

Report for: Cabinet 18th April 2023

Title: External Property Review

Report authorised by : Andy Donald, Chief Executive

Lead Officer: Jonathan Kirby, Assistant Director Capital Projects and Property, jonathan.kirby@haringey.gov.uk

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. Following a number of high profile allegations regarding the nature of historical property transactions, the Leader & Chief Executive decided to commission an Independent External Property Review in order to provide recommendations in regard to the Council's existing processes and procedures for property transactions. The review was also tasked with looking in detail at nine historic transactions or intended transactions dating back over several years in order to identify where processes and procedures could be improved. The full terms of reference for the review are contained in Appendix 1 of appendix A '*An independent review of the London Borough of Haringey Council's arrangements for property negotiations, acquisitions and disposals or intended transactions.*'
- 1.2. The Independent External Property Review has made twelve recommendations for improvement. This report includes an action plan within Appendix B, which includes a full response to each of the Review's recommendations, together with clearly defined actions and dates by when these will be completed.
- 1.3. There is also a current police investigation into historical property transactions between the Council and third parties. The full Independent External Property Review has been handed to the police in order to support their investigation.

2. Cabinet Member Introduction

- 2.1. Early last year after I became Leader of Haringey Council, I asked the leader of the Opposition to meet with me and our new Chief Executive to determine how we might review Haringey Council's arrangements for property acquisitions and disposals.
- 2.2. I was extremely concerned, as were many councillors across the political divide, about allegations surrounding various historic high profile and controversial property transactions that had taken place. We wanted an independent external review into both the council's current property decision-making processes and procedures, and these various historic property transactions.

- 2.3. I am pleased to present this report from an independent investigator and auditor who, where he was able, interviewed staff and has come up with a raft of proposals. While we are not able to change what happened in the past, we now have some assurance about our current processes and recommendations and about further actions we need to put in place to ensure that our acquisitions and disposals are carried out in an open and transparent manner. We have also passed on the report to the police.

3. Recommendations

That cabinet

- 3.1. Accept and agree with all recommendations from the Independent External Property review contained in Appendix A
- 3.2. Approve the External Property Review Action Plan, in appendix B, to address the twelve recommendations arising from the Independent External Property Review.

4. Reasons for decision

- 4.1. The Independent External Property review ("The Review") was commissioned so that lessons could be learnt from previous property transactions. The Review was commissioned by the Leader and the Chief Executive. The Terms of reference were agreed with the Leader of the Opposition who also had the opportunity meet with the Independent reviewer when the report was completed.
- 4.2. A full review of the current governance, policy and processes had taken place prior to this review, as reflected in the body of The Review. The council are carrying out further improvements within all areas of property and Asset Management, which will brought to the next cabinet meeting in April 2023, as part of our Strategic Asset Management and Property strategy update.
- 4.3. The recommendations will be completed within the next 12 months, as per the action plan in appendix B. The combined implementation of the 12 recommendations and the ongoing wider council work around our strategic management of property; ensures that the council are continuing to move in the right direction and have robust processes in place, with regards to its management of property.

5. Alternative options considered

- 5.1. *Rejecting or accepting in part the recommendations of this Independent External Property review.* - This alternative option was rejected, as it would not be in keeping with the original intent of this Independent External Property review, would not instil confidence going forward in relation to property transactions, by learning lessons from the past and would not reflect the direction and cultural change the council is embarking upon.

6. Background information

- 6.1. In May 2022, Haringey Council commissioned an independent external review into both its current property decision making processes and procedures, and a number of its specific historic property transactions. The terms of reference for this review can be found in appendix 1 of Appendix A, which contains the full report of this independent external property review, titled '*An independent review of the London Borough of Haringey Council's arrangements for property negotiations, acquisitions and disposals or intended transactions.*'
- 6.2. The nine transactions included as part of this review are:
- 1. Gourley Triangle
 - 2. Alex House
 - 3. 104-106 Cranwood
 - 4. Red House
 - 5. West Indian Cultural Centre
 - 6. 141 Station Road
 - 7. Fortismere School
 - 8. Forster Road / 138 Winchelsea Road
 - 9. Shaftesbury Road
- 6.3. The review process has, as far as possible examined available records and interviewed a number of individuals. Given an ongoing police investigation into some aspects of historical property decisions, not all potential interviewees were spoken to, as agreed with the Police. However, the independent reviewer is satisfied that the review and recommendations made are valid.
- 6.4. The Review considered the governance arrangements at the time of these historic transactions and the current council governance processes, as well as political policy, structures, personal and process. Overall the review has found that improvements have been made within the Council and Haringey's arrangements are now much stronger than the period under review. There is always room for improvement and the Review has made a number of further improvement suggestions which will help the Council strengthen still further its property processes.
- 6.5. Officers recommend to members accepting the full Independent External Property Review and the twelve recommendations contained within Appendix A. A full response has been prepared to each of the twelve recommendations contained in the Review and these responses can be found in the External Property Review Action Plan in appendix B.
- 6.6. As mentioned in The Review, the council have been and are still on a journey of improvement, with regards to its management of property and the rebuilding of property teams. A full review of the councils Asset Management Plan, which was adopted in February 2020 and reviewed in 2021; will also be brought to Cabinet in April 2023. This full review, titled Strategic Asset Management and Property Improvement Plan 2023-2028 (SAMPIP) will encompass the recommendations of The Review, as part of wider improvements in a number

of areas, as part of a Strategic approach to the management of our assets and property. This will ensure the council have a high performing asset management and property functions, which meets the needs of the borough.

- 6.7. To provide assurances that we are progressing and seeing the outcomes of our improvements, will be taking the Asset Management Plan and associated action plans to the relevant Scrutiny Panels, as agreed, to update on progress. This is in addition to the action plans and the recommendation tracker in appendix B of this report, being monitored on a monthly basis through the council's property governance structure, which has senior officer representation. Finally, the Asset Management Plan will be brought to cabinet on a annual basis to report the progress against the to be agreed action plans.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

- 7.1. Council Property is fundamental to the successful operation and delivery of council services. Therefore the role of property will contribute to all of the high level themes within the Corporate Delivery Plan.
- 7.2. Specific direct links would be:
- Responding to the climate emergency
 - Homes for the future
 - Place and economy

8. Statutory Officers comments

8.1. Financel –

- 8.1.1. There are no direct financial implications arising as a result of The Review recommendations. Any changes in practice, as a result of the implementation of the recommendations will of course improve the financial efficiency of the council.

8.2. Procurement –

- 8.2.1 There are no direct procurement implications as a result of this report

8.3. Head of Legal & Governance

- 8.3.1. The Constitutional Working Group will consider changes to the Constitution which arise out of the Review. These will be the subject of further consideration by Standards Committee and Full Council.

8.4. Equality

- 8.4.1. The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not

- Foster good relations between people who share those characteristics and people who do not

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.

- 8.4.2 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 8.4.3 This decision requires that the Council accept and agree with all the recommendations from the External Property Review contained in Appendix A, and commit to delivery of the Action Plan arising from these recommendations.
- 8.4.4 The recommendations relate to governance changes to allow for different approvals mechanisms for decisions relating to property to be created. The rationale behind these changes is to ensure that asset management decisions are sufficiently robust, transparent and take into account all of the relevant and necessary information. As enabling processes and actions for service delivery and improved financial management, it is considered that implementing these recommendations in and of themselves will have a neutral equality impact, as they will not have any disproportionate impact on groups which share protected characteristics.
- 8.4.5 However, once the new processes have been adopted, it is likely that the actions which they give rise to will have equalities implications which aren't neutral. This is likely to be particularly true for decisions relating to regularisation of leasing arrangements for the voluntary sector, given the nature of activity and beneficiaries of many of Haringey's VCS groups. As such, as these individual decisions come forward, they will need to be subject to detailed equalities analysis, including full Equalities Impact Assessments where necessary and appropriate.

9. Use of Appendices

Appendix A – 'An independent review of the London Borough of Haringey Council's arrangements for property negotiations, acquisitions and disposals or intended transactions.'

Appendix B – 'External Property Review Action Plan

10. Local Government (Access to Information) Act 1985