

Report for: Cabinet, 17 July 2018

Title: Haringey Development Vehicle

Report authorised by : Helen Fisher, Director of Housing, Regeneration and Planning

Lead Officer: Dan Hawthorn, Director of Housing and Growth

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 On 14 February 2017 the Cabinet agreed to the selection of Lendlease Europe Holdings Limited (“Lendlease”) as the preferred bidder to be the Council’s HDV partner. This decision was subsequently reconfirmed by Cabinet on 7 March 2017, following a call-in of the original decision. Cabinet agreed at its meeting on 3 July 2017 to confirm the selection of Lendlease as the successful bidder and to the subsequent establishment of the Haringey Development Vehicle (HDV) with Lendlease or a subsidiary vehicle of Lendlease. This decision was subsequently reconfirmed at Cabinet on 20 July 2017, following a call-in of the original decision.
- 1.2 Following the July 2017 decision, Council officers had been working towards the refinement and finalisation of all necessary project agreements and undertaking of necessary due diligence in order to establish the HDV and to reach financial close under the Competitive Dialogue procedure.
- 1.3 On 7 August 2017 an application was made in the High Court for a judicial review of the Cabinet decision. The Council, mindful of an adverse outcome from the judicial review, decided not to finalise the project agreements or enter into any contract until after proceedings had ended.
- 1.4 On 30 January 2018, with the decision still pending, the then Leader of the Council announced that she did not intend to take the final decisions required to set up the HDV prior to the start of the pre-election purdah on 26 March (and would not herself be standing for re-election) and considered it appropriate that such final decisions were taken following the local elections which took place on 3 May. As a result the Competitive Dialogue Procedure has not reached Financial Close.
- 1.5 The judgement of the High Court was to uphold the Council’s decision, which was handed down on 8 February 2018. An application for permission to appeal has been lodged but has not as yet been

determined, although this has had no bearing regarding the decision to enter into any contract.

- 1.6 The Council now has a new Labour administration following the local elections. The new administration was elected on the basis of a manifesto which stated, *“The biggest challenge we face is delivering the new, decent, genuinely affordable housing that local people desperately need. We do not believe that the HDV provides the answer and we do not intend to progress with it.”*
- 1.7 This report provides the new Leader and Cabinet with information on the Council’s position with regards to the HDV and seeks authority to discontinue the procurement process for setting up the HDV for the reasons set out in this report and therefore not award a contract to Lendlease.

2. Cabinet Member Introduction

- 2.1 This administration was elected on a promise to build Council homes on Council owned land. There was also a commitment to house Haringey’s people, creating a diverse mixture of housing options for Haringey’s residents. We are committed to doing the best for Haringey and delivering the best for Haringey’s residents.
- 2.2 There can be little disagreement among those that love our borough about the importance of tackling poverty and deprivation, providing access to housing and jobs, and securing a sustainable future for the public services we provide. However, the proposed HDV has shown how strongly opinions differ – inside and outside the council - about the best way to address these important issues.
- 2.3 Building on the commitments we made during the recent elections, we are now taking decisive action to set a new direction for the Council, with this final decision that the HDV will not now go ahead.
- 2.4 We know a decision like this should not be taken lightly. As set out in this report, this is an informed decision which we are taking with our eyes open. We recognise the work done to develop the HDV proposals by the bidders, including by Lendlease. This decision is neither a reflection on the quality of that work nor of their desirability as a partner. Indeed, we remain grateful to Lendlease for the interest they have shown in Haringey and its future, and for their commitment to our other partnerships.
- 2.5 However, a decision of this significance must be taken having weighed the risks and demerits against the benefits. And this administration has taken a different view on that balance from the previous one. Finally, we know that the residents and businesses of Haringey will expect us to offer a clear alternative vision for how to tackle the challenges we face. The work on that alternative has already begun – not only to describe it,

but to put it into action, as can be seen from the other reports being considered by Cabinet alongside this one.

3. Recommendations

3.1 Cabinet are recommended to:-

- (i) Agree that the Council should withdraw from the Competitive Dialogue procedure with immediate effect for the reasons set out in section 4 of this report and therefore not award a contract in relation to the Haringey Development Vehicle (OJEU reference 2016/S 008-010032);
- (ii) Agree to delegate authority to the Director for Housing, Regeneration and Planning, to approve payment to Lendlease of the Council's share of 'Agreed Costs' as described in para 6.34; and
- (iii) Agree to delegate authority to the Director for Housing, Regeneration and Planning, following consultation with the Leader, to address any other matters arising from the decision, including writing to all bidders and other matters referenced in the exempt report. **(this paragraph includes information in the exempt report)**

4. Reasons for decision

4.1 The selection of a preferred bidder for HDV was undertaken in accordance with the Public Contracts Regulations 2015 ("PCR 2015") from three compliant and high quality bids in response to the Competitive Dialogue Procedure documents. In line with those regulations, the Council had issued various procurement documents to tenderers. Provisions contained in these documents, as listed below in relation to stages of the procurement process:

4.1.1 The PQQ makes clear that:

- (a) the Council reserves the right not to make any appointment following the procurement process; and
- (b) that all Bidders are responsible for their own costs and the Council will not fund the costs of any Bidder in applying for this opportunity;

4.1.2 In the ITPD and ISDS the Council reserves the right:-

- (a) not to award a contract;
- (b) to cancel or withdraw from the Competitive Dialogue Procedure at any stage;

4.1.3 In the ISFT the Council reserves the right:-

- (a) not to make any appointment following the procurement process;

- (b) all bidders are responsible for their own costs and the Council will not fund the costs of any bidder in applying for this opportunity not to award a contract;
 - (c) to cancel or withdraw from the Competitive Dialogue Procedure at any stage.
- 4.2 There are two distinct reasons for the recommendations set out in this report, each of which inform and explain the new administration's manifesto statement that it did not believe the HDV provides the answer to the challenges faced by the Council. Each reason, being distinct, is of itself sufficient to found the recommendation.
- 4.3 The first reason is related to the approach taken to public assets within the HDV. The new administration does not agree with the proposed transfer of public assets out of 100% public ownership at the scale envisaged by the HDV proposals. The proposed project agreements would commit the Council to transferring the Commercial Portfolio and (subject to conditions being met) the Wood Green development sites to the HDV, which is in itself a large scale, multi-site transfer of assets out of sole Council control. In particular, the new administration believes on principle that the Council's Commercial Portfolio should remain in Council ownership and subject to Council management, and should not transfer as a whole portfolio out of solely public ownership. Further, although it is correct that setting up the HDV would not – of itself - commit the Council to transfer any further sites into the HDV, the HDV proposals envisage that if it was ultimately to develop any further sites, these too would be on the basis of transfer of legal title to the HDV. A transfer on this scale is not an acceptable approach for the new Council administration.
- 4.4 The second reason relates to risk. In line with provisions in the Cabinet reports in November 2015 and July 2017, the Council has throughout the development of the HDV proposals, recognised that to proceed with the HDV came with a degree of risk, including those related to committing its commercial portfolio and, subject to satisfaction of conditions, land for development. These risks combined those to which the Council would have been directly exposed, and those to which it would have been indirectly exposed through its 50% stake in the HDV.
- 4.5 The Council's acknowledgement of these risks, and plans for mitigating them, are illustrated both in the Business Plans approved by Cabinet in July 2017, and by the Cabinet responses to scrutiny reviews of the HDV proposals as they were emerging during 2017 (see para 6.14), as well as in its HDV risk register which has been published online, with regular updates.
- 4.6 The previous administration considered that these risks were acceptable when weighed against the potential benefits of proceeding with the HDV. The new administration does not object to outcomes anticipated by the HDV programme, nor does it object to the principle of partnerships with the private sector. But it takes a different view on the acceptability of the risks.

- 4.7 In particular, the new administration is not prepared to accept the scale and nature of risk implied by the aggregated volume of the proposed HDV programme. Even accepting that the Northumberland Park, Cranwood and Category 2 sites would not be formally committed to the HDV under the terms of the proposed HDV agreements, the Commercial Portfolio and Wood Green Business Plans alone present a degree of risk that the Council is not now prepared to accept. As with any development project, the proposed HDV development plans for the Wood Green sites would have significantly exposed the HDV (and by extension the Council) to fluctuations in the residential and commercial property markets and a range of other development risks; given the treatment of the Council's Wood Green and Commercial Portfolio property interests as an equity stake in the HDV, the nature and extent of the exposure of those assets to those risks is not considered acceptable. While the Council (on its own, and in the development of the HDV proposals alongside Lendlease) had done a great deal of work to map and mitigate a range of risks associated with the HDV – as set out in section 6 below – these risks, about which the new Council administration is principally concerned, are fundamental to the nature of the HDV proposal and cannot be mitigated to an extent that would change the view expressed here.
- 4.8 In anticipation of the Cabinet decision on 17 July 2018, Lendlease wrote to the Council Chief Executive on 4 July 2018, urging the Council to consider taking forward the HDV, on the basis that the HDV's flexibility could allow a reconfiguration to meet the new administration's priorities. Lendlease also asked that its letter be put before Cabinet members as they considered their decision. The letter is attached as Appendix 1a to this report.
- 4.9 Lendlease wrote again on 9 July 2018 (Appendix 1b), which reiterated Lendlease's continued commitment to working with the Council, but notes that if "Cabinet decides to attempt to reverse our appointment as the successful bidder, we will have no choice but to seek to protect Lendlease's interests given our very significant investment over the last two and a half years". Lendlease propose that the Cabinet "considers all relevant factors, objectively and rationally", or else, "assumes the Council will have no option but to defer any Cabinet decision." The Council Chief Executive has replied to the letters from Lendlease, to acknowledge receipt and to confirm that their contents will be made available to Cabinet Members ahead of the decision recommended in this report.
- 4.10 The HDV represents a unique programme, the nature and potential scale of which makes the consequences of any risks being realised especially serious. Since coming into office in May 2018, the current administration has considered the options available to the Council, including the recommended option and alternative options as referred to in section 5. On balance, and building on the view set out in its manifesto at the May 2018 elections, the Council's new administration does not believe that proceeding with the HDV, or alternative option(s) as described in section 5, is in the Council's interests. It is not a judgement that is specific to the

bid from Lendlease or the arrangements discussed and agreed between the Council and Lendlease during the Competitive Dialogue process, but rather one which relates to the fundamental structure of the proposed deal as defined by the Council from the start of that process. It is a judgement which also takes into account, and accepts, that the Council has already expended a considerable sum of money on setting-up of the HDV.

- 4.11 This report therefore seeks authority to withdraw from the Competitive Dialogue Procedure and therefore not proceed with the setting up of the HDV. It also recommends delegations to officers to resolve the outstanding issues that directly arise from a decision not to proceed.
- 4.12 As with all decisions the recommendations in this report carry a number of risks and implications. Section 6 of this report highlights these risks and implications. These include (a) legal risks, **(this information is partly included in the exempt report)**; (b) financial risks and implications, **(this information is partly included in the exempt report)**, costs for due diligence work done to date (known as 'Agreed Costs') and costs which would be written off for work undertaken to date; (c) strategic risks, covering the capacity of the Council to meet its objectives and statutory requirements, including additional costs and loss of potential future investment; and (d) reputational and political risks.

5. Alternative options considered

- 5.1 The option of establishing the HDV is described by the decision made by Cabinet in July 2017. If progressed, this would commit the Council to pursuing the transfer of the Commercial Portfolio to the HDV, and the Wood Green sites subject to certain conditions being met. Further, it would mean that the Cabinet had the option, at its complete discretion, following section 105 consultation and the satisfaction of further necessary conditions, to transfer the Cranwood and the Northumberland Park sites to the HDV for redevelopment.
- 5.2 Alongside the option of establishing the HDV as currently configured, Cabinet has also considered reconfiguring the HDV, for example by investing the Commercial Portfolio but with a reduced scope of delivering only the Category 1A Properties (ie the Wood Green sites). However this option, as with other variations which exclude significant parts of the offer originally envisaged, would require a modification to the project agreements and could be regarded as a substantial modification to the procurement contemplated by the Procurement Documents. This option would therefore lead to a risk of the Council breaching the PCR 2015 with a real risk of challenge from any of the bidders. This is a risk the Council does not consider it would be prudent to take.
- 5.3 Even in the absence of the real risk of challenge for breach of the PCR 2015, none of these alternative options – in any of their respective variants – would address the concerns of the political leadership about the fundamental approach underpinning the HDV, as set out in section 4

above. These alternatives have therefore been rejected, in favour of the recommendations set out in section 3.

- 5.4 Lendlease contacted the Council on 4 July 2018 as referred to above in paragraph 4.8. The potential approach described in the Lendlease letter does not differ in its key characteristics from the range of reconfiguration options described in paragraph 5.2. Rather, like those options, it remains based on the fundamental deal structure as defined by the Council from the start of procurement (and could be subject to the same risk of challenge for breach of the PCR 2015, depending on the nature and scale of departure from the original procurement proposition). The approach proposed by Lendlease is therefore rejected for the same reasons as all other possible variants of the deal.

6. Background information

PROCESS TO DATE

- 6.1 The selection of Lendlease as a preferred bidder on 14 February 2017 followed a decision by Cabinet in November 2015, which recommended the joint venture (“Overarching Vehicle”) option as the best option for Haringey to deliver regeneration and achieve new housing, jobs and social and economic benefits.
- 6.2 The selection of Lendlease as preferred bidder was undertaken in accordance with the PCR 2015 using the Competitive Dialogue procedure to procure an investment partner.
- 6.3 Cabinet agreed at its meeting on 3 July 2017 to the selection of Lendlease as the successful bidder to be the Council’s HDV partner and to the subsequent establishment of the HDV with Lendlease or a subsidiary vehicle of Lendlease. This decision was subsequently reconfirmed at Cabinet on 20 July 2017 following a call-in of the original decision. This decision of Cabinet delegated authority to the Council’s section 151 officer to approve the final terms of the legal documentation before the documents were executed. It was later agreed that approval of the final legal documentation would in fact be referred back to the Leader of the Council by the section 151 officer, though this formal referral (and the consequent approval of the documentation) never took place, as set out in paragraph 6.5 below.
- 6.4 On 7 August 2017, an application was made in the High Court by Gordon Peters, for a judicial review, challenging the Cabinet decision(s) of 3 July and 20 July 2017 to confirm Lendlease as the successful bidder to become the Council’s partner in the HDV and to establish the HDV. The grounds of challenge were that the Council (1) could not use a Limited Liability Partnership (“LLP”) for these purposes since the Council was acting for a commercial purpose under s4(2) Localism Act 2011, and so had to use a limited company; (2) had failed in its statutory duty of consultation under s3 Local Government Act 1999; (3) had failed in its public sector equality duty under s149 Equality Act 2010; and (4) could

only take this decision in full Council and not by Cabinet alone by virtue of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. The application was heard in a rolled-up hearing on 26 and 27 October 2017, and on 8 February 2018 the court found in the Council's favour on all grounds. However, the claimant has made an application for permission to appeal which has still not been determined. Therefore the court proceedings have not yet ended.

- 6.5 The project agreements for the setting up of the HDV were not entered into pending the High Court decision in the judicial review proceedings. On 30 January 2018, with that decision still outstanding, and in anticipation of a possible change in the Council's political leadership following the May 2018 local elections, the Leader of the Council (at the time) announced that *"she does not intend to take the final decisions required for the setup of the HDV prior to the start of the pre-election period which begins on 26 March and considers it appropriate that any such final decisions are taken post the local government elections in May"*.

THE DECISION ON WHETHER TO PROCEED WITH THE HDV

- 6.6 The previous decisions to proceed with the HDV acknowledged that such a project came with a degree of risk to the Council, in its exposure to financial and development risks and the dilution of its control over assets currently owned by the Council. The assessment of risk in a complex, long-term arrangement of this nature depends by definition on a degree of judgement rather than on any simple, objectively measurable calculation. The previous administration considered that these risks were acceptable when weighed against the potential benefits of proceeding with the HDV.
- 6.7 The new administration does not object to outcomes anticipated by the HDV programme, nor does it object to the principle of partnerships with the private sector. But it takes a different view on the acceptability of the risks inherent in the HDV approach. The new administration also object to the means of achieving the outcomes, with transfer of the public assets out of public ownership at the scale proposed being a notable issue. The HDV represents a unique project, the scale and type of which makes the consequences of any risks being realised especially serious. Since coming into office in May 2018, the current administration have considered the options available to the Council, including the recommended option and alternative options as referred to in section 5. On balance, and building on the view set out in its manifesto at the May 2018 elections, the Council's new administration does not believe that proceeding with the HDV or alternative option(s) as described in section 5, is in the Council's interests. It is not a judgement that is specific to the bid from Lendlease or the arrangements discussed and agreed between the Council and Lendlease during the Competitive Dialogue process but rather one which relates to the fundamental structure of the proposed deal as defined by the Council from the start of that process. It is a judgement which takes into account the costs the Council has already incurred.

6.8 The Competitive Dialogue Procedure adopted was compliant with the PCR 2015. During the course of the procurement, the Council issued a “Pre-Qualification Questionnaire” (“PQQ”), an “Invitation to Participate in Dialogue” (“ITPD”), an “Invitation to Submit Detailed Solutions” (“ISDS”) and “Invitation to Submit Final Tenders” (“ISFT”) (“Procurement Documents”), which contained certain conditions of procurement (“Conditions of Procurement”). Provisions contained in these documents, as listed below in relation to stages of the procurement process:

6.8.1 The PQQ makes clear that:

- (a) the Council reserves the right not to make any appointment following the procurement process; and
- (b) that all Bidders are responsible for their own costs and the council will not fund the costs of any Bidder in applying for this opportunity;

6.8.2 In the ITPD and ISDS the Council reserves the right:-

- (a) not to award a contract
- (b) to cancel or withdraw from the Competitive Dialogue Procedure at any stage

6.8.3 In the ISFT

the Council reserves the right:-

- (a) not to make any appointment following the procurement process
- (b) all bidders are responsible for their own costs and the Council will not fund the costs of any bidder in applying for this opportunity not to award a contract
- (c) to cancel or withdraw from the Competitive Dialogue Procedure at any stage

6.9 The Conditions of Procurement in the ITPD, ISDS and ISFT also state that with regards to acceptance of bids:-

- (a) No offer or Final Tender is deemed accepted until all relevant contract documents have been duly executed on behalf of the Council and all other relevant parties and declared unconditional; and
- (b) No dialogue or communication with the Council whether prior to, during or subsequent to the ISFT stage (including any notification of Preferred Bidder status) implies acceptance of any offer or Final Tender or shall constitute any indication that the Bidder will be awarded the contract; and
- (c) Only the express terms of any written contract which is finally signed for and on behalf of the relevant parties and which is duly declared unconditional shall have any contractual effect.

6.10 At the ISFT stage of the procurement process Lendlease signed a declaration. The declaration included an acknowledgement and agreement by Lendlease that they:-

- (a) would continue to comply with the terms and conditions of this procurement as set out within the ISFT and all procurement documents issued by the Council; and
- (b) shall bear all costs incurred in connection with the preparation and submission of any response in connection with the procurement and to bear any further costs incurred by them prior to contract award.

6.11 The Council is therefore able to discontinue the process and determine not to award the contract to the preferred bidder. In such circumstances, the PCR 2015 provide that a contracting authority shall as soon as possible inform each candidate and tenderer of decisions reached concerning the award of a contract, including the grounds for any decision not to award a contract, for which there has been a call for competition.

6.12 Section 4 of this report sets out the independent and disjunctive reasons for the recommended decision, focusing on two principal areas of concern with the HDV proposals: the transfer of assets out of public ownership at the scale proposed, and risk.

6.13 It has always been a key, structural element of the HDV proposals that the Council would commit its assets – that is, the Commercial Portfolio and potential development sites – to the HDV, and that this transfer of property would constitute the Council’s equity stake in the HDV. Aside from the risk to those assets arising from their status as equity (as set out below), it is an unalterable part of the HDV structure, even in the scenario where the HDV successfully achieves or even exceeds its development and asset management goals, that assets would transfer out of sole public ownership (and therefore sole public control) into an arrangement whereby the Council only has 50% ownership. Even accepting that the initial project agreements envisage transfer of the Commercial Portfolio and Wood Green developments sites and no more, this already is a large-scale, multi-site transfer which the Council’s new administration does not find acceptable, particularly in relation to the Commercial Portfolio. There is no way that the fundamental concern of the new Council administration about this arrangement could be allayed within the terms defined by the Council on which the HDV proposals have been based.

6.14 The risk position is more complex. The November 2015 Cabinet report highlighted certain risks. In particular it noted in paragraph 4.6:-

“The Council accepts a degree of risk in that it will commit its commercial portfolio to the vehicle, and will, subject to the satisfaction of relevant pre-existing conditions, also commit land. It has also to bear the costs of the procurement and establishment of the vehicle, and some limited development risk.”

It goes on to qualify this risk:-

“However, in return, the contribution to its Corporate Plan objectives, including high quality new jobs, new homes including affordable homes

and economic and social benefits, will be at a scale and pace that would otherwise be unachievable...

- 6.15 In the Cabinet Member Introduction for the July 2017 Cabinet report, risks were further highlighted, noting (paragraph 2.11):-

“Working in partnership is always challenging and no-one is pretending that this approach is without risk. But it is far easier to manage risk when you’re sitting at the board room table and exercising significant control over what is happening.”

- 6.16 The Council’s acknowledgement of risks associated with the proposed HDV, and its plans for mitigating those risks, are further illustrated by several other published documents.

- 6.17 First, the Cabinet noted and approved a full set of Business Plans at its meeting in July 2017. Each of the Commercial Portfolio, Wood Green, Northumberland Park and Cranwood Business Plans included – in their published versions – high level descriptions of key risks for those proposed projects. This is particularly important in respect of the Commercial Portfolio and Wood Green Business Plans, given the commitment to those projects that would have been created for the Council immediately upon the signing of the HDV agreements.

- 6.18 Second, the Cabinet responses to scrutiny reviews of the HDV proposals as they were emerging during 2017 addressed risk in a number of different ways. The Overview & Scrutiny Committee presented two separate reports on the HDV to Cabinet, in February and July 2017, and in each case the (then) Cabinet accepted a number of recommendations related to the management of risk. For example:

- Cabinet accepted the recommendations (from February 2017) that, to support the management of risk in the HDV, the Council should: obtain independent expert advice to ensure that the HDV operates in the interest of the Council, residents and service users; give the Council’s Audit & Risk function unfettered access to information on the operation of the HDV; and ensure that the Audit & Risk function is adequately resourced to fulfil its role.
- Cabinet accepted the recommendation (from July 2017) to publish information about the Council’s approach to risk for the HDV, including its risk register.
- Cabinet agreed, in response to a recommendation from July 2017, that ‘The HDV represents one of the risk areas for the Council that internal audit would be concerned with on an on-going basis using their risk-based approach for the allocation of internal audit resources.’
- Cabinet accepted the recommendation (from July 2017) that proposed a number of measures to ensure ‘ongoing democratic control of major decisions’ relating to the HDV, including that ‘an assessment of key risks’ should be part of every HDV site business plan presented to Cabinet for approval.

- 6.19 Finally, in acknowledgement of the significance of the HDV proposals, the risks associated with them, and the public interest in those risks, the Council published on the dedicated HDV pages of its website its HDV risk register, which it regularly updated, alongside a document describing the Council's overall approach to risk in respect of the HDV.
- 6.20 In addition to the risk to the Council (both directly, and through its exposure to the HDV), the Council has also been mindful of the positive and negative impacts of the HDV for residents, businesses and other groups affected, which it has taken active measures to map and address including through equalities impact assessments.
- 6.21 The November 2015 Cabinet report included an equalities impact assessment, which was developed further in July 2017, with individual equalities impact assessments for each of the Business Plans as described in paragraphs 8.20 – 8.27 and Appendix 3a-e of this report. The equalities impact assessments highlighted measures that would need to be taken to mitigate against any potentially negative impacts, such as the impact on community facilities, such as schools and health centres or impact on homes, particularly for those within the criteria of 'protected characteristics'.
- 6.22 As set out in section 4 of this report, notwithstanding the work done to identify and mitigate a number of risks to the Council associated with the HDV proposals, the Council's new administration does not on balance consider the risks to be acceptable.

RISKS AND IMPLICATIONS OF WITHDRAWING FROM THE PROCUREMENT EXERCISE AND NOT PROCEEDING WITH THE HDV

- 6.23 The recommendations set out in this report carry certain risks and implications, which have been assessed in following categories:-
- (i) Legal
 - (ii) Financial
 - (iii) Strategic
 - (iv) Public Relations, Reputational and Political

LEGAL RISKS AND IMPLICATIONS

- 6.24 As set out elsewhere in this report the Council has undertaken a Competitive Dialogue Procedure in accordance with the PCR 2015. The Council has formally selected a successful preferred bidder, Lendlease, but has not reached the point of financial close and awarding the contract. Under the PCR 2015 procedure, the tender is not concluded until financial close and the contract is awarded to the preferred bidder. As set out in paragraphs 6.9-6.11 of this report, the Council has made it clear in the Procurement Conditions that it reserves the right (a) not to award a contract; and/or (b) to cancel or withdraw from the Competitive Dialogue Procedure at any stage. The Council is therefore able to discontinue the Competitive Dialogue procedure but must do so in

accordance with the PCR 2015. **(this information is included in the exempt report).**

- 6.25 Lendlease has committed a significant level of resource and expenditure to the Project including:-
- (a) Procurement Costs – the costs of consultants, advisors and carrying out bid-related design and other work during the procurement process; and
 - (b) 'Agreed Costs' – these costs relate to a number of heads of genuine business expenditure of the HDV which have been incurred by Lendlease prior to entry into the Project Agreements. The Cabinet Report of 14th February 2017 noted (at paragraphs 6.47-6.49) the need for completion of preferred bidder due diligence activities, particularly in respect of the commercial portfolio and Category 1A sites. These expenditures involved due diligence work on the commercial portfolio, tax and other financial advice, branding, staff costs and assessment work related to the socio-economic programmes and development activities.
- 6.26 The Council and Lendlease agreed that Lendlease should initially meet the Agreed Costs, with a view to them being 'rolled' into the HDV on completion (and thereby shared 50:50). In the event that the HDV did not proceed, it was further agreed that the costs would be split 50:50 – i.e. that the Council would repay 50% of the Agreed Costs to Lendlease. The Total Agreed Costs amount to £1,040,550, making the Council's 50% share £520,275. This amount will now need to be repaid to Lendlease under the terms of this agreement.
- 6.27 **(This information is included in the exempt report).**
- 6.28 **(This information is included in the exempt report).**
- 6.29 **(This information is included in the exempt report).**
- 6.30 **(This information is included in the exempt report).**
- 6.31 **(This information is included in the exempt report).**

FINANCIAL RISKS AND IMPLICATIONS

- 6.32 The Council has incurred certain costs so far in carrying out the procurement process. This section sets out those costs, and describes other financial implications of the proposed decision.
- 6.33 As indicated above (paras 6.25- 6.26), during the preferred bidder stage, it was agreed that certain work needed to be undertaken in advance of the project agreements being entered into, referred to as "Agreed Costs" and that these Agreed Costs would be met by Lendlease prior to establishment of the HDV and then be rolled into the HDV once established.

- 6.34 If Cabinet agrees the recommendations, the Council's share of the Agreed Costs will therefore need to be reimbursed to Lendlease. The details of these agreed costs are set out in Appendix 2 with the total sum of these being £1,040,550; the Council's share is therefore £520,275. Cabinet are asked to approve the payment of the Council's share to Lendlease and to give delegated authority to the Director of Housing, Regeneration and Planning to approve the payment of these costs.
- 6.35 As set out in paragraph 6.4 – 6.5 of this report, the decision taken by Cabinet on 3 and 20 July 2017 is the subject of ongoing Judicial Review proceedings. The Council has so far incurred £250,874 in legal costs and further costs will be incurred as the High Court decision is the subject of an appeal to the Court of Appeal. Further funding would be required to defend this appeal, the extent of which can only be broadly estimated at this point but could amount to a sum equivalent to costs incurred in the High Court (of approximately £250,000). Should the appellant withdraw the appeal then that sum will be greatly reduced.
- 6.36 Council budgeted spend since the commencement of work on the HDV in 2014 to date is around £2.5m, excluding the Council's share of the 'agreed costs' as referred to above, and excluding staff costs. This comprises:-

• Commercial advice	£0.432m
• External legal support	£1.069m
• External legal support (judicial review)	£0.259m
• Project management	£0.308m
• Internal recharges (legal advice)	£0.252m
• External finance support	£0.037m
• Securing energy performance certificates	£0.049m
• Other costs	£0.042m
TOTAL	£2.448m

- 6.37 Depending on the future direction of the Council in relation to delivery of its objectives, some of this spend will have resulted in useful outputs for the future, notably in promoting greater efficiencies, debt recoveries and safety and other compliance of its commercial property portfolio as described in more detail in paras 6.45.1 – 6.45.2.

STRATEGIC RISKS AND IMPLICATIONS

- 6.38 The HDV programme as set out in the July 2017 report and supporting documents proposed far-reaching social and economic outcomes, both in terms of direct delivery (provision of works and services) and indirect improvements (and corresponding savings) due to improved service delivery and an enhanced environment for growth and quality of life improvements. In the longer term, the HDV would have provided financial income to the Council to fund a broad range of services, both directly and indirectly.

- 6.39 The July Cabinet report provided some forecasted financial benefits of the HDV. These suggested development returns of £275m, £18m Land Value transfer and a long term income from the Commercial Portfolio. Other financial benefits forecast as a result of the HDV included income in Council Tax and Business Rates as well as an uplift in Community Infrastructure Levy and S106 during the life of the HDV.
- 6.40 The HDV was also expected to provide 6,400 new homes across Wood Green, North Tottenham and Muswell Hill, at least 40% of those being affordable, with estate renewal undertaken in full accordance with the Council's Housing Strategy and Estate Renewal Rehousing and Payments Policy. A total of £8m would have been invested by the HDV in schemes such as skills and training for local residents and community programmes which included mental health support, with a further £20m invested by Lendlease in a social investment programme, as well as a new school at Northumberland Park, open spaces and new shops and commercial space.
- 6.41 Discontinuing the HDV will naturally mean that these outcomes will not be achieved in the ways specifically envisaged by the HDV programme as it was proposed. The impact of this decision on outcomes should also be considered in a wider context of the Council's strategic objectives and obligations.
- 6.42 Discontinuing the HDV may have a particular impact on the Council's ability to meet its housing delivery targets. The Council has a target, set in the Mayor's London Plan, for 1,502 new homes to be completed per year (due to rise to 1,958 with the adoption of the new London Plan). The Council is required to demonstrate that it has a five year housing land supply. Current delivery indicates a shortfall on that target, but with the opportunity over the remainder of the plan period to make up this shortfall. . A reduction in the number of new homes or a delay in the delivery of new homes, which might be caused by the discontinuation of the HDV, combined with the increase in the housing delivery target could compromise the Council's ability to meet its housing target towards the end of the plan period and demonstrate the Government's new housing delivery test. The Government has the power to intervene and take over Haringey's planning powers if there is persistent under-delivery. In addition, if we get to a position where a five year housing land supply cannot be demonstrated the default position would be for housing schemes to be consented in all circumstances and all schemes would be granted on appeal.
- 6.43 The Council is developing its plans to deliver housing in accordance with its statutory obligations and its own aspirations and objectives, including as outlined in other reports being considered alongside this one. This is briefly referred to in paragraph 6.45.10 and section 7. In particular, the Council is intending to establish a wholly owned company' for the purpose of delivering new Council-owned homes.
- 6.44 In addition, the decision proposed in this report may have an impact on the Council's ability to attract investment and/or delivery support from

external partners in the future. Tenderers may be deterred from bidding for partnerships with the Council, reducing the competitiveness of the price and quality of bids, or return bids with higher risk contingencies and overall prices. Investors may be deterred from considering Haringey as an investment option even where a direct relationship with the Council isn't envisaged. These risks can be managed to some extent by maintaining a strong public commitment to the value and importance of investment, but cannot likely be managed away entirely.

- 6.45 The proposals and conditions of transfer of Council-owned properties to the HDV were set out in the July Cabinet report and in the legal documentation and business plans that accompanied it. The following provides a brief description of future plans for the Commercial Portfolio and individual sites which were (actually or potentially) to be included in the HDV in one form or another.

Commercial Portfolio

6.45.1 The due diligence work undertaken on preparing the Council's Commercial Portfolio for transfer into the HDV, has made considerable steps in addressing some of the long-term legal, financial and health and safety issues that have been affecting the portfolio. The first batch that was due to be transferred have either met, or are close to meeting, the necessary standard for Health and Safety compliance. A backlog of asset management work, including formalisation of lease arrangements, rent reviews and illegal use of properties, has been greatly reduced and work on addressing debt in the portfolio has progressed well, with early phases having a substantial reduction in long term debt, and later phases also having this issue addressed.

6.45.2 Due to the uncertainty over the implementation of the HDV proposals, it has not previously been possible to develop a long term plan for alternative resourcing of the management of the Commercial Portfolio. A long term plan is now in the process of being developed and can be implemented, subject to the decision of this report.

Northumberland Park

6.45.3 The potential to improve the quality of housing in Northumberland Park, build more homes and create more jobs is recognised by the Council in both the Tottenham Strategic Regeneration Framework and the Tottenham Area Action Plan. The estate provides an extensive range of facilities and services. Whilst the majority of the estate area is housing there is also a 3.2 hectare secondary school site, two children's centres, two primary schools, an adventure playground, a neighbourhood resource centre and a small local centre with shops, GP surgery and other related businesses. In addition to this, its proximity to the Lee Valley, including its green spaces

and its industrial resources, access to major transport infrastructure and proximity to the High Road West development and Spurs stadium development provides it with a great deal of opportunity for enhancement.

6.45.4 The Council's vision for Northumberland Park also seeks to deliver on the Tottenham Strategic Regeneration Framework (SRF) People Priority for world class training and education, improved access to jobs and business opportunities and a strong and healthy community.

6.45.1 Over several years, the Council has undertaken extensive community engagement on Northumberland Park in order to work closely with residents to deliver positive change. The estate has the benefit of two dedicated Engagement Officers, who have built lasting relationships with the community. These Officers have organised numerous consultation and engagement events, supported the community to organise festivals and fun days and have supported the development of the Residents' Associations. They have also worked with the community to deliver positive community projects and outcomes, such as the delivery of training initiatives, an outdoor gym, the refurbishment of the Eric Allin Centre and the devolution of community funding through a 'Participatory Budgeting' process.

6.45.2 The Council is delivering against a long-term engagement plan, with the support of an Independent Tenant and Leaseholder Advisor (ITLA) who has been supporting the residents in relation to enhancements to the estate. Most recently, the ITLA has worked with residents to develop a Resident Charter, which sets out Northumberland Park Estate residents' priorities for regeneration and aspirations for improvements in the area.

6.45.3 As part of the long-term engagement process, the Council will continue to build capacity and work with the Northumberland Park community to develop proposals to meet their aspirations for positive change and improvements in the area.

6.45.4 This will include prioritising socio- economic initiatives and programmes to improve outcomes and the quality of life of those living within Northumberland Park Estate. As set out in the SRF, the People Priority outcomes of improved world class training and education, improved access to jobs and training and a strong and healthy community will be embedded into all of our activities, projects and physical infrastructure plans for the area. We will work closely with the local community to identify priority issues and develop projects and initiatives that tackle the issues that matter most to them.

6.45.5 It will also include working with the community to look at housing improvements and estate renewal to ensure that we meet resident aspirations for high quality housing and safe and welcoming neighbourhoods.

Cranwood

6.45.6 It is proposed that redevelopment of the Cranwood site will be taken forward by the Council alone, acting through a new wholly-owned housing company, with a focus on delivering new Council homes. Any proposals for the site will be subject to a Section 105 Housing Act 1985 consultation process with existing residents, and securing vacant possession of the site.

Wood Green

6.45.7 Three sites in Wood Green were planned to be included in the HDV: the Civic Centre, "Station Road Offices Sites", including River Park House, and the Wood Green Library site. The Library Site included 6-10 Caxton Road which is a community building (including a mosque) leased to the Turkish Islam Community Centre, the Community Hub and the Efdal Community Centre as well as some retail units and the library itself.

6.45.8 Wood Green is planned to be enhanced in accordance with the emerging Wood Green Area Action Plan. Proposals for Council owned sites will be the subject of future options and decisions by the Council.

'Category 2' Sites

6.45.9 The proposals for the HDV identified a number of Council-owned sites – including some housing estates – which may have been brought forward in future phases of the HDV's work. These were known as the 'Category 2' sites.

6.45.10 Plans for the Category 2 sites will be decided in relation to the specific requirements of each site. This includes the Broadwater Farm estate, where residents are currently being consulted on the long-term future for two blocks with structural deficiencies.

REPUTATIONAL AND POLITICAL RISKS AND IMPLICATIONS

6.46 Delivery of a progressive programme of enhancements for the borough requires a clear message regarding the direction of that programme, combined with strong leadership and trust between the Council and its residents and businesses. Views on the HDV will vary and while many people will be happy that work on the project has been discontinued,

there will be some who will either be disappointed with the decision to stop the HDV, confused about the direction of the Council or sceptical about the Council's commitment to delivery.

- 6.47 Most importantly, this applies to the residents and businesses who are affected but might also apply to potential investors, government agencies or the media.
- 6.48 This issue will have to be managed through a communications plan which has a clear message and recognises the importance of effective engagement. Achieving this will require an appropriate level of resourcing for the Council to deliver on the communications and engagement requirements.

7. Contribution to strategic outcomes

- 7.1 The current Haringey Corporate Plan for Haringey (2015 – 2018), has the following five key targets for the three year life of the Plan and beyond:-
- Every child and young person is able to attend a good or outstanding school or early years setting
 - To deliver £1 billion of inward investment into the borough
 - Increase average household earnings in Haringey to align with the London average by 2030 and to have made clear progress towards that goal by 2018
 - Ensure that people are able to have as much social contact as they like, reducing the number of people who feel isolated to less than 12% which is the current national average
 - Increase the number of people satisfied with the area as a place to live to more than 80% compared with the current national average of 75%
- 7.2 The Plan set objectives related to five priorities:-
- Priority 1: Enable every child and young person to have the best start in life, with high quality education
 - Priority 2: Enable all adults to live healthy, long and fulfilling lives
 - Priority 3: A clean, well maintained and safe borough where people are proud to live and work
 - Priority 4: Drive growth and employment from which everyone can benefit
 - Priority 5: Create homes and communities where people choose to live and are able to thrive
- 7.3 The July 2017 Cabinet report “Haringey Development Vehicle – Financial Close and Establishment” described the strategic implications of the HDV in relation to the Corporate Plan, and other relevant strategies including the Council's Housing Strategy and Economic Development and Growth Strategy. Officers will continue to review the impact on the Council's strategic outcomes of the decision to discontinue the HDV, and

to identify alternative opportunities to achieve its stated aims through its new programmes and through the emerging successor to the Corporate Plan.

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

FINANCE COMMENTS

- 8.1 This report recommends that the Council does not award a contract in relation to the Haringey Development Vehicle.
- 8.2 The Council's expenditure on this initiative to date of £2.5m, excluding staff costs and outside any spend related to Lendlease (see para 6.32 above), has been met from existing budgets and does not result in any unbudgeted financial implication for 2018/19.
- 8.3 There was also a planned HDV-related Council saving in 2017/18 and onwards of £250k relating to the management of its commercial properties. In 2017/18 this saving was replaced by other underspends within the Regeneration, Planning and Development directorate. For 2018/19 and onwards, work is underway to find permanent replacement savings from within that directorate's budget. There are also other lessor implications to corporate support services, such as Legal Services.
- 8.4 The Draft Statement of Accounts 2017/18 includes recognition of a contingent liability with regard to the HDV, namely: "In the event that, for whatever, reason, the HDV did not proceed, there would be a risk that the Council would have to contribute to the initial project set up costs". The establishment of a contingent liability did not necessitate the creation of a provision. The costs to the Council of meeting its £0.520m share of the Agreed Costs would be met from the increased income to the General Fund arising from the actioned transfer of commercial properties from the HRA, which was not incorporated in to the 2018/19 Budget.
- 8.5 It should be noted that to the extent that there are any further costs in defending the Judicial Review Appeal (para 6.31), these will also need to be funded and are not part of the 2018/19 budget. The budgetary implications of this would be addressed as necessary in future reports.
- 8.6 Paragraph 6.39 – 6.40 refers to potential financial benefits of the HDV. These financial benefits were not incorporated into the Council's MTFs and hence it will not need to be revised for these if the HDV contract is not awarded.
- 8.7 Within the agreed capital programme, there are a number of Council schemes which relate to what would have been the Council's role in the HDV. The capital programme is subject to review in any extent and this will need to take account of the implications of the HDV not being progressed.

LEGAL COMMENTS

8.8 The Council carried out a Competitive Dialogue Procedure in accordance with the Public Contracts Regulations 2015 (PCR 2015). The procurement has not yet concluded as the Project Agreements have not yet been entered into.

PCR 2015

8.9 The Procurement documents issued by the Council stated that:

(a) the Council reserves the right not to make any appointment following the procurement process; and

(b) that all Bidders are responsible for their own costs and the council will not fund the costs of any Bidder in applying for this opportunity.

8.10 Lendlease has, however, committed a significant level of resource and expenditure to the Project including:-

- Procurement Costs – the costs of consultants, advisors and carrying out bid-related design and other work during the procurement process expected to amount to £3.5m (as quoted in the judicial review by Lendlease); and
- Agreed Costs – as noted previously, these are set out in the agreed draft of the Members' Agreement, these being costs related to a number of heads of genuine business expenditure of the HDV that have been incurred by Lendlease prior to entry into the Project Agreements. The Council and Lendlease had agreed that these costs would be carried into the HDV.

8.11 **(This information is included in the exempt report).**

8.12 **(This information is included in the exempt report).**

8.13 **(This information is included in the exempt report).**

8.14 **(This information is included in the exempt report).**

Agreed Costs

8.15 On the Agreed Costs, as noted previously, the Council had agreed that Lendlease would initially meet these costs, with a view to them being 'rolled' into the HDV on completion (and thereby shared 50:50). Lendlease will be entitled to have the Council's share of these costs repaid. This is further addressed in the 'Financial Implications' section above.

Alternative Option

8.16 Legal advice has been sought on whether there is a feasible alternative option for the Council to proceed with the HDV, but with only the Wood

Green sites and the Commercial Portfolio transferring. There is a real risk that proceeding with the HDV but limited only to the Wood Green sites and the Commercial Portfolio would run the risk of constituting a substantial change within the meaning of the PCR 2015 regulations and therefore not be permitted without a new procurement procedure. This is a risk the Council does not consider it would be prudent to take.

8.17 In addition the Council is still engaged in court proceedings following its success in the High Court in the judicial review proceedings brought by Mr Peters. The application for permission to appeal made by Mr Peters is still to be determined. The Cabinet decision set out in this report will have no effect on these proceedings unless Mr Peters decides not to proceed any further.

8.18 **(This information is included in the exempt report).**

8.19 **(This information is included in the exempt report).**

EQUALITY COMMENTS

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

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

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

8.22 The duty is owed by the decision-maker, i.e. the Council acting through the Cabinet. Cabinet members will therefore need to consider carefully and evaluate the points made in this section when considering this report and the recommendations made.

8.23 The decision recommended (i.e. to no longer proceed with the HDV) will not have a direct positive or negative impact on individuals or groups with protected characteristics relative to current circumstances. This is because the July 2017 decision has not yet been implemented and any decision to discontinue will not change the status quo for individuals or groups with protected characteristics. However, it should be noted that the decision not to proceed with the HDV represents the removal of an option for achieving certain objectives, and to that extent, it is necessary to consider the equalities impact of such a decision.

8.24 The Cabinet report of 3 July 2017 states that the decision to proceed with the HDV would have delivered 6,400 new homes; £8m investment in schemes such as skills and training for local residents and community programmes; a £20m social investment programme, a new school at Northumberland Park, open spaces, and new shops and commercial space. These would have had certain benefits for individuals and groups with protected characteristics. These benefits are outlined in the Equality Impact Assessments (EqIAs) that accompanied the report to Cabinet in July 2017:

- a. The EqIA for the Northumberland Park Business Plan (NPBP) states that the benefits of the regeneration of Northumberland Park through the HDV would have included additional pathways into employment and education for adults; a new educational facility for children; a new health facility; additional measures to reduce crime, provision of open spaces, and additional housing. The EqIA states that these benefits would have accrued to individuals and groups with protected characteristics who currently experience inequalities in relation to education, employment, health, crime and safety, access to open space, and housing. The EqIA outlines the nature and extent of these inequalities and the ways in which the redevelopment would have reduced them.
- b. The EqIA for the Wood Green Business Plan states that the benefits of the redevelopment of the three identified sites in Wood Green would have included provision of additional housing, additional pathways into education, additional pathways into training and employment, and public realm improvements to create a safer and more accessible built environment. The EqIA states that these benefits would have accrued to individuals and groups with protected characteristics who currently experience inequalities in relation to education, employment, crime and safety, and housing. The EqIA outlines the nature and extent of these inequalities and the ways in which the redevelopment would have reduced them.
- c. The EqIA for the Cranwood Business Plan states that benefits of development on the Cranwood site would have included provision of additional housing and creation of a safer built environment. The EqIA states that these benefits would have accrued to individuals and groups with protected characteristics who currently experience inequalities relating to housing and crime and safety. The EqIA outlines the nature and extent of these inequalities and the ways in which the development would have reduced them.
- d. The EqIA for the Commercial Portfolio Business Plan states that the transfer of Council-owned non-housing properties to the HDV would not have had benefits for any individuals or groups

with protected characteristics beyond a potential initial positive impact achieved through improvements in management functions and lease services.

- e. The EqIA for the Social and Economic Business Plan outlines the benefits of establishing a Skills and Employment Hub in Northumberland Park and programmes to improve young people's engagement and attainment in STEM and improve and support positive mental health and wellbeing. These would have included additional pathways into education, training, and employment; reduced workplace and educational discrimination, improved mental health, improved physical health, and improved access to public services. The EqIA states that these benefits would have accrued to individuals and groups with protected characteristics who currently experience inequalities in relation to education, employment, and health. The EqIA outlines the nature and extent of these inequalities and the ways in which the redevelopment would have reduced them.

8.25 The decision not to proceed with the HDV rules out the HDV as the means of realising these benefits. The extent to which these benefits may be realised by alternative means will be considered in future reports to Cabinet.

8.26 It is important to note that the decision to proceed with the HDV would have had certain negative impacts on individuals with protected characteristics. The EqIAs that accompanied the report to Cabinet in July 2017 outline these as well as proposed mitigating actions:

- a. The EqIA for the NPBP states that the negative impacts of the regeneration of Northumberland Park through the HDV would have included disruption caused to Northumberland Park residents by the rehousing process; potential disruption to established communities in the area; and reduced ability to undertake sports activities if the NPCCS playing fields were allocated as a new homes site. These negative impacts would be experienced by individuals and groups including women, children, older people, people with disabilities, BAME communities, and religious minorities. Actions to mitigate the extent of the negative impacts would have included further EqIAs, housing needs assessment, and community engagement.

- b. The EqIA for the Wood Green Business Plan states that the negative impacts of the redevelopment of the three identified sites in Wood Green would have included disruption to access to services delivered at the Efdal Community Centre and the Community Hub, and disruption to access to Council library and customer services. These negative impacts would have been

likely to be experienced by individuals and groups with protected characteristics including children and young people, older people, women, people with disabilities, BAME communities, religious minorities, pregnant women, and mothers of young children. Mitigating actions would have included further EqlAs, identification of new sites for the Community Hub and the Efdal Community Centre.

- c. The EqlA for the Cranwood Business Plan states that the negative impacts of development on the Cranwood site would have included disruption to households who would have been required to have been rehoused. Although the EqlA does not contain specific equality data on these households for data protection reasons, these negative impacts would have been likely to be experienced by individuals and groups with protected characteristics including women, older people, people with disabilities, and BAME communities. Mitigating actions would have included housing needs assessments, further consultation, and further EqlAs.
- d. The EqlA for the Commercial Portfolio Business Plan states that the transfer of Council-owned non-housing properties to the HDV would have had a negative impact on individuals or groups with protected characteristics in terms of the introduction of VAT for commercial properties, which would have impacted on public services disproportionately used by BAME communities, women, and children; and small businesses run by members of BAME communities. Mitigating actions would have included a phased approach to the introduction of VAT and further EqlAs.
- e. The EqlA for the Social and Economic Business Plan does not identify any negative impacts on individuals or groups with protected characteristics caused by the establishment of a Skills and Employment Hub in Northumberland Park and programmes to improve young people's engagement and attainment in STEM and improve and support positive mental health and wellbeing.

8.27 The decision not to proceed rules out potential negative impacts caused by the establishment of the HDV.

9. Use of Appendices

Appendix 1: Letters from Lendlease to the Council:-

App 1a: Letter dated 4 July 2018 from Lendlease

App 1b: Letter dated 9 July 2018 from Lendlease

- Appendix 2: HDV “Agreed Costs”
- Appendix 3: Equalities Impact Assessments
 - App 3a: Northumberland Park EqIA
 - App 3b: Wood Green EqIA
 - App 3c: Cranwood EqIA
 - App 3d: Community Property EqIA
 - App 3e: Social and Economic EqIA

Appendix 4 – [item 19]This report contains exempt information which is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972):-

- i. Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding the information
- ii. Paragraph 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings

10. Local Government (Access to Information) Act 1985

10.1 The following Cabinet decisions (and corresponding Overview and Scrutiny Committee recommendations) are referred to in this report, and are relevant to its recommendations:

- 10th November 2015: Haringey Development Vehicle (Item CAB112)
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7301&Ver=4>
- 14th February 2017: Approval of Preferred Bidder for the Haringey Development Vehicle (Item 184)
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7850&Ver=4>
- 7th March 2017: Matters Referred to Cabinet by the Overview and Scrutiny Committee – Decision of the Overview and Scrutiny Committee on 2nd March 2017 Regarding Minute 184 – Approval of Preferred Bidder for the Haringey Development Vehicle (Item 2014)
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8170&Ver=4>
- 3rd July 2017: Haringey Development Vehicle – Financial Close and Establishment (item 35)
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8288&Ver=4>
- 20th July 2017: Matters Referred to Cabinet by the Overview and Scrutiny Committee – Decision of the Overview and Scrutiny Committee held on the 17 July 2017 regarding Minute 35 Haringey Development Vehicle – Financial Close and Establishment (item 46)
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8436&Ver=4>

