

'CALL IN' OF DECISIONS OF THE CABINET

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

TITLE OF MEETING	Cabinet
DATE OF MEETING	9 July 2019
MINUTE No. AND TITLE OF ITEM	Item 22 Red House Yard, 432 West Green Red, N15 3PJ (pages 679 - 694)

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

Outside the policy and budget framework and non-compliance with priorities outlined in the Borough Plan.

1. PLANNING:

The proposal is not compliant with the current DPD brief which envisages the inclusion of the Mitalee Community Centre in SA57. The Pub is also not part of SA57 and contravenes policy DM50 on Public Houses (paragraphs 7.19 and 7.20). Insufficient evidence has been provided on the non-viability of the existing pub as per paragraph 7.21 of DM50.

There is a lack of clarity on the ownership of 435 West Green Road and lack of evidence around the rights the church holds to land or access to land. Councillors are concerned to receive clarity over this ownership of the pub and the church and whether the Council should have considered opening up negotiations with the other interested parties to the red line site. A call-in of the decision would enable clarity and further investigation into this matter.

2. VALUE FOR MONEY & OJEU:

The proposal, to dispose of this significant council asset to a private interest by private treaty (i.e. without marketing it, inviting other interests to bid and evaluating/comparing alternative bids), appears contrary to procurement guidance. The purchasing of 46 units of housing on the site suggests this is more than a land disposal as Haringey Council will (a) receive an economic benefit from the site (the 46 units) and (b) be involved in specifications of those units to meet Homes for Haringey standards (see Cabinet Report 6.14 and Borough Plan below).

The report states officers consulted a QC for assurance and councillors would like more clarity about the nature of that QC advice on whether the land disposal with the purchase of housing requires procurement/tender under OJEU procurement law. Calling in this decision would provide OSC with a chance to satisfy councillors that the absence of a bidding process for the development was value for money and transparent.

3. NON-COMPLIANCE WITH THE BOROUGH PLAN.

Priority 1 of The Borough Plan states: *"One of our very highest priorities is to start a new era of council housebuilding in the borough, particularly using our own land. We will set and publish clear standards for the quality and design of these homes, and ensure every subsequent new council homes meets those standards"*. The proposed sale of Council-owned land to Paul Simon seems not to align with this very high priority.

4. ALTERNATIVE OPTIONS:

There has been an inadequate exploration and evaluation of alternative courses of action that appear more in line with the council's current stated policy preferences. The case for a less risky development plan that could deliver more social housing units needs further consideration.

The option for building/contracting directly has not been adequately addressed. The alternative of an in-house option lacked costings and denied councillors a proper assessment of the viability of this course of action. The possibility of more social housing units, better control over the speed, quality and timing of delivery by developing the site ourselves has not been taken fully into account. The risks of a private partner failing is also not adequately addressed.

There have been contradictory reports given to councillors over the council's capacity to develop the site. The report appears to have drawn its recommendations a priori without providing a detailed account of risks or advantages of the Council developing the site. There is an unwarranted assertion that Paul Simon could develop the site more quickly than the Council. The only evidence available suggests the reverse. Paul Simon applied for planning permission which expired after three years (in 2018) with no development taking place.

We would like the decision paused at this stage to allow further exploration and investigation of both the alternative options and to fully clarify the recommended decision is within the budget framework.

5. DUE DILIGENCE ON THE DEVELOPER

There appears a lack of due diligence carried out on Paul Simon Magic Homes (PSMHG) and any assessment of risk to the council. This is particularly important given the uncertainty in the UK construction sector over Brexit, general overheating in the London market and the collapse in the past month of Keir, Shaylor and (last week) Aspin. Councillors would like assurance that PSMH is sufficiently financially healthy to take on such a large development and whether there is any underwriting or collateral being provided by the Council. We believe that a call-in would allow time for scrutiny to assess what guarantees/liabilities the Council has in relation to any financial underwriting (advance deposits due to PSMHG) and whether that would fall outside the budgetary framework?

6. THE CABINET REPORT

The report to the cabinet meeting is not thorough enough and could prove misleading because it includes assumptions and assertions that have, on subsequent questioning and investigation, found to be either erroneous, or inadequately supported by facts. For example: the inconsistency with current planning brief for the site; the estimation of any likelihood of planning complications for alternative options brought by the Authority; assertions about presumed lack of organisational capacity

within the authority and HfH; the lack of adequate comparisons of actual and likely financial costs and benefits and potential risks to the Authority.

2. Variation of Action Proposed

The Cabinet to:

- Defer the decision at this stage
 - Refer the issue to the relevant Scrutiny Panel for a full examination of all the possible valid options and in particular the direct development of the whole of part of the council owned site for social housing, against VFM and current policy criteria.
- Revisit the decision of how to proceed, taking into account the findings of Scrutiny.

Signed:

Councillor: Julie Davies (Please print name): JULIE DAVIES

Countersigned:

1. Councillor: M. Iwata (Please print name): M. IWE Iwakata
2. Councillor: Ruth Gordon (Please print name): RUTH GORDON
3. Councillor: Patrick Berryman (Please print name): PATRICK BERRYMAN
4. Councillor: Yvonne Say (Please print name): YVONNE SAY
5. Councillor: Azra Ahmet (Please print name): AZRA AHMET
6. Councillor: Sarah Williams (Please print name): SARAH WILLIAMS
7. Councillor: Isidoros Dharlbes (Please print name): ISIDOROS DHARLBS
8. Councillor: Dana Carlin (Please print name): DANA CARLIN