are supplied with heat during and upon completion of the build.

2. Cabinet Member Introduction

2.1. We are proud to be building the Selby Urban Village development, delivering 202 much needed new homes at council rent, creating a community hub that will include workspace, community space, parkland, and sporting facilities, play and biodiverse spaces alongside a local shop. We continue to work in partnership with the Selby Trust in delivering a place where residents can enjoy healthy and fulfilling lives.

2.2. Our administration is committed to reducing our housing register waiting list and creating high quality social infrastructure and Selby Urban Village is a big step forward in making that happen. To achieve our vision, we are awarding contracts for heating and hot water supply to ensure that the new homes, community and sports facilities will be ready to be occupied once completed.

2.3. This administration has inherited this scheme’s energy and heat strategy during delivery, with the Selby Urban Village development required to connect to the Energetik District Heat Network, based on the GLA’s Energy Hierarchy and Haringey and Enfield’s planning obligations on the development.

2.4. The Council has undertaken significant due diligence to review this requirement to connect, explore alternative options, ensure that we have a fair and reasonable contracts for heat supply arrangements, and to seek the best deal for our residents and community operators in the future.

2.5. We have secured safeguards to ensure that the network is not reliant on higher-carbon energy sources indefinitely and meets Future Homes Standards. The introduction of Ofgem regulatory oversight of heat networks, from January 2027, also provides increased surety for fair pricing and consumer protections.

2.6. Delivering the Selby Urban Village development shows our commitment tackling the inequality across our borough, creating a sustainable, long lasting and modern village in one of the most deprived wards in the country that all residents can benefit from.

3. Recommendations

It is recommended that the Cabinet:

3.1. Approves the awarding of Heat Connection Agreements for a term of 40 years for; Selby Village (residential); Commercial Unit Space (in residential); Commercial Connection – Selby Centre; and, Commercial Connection – Sports Pavilion, to Lee Valley Heat Network Operating Company Limited (company number: 09763702**)** to a total value contained in the Exempt Recommendation 3.1.

3.2. Approves the award of contract for the Selby Urban Village: Framework Supply Agreement, for a term of 40 years to Lee Valley Heat Network Operating Company Limited (company number: 09763702). This commits LBH to relevant supply costs within the subsidiary supply agreements over a 40 year period, including those set out in the exempt recommendations 3.4 and 3.6.

3.3. Notes that through the subsidiary Construction Supply Agreement, LBH will pay for the cost of the heat supply for the construction period, e.g. for commissioning purposes, already included for within the capital works budget for the project.

3.4. Notes that through subsidiary Residential Customer Supply Agreements, LBH will contribute the Landlord's Availability Charge applied by Energetik for the residential heat network at Selby Urban Village. The % proportion of the total availability charge and estimated cost to LBH for this over the 40-year contract term is captured in Exempt Recommendation 3.4.

3.5. Notes that through subsidiary Residential Customer Supply Agreements, social housing tenants will contribute the Tenant's Availability charge applied by Energetik for the residential heat supply at Selby Urban Village. The proportion of the total availability charge is captured in Exempt Recommendation 3.5.

3.6. Notes that through subsidiary Residential Customer Supply Agreements, social housing tenants will be responsible for their variable usage charges during occupation.

3.7. Notes that through subsidiary Commercial Customer Supply Agreements, commercial tenants (in the Community Centre, Sports Pavilion, Commercial Unit) will be responsible for their availability charge and variable usage charges during occupation.

3.8. Notes that through the subsidiary Void Supply Agreements, LBH will pay the availability and usage charges for heat supply for residential and commercial void units, for a term of 40 years to Lee Valley Heat Network Operating Company Limited (company number: 09763702). An estimated cost to LBH for this over the 40-year contract term is captured in Exempt Recommendation 3.6.

3.9. Grants delegated authority to the Corporate Director of Finance and Resources following consultation with the Head of Legal and Lead Member for Placemaking to finalise the terms of the above contracts to ensure they are fair

and reasonable, agree the final legal documentation and complete the execution of the contracts.

4. Reasons for decision

4.1. The overall design concept and sustainability aims behind the Selby Urban Village Project were approved by Cabinet in September 2023, and subsequently in Cabinet Report 'Gateway 0 Report - Phase 2, Selby Urban Village' in June 2024, with the energy strategy developed in line with the energy policies of the London Plan, LBH and LBE, to achieve a low carbon target, and in accordance with the London Plan's energy hierarchy. These policies and the project's planning approvals require connecting to a district heat network, on "fair and reasonable commercial terms" (LBH Director's Letter) and unless "not possible, practical or viable to connect" (LBE S106).

4.2. Energetik is the only viable district heat network to connect to in the geographical area, therefore review of agreements and direct contract negotiations with Energetik have been undertaken for connection to their heat network, supply of heat for residential and non-residential buildings, and management/ maintenance services for residential heat supply. This is as per the 7 January 2026 Cabinet approval of the heat supply direct procurement strategy.

4.3. The Heat Connection Agreement and Framework Supply Agreement are long-term contracts between LBH and Energetik, but cover different aspects of the heat network. Together, awarding of these two contracts provides the framework for both the operation of the heat network and the supply of heat to customers.

4.4. Under Section 11 of the Landlord and Tenant Act 1985, the Council is obliged to provide and maintain a working heating system for secure tenants, therefore needs to progress with heat supply arrangements for the 202 council homes being constructed in the development. The Council also needs to ensure a working heating system for the new Community Centre, Sports Pavilion and Commercial Unit that are being constructed, so that these can be leased/ operated as intended. The proportion of the availability charges as part of the residential supply charges, to be paid by the Landlord and Social Tenants, has been reviewed and is deemed to accurately reflect duties within the Landlord and Tenant Act 1985.

4.5. Work has been undertaken to mitigate against potential risks associated with the connection to the Energetik district heat network and the main contract terms, and further detail on risks and mitigation can be found in the exempt report. A recommendation has been included to delegate authority to finalise the terms of the agreements to ensure that in the final drafting they remain fair and reasonable to LBH, and to allow the contracts to be executed.

5. Alternative options considered

5.1. **Do not connect to the Energetik district heat network:** Given planning policy and approvals requirements, connecting to the most local district heat network, i.e. Energetik, is required unless there are not fair and reasonable contract terms. To mitigate against the risk of not connecting to the district heat network if fair and reasonable contract terms were not received, the Council has explored alternative technical options of an on-site energy centre with low carbon heat solutions. As the main contract terms are deemed fair and reasonable, subject to final negotiation, this alternative option has been discounted. Further information on the costs associated with this alternative option is available in the exempt report.

5.2. **Investigate connecting to a different District Heat Network supplier**: While there are other similar District Heat Network suppliers/ operational systems in London, the capital costs and feasibility of running pipework the distances required from these other locations (e.g. Stratford, Brent) to Selby Urban Village site render them unviable.

5.3. **Procure connection to and supply from Energetik heat network, but do not procure service agreement (management and maintenance) from Energetik (e.g. management of heat supply to be by Haringey Council or another)**: It was considered whether the Council should choose to directly operate the secondary network for the residential portion of the scheme. Technical advice set out that this would have ongoing high financial, resource and capacity implications: with procuring supply and management/ maintenance from Energetik being more cost effective than procuring supply and separate in-house management/maintenance.

6. Background information

6.1. The Selby Urban Village project is a partnership between Council and The Selby Trust (local charitable organisation) to transform the Selby site and Bull Lane Playing Fields into a new accessible and well-connected neighbourhood.

6.2. The Selby Urban Village (SUV) development consists of Phase 1 delivering a new community centre (the new Selby Centre), a Sports Pavilion building with changing rooms, improved park and sports pitches. Phase 2 will deliver 202 new Council homes alongside a small ground floor commercial unit of 88 sqm. The development will take place on the existing Selby Centre site and Bull Lane Playing Fields. The build contractor for Phase 1 and 2 is appointed and mobilising on site. Phase 1 works are scheduled to commence in September 2026 and expected to complete by January 2028 and Phase 2 works are expected to commence in February 2028 with completion anticipated by July 2030.

Design development of heating system

6.3. Both schemes had to be referred to the GLA as part of the planning process. Respective parts of the scheme have received planning approval from Enfield Council and Haringey Council, and from the Greater London Authority (GLA).

6.4. The GLA's London Plan includes a hierarchy that is applied to how new developments are heated. Both Haringey and Enfield's planning policies have similar requirements. The planning approvals for the scheme require SUV to connect to a district heat network (Energetik) unless it can be shown that there are not "fair and reasonable commercial terms" (LBH Director's Letter) and unless "not possible, practical or viable to connect" (LBE S106).

6.5. As part of the design process Haringey officers and the Design Team considered various options for hot water supply including Air Source Heat Pumps (ASHP) and Ground Source Heat Pumps (GSHPs).

6.6. The preference for a connection to Energetik was highlighted in paragraph 8.12 of the Cabinet Member Signing Report 'Gateway 0 Report - Phase 2, Selby Urban Village, N17 – Bruce Castle Ward' on 19 June 2024, and subsequently proposed in the planning applications.

6.7. The detailed design, planning approvals, tender documents and mains works contract documents reflect this approach. To vary this LBH would have to demonstrate very clear and compelling reasons of a lack of reasonable and fair contract offer. For further information on the contract terms and commercial risks, please see the exempt report.

6.8. A further technical design study was undertaken for an on-site energy centre with low carbon air source heat pumps, to ensure that LBH have clarity on a fallback position should negotiations with Energetik not progress positively. Further information on this fall-back position is contained within the exempt report.

Background on Energetik

6.9. The Lee Valley Heat Network Operating Company Limited (company number: 09763702), incorporated in 2015 under their Trading Name 'Energetik', where they operate as a heat network utility company.

6.10. Energetik is fully owned by Enfield Council as the sole shareholder, but operates independently, and is supported by central government (securing £92m in low-cost central government loans). Energetik already supplies energy to around 1700 domestic customers as well as a hotel, various medical centres, and community spaces. The network has currently reached the nearby Joyce and Snells Estate (on Fore Street) with supply and Energetik is working on extending the site to the North Middlesex Hospital, north of the Selby Urban Village site. Further background and network expansion information can be found in Energetik's June 2025 Business Plan Summary.

6.11. Currently all heat for Energetik's network comes from large gas boilers located at Energetik's energy centre at the Edmonton Eco park. However, 90% of this should be replaced by classified low carbon heat from the Energy Recovery Facility (ERF) once this facility is complete.

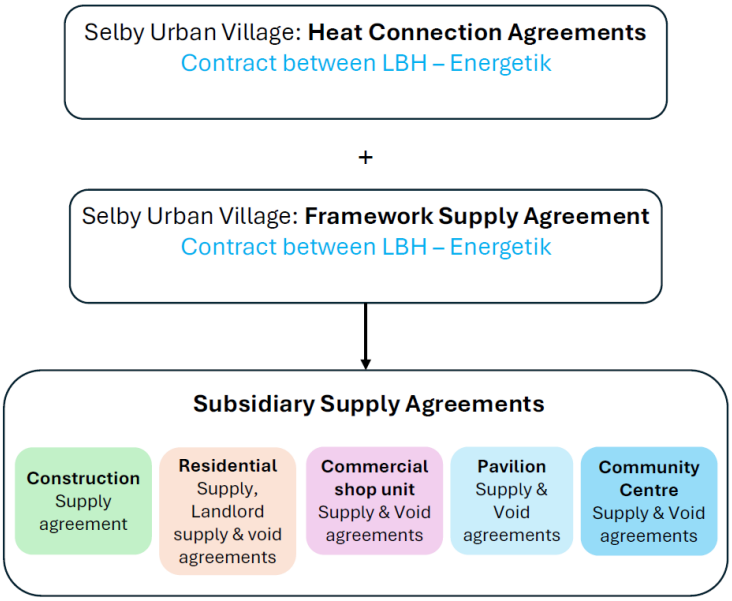
6.12. Energetik have noted that classified low carbon heat is expected to be available from the ERF by July 2029, however this is not certain as is reliant on the North London Waste Authority's (NLWA) ongoing construction programme. The project team have sought to safeguard the timely transition to a low carbon heat source – further detail on this can be found in the exempt report and appendix.

6.13. From January 2027 Energetik will be fully regulated by Ofgem under the new heat network authorisation regime. This regulation provides consumer protection and fair pricing provisions, including appointment of supplier of last resort to mitigate risk of insolvency, monitoring of performance and necessary improvement if required, and powers to limit pricing of heat for domestic customers.

Contract Types and Scope

6.14. The Council is looking to secure a suite of contracts/ agreements with Energetik, including Heat Connection Agreements, an overarching Framework Supply Agreement and related subsidiary supply agreements for the development's residential, commercial, and community connections.

6.15. Diagram of contract types:



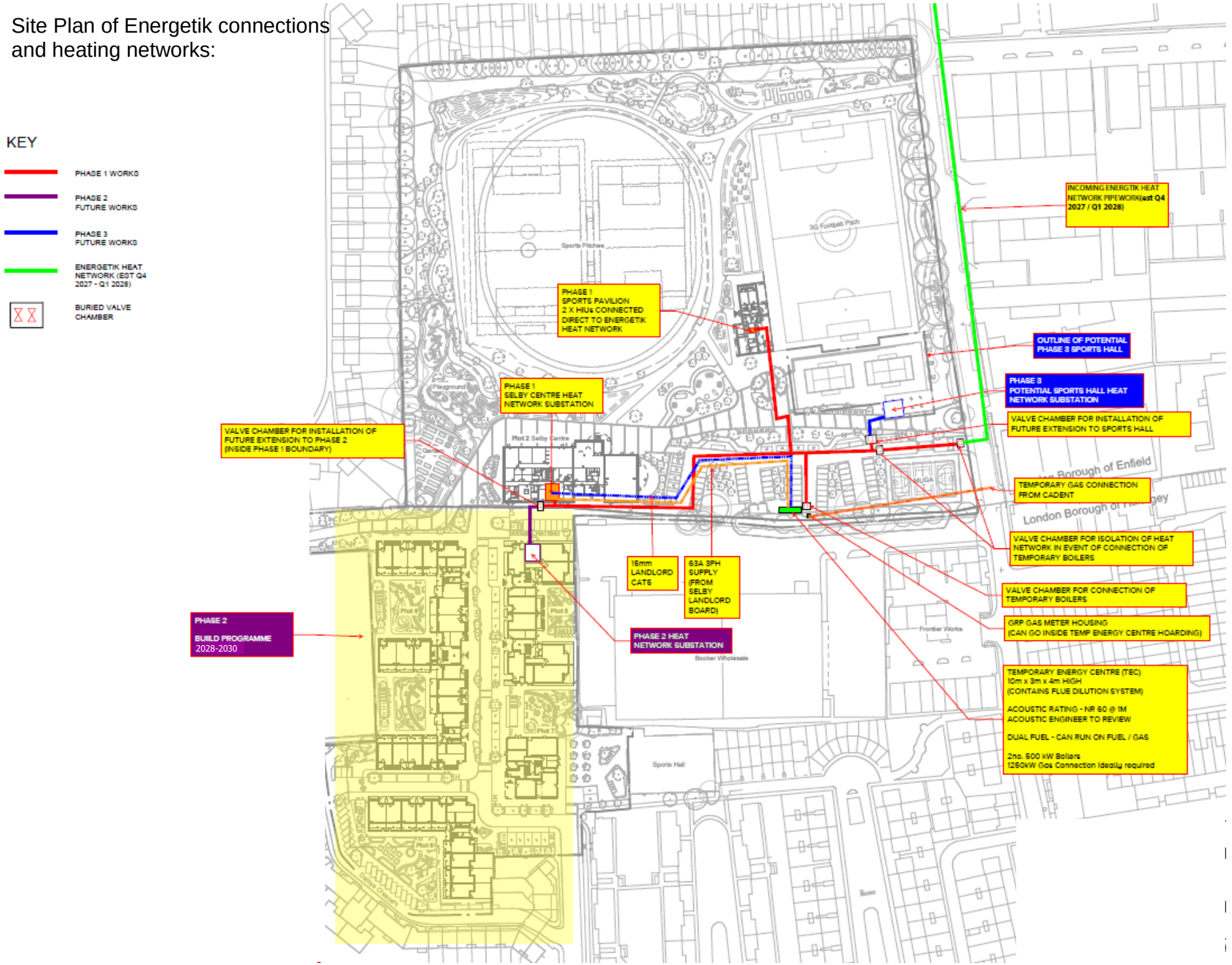
6.16. Energetik have provided their suite of contracts, terms and conditions and schedules for LBH's commercial and legal review. Energetik have also provided a 'Selby Urban Village Formal Proposal' which details costs and deliverables specific to the SUV development.

6.17. **Heat Connection Agreements:** these cover connecting the site and different buildings to the Energetik heat network, the amount of heat that will be available, the technical requirements, ownership of equipment, maintenance responsibilities, access rights, and payment obligations. These are 40-year agreements, which is Energetik's standard term and is considered typical for heat networks, to match operational lifespan and financing of the infrastructure.

6.18. Energetik will install the relevant pipeline outside of the site's boundary connecting the scheme to the network (green line on diagram 5.18 below). The cost for this is included in Energetik's 'Selby Urban Village Formal Proposal'.

6.19. The pipework then runs to a variety of substations on site (red and purple lines on diagram 5.18 below). This is referred to as the on-site 'Primary Heating Network'. The trenches and pipework etc within the site boundary will be installed by the main works contractor, with oversight from Energetik for technical compliance. The costs for oversight of works on site by Energetik is included in their proposal. The cost for installing pipework on site is already included in the main works contractor's contract sum. These have been budgeted for in the project capital works costs.

6.20. Site Plan of Energetik connections and heating networks:



6.21. **Framework Supply Agreement:** this is the overarching contract that governs Energetik's energy supply to the development and its occupants, setting out service standards, billing arrangements, customer services and the contractual relationship with residents, businesses and other end users. It includes all related subsidiary supply agreements and explains what Energetik is responsible for. The agreement covers the period before anyone moves into the development, as well as when homes and commercial units are occupied

6.22. The Framework Supply Agreement is awarded at the same time as the Connection Agreements. It is a 40-year agreement, which is Energetik's standard term and is considered typical for heat networks, to match operational lifespan and financing of the infrastructure, and the longer length helps keep heat supply prices/ tariffs lower Under this supply agreement.

6.23. Energetik also provide the service of managing and maintaining the residential 'Secondary Heating Network', up to and including the Heat Interface Unit, rather than LBH. Energetik do not offer this management/ maintenance service within the Community/ Commercial Facilities (Selby Centre, Sports Pavilion).

6.24. The Framework Supply Agreement also commits LBH to future Subsidiary Supply Agreements, meaning residents and tenants will use Energetik as their sole/ exclusive heat supplier.

6.25. **Subsidiary Supply Agreements** are separate contracts between Energetik and building occupiers, such as residents, landlords, or commercial operators (this can include LBH). Apart from the Construction Supply Agreement, these are entered into once the development is occupied.

6.26. The Contracts Table 1 below sets out more detail on each of the different contracts. Contract values for these contracts are contained within the exempt report.

Contract Name	**Services**	**Costs & Budget**	**Duration**
Connection Agreements			
Connection Agreement - Community Centre	Installation of pipework connecting Scheme to Eco Park, and Energetik overseeing main works contractor's installation of Primary Heating Network into substation.	LBH Phase 1 capital development costs (shown in overall project budget 19 Feb 2026 Cabinet Report)	40 Years* (2026 – 2066) *Standard contract term duration from Energetik
Connection Agreement - Sports Pavilion	As above	As above	As above

Connection Agreement – Residential	As above	LBH Phase 2 capital development costs (shown in overall project budget 19 Feb 2026 Cabinet Report)	As above
Connection Agreement – commercial unit (in residential plot 7)	As above	As above	As above

Framework Supply Agreement	Overarching supply agreement, to provide heat to the Residential Units, Commercial Units and/or Common Parts in accordance with the relevant Subsidiary Supply Agreement. Includes secondary Heating Network Services including metering and billing, HIU Services and customer meter Services.	Commits to costs within subsidiary supply agreements which fall to LBH, see below.	40 Years* (2026 – 2066) *Standard contract term duration from Energetik

Subsidiary Supply Agreements			
Construction Supply agreement	Supply of heating and hot water to site (e.g. for commissioning) during the construction period	Supply cost as needed for commissioning, dependent on heat consumption. Contained within LBH Phase 1 and 2 capital development costs (shown in overall project budget 19 Feb 2026 Cabinet Report)	Duration of construction.
Residential Landlord Supply agreement	Exclusive supply of heating and hot water to residential landlord	Cost of Landlord Availability Charge - LBH Housing Revenue Account	~40 Years (2026 – 2066)
Residential Supply Agreements	Exclusive supply of heating and hot water to residents	Individual Residents directly contracting with Energetik. Costs dependent on heat consumption.	Duration based on individual tenancies.

Commercial Supply Agreements – Community Centre, Sports Pavilion, Retail Unit	Exclusive bulk hot water supply of heating and hot water to community and sports facilities	Various operators directly contracting with Energetik. In some scenarios, energy/ hot water and associated costs will be recharged via the lease from LBH to operator. Costs dependent on heat consumption.	Duration based on individual tenancies.
Void Supply Agreement	Covers the heat supply to voids (all residential/ commercial units in the development)	LBH to commit to cost of Void Availability Charges – LBH Housing Revenue Account (residential voids) and LBH General Fund (commercial voids). Costs dependent on number of voids and heat consumption.	~40 Years (2026 – 2066)

Scope

6.27. Energetik's scope as set out in their formal proposal includes:

- Primary Network Delivery (off-site) and Permanent Network Connection - by Energetik- delivery of pipework connecting the site to the Meridian Water Heat Network via new pipework outside the site boundary.
- Primary Network oversight (on site) by Energetik – oversight of design, installation, delivery of primary network by main works contractor, within site boundary.
- Temporary Energy Centre (on site) – Energetik will provide this (with temporary containerised gas boiler) to supply heat to site until permanent pipework in place. Includes delivery, installation, commissioning, operation, and maintenance of the TEC. Energetik will also be responsible for the gas supply arrangements for the Temporary Energy Centre, including cost of gas consumed, recharged as per supply agreements. Energetik will be responsible for decommissioning of Temporary Energy Centre and removal.
- Delivery of heat supply as per the Framework Supply Agreement and subsidiary supply agreements.
- Energetik, upon adoption of the primary network, will be responsible for the operation, maintenance, repair and replacement of the primary network including the connection point in the plant room.
- Energetik, upon acceptance of the Secondary Heating Network will be responsible for operation, maintenance and repair of the Secondary Heating Network (residential), including the Heat Interface Unit and heat meter within each dwelling.

Contract values and budgets

6.28. The individual and total contract values, and estimated costs over the length of the contract, are set out in the exempt report.

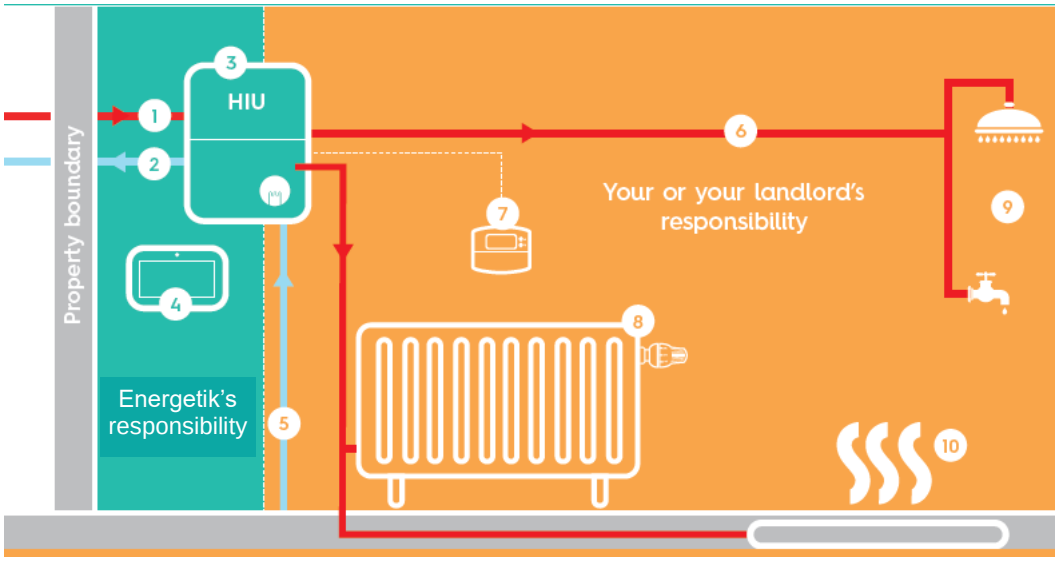
6.29. The contracts include both capital costs and ongoing revenue costs for the Council's General Fund and Council's Housing Revenue Account.

6.30. The capital Connection Agreement costs are budgeted for within the Selby Urban Village overall project budget, as set out in Cabinet Report 19 February 2026.

6.31. The ongoing heat supply costs will need to be budgeted for the duration of the contract term within Housing Revenue Account for the Landlord supply for residential units and residential voids, and within the General Fund for the commercial units and commercial voids. Internal budgets will also need to be reviewed to cover the maintenance and liability that falls to LBH for heat equipment inside a residence, beyond the Heat Interface Unit (see diagram below for split of responsibilities).

6.32. Diagram below showing split of heat equipment responsibility within residence:

6.33.



6.34. The heat supply pricing has been reviewed by commercial advisors and benchmarked against other LBH cost allocations for heat supply, and is considered reasonable. It is comparable to other low carbon options such as air source heat pumps.

6.35. The overarching Framework Supply Agreement and subsidiary supply agreements require ongoing contract management to protect residents and unnecessary cost to the Council. This is a complex contract structure and LBH will need clear contract management approach across multiple service areas to ensure that revenue responsibilities do not fall between teams, leading to delayed payments, late-payment penalties, and unclear long-term budget ownership. There will likely be a resource / related budget requirement to ensure that a suitably qualified and experienced officer can manage the Framework Supply Contract.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

Resident experience and enabling success:

7.1. This procurement is a critical part of the SUV project which will contribute to
a) the building high quality sustainable homes outcome and the activity around new council homes; and
b) the zero carbon and climate resilient objective.

7.2. The services operation (management and maintenance) of the secondary network will contribute to the outcome of delivering reliable customer-focused resident housing services.

Carbon and Climate Change:

7.3. The recommendation to progress the connection of SUV to Energetik aligns with Haringey, Enfield and London policy on district energy networks.

7.4. Connecting SUV to Energetik is in line with the planning approvals for the site and is currently considered to deliver best value in how the development achieves zero carbon.

8. Statutory Officers comments (Director of Finance, Procurement, Director of Legal and Governance (Monitoring Officer), Equalities)

Finance

HRA

8.1. Finance notes the recommendations to enter into a Heat Connection Agreement, a Framework Supply Agreement and associated subsidiary agreements in connection with the provision of heat network infrastructure and the supply, operation and maintenance of heating and hot water services for the Selby Urban Village development

8.2. The proposed arrangements have both capital and revenue implications for the Housing Revenue Account (HRA). The heat connection infrastructure and associated on-site network infrastructure required to enable occupation of the new homes form part of the overall development costs of the scheme and will be treated as capital expenditure.

8.3. The capital costs associated with these arrangements will be managed within the current approved total scheme cost for phase 2 HRA.

8.4. The Framework Supply Agreement and associated subsidiary agreements also create ongoing revenue commitments for the HRA, including landlord heat network charges and costs associated with residential void properties. These costs will need to be reflected within future HRA revenue budgets for the duration of the agreements

8.5. Further detailed finance comments are provided in the Exempt report attached.

Procurement

8.6. Strategic Procurement (SP) notes the contents of this report.

8.7. The award of this contract falls under the scope of utilities contracts as defined in Schedule 4 of the Procurement Act 2023 and qualifies as an exempted contract under schedule 2 paragraph 31 of the Procurement Act 2023

8.8. SP supports the recommendation to approve the award of this contract in accordance with CSO 2.01(c)

8.9. Further procurement comments can be found in the exempt part of this report.

Director of Legal & Governance (Monitoring Officer)

8.10. The Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

8.11. The procurement of utilities is governed by the Procurement Act 2023 (the Act) and Schedule 4 of the Act identifies utility activities. Under Schedule 2, section 31 of the Act, the award of the contract to Energetik and the associated contracts qualify as exempted contracts. There is therefore no requirement to comply with the tendering requirements set out in the Act.

8.12. The award is a Key Decision and must therefore comply with the Council's governance requirements in respect of Key Decisions including publication in the Forward Plan.

8.13. Cabinet has power to approve the recommendations under CSO 2.01 c) (contracts valued at £500,000 or more).

8.14. The Director of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing Cabinet from approving the recommendations in this report.

Equalities

8.15. 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.

8.16. The three parts of the duty applies 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.

8.17. The report is seeking approval of contracts for heat supply arrangements at Selby Urban Village, in order to be able to deliver heat to the community buildings and homes in the Selby Urban Village development, N17. The development is increasing the number of Council homes, which will have a positive impact on individuals on the housing register, especially families in need of two and three-bedroom homes, which includes people in severe housing need and people currently living in temporary accommodation. Data held by the Council suggests that women, young people, and residents from ethnic minority backgrounds are over-represented among those living in temporary accommodation. The N17 postcode also has high levels of socioeconomic deprivation relative to the rest of the borough. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.

8.18. There is potential for annual price increases of heat supply to disproportionately impact low-income households, disabled residents, older residents, and others who may have higher heating needs or spend more time at home. Mitigation against this impact includes the Ofgem regulation, consumer protection and fair pricing provisions, and the Council's ongoing contract management and oversight arrangements.

8.19. Reliable heating and hot water are essential services, particularly for vulnerable residents, including older people, disabled residents, households with young children, and those with long-term health conditions. The proposed arrangements include service standards and compensation provisions where service failures occur, helping to mitigate the impact of any interruption to heat supply. In the event of prolonged outages, residents will continue to have access to the Council's existing support processes and escalation routes. These measures are intended to reduce the risk of disproportionate impacts on residents who share protected characteristics and support the Council in meeting its Public Sector Equality Duty.

8.20. The heat supply contractor is obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate long term contract management arrangements will need to be established to ensure that the delivery of the heat supply arrangements does not result in any preventable or disproportionate inequality.

Use of Appendices

- Exempt Appendix 1: SUV Energetik Risk Table
- Exempt Appendix 2: Energetik Formal Proposal July 2026

Background papers

- 19 June 2024; Cabinet Member Signing Report 'Gateway 0 Report - Phase 2, Selby Urban Village, N17 – Bruce Castle Ward' Public Report
- 19 June 2024; Cabinet Member Signing Report 'Gateway 0 Report - Phase 2, Selby Urban Village, N17 – Bruce Castle Ward' Exempt Report
- 8 January 2026; Cabinet Member Signing Report 'Selby Urban Village – approval of procurement strategy for heat supply arrangements' Public Report
- 8 January 2026; Cabinet Member Signing Report 'Selby Urban Village – approval of procurement strategy for heat supply arrangements' Exempt Report
- 19 February 2026; Cabinet member Signing Report 'Award of main works contract for the construction of Selby Urban Village' Public Report
- 19 February 2026; Cabinet member Signing Report 'Award of main works contract for the construction of Selby Urban Village' Exempt report

Local Government (Access to Information) Act 1985

Exempt report is 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).

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Report for:	**Extraordinary Cabinet on 13th November 2026**
Title:	**Officers Response to Overview and Scrutiny Committee recommendations following Call-in 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 a response to the recommendations made by Overview and Scrutiny Committee when they considered 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 a period of 40 years, for the Selby Urban Village development, N17.

1.2. This report is to assist Cabinet's reconsideration of the matter on the 13th November 2026, and seeks to address the recommendations made by the Overview and Scrutiny committee on the 9th November 2026.

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 recommendations of the Overview and Scrutiny Committee, and I welcome the feedback from Overview and Scrutiny Committee, and consider that the information below responds to their recommendations. I also confirm that the information raised in the call-in and set out in this report does not change my view that the decision taken on 20th October 2026 was the correct one.

3. RECOMMENDATIONS

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

4. BACKGROUND

<u>The decision and the Overview and Scrutiny Committees recommendations</u>

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 9 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 was considered by the Overview and Scrutiny Committee (OSC) on the 9th November 2026.

4.3. The OSC considered the reports and information during the meeting and recommended the following:

OSC Decision and Recommendations

4.4. The OSC agreed that the Cabinet decision on Selby Urban Village - Award of Contracts for Heat Supply arrangements were within the Council's Budget and Policy Framework.

4.5. The OSC comments and recommendations in relation to the Call-in reasons were:

1. **Exempt Information:**
   - Concerns about the volume of information contained in the exempt part of the Cabinet report pack, the basis on which such decisions were made, that some of the information in the 20th October report could have been made public.
   - Recommendation to the Monitoring Officer, that future Cabinet reports are compiled with information that prioritises the public interest, and that exempt information is added as a last resort. This could mean having a document that has redactions of exempt information rather than full exemption of appendices or other papers.
   - The Committee did not feel that for this particular decision, the exempt information altered the decision made by the Cabinet.

2. **Changed policy context:**
   - The OSC considered the concerns around the changed policy context to the decision and took into account:
     - Information available on Energetik and their future changed ownership,
     - Potential delayed completion from 2029 to 2032 of the facility at Edmonton ECO Park to provide low carbon heat in the network as indicated in NLWA published papers for the meeting on the 12th of November.
     - Availability of full audit risk assessment table report on the analysis of contract risks with Energetik and the need for more fuller information on the financial risks arising from the decision, including the current financial position of Energetik and its potential sale.
     - The reports published by Enfield Council on the need to closely monitor Energetik's liquidity position.

- A majority of the Committee felt that the above information was not contained in the report considered by Cabinet on the 20th of October 2026. The Committee felt that this information could have materially changed their decision. The Committee therefore recommended that this further information outlined above is provided to Cabinet in an additional report, to enable Cabinet to take this into account when reconsidering their decision taken on the 20th October 2026.

3. Affordability for residents:

- The Committee felt that, fundamentally, this aspect of the decision had not changed and was in line with previous Cabinet policy decisions made about this site and connected to grant funding requirements and as well as required connection to the nearest District Energy Network. Therefore, no recommendations were made in respect of this aspect of the Call-In.

4. Sustainability:

- The Committee's view was that there had been no material change in the sustainability elements of this Cabinet decision compared to previous decisions made by Cabinet and would not be taking forward the action proposed in the call in to consider alternative energy suppliers or open procurement exercise or options for alternative energy sources. However, the Committee encouraged Cabinet Members to explore all options and be confident that they are making a robust and wide-ranging decision.

4.6. The Committee did not agreed to refer this to a scrutiny panel as requested in the call in and, as set out above, the decision was to refer the decisions back to Cabinet.

4.7. The below report provides an officer response to the above recommendations of OSC in relation to exempt information and changed policy context, for Cabinet to consider alongside the Cabinet reports of 20th October 2026.

4.8. **OSC Recommendation on Exempt Information**

Response

4.9. Officers note the OSC's recommendation on favouring redaction rather than full exemption of documents, and of providing clarity in relation to Officers' public interest reasoning when providing exempt reports and information.

4.10. As noted within the Call-in response paper and during the Call in meeting, officers explained the need to strike the appropriate balance between public and exempt information; seeking to protect the Council's commercial and negotiating position, and third party commercial interests as required, while providing rationale, key risks and recommendations in the public report. However, it is recognised that there may be some information within the exempt risk register which could have been redacted rather than wholly exempted. We welcome further training and guidance for officers

to ensure that the presumption remains transparency and openness this in conjunction with our Legal and Democratic Services colleagues.

4.11. **OSC Recommendation on: Changed policy context**

Response:

4.12. The key issues raised by OSC and changed policy context relate to:
- Sale of Energetik by Enfield Council/ change of ownership
- Financial resilience of Energetik
- NLWA ERF completion date slippage and risk to provision of low carbon heat

4.13. Papers referenced during the Call-in and by OSC as providing a changed policy context have been noted below for ease to be fully considered by Cabinet, with links to those that are publicly available. The exempt appendix is to be circulated along with Cabinet papers.

- 'Energetik Strategic Review – Update', Enfield Cabinet Report 24th June 2026: Energetik Strategic Review Update - Cabinet report.
- 'Energetik 2026/27 Operating Plan', Enfield Council Cabinet Meeting, 14th October 2026: Energetik 2026/27 Operating Plan Cabinet Report
- 'North London Heat and Power Project Energy Recovery Facility Contract Update', North London Waste Authority Meeting 12th November 2026: 03 NLHPP Authority Report Nov 2026 - FINAL.pdf
- Exempt Appendix: 'Selby Urban Village – Connection to Energetik's Heat Network, Engagement Overview – Contractual Review & Commercial Negotiations' Independent Commercial Advice Report, July 2026: Exempt Appendix under Paragraph 3, Schedule 12A Local Government Act 1972.

Sale of Energetik by Enfield Council/ change of ownership

4.14. The Enfield Council Cabinet paper from June 2026 set out Enfield Council's preferred option to sell Energetik to a strategic partner, whilst retaining a "Golden Share" to protect key public interests such as affordability, decarbonisation and service quality. A golden share would typically be a special class of share retained by Enfield Council that gives it specific veto or control rights, even if it no longer owns a majority (or any significant proportion) of the company.

4.15. Their report notes that a sale would provide the investment, expertise and delivery capacity needed to grow the heat network across North London, while reducing Enfield Council's future funding requirements and commercial risk.

4.16. External independent commercial advisors were commissioned to review Enfield's options for sale of Energetik as part of our due diligence process. Their full report is now also included as an exempt appendix, for circulation to Cabinet. It is exempt as it contains commercial information throughout, assessment of risks and negotiating positions, relating to the Council's contract negotiations with Energetik. There is no practical way of redacting parts of the report at this stage which would enable it to be placed in the public domain, however we have sought to include relevant

wording below. Cabinet as decision-makers will also have access to the full report as an exempt appendix.

4.17. The Independent Commercial Advice report, in section 4.2 states, 'Energetik Financial Resilience' risks were assessed and mitigations noted associated with a future sale of Energetik and the implications of Enfield Council's in-principle decision to pursue a strategic partner. The Commercial Advice report notes "if Enfield sold Energetik, the agreements between Energetik and Haringey would remain in place, with only the ownership of Energetik changing. Accordingly, the contractual framework governing service delivery would remain unchanged, with Energetik bound to the obligations in the contracts, and there should be little operational impact. If Haringey believed that Energetik's contractual obligations were not being met, Haringey would have the right to require breaches to be remedied, escalate disputes through the agreed contractual processes or exercise more significant rights provided for under the agreements.'

4.18. In respect of the proposed sale, the report concludes the following in respect of the sale of Energetik 'this decision does not introduce significant additional risks regarding the impact of a change in ownership, although the detailed transaction structure remains subject to further development and approval.' This was further supported by information on the proposed robust contractual arrangements and regulatory protections that would continue to apply, providing ongoing safeguards for customers.

4.19. The 20th October Exempt Appendix 1: risk table does reference the risks of a sale of Energetik, although it is not listed as a separate discrete risk. The risk register addresses risks that could materialise from a potential sale, notably; loss of heat supply/ interruption to supply, performance issues as a service provider, seeking to raise energy prices for tenants unreasonably. OSC's view was that this risk needed to be amplified and drawn out within the report as a separate risk, which this report now seeks to do.

Financial resilience of Energetik

4.20. The financial standing of Energetik was reviewed periodically by the Council's finance team and independent advisors, as part of the due diligence, and this was noted in the risk register shared with Cabinet in the 20th October report. The independent commercial advisors were asked to review financial resilience, risks and mitigations in detail and this is summarised below from their report.

4.21. Concerns regarding the long-term financial resilience of Energetik were assessed in section 4.2 of the Commercial Advice report. Specific financial due diligence undertaken on Energetik included review of credit assessments and financial standing. The review contained discussion of Energetik's high-level debt position, financing structure and investment requirements, noting that financing profile is typical for early-stage infrastructure business, where capital investment precedes stable revenue generation.

4.22. The review found no evidence of immediate financial viability risks and identified a range of contractual and regulatory safeguards to protect customers in the event of future financial difficulties.

4.23. Mitigations against Energetik facing financial difficulties include that the master connection agreement contains MutualCo provisions which would enable Haringey and other customers to step in, assume control of relevant assets, and ensure continuity of service.

4.24. The report also notes further mitigation against financial insolvency; within the Ofgem regulations which come into force in January 2027, there is the mechanism to create a Special Administration Regime (SAR) as a backstop mechanism. This is a government backed backstop arrangement - to protect customers in extreme situations, until a company can be rescued, or a transition can occur. This is similar in principle to the 'Supplier of Last Resort' used for other energy suppliers regulated by Ofgem (gas and electricity), and Officers note that this was incorrectly noted as a provision for heat networks in paragraph 6.13 the 20th October Cabinet public report and in the exempt risk register.

4.25. The 14th October Enfield Cabinet paper on Energetik Operating Plan 2026/27, in paragraphs 1.17-1.20 sets out the financial implications of the Operating Plan, noting that Enfield Council will need to continue to monitor Energetik's liquidity position and that further working capital support could be required during 2026/27 if further risks materialise. Officers do not consider that this financial information within this report alters the recommendations of the 20th October Haringey Cabinet report, or the advice received in the Independent Advisors Report regarding financial resilience and mitigations.

NLWA ERF completion date slippage and risk to provision of low carbon heat

4.26. The 20th October Cabinet public report (para 6.12) noted that Energetik expected classified low-carbon heat from the ERF by July 2029 but remained dependent on the NLWA construction programme. The public report also confirmed that safeguards had been negotiated to secure a timely transition to low-carbon heat, with further detail provided in the 20th October exempt report (para. 6.5) and Energetik's Formal Proposal (Exempt Appendix 2). This information remains exempt under Paragraph 3, Schedule 12A Local Government Act 1972, as it forms part of ongoing commercial negotiations between Haringey and Enfield.

4.27. The 12th November NLWA Meeting Report was not available prior to the 20th October 2026 Cabinet meeting, but was published prior to the OSC Meeting on 9th November. The paper identifies ongoing programme, cost and delivery risks associated with completion of the Edmonton Energy Recovery Facility (ERF). It notes the ERF is intended to provide a long-term classified low-carbon heat source for district heating networks, including Energetik, further delays could prolong reliance on interim generation arrangements, which for Selby Urban Village would be gas-fired boilers. The report nevertheless concludes that ERF completion remains the preferred strategic option and proposes contractual changes to improve confidence in delivery and operation.

4.28. In the OSC meeting of 9th November, concern was raised that ERF completion had been pushed back to 2032 based on this NLWA paper, and that this should be considered by Cabinet. However, while paragraph 4.13 of the NLWA report notes that ACCIONA's programme position at the start of negotiations indicated completion in 2032, paragraph 5.4.2 confirms that the subsequently agreed non-

binding Heads of Terms include a revised contractual Take Over Date of 29 December 2029.

4.29. Officers consider that the decarbonisation safeguards negotiated and set out in the 20 October exempt report are sufficient to mitigate the risk of long-term reliance on carbon-intensive heat sources or non-compliance with the Future Homes Standard, whether ERF completion occurs in July 2029, December 2029 or 2032. Accordingly, the NLWA report does not alter the recommendations of the 20th October Cabinet report.

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 financial implications of the decisions taken by Cabinet were detailed in the 20th October 2026 report. The recommendation of this report does not change the advice given in the 20th October 2026 report.

Legal

6.2. Further to a contract award decision made by Cabinet 20th October 2026, the decision was subject to a Call-In as set out in the Council's Constitution at Part Four, Rules of Procedure, Section H – Call in Procedure Rules.

The Call-In meeting took place on the 9th November 2026. The Overview and Scrutiny Committee decided that the decision was within the Budget & Policy Framework and recommended that the decision is returned to Cabinet in accordance with paragraph 10 of the Call in Procedure Rules. Cabinet has 5 working days to reconsider the key decision before taking a final decision. Once a final decision has been made, there is no further right of Call -In.

Equalities

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

Procurement

6.4. 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

- Exempt Appendix: 'Selby Urban Village – Connection to Energetik's Heat Network, Engagement Overview – Contractual Review & Commercial Negotiations' Independent Commercial Advice Report, July 2026

8. BACKGROUND PAPERS

- Development and Progress on the North London Heat and Power Project, NLWA Programme Committee Meeting, 10th September 2026: Development and Progress on the North London Heat and Power Project_Final Draft (002).pdf
- Energetik 2026/27 Operating Plan, Enfield Council Cabinet Meeting, 14th October 2026: Energetik 2026/27 Operating Plan Cabinet Report
- North London Heat and Power Project Energy Recovery Facility Contract Update, North London Waste Authority Meeting 12th November 2026: 03 NLHPP Authority Report Nov 2026 - FINAL.pdf

9. 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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Agenda Item 9

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