

# **MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 12TH SEPTEMBER, 2017, 6.30pm**

## **PRESENT:**

**Councillors: Claire Kober (Chair), Peray Ahmet, Jason Arthur, Eugene Ayisi, Ali Demirci, Alan Strickland and Bernice Vanier**

**Also Present: Councillor Engert, Newton, Morris, Carter, Brabazon, Ibrahim, Tucker.**

## **49. FILMING AT MEETINGS**

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at this meeting and Members noted this information.

## **50. APOLOGIES**

Apologies for absence were received from Councillor Weston and Councillor Goldberg.

## **51. URGENT BUSINESS**

There were no items of urgent business put forward.

## **52. DECLARATIONS OF INTEREST**

There were no declarations of interest put forward.

## **53. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS**

There were no representations received.

## **54. MINUTES**

The minutes of the Cabinet meetings held on the 03<sup>rd</sup> of July 2017 and 20<sup>th</sup> July 2017 were agreed as an accurate record of the meeting.

## **55. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no scrutiny matters for consideration.

## **56. DEPUTATIONS/PETITIONS/QUESTIONS**

### Deputation 1 – Enid Henry and Grace Lungu – Resident Procurement Panel

The deputation outlined that they had worked with the Council over the last 5 years, agreeing the residents charter, setting up the design panel, and developing the design guide which was used during the procurement process. Enid and Grace had also been members of the resident design panel and involved with the procurement of the developer partner for the past 15 months.

This work had taken up a lot of their time but they welcomed the involvement in developing proposals for High Road West and were also happy that the proposal included the Council acquiring the replacement new homes for Love Lane Residents and the appointment of Lendlease as the preferred bidder. They always wanted the Council to remain their landlord and to be able to remain in their area which some of the residents had resided in, over the last 25 years.

Having been involved in procurement process, the deputation was pleased with the outcome and looking forward to working with the Council on detailed proposals for the new homes.

They recognised that there was still more work to be completed on agreeing the leaseholder offer and detail designs but hoped that they could continue to work closely with the Council and create a good working relationship with the developer.

In response to a Cabinet Member question, the deputation advised that they were enabled freely to take part in the plans for their area and were able to ask questions to understand how the regeneration would be taken forward. They had help from an independent advisor to make representations to the Council on a decision which they felt was a good enabler for progress.

Councillor Strickland further responded to the deputation, thanking Enid and Grace for attending the meeting and giving up their time to take part in the procurement process. It was through resident involvement in the process, enabled by the support of the Independent Tenant Liaison Adviser [ITLA] that this proposal contained stronger and better outcomes. Residents would continue to be part of the next steps of the scheme and involved in shaping their area.

The tenants wanted the Council to be their landlord and the Cabinet Member was pleased that this outcome had been achieved and more new Council housing would be built in this scheme.

### Deputation 2 – Zenek Chalarca and Maria Chalarca – Love Lane Leaseholder Association.

Mr Chalarca presented the deputation, which was based on providing the Cabinet with information on the leaseholder's experience of the regeneration scheme in High Road West. He continued to outline the commitments made to leaseholders by the Council at the outset of the High Road West scheme which the deputation did not believe had been met. There were now, instead, a range of issues being experienced by residents on the Love Lane estate such as:

- Repairs not being carried out.
- Communal areas which had not been cleaned.
- A large number of Council tenants had moved away from the estate and these tenants have been replaced by homeless households who have been placed in temporary accommodation.
- There were squatters living in empty unoccupied garages near the Children's play area.
- There was anti-social behaviour, prostitution and drunken disorder on the estate.

The deputation felt that the only option for them, as leaseholders, was to sell their property to the Council at a price which they considered was below the market value. Mr Chalarca stated that this conclusion was based on independent valuation reports.

The deputation advised that they knew of several leaseholders who felt pressured by Council officers and the appointed surveyor into making a decision about their property.

The deputation continued to outline:

- Their dis-satisfaction with the progress in providing the leaseholder swap option.
- The need for individual financial assessments to be carried out before the shared equity scheme was finalised to ensure that no leaseholder is unfairly excluded from the scheme.
- Their concern that the previous deputation is considered a reflection and representation of the community feeling as whole.

They contended that the Residents Procurement Panel did not have an influence on appointing Lendlease as a partner and had not been involved in the scoring of the bids.

The deputation was seeking fair treatment of leaseholders and always looking to build a constructive relationship with the Council as this was the best way to obtain good outcomes for the residents in the area.

#### Response by the Cabinet Member for Housing, Regeneration and Planning

Councillor Strickland thanked the deputation for attending the meeting. He challenged the view put forward that the Council were intentionally running down the estate. The Cabinet Member advised that Homes for Haringey were aware of the current issues on ASB and had issued ASB orders and banned disruptive people from the estate. There was also new CCTV fitted. The Local Authority was therefore trying to resolve the anti-social behaviour but was not responsible for causing it.

In respect of the valuations of leasehold properties, the Council worked in accordance with a transparent methodology. Where there was a discrepancy in values they would work through these issues with the leaseholder to reach a fair value.

The Cabinet Member emphasised, that if there were leaseholders that felt pressurised into making decisions, they could contact him about this situation. The Cabinet Member had not heard any such suggestions previously of leaseholders feeling pressured to complete a valuation and these were provided when leaseholders asked for them. Only leaseholders could request that a valuation was undertaken.

There was a clear process on how the leaseholder's policy goes forward with the current consultation on the Estate Renewal, Rehousing and Payments Policy, [ERRPP] which considers increasing the current offer for leaseholders. The consultation results on the detailed offer for leaseholders would come back to Cabinet in October and this was still work in progress. The Council would continue to work with the leaseholders in Love Lane. It was also important to consider that this was the first leaseholder scheme being taken forward by the Council and there would be issues to be worked on.

The Cabinet Member further challenged the view expressed by the deputation party about the motives of the first deputation party in presenting to Cabinet. He highlighted that attending Council meetings could be an intimidating experience and obtaining support to do this was not inappropriate. Furthermore, the first deputation had not claimed to be speaking for the whole community in their statement or presentation.

The Leader provided further assurance, that there was awareness of the anti- social behaviour issues at Love Lane Estate, at the top level of the organisation, and the Council were working through the issues to get on top of this situation.

## **57. BUDGET MONITORING**

The Cabinet Member for Finance and Health introduced the report which set out the 2017/18 Quarter 1 (Q1) financial position; including Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG).

The report highlighted the continuing budget challenges for the Council with increased demand for services and the impact of austerity. There was a £6.2m overspend in the General fund and £0.4 overspend in the HRA.

The overspend in Children's Service would need to be considered in the context of the recent LGA report, which described the budget challenges and pressure in Children's Services across the country. Nonetheless, the Council were working hard to address the challenges.

The Cabinet Member had further asked the interim CFO to include more detail on how the council addresses the overall budget overspend, in the next budget monitoring report.

There were questions from Councillor Brabazon, Engert and Morris and the following information noted.

- The Cabinet Member for Finance and Health offered to provide Cllr Brabazon with further details around the withdrawal of the childcare subsidy funding and a meeting if necessary.
- In relation to paragraph 7.9, which set out the increased cost for care packages for younger adults with special educational needs, this overspend was connected with issues concerning trajectories and estimates instead of the choice around how the service was being delivered. The key aim was to provide outcomes that were sustainable and this principal would be followed when considering how the service will be delivered.
- With regard to the underestimation of residential placements units by Children's Services and suggestion for increased funding of the service, the Council had previously increased funding to the Children's Service by £3m in 2016/17. The challenges being faced by Children's Services were similar to those of other boroughs and the Council would continue to monitor the budget situation.
- In relation to the voluntary sector savings, the Cabinet Member had always been clear that this saving was, as with all other savings, RAG rated, to monitor impact. The Cabinet Member agreed that this sector's support was critical to enabling the outcomes the Council want to see across other services. The Council would constantly review savings plans, including those associated with the Voluntary Sector, and where the saving is not considered possible, examine alternative savings.
- There were currently seven Property Service valuers, and this team would reduce significantly, in staff number, as properties transfer to the HDV. Agreed that the interim CFO provide details of the current staffing cost of this team to Cllr Engert.
- With regard to the savings estimates associated with the redundancy campaign last year, the revised savings figure was £450k. There were now safeguards to ensure that future savings estimates are put forward following a voluntary redundancy campaign and following applications being made to mitigate double counting.

## **RESOLVED**

1. To note the Q1 forecast revenue outturn for the General Fund of £6.2m overspend, including corporate items. (Section 6, Table 1 and Appendix 1);
2. To note the net HRA forecast position of £0.4m overspend. (Section 7, Table 2 and Appendix 2);
3. To note the latest capital position with forecast capital expenditure of £66.5m in 2017/18. (Section 9, Table 3);

4. To note the risks and mitigating actions identified in the report in the context of the Council's on-going budget management responsibilities/savings, as detailed in Appendices 3 (a) (g);
5. To endorse the measures in place to reduce overspend in service areas; and
6. To approve budget virements set out in section 11 and Appendix 4 of the attached report.

### **Reason for Decision**

A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties.

### **Alternative Options Considered**

This is the 2017/18 Quarter 1 budget monitoring financial report. As such, there are no alternative options

## **58. HIGH ROAD WEST REGENERATION SCHEME- SELECTION OF A DEVELOPMENT PARTNER AND NEXT STEPS**

The Cabinet Member for Housing, Regeneration and Planning introduced the report which sought approval for the selection of the preferred and reserve bidder for the High Road West Regeneration scheme and sought approval to the next stage of work which was to refine and clarify the preferred bidder's proposal and to agree the disposal of the Council's land within the High Road West Regeneration Area (shown edged blue on the Site Plan at Appendix 1].

The Cabinet Member highlighted that the recommendations put forward to Cabinet were a culmination of work completed over the past 5 years by residents, Council officers and local Councillors. Consultation on the High Road West Master Plan had begun in 2013 and this document had been agreed in 2014, demonstrating strong support for regeneration with 60 % of residents advising that the estate should be demolished and replacement homes built. The procurement process to seek a development partner was then instigated in 2016.

Residents had met with the bidders and challenged bidders, so although they were not involved in the scoring, they were still part of the procurement process. They also helped develop the design guide which the bidders had based their bids on. At the end of this long process there was proposed to be:

- Over 2,500 high-quality, sustainable homes made up of at least: 750 affordable homes (a net increase of 539), 191 high quality, safe, Council homes. These include 155 social rent homes for Council tenants.
- Over £10m of funding for social and economic support for both businesses and residents, including a contribution of c.£8m for supporting the Tottenham People Priority overall commitments.

- A cutting edge new Library and Learning Centre and a refurbished Grange Community Hub which will provide improved community facilities early in the scheme.
- 143,500sqft of green spaces for the community including a large new linear community park with an outdoor gym, children's play area and Grange Gardens; a safe, central green space for local people.
- A welcoming new civic square which will be an important focus of local events and activities, bringing the community together, promoting cultural activities and enhancing activity and safety at night.
- Over 130,000sqft of commercial, retail and leisure space throughout the scheme providing a wide range of leisure, employment space, shops, cafes and restaurants around a new civic square.
- £500k of investment in the town centre and also a £500k fund for events and activities, as well as meanwhile uses which will revitalise the local centre during construction and afterwards.
- Over 3,300 construction jobs and more than 500 end-user jobs once the development is complete.
- 3000 construction jobs
- High quality new industrial and maker/artisan space to support businesses from the existing Peacock Industrial Estate

Therefore, based on the objective procurement process outcome, the Cabinet Member recommended, to Cabinet, the appointment of Lendlease as the development partner for the High Road West Scheme.

There were questions put forward from Councillors: Engert, Bevan, Ibrahim, Brabazon and Tucker and the following information noted. [This information obtained from questions has been grouped into the main subject areas of Housing, leaseholder issues, Businesses, Regeneration, Procurement, for ease of reference]

#### Housing/ Leaseholder issues

- The number of homes and percentage split of affordable housing, included in the scheme was set out at page 68. Although the 40% affordable housing target had not been reached, this was due to the financial challenges of making the scheme work and also prioritising council housing which had additional costs. However, the Council had worked hard to replace the existing Council housing owned by the Council, and managed by Homes for Haringey. Therefore, the scheme is a positive story for affordable and social housing.
- The Council's aim had always been to remain the landlord of tenants at the Love Lane Estate, as had been noted at previous Cabinet meetings, but had not been able to guarantee this two and a half year ago, as at the time, a procurement process had not yet been initiated and the outcome of this could not be known. The Cabinet Member further responded, that there were a wide range of reasons for tenants choosing to move away from the estate i.e. moving near close family, away from the estate, or wanting to go to sheltered

housing and this could not be associated with the Council not giving a guarantee, two years ago, on the ownership of homes.

- Through the Cabinet Member's experience of correspondence with leaseholders, there could be no blanket claim that all leaseholders were unhappy. It was accepted that there was, among leaseholders, a complexity of views. There was a dedicated leaseholder and rehousing support officer available to support tenants as well as the ITLA and the offer by the Council to pay for independent valuations. It was the leaseholder's choice whether to ask for a valuation of their property.
- There were staff dedicated to supporting residents at Love Lane and the views that they wanted to express. If leaseholders were confused with the process, they can be directed to dedicated independent advisors. [ITLAs]
- The value of the homes had increased on the estate since regeneration consultation activity had begun, and there were 46 units set aside for leaseholders who want shared equity homes. If leaseholders were not able to fully purchase a new property, they could apply for an equity loan from the Council to enable a property on the estate to be purchased. This offer was going beyond statutory requirements and what other London borough Councils provided.
- The Council could not leave the housing blocks empty on Love Lane Estate while regeneration is prepared, in a time when there were a significant number of homeless households. Therefore, using the units as temporary accommodation was a good solution.
- The replacement Council homes nominations would be taken forward by Homes for Haringey and the Council would put forward nominations for affordable homes in the normal way. Nominations for shared ownership properties would be in accordance with shared ownership policy
- 1400 was the minimum number of homes sought from the High Road West scheme from bidders, but 2500 homes had been offered by the winning bidder.
- The original number of Council properties was 212. The impact on the HRA had been mitigated with the new properties added.
- There was a small reduction in social rented homes available in the scheme, but it was important to take into account the new Brook House development, adjacent to the estate, which 29 Love Lane residents had chosen to move to last year and also the net increase of 500 affordable homes, including the Mayor's new affordable rent homes.
- Leaseholders should not feel pressurised into making decisions about their properties and could get in touch with the Cabinet Member for Housing, Regeneration and Planning if this situation occurred. Some leaseholders had

asked for a valuation, others have not asked for this, so experience varied on this issue.

- In terms of leaseholder accessing external legal advice, the Council had contracted an ITLA [Independent Tenant Liaison Adviser] to support leaseholders and tenants and already paid the legal fees for acquisitions of properties. The Council could consider on a case by case basis whether, in particular, more vulnerable leaseholders were being supported adequately.

### Businesses

- The principles set out in the ARUP masterplan had previously suggested that it was difficult to keep the businesses at the Peacock Industrial estate, for a variety of reasons. There was a strong commitment by the preferred partner to protect business space, and there was a lot of work to do with businesses around that. It was difficult for the Cabinet Member to provide an overall position as there would be individual negotiations with each business to find out if they would like to stay or prefer relocation with compensation and support. There was £500k set aside to support this work.

### Regeneration

- This scheme could not have been a test case for the HDV as the Council had started the High Road West Scheme in 2012 before the HDV wider process had commenced. Also the master planning process was developed earlier with residents and separately to the HDV scheme.
- If the CPO was not secured, this would be called a condition precedent and the scheme would not proceed until issues were resolved.
- This was a development agreement and it was normal to refer to a company as development partner but this did not imply a legal arrangement. The Council remains the freeholder and disposing of a 250-year lease.
- This arrangement is a conditional disposal of land. It is important to note that the land would be disposed of in tranches and only when certain conditions had been met i.e. vacant possession, planning, strategies, and social economic programme completion. Hence, land would be disposed of only over a number of years and dependent on outcomes being achieved.
- With regard to how the vacant possession worked, the Council would continue their responsibility for working with residents that are leaseholders and tenants and the Council would also fund this. Lendlease would support the Council by working with businesses and completing the negotiations. The Council would then make the payments for those acquisitions. However, Lendlease had offered 100% indemnity so the Council would be reimbursed the cost of the property and the costs associated with the sale.

- The green space will be publically accessible and managed by an estate management company with tenants and leaseholders participating on the board.
- In respect of the land ownership and viability challenges, there were contractual obligations for Lendlease to meet and the scheme would be developed on a phase by phase basis.
- THFC owned 13% of the land in the High Road West. The Council had already been clear about their comprehensive approach to redevelopment and would continue working closely with THFC in the coming years to develop this comprehensive approach.
- With regard to governance, a Steering Group would oversee the operation of the Development Agreement and the CPOIA and the successful delivery of the Scheme. This would be established following completion and signing of the Development Agreement. The Steering Group would have equal representation from both the Council and Development Partner comprising 3 members from each organisation with each organisation having one collective vote. These members had not yet been chosen.
- The Cabinet Member stated that he saw no evidence to support the suggestion that the first deputation had been unduly influenced by Council officers.
- This is a viable scheme, which gives funding back to the Council whilst providing outcomes to the community.

### Procurement Process

- There had been a separate design panel and a separate procurement panel and overall it should be accepted that no one group spoke for the whole community and this included the leaseholder's association. It was acknowledged that there would be a complexity of views coming forward.
- The procurement processes for the HDV and High Road West had involved different processes and different panels. There was complete separation of the teams working on these procurement processes with the only exception being the same finance, legal and procurement officers providing advice to both teams.
- The third party guarantors of the bidder are another company within the Lendlease structure, and would have been assessed as part of the PQQ which was completed at the start of the procurement process. They would have been subject to the same stringent assessment as the bidder, including assessment of their financial standing.
- The Council had not previously claimed that this scheme was low risk but had identified a series of risks which it had worked hard, through the procurement

process, to mitigate and a major accomplishment was achieving the indemnity which alleviated the major risk.

- The Council was working hard to minimise the impact of tax on the scheme and this had been assisted by the 100% indemnity achieved which would pick up land assembly and land costs.

Further to considering the exempt information at item 17, Cabinet -

## **RESOLVED**

1. To note the outcome of the Competitive Dialogue Procedure under the Public Contracts Regulations 2015 as outlined in this report.
2. To agree the selection of Lendlease Europe Holdings Limited (“Lendlease”) as the preferred bidder with whom the Council will enter into a Development Agreement to deliver the Scheme.
3. To agree to the selection of a reserve bidder as set out in the exempt part of this report.
4. To agree to proceed to the Preferred Bidder Stage (“PB Stage”) so the preferred bidder’s proposal can be refined and optimised, in particular to finalise the Development Agreement (Appendix 2), Compulsory Purchase Indemnity Agreement, (Appendix 3) the lease (Appendix 4) and any associated legal documentation following the preferred bidder stage.
5. To agree to the disposal of:
  - a. (Subject to the approval of full Council to make the application to the Secretary of State and the consent of the Secretary of State) the properties belonging to the Council and situated within the High Road West Area held within the Housing Revenue Account and listed in Section 1 of Appendix 5 of this report; and
  - b. The properties belonging to the Council situated within the High Road West Area held for planning and general fund purposes and listed in Section 2 of Appendix 5 and any other properties belonging to the Council within the High Road West Area and shown coloured pink on the site plan attached at Appendix 1.

And that these properties be included within the Development Agreement.
6. To give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final Development Agreement, Compulsory Purchase Indemnity Agreement, the lease and any associated legal documentation following the preferred bidder stage.

7. To note that if the Development Agreement and ancillary documents required to be agreed at the preferred bidder stage cannot be agreed with the preferred bidder, a further report will be brought back to Cabinet to seek permission to enter into the preferred bidder stage with the reserved bidder.
8. To note the results of the High Road West ownership and management of replacement homes feedback report, which can be found at Appendix 6. This includes the statutory consultation under Section 105 (“s105”) of the Housing Act undertaken with secure Council tenants living on the Love Lane Estate.
9. To agree that the 145 replacement social rented units and 46 shared equities, which will be delivered by Lendlease, will be acquired by the Council for housing purposes and be held in the Housing Revenue Account and to further give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final terms of the option in the Development Agreement.
10. To resolve the above having considered and had regard to the Equalities Impact Assessment (Appendix 7).

### **Reasons for decision**

All of the recommendations detailed above will support the delivery of the High Road West Scheme. The Scheme will support the Council in delivering all of its Corporate Priorities, will address issues of deprivation which have long characterised the Northumberland Park Ward and will set a benchmark for future regeneration across the borough.

#### Supporting the Corporate Priorities and tackling deprivation

The selection of a preferred bidder is the next step in delivering the Council and local communities’ vision to transform High Road West into a vibrant, attractive and sustainable new residential neighborhood with a blend of housing and support the creation of a premier leisure destination for London, alongside the Tottenham Hotspur Football Club development.

Delivering this vision offers a unique opportunity to tackle the entrenched deprivation that has characterised the Northumberland Park Ward and meet the Council’s Corporate Priorities:

- **Priority 1: Enable every child and young person to have the best start in life, with high quality education-** The Scheme will help ensure that children and young people have the best start in life, by providing a high quality living environment and world class community facilities, such as the new Library and Learning Centre. This will go some way in tackling the 4% (national average of 3.1%.) of 16 and 17 year olds living in the Northumberland Park Ward who are not in employment, education or training (NEET).

- **Priority 2: Enable all adults to live healthy, long and fulfilling lives** -The Scheme will help all residents to live healthy, long and fulfilling lives by providing, and giving easy access to a range of services by delivering a healthy neighbourhood with ample public space, such as a large new community park with play and gym equipment and food growing as well as, a new public square for public events and encouraging community cohesion. All of which will seek to address the issue of life expectancy, which is demonstrably worse in the east of the borough compared to the west of the borough: on average the difference between parts of the east and parts of the west is 7 years. It will also address the obesity amongst children and the mental health challenges which are significant, and stubborn.
- **Priority 3: A clean, well maintained and safe borough where people are proud to live and work-** The Scheme will deliver a clean, well maintained and safe welcoming environment for residents, businesses and visitors alike where people are proud to live and work. This will be delivered through high quality inclusive design, place making and responding to the needs of the area and community. It will be maintained by one inclusive, transparent estate management regime, that will be responsible for the management and maintenance of the high quality, affordable environment. The management regime will seek to train and support residents and businesses and community partners to once ready will be able to run the management and maintenance of the area, fostering long-term civic pride and community ownership.
- **Priority 4: Drive growth and employment from which everyone can benefit-** Critically, the Scheme will deliver economic growth which is not only essential to residents and businesses of the borough and the wider region but also the Council. The new employment and commercial space will provide significant opportunities for training, jobs and employment and will go some way to address unemployment (at 26%) in Northumberland Park, which is almost double the rate across the whole borough and three times the national average. The improved environment and the creation of a new leisure destination in London will bring thousands of visitors who will contribute to the local economy and support local businesses.
- **Priority 5: Create homes and communities where people choose to live and are able to thrive-**The Scheme will deliver over 2500 new high quality homes, which residents will be involved in designing, in a mix of tenures ensuring that residents' housing choice is maximised. 2500 new homes are a significant contribution to meeting the boroughs housing demand. Meeting the housing demand will lead to more and more families being able to afford a home in the borough, either to rent or buy, alleviating the current difficulties faced by local people. It will also help to drive down levels of homelessness, so fewer households find themselves in crisis, and the relieve some of the significant pressure on the Council budget through increased temporary accommodation costs. The Scheme will build on the strengths of the existing local residents and businesses to create an even stronger sustainable community where people don't only live, they thrive.

In bringing forward significant development opportunities across Tottenham and Wood Green assessments have been made in each case to ensure that appropriate delivery mechanisms are used.

In December 2015 a business case setting out the preferred delivery approach for the High Road West Scheme was presented to Cabinet. The business case recommended that the Scheme should be delivered through a contractual development agreement as this delivery option best met the Council's objectives and reduced exposure to risk. The Cabinet noted the business case and agreed to commence a Competitive Dialogue Procedure under the Public Contracts Regulations to procure a commercial partner to deliver the Scheme.

In May 2016 the procurement process was launched. Following a compliant procurement process, which has been validated by an independent auditor (Appendix 8), the preferred bidder is recommended in this report. Through the procurement process the development agreement and supporting legal documentation (explained in detail at paragraphs 6.32-6.55 below) have been developed and refined over the course of the competitive dialogue process.

By approving the recommendations to enter into the final stage of work with a single preferred bidder and paving the way for refining the Development Agreement, Cabinet will be taking the next vital step in unlocking the considerable growth potential of the Council's own land and meeting a number of core Council ambitions.

#### Ownership of the replacement homes

The Cabinet is being asked to make a decision on the ownership and management of the replacement homes within this report so that the Development Agreement can be finalised and thus delivery of the Scheme can progress following the conclusion of the preferred bidder stage of the procurement process. Making a decision now, will also help residents on the Love Lane Estate in making their rehousing choices.

The rationale for recommending that the Council acquire the replacement homes is set out in paragraphs 6.107-6.124 below.

#### **Alternative options considered**

##### Delivery approach and procurement process

In December 2015 Cabinet noted the business case setting out the preferred delivery approach for High Road West. That business case identified and robustly assessed three alternative options for achieving the Council's bespoke objectives for the Scheme. The options are detailed in paragraphs 6.12- 6.16 below.

##### Ownership and management of the replacement homes

The Council had carefully considered two options relating to the ownership and management of the 191 replacement homes. The two options are:

- Option 1: The preferred bidders RP partner acquires the replacement homes
- Option 2: The Council acquires the replacement homes.

## **59. 500 WHITE HART LANE - ACQUISITION OF PROPERTIES**

The Cabinet Member for Housing, Regeneration and Planning introduced the report which sought authority to acquire the 29 affordable homes at 500 White Hart Lane and also sought delegation to the Director of Regeneration and the s151 Officer, after consultation with the Cabinet Member to agree the purchase price and the final terms of the acquisition of these affordable homes.

### **RESOLVED**

1. To agree to the future acquisition of 29 affordable homes for housing purposes to be constructed on the Site for a maximum total sum of £5m plus acquisition process costs and that the monies for the purchases shall be from:
  - a. Housing Revenue Account (“HRA”), including but not limited to the ‘HRA Stock Acquisitions Reserve’ which currently has a budget of £6.4m
  - b. Right to Buy (“RTB”) capital receipt retained budget
2. To give delegated authority to the Director of Regeneration and the S151 Officer, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to agree the purchase price for each of the properties and the final heads of terms of the acquisition which will be based on the terms of the s106 Agreement found at Appendix 1.

### **Reasons for decision**

#### Supporting the Council’s housing objectives

The acquisition will increase the Council’s housing stock. Increasing the Council’s housing stock will help address the significant housing demand and housing waiting list in the Borough. Even if some of the properties are used to rehouse Love Lane residents, it will mean that the replacement affordable homes in the High Road West Scheme can be freed up to rehouse residents on the housing waiting list. It will also mean that the Council has a wider variety of unit sizes and typologies, which will provide residents with greater housing choice.

As the Council will be setting the specification of the homes, the Council will have control over the physical quality and performance of the homes. It will also have control over the quality of housing management. All of which support the Housing Strategy objective to drive up the quality of Council homes.

#### Supporting the High Road West Scheme and responding to residents’ aspirations

By acquiring these homes and ensuring that Love Lane residents have the opportunity to move to them<sup>1</sup>, the Council is increasing Love Lane residents' rehousing choice and responding to their request for new homes which are owned and managed by the Council.

### Financial Case

The costs of acquiring all of the 29 affordable homes will be c.£4.5m. These acquisitions will qualify for the use of retained RTB capital receipts to fund 30% of the cost of the scheme provided they are affordable rented housing. If the Council does not spend the RTB receipts within 3 years of the receipt, the money will be returned to DCLG together with interest. Therefore, acquiring the 29 affordable units at 500 White Hart Lane ensures that the Council can spend RTB receipts on new affordable homes for Haringey.

### **Alternative options considered**

The s106 Agreement for 500 White Hart Lane sets out two options for the affordable homes; the Council acquires the 29 affordable homes, or a Registered Provider ("RP") acquires the 29 affordable homes.

Officers have considered the implications of a RP acquiring the affordable homes and have chosen not to recommend this option for reasons which are set out below.

If the Council choose not to acquire the properties, the S106 Agreements ensures that the Council would be able to approve the RP and approve the 'Affordable Housing Scheme' which sets out the tenure and location of the affordable homes. This provides some comfort regarding the quality of the landlord and the affordable housing which will be delivered.

However, the Council would not have as much control over the tenure, affordability and type of housing products as it would if the Council owned the homes. If an RP acquires these properties, the Council can only exercise its planning controls as the Council does not have a direct contractual agreement with the RP. Council control is important, especially if these homes are used to rehouse Love Lane residents, or residents affected by regeneration schemes as the Council needs to be able to meet its rehousing commitments and be able to flex the tenure to meet the needs of residents.

As an example, the s106 Agreement states that the 29 affordable units will comprise of the following;

- 17 social rent units
- 6 intermediate units
- 6 social rented and/or affordable rented and/or intermediate

It also states that if an RP were to acquire the affordable homes, the last 6 units referred to in the bullet above are likely to be intermediate units.

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<sup>1</sup> Subject to agreement of a Local Lettings Policy for the 29 affordable homes which prioritises Love Lane residents

The number of intermediate properties and the intermediate product type is important in facilitating the rehousing of Love Lane resident leaseholders who will be seeking the most affordable housing product.

Whilst it may be possible for the Council to negotiate with the RP to secure exactly what it wants in terms of tenure, product and affordability it may be that the RP would seek a financial contribution from the Council.

If the Council were to acquire the affordable homes, it would have control over the tenure and products of the intermediate properties and could flex the product to meet the needs of Love Lane residents or other priority need.

## **60. AMENDMENTS TO THE TERMS OF REFERENCE FOR THE SHARED ICT AND DIGITAL JOINT COMMITTEE**

The Cabinet Member for Corporate Resources introduced the report which set out the revisions to the Terms of Reference of the Shared ICT and Digital Service Joint Committee for approval by Cabinet.

The Cabinet Member for Corporate Resources further referred to the legal comments in the report, which highlighted that the Council's Constitution has set a threshold of £500,000 or above where decisions to award contracts or expenditure on a service would be a key decision, which our constitution prohibits an officer from taking.

This meant that awards of contracts related to the Shared Digital IT spend, where Haringey's contribution is estimated to be £500,000 or above, that would be taken by the Chief Digital and Information Officer on behalf of Camden and Islington, would be taken in parallel by a Cabinet Member for Haringey.

This was for an intermediate period until a more detailed review of the Shared ICT and Digital Service Joint Committee Terms of Reference is carried out as part of the Governance Model review which will include a review of the current Joint Committee model.

### **RESOLVED**

To agree the revised Terms of Reference for the Shared ICT and Digital Service Joint Committee attached to this report as Appendix A to come into effect from 1 October 2017. The main changes to its Terms of Reference recommended by the Shared ICT and Digital Service Joint Committee meeting on 19 June 2017 were as follows:

- To change the name of the joint committee from 'Shared ICT and Digital Service Joint Committee' to the 'Shared Digital Joint Committee' to reflect the name of the shared service.
- To state that each Council nominates a substitute Member rather than for this to be optional.

- To ensure the 'Joint Committee Model' is included in the Terms of Reference as a model to review along with other company models as part of the Shared Digital Governance Options review.
- To be explicit about the frequency of the meetings; the intention being that the Shared ICT and Digital Service Joint Committee meets at least three times a year.
- To clarify when the Chair will be rotated and that this should be in alphabetical order by Borough.
- To clarify that all 'Executive' decisions of the Shared ICT and Digital Service Joint Committee will be deemed 'key decisions'. This is to avoid administrative decisions being treated as key decisions and added to the councils' Forward Plans
- To change the way, the councils are listed in the Terms of Reference so that they are always listed in alphabetical order
- To undertake a tidy up of the language in the Terms of Reference, for example using 'Shared Digital' as the name of the joint service and making clear how decisions on procurement should be taken [please see legal comments]

That the following be added to the Committee's procedure note:

- The Chief Digital and Information Officer consults all members of the Committee on reports.

### **Reasons for decision**

The Shared ICT and Digital Service Joint Committee Terms of Reference forms part of the legal agreement, for the Shared Service. Elements of the Terms of Reference need to be changed to reflect the evolution of the service.

The Terms of Reference is currently not clear around how the role of the Chair will be rotated; frequency and order. The rotation of the venue is also unclear.

To avoid administrative decisions being treated as key decisions and added to the councils' Forward Plans.

The Terms of Reference currently does not state that the 'Joint Committee model' will also be assessed along with other company models during the Shared Digital Governance Model Review. There has been a request that we should explicitly list that the Joint Committee model will be reviewed along with other company models. The Shared Digital Governance Model review is taking place from May – September 2017.

### **Alternative options considered**

There is an option to 'do nothing' and keep the current terms of reference in place for the Shared ICT and Digital Service Joint Committee. In adopting the 'do nothing' option the requests made for changes will not be addressed; clarifying the number of meetings per year, how the Chair and venue will rotate and ensuring the Joint Committee model is included in the governance model review along with other company models.

**61. MINUTES OF OTHER BODIES**

**RESOLVED**

To note the minutes of the following:

- Cabinet Member Signing 21 June 2017
- Cabinet Member Signing 26 June 2017
- Cabinet Member Signing 27 June 2017
- Cabinet Member Signing 30 June 2017
- Cabinet Member Signing 4 July 2017
- Cabinet Member Signing 5<sup>th</sup> July 2017
- Cabinet Member Signing 6 July 2017
- Cabinet Member Signing 11 July 2017
- Cabinet Member Signing 25 July 2017
- Cabinet Member Signing 31 July 2017

Corporate Parenting Advisory Committee 4<sup>th</sup> July 2017

**62. SIGNIFICANT AND DELEGATED ACTIONS**

**RESOLVED**

To note significant and delegated actions taken by Directors in July and August 2017.

**63. NEW ITEMS OF URGENT BUSINESS**

None

**64. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

To exclude the press and public from the remainder of the meeting as item 17 contained exempt information, as defined under paragraph, 3 and 5 Part 1, schedule 12A of the Local Government Act 1972.

**65. HIGH ROAD WEST REGENERATION SCHEME- SELECTION OF A DEVELOPMENT PARTNER AND NEXT STEPS**

As per item 58.

**66. NEW ITEMS OF EXEMPT URGENT BUSINESS**

None

CHAIR: Councillor Claire Kober

Signed by Chair .....

Date .....