

MINUTES OF MEETING Full Council HELD ON Tuesday, 22nd February, 2022, 7.30pm – 8.17pm

PRESENT:

Councillors: Peray Ahmet, Dawn Barnes, Dhiren Basu, Patrick Berryman, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Dana Carlin, Luke Cawley-Harrison, James Chiriyankandath, Pippa Connor, Eldridge Culverwell, Nick da Costa, Lucia das Neves, Julie Davies, Mahir Demir, Paul Dennison, Isidoros Diakides, Josh Dixon, Erdal Dogan, Joseph Ejiofor, Scott Emery, Ruth Gordon, Makbule Gunes, Mike Hakata, Justin Hinchcliffe, Sarah James, Adam Jogee (Mayor), Peter Mitchell, Khaled Moyeed, Tammy Palmer, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Anne Stennett, Noah Tucker and Matt White

61. FILMING AT MEETINGS

The Mayor referred to the filming at meetings notice at agenda item 1, and attendees noted this information.

62. TO RECEIVE APOLOGIES FOR ABSENCE

There were apologies for absence from the following councillors:

Cllr Adamou
Cllr Weston
Cllr Ibrahim
Cllr Chandwani
Cllr Bull
Cllr Peacock
Cllr Morris
Cllr Ogiehor
Cllr Opoku
Cllr Chenot

Apologies for lateness

Cllr Hearn
Cllr Adje
Cllr White
Cllr Tucker
Cllr Hare

The Mayor and Councillor colleagues were saddened to hear about the death of a woman on Muswell Hill road caused by a tree falling in storm Eunice. It was appropriate to pause and reflect on her life and show respect.

Councillors conveyed their respects in a 1-minute silence.

63. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

64. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL & GOVERNANCE SERVICES

The Monitoring Officer had no matters to report on.

65. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND, IF APPROVED, TO RECEIVE THEM

There were no deputations put forward to the meeting.

66. TO CONSIDER THE FOLLOWING MOTION IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13

The Mayor called on Cllr Cawley - Harrison to move Motion F.

Cllr Cawley - Harrison moved Motion F calling for an independent , external investigation into the Council's property dealings.

He spoke about Councillors and officers wanting to make a positive difference in local authorities and also being aware of the traits of fallibility and in his view being mindful that there will be a minority that do not have same decent intention or can be misled and misinformed or corrupted by opportunities.

He continued that the meeting had not just been called following the Local Government Ombudsman report on the complaint by Mr X and the police investigation of fraud linked to the Cranwood development, but due to the need to underline and make clear that corruption, mis- direction, and misinformation have no place in a functioning democracy and if this existed , it must be rooted out. He underlined the objective of the motion which was for a truly independent external investigation with a full terms of reference which would enable required activities to identify and expose any concerning issues.

He outlined his concerns about certain previous decisions in the organisation, at a time when the Council were embarking on the highest borrowing and property deals in its history.

He referred to the following past decisions of the Council concerning: previous employment of Chief Operating officer, an exit package, a previous Cabinet Member decision making found to have led to losses of £1.5m and overpaying for Council offices.

Cllr Cawley- Harrison outlined that there were questions put forward about decisions on the Cranwood development and referred to other properties and development decisions, taken over the last 10 years, that should also be forensically looked at and

investigated by an external auditor. This included: Alexandra House, Apex house, Forster Road, Gourley Triangle, Coppetts Road, Hornsey Town Hall, Shaftsbury Avenue, and Compton Crescent

He said that the investigation should explore links between agents that run across properties and developments going back a minimum of 10 years . Also considering any links between staff and previous staff of the Council and private individuals and businesses involved in these deals.

He felt that there should be a 'root and branch' investigation to identify any possible malpractice in the Council.

The Leader of the Opposition did not have any faith in the Council management and decision-making regarding property development and the investigations should leave no stone unturned to ensure that corruption, mis - information and mismanagement does not exist.

Cllr Palmer seconded the motion, referring to the Nolan principles of selflessness, integrity, honesty, objectivity, accountability , openness and Leadership. She underlined that these were the bedrock of a Councillor's duties and were the responsibilities applied to decision making and scrutiny. These principles also ensured residents had the confidence that the Council was working with them and not for personal gain.

She welcomed the Leaders' agreement to a full external investigation into the Council's property dealings as the only way forward. She further welcomed the involvement of the Leader of the Opposition, to discuss the scope. However, she felt that the Labour amendment made the original motion vaguer and hoped that the offer to the Leader of the Opposition was genuine and not an opportunity to present a completed audit plan without consultation and that there was sought to be a genuine cross-party involvement in the Council's property dealings over the long term.

She spoke about the Council's integrity being questioned in the past and ensuring that the administration face up to previous decisions. This was critical at a time when the Council was spending significant sums on the Civic Centre and High Road West as there was a need to provide the public with confidence that money was spent on the right things.

The Leader of the Council moved an amendment to the motion, reflecting the seriousness of which the administration took this issue. She outlined that the amendment clearly showed that the proposals in the original motion were actions that had been taken. The Leader had informed Councillors on the 14th of Feb that she had instructed officers to do the following:

- Write a letter of apology to Mr X and compensate him as required by the LGO report.
- Ensure Council was fully co-operating with the police investigation.
- Review arrangements on how property decisions were taken to ensure a robust, transparent and accountable process.

- Arrange independent , external investigation into historical arrangements for property transactions

The Leader of the Council advised that the Local Government Association had already been in contact to offer their expertise and guidance and the Council would be working with them over the course of the investigations.

The Leader of the Council reiterated that the Council was treating the issue with the seriousness it deserved and she had spoken to the Leader of the Opposition and he would be involved in defining the parameters of the investigation. However, despite the assurances she had given, it was disappointing to discover that the extraordinary meeting was called to consider the motion which had become outdated as the actions proposed had been taken. The Leader of the Council felt that this was a distraction from real issues faced by residents and the need to be building a stronger, greener and fair borough. She spoke about residents being in the midst of a cost-of-living crisis and facing energy bill increases and high inflation that was in reality cutting wages. This current economic situation was likely to cause people to lose their homes and 1million adults went without food last month. The meeting was using precious Council time to discuss a motion that had already been acted on.

The Leader of the Council wanted to use available powers to address the cost-of-living crisis with the Haringey 'here to help fund' that was supporting residents in hardship with funding for food, utility bills, childcare costs and to support residents at risk of homelessness.

Furthermore the Leader outlined that there was a need to continue tackling the vast number of people on the Council's housing list and there was commitment to building 3000 Council homes by 2031. She spoke about Olive Morris Court which gave shelter to those facing homelessness and street sleeping. The Leader of the Council concluded by outlining recent achievement of the all round business-friendly Council LGA award and commending frontline staff for clearing debris on the aftermath of storm Eunice.

Councillor Gordon formally seconded the amendment.

[Cllr Carroll and Cllr Demir entered the meeting 7.48pm]

The Mayor moved to the debate and the following information was noted. Cllr Barnes spoke about trust in politics being broken , hearing comments that Councillors ere perceived as corrupt and referring to police investigations. She spoke about the Labour administration over a number of years and previous property decisions taken. She felt that residents and business owners had been misled. She responded to the point raised that the meeting was a distraction from the cost-of-living crises and referred to the potential future impact of financial decision making of the Council in overpaying for a properties in Muswell Hill and Alex House.

Cllr Barnes outlined that the Cranwood decision had attracted a police investigation and there were still answers awaited on Alexandra House and 141 station Road. Cllr Barnes reiterated that the governance process and procedures needed to be closely investigated around multiple property deals. Council officers needed to be empowered

and confident that they can make decisions and that the governance was clear and supported their actions. She spoke about decisions needing to be available for scrutiny and notes available and supplied upon request.

Cllr Barnes concluded that a key requirement of residents having trust on the decisions that affect their lives was transparency and honesty and she could not vote in favour of watered-down amendments.

Cllr Mitchell spoke in favour of the amendments as Chair of the Corporate Committee. The Committee's remit was to ensure the proper management of financial affairs, management of risk and effectiveness of antifraud measures and also to oversee governance arrangements. He referred to the Code of Governance which set out principles that applied to all decisions. He highlighted that the organisation could not learn from mistakes if it was not known what went wrong. As Chair of Corporate Committee, he welcomed the amendments to the motion and its commitment to looking at historical arrangements for property transactions as well as the Cranwood development. He spoke about the Alexandra House acquisition in 2019 which proved to be an expensive decision as the Council subsequently paid more , 9 months later. A report was commissioned by Mazaar's and considered by Corporate Committee and the report acknowledged that decision making had been weak but left some unanswered questions. In August 2021 he had proposed an independent review on Alexandra House and this did not happen. However, if the amendment was passed, he hoped this would happen as there was legitimate public interest in this decision. Furthermore, there was a need to provide assurances about decision making processes.

He reported that there was a new acquisition policy adopted by Cabinet in 2020 and an audit of how this was working would be reported to Corporate Committee shortly. However, this alone would not answer the questions of what went wrong before. Therefore, he was agreement that there must be an independent external investigation.

Cllr Dixon spoke about the seriousness of the police investigating fraud . He spoke about the use of tax payers' funds for previous projects concerning Alexandra Palace, and HDV and questioned whether internal political issues were leading to the Council's bureaucracy taking over. Scrutiny was an important function and he welcomed the external investigation which should not just look into the Cranwood decision and also include other property transactions such as Red House. This was crucial a time of high Council borrowing where there was a need for even more openness and transparency.

Cllr Ejiofor spoke about being surprised to be named in the LGO report and this appeared to go beyond the LGO's own guidelines. There were still ongoing conversations about the public interest of his name being in the report. He outlined that the LGO investigation was taken forward as a resident had complained that the Council was slow to purchase 106 Woodside known as property A and this had caused Mr X considerable stress. Cllr Ejiofor expressed concerns about how this was reported in the media and in particular it had been conflated with another issue.

Cllr Ejiofor outlined that there were two issues: he Local Government Ombudsman enquiry into a decision not to buy property A in March 2020 and investigations into the property deal of the summer of 2019 of property B which followed a cabinet decision in autumn 2018. These were two separate issues and there was no indication from the police and the Council that these issues were connected. Cllr Ejiofor spoke of opposing Councillors that were 'dog whistling' his name and raising issue of Cranwood and seeking to bring two separate issues into the same paragraph.

He reiterated that the Local Government Ombudsman report contained no findings of malfeasance or criminality but took issue with an on-balance decision that was taken which the report also indicates, at paragraphs 30 and 32, he was still entitled to take . Cllr Ejiofor highlighted that the complaint from the resident dated back to 2018 when the principle issues the Council were dealing with was extricating itself from the HDV. This was when there was not certainty on the future of the site and officers had accepted that its response was delayed.

Cllr Ejiofor highlighted that from that time, in summer 2018, Mr X signed a property deal with a developer meaning he did not own that property and could not dispose of it as he wished. It was the developer that was speaking with the Council and the developer who set unreasonable terms for the sale.

He referred to the conclusion of the LGO report which in his view bared no relationship with the reality of the situation for 3 reasons that he set out:

- 1) The Cranwood site exploration showed that this was not one site but two with sewers running through it. Thames Water had made clear that it was not possible to develop the site as originally proposed and this made inclusion of the terraced housing in the development more difficult and less appealing, leading officers in 2020 to begin considering alternative options without building over the sewers.
- 2) It was agreed policy to ballot residents on demolitions and despite a number of officer conversations with the freeholders, it had become clear to Cllr Ejiofor in 2020 that it was also important to engage with the tenants who had collected a 5,000-signature petition by this time. It was this engagement that had prompted the decision, which was the subject of the complaint.
- 3) Any decision to purchase property A to belong Mr x must be defended on its own merit, which indicated that the Council had a clear expectation that it was essential to the development. He advised that buying Mr X's house just because the Council had bought his neighbours house could not be justified as it was clear by March 2020 that the property was not needed as became apparent that the development was unviable.

Cllr Ejiofor, did not accept the LGO finding that the decision was flawed as the fact was that the decision would be the same even it was reviewed.

Cllr Ejiofor concluded by saying that it had been an honour to be a Councillor and lead the Council for 3 years.

Cllr Connor described that she felt there were significant problems with accountability, transparency and oversight. In her view, stewardship of public assets means making important spending decisions, impacting on residents.

She referred to the LGO report that had raised issues around fundamental areas such as decision making. She spoke of the importance of accountability in decision making and referred to the decision making by Cllr Ejiofor as flawed and there being no proper

evaluation and oversight over this decision. She referred to the Council's actions: in seeking Cllr Ejiolor's removal of name from the report, not releasing documentation on the purchase of the property B and inaccurate information presented to the scrutiny Housing Panel. This highlighted to her the lack of transparency on decision making and scrutiny not part of this decision making.

Cllr Connor continued to speak about having the public's confidence for the spending of public monies given the future high level of borrowing that the Council was embarking on and that this must be open to scrutiny to provide public confidence.

Cllr Dennison responded that this meeting was needed to provide residents the opportunity to see the administration held to account and to gain the public's trust and confidence in decision making.

[Cllr Tucker entered the meeting 8.11pm]

Cllr Cawley - Harrison responded to the debate with the following points:

- Questioned why the Chair Corporate Committee request for an independent report into Alexandra House was refused.
- A report on 141 Station road - a decision which had no audit trail and involved property arrangement gifted to a musician - was not provided to the Corporate Committee.
- Disappointed that that such an issue which raises concerns about the integrity of the Council and the way it has spent millions of pounds had resulted, in his view, in the watering down of a motion for a meeting
- Seriousness of the meeting at hand and gaining complete affirmation that the Council is committed to an external investigation , regardless of political situation in 3 months' time. The original motion resolved to make that firm commitment and the Labour amendment did not.
- Questioned commitment to the issue and why the motion was being amended, and not supported without amendment

Regardless of the outcome of the meeting, Cllr Cawley – Harrison hoped that the administration had heard the concerns of Councillors and residents and understood the seriousness of the situation and considered this when taking forward the significant capital spend in the next 5 years.

The Leader further spoke advising that the amendments to the motion committed the Council to reviewing property arrangements, ensuring that processes were robust and full external investigation taken forward. She reiterated that the investigation would leave no stone unturned and there should be no unanswered questions at the end of this investigation. This was so the Council could learn from the outcomes and draw a line under this and Council would press ahead with the house building programme.

[Cllr White entered the meeting 8.15pm]

There was a vote on the amendment to the motion 27 in favour of the amendment, 11 against and no abstentions.

The amendment to the motion was AGREED

There was a vote on the motion as amended with 27 in favour, 11 against and no abstentions

The motion as amended was AGREED and it was

RESOLVED

Motion F: Committing Haringey Council to review property decision arrangements

Proposer: Councillor Peray Ahmet

Seconder: Councillor Ruth Gordon

Council notes:

- The report from the Local Government and Social Care Ombudsman, dated 10 January 2022;
- That the council failed to fully co-operate with the Ombudsman’s investigation by failing to provide information around contact with the owner of ‘Property B’;
- That the council misled the Housing and Regeneration Scrutiny Panel regarding the timing of decisions taken on the Cranwood development;
- As is standard practice, the council requested that the LGO to remove Cllr Ejifor’s name from the final report and replace it with the office holder title;
- The Metropolitan Police investigation into allegations of fraud linked to the Cranwood development, which is not linked to the findings of the LGO report;
- The Council has committed to adopting the recommendations of the LGO report. The Council has written to Mr X to apologise, and has paid him £1000 in compensation;
- The Council has committed to fully cooperating with the active police investigation;
- The Leader of the Council has asked the new Interim Chief Executive to review arrangements for how property decisions are taken and acquisitions made to ensure that the decision-making process is robust, transparent, and accountable;
- The Leader of the Council has requested an independent external investigation into historical arrangements for property transactions.

Council resolves:

- To cooperate in full with the investigations noted above;
- For the Leader of the Council to invite the Interim Chief Executive and Leader of the Opposition to meet to discuss the scope of the external investigation.

CHAIR:

Signed by Chair

Date