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Haringey Scrutiny Panel April 5 2 pm

## Professor Steve Jefferys

My contribution to the Scrutiny Panel's work is partly based upon research projects I led when I was Director of the Working Lives Research Institute at London Metropolitan University:

The Construction Industry in London and Diversity Performance (2006)

Migrants' Pathways to Northumberland Park (2006)

Employment, Skills and Training Needs of Refugees, Asylum Seekers and Recent Migrants in Haringey (2007)

Out-sourcing and shared services in Education (2010)

Since retiring as Emeritus Professor in 2015 I have researched Bridgepoint Capital (a private equity firm) and one of its major subsidiaries, Care UK, for the trade union UNISON.

I hope to provide helpful evidence concerning the HDV's financial structure. In my view, the evidence and the Council's silences on key financial issues cast major doubts upon the joint-HDV's ability to deliver:

- (a) larger numbers of social rent properties, of private sector 'London Living Rent' properties and of 'affordable' homes for purchase in Haringey than there are currently;
- (b) guarantees of council tenants being re-housed on rent matching that of an equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice;
- (c) adequate protection of the Council's interests and mitigation of the huge risks involved.

Finally, I am a long-term Crouch End/Tottenham/Hornsey/Muswell Hill resident. I lived in Haringey from 1946-65, 1974-86, and from 2000 to date – some 50 of my 71 years. I attended Rokesly Infants and Crouch End Primary Schools and for the past two years am now living in a rented flat in Crouch End. Naturally, I'm a life-long Spurs fan too.

Here are **Proposals** covering six distinct areas that arise from my work I consider Haringey would be well-advised to secure in negotiations with LendLease that would:

### Reduce financial risks

1. LendLease to invest new capital in the HDV equivalent to the **real** value of each tranche of transferred Council land and property (ie only after full planning permission has been obtained) **on the date** of each and every such transfer by Haringey.
2. Lendlease not permitted at any time to borrow directly or indirectly either against the Haringey property portfolio or on the basis of the HDV partnership agreement.
3. Restricting the rate of interest on all new borrowing by the HDV to twice the interest rate charged by the PWLB (Public Works Loan Board).

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4. Requiring the HDV to borrow on the open market with a specialist finance monitoring function created that is fully independent (of LendLease and any other contractors, as well as of Haringey's HDV tendering process), to ensure the best terms are obtained.
5. Keeping the permitted maximum profit on building development to a maximum of 10%, with a specialist cost monitoring function created that is fully independent (of LendLease and any other contractors, as well as of Haringey's HDV tendering process), to ensure construction costs and overheads cannot be inflated.
6. Ensuring all contracts engaged in by HDV with third parties are awarded by transparent competitive tender (and analysed by highly competent external advisors who have no previous connections with LendLease or Haringey Council officers or councillors).
7. Allowing the Council (giving six months' notice) to withdraw from the HDV every five years and without any compensation to be paid to LendLease or to its subsidiaries or staff, and with the whole property portfolio being transferred back to Haringey.

### **Give strong guarantees to tenants**

8. All council house and housing association tenants affected by HDV redevelopment be given an unconditional right to return to a social home in the same area with the same living space and same tenancies at the same rent.
9. Where the tenants affected by HDV redevelopment are relocated and do not wish to return they will have the right to new accommodation under the same tenancy and rental conditions as before their temporary relocations.
10. Involve tenants/residents fully in decisions relating to all HDV plans for regeneration of social housing estates and associated developments.

### **Strengthen social housing targets**

11. All council housing and housing association homes affected by HDV redevelopment to be fully 'reprovisioned' (by absolute number of dwellings and floor area) - **without** these homes being taken into account in relation to the overall HDV social housing commitment.
12. There must be an increase (of an average of 50%) in the total numbers of social rented homes in any area affected by HDV development, with five-year secure tenancies offered at rents within the future overall Benefits Cap (currently £442.31 for couples and families and £296.35 for single people).

### **Provide decent jobs**

13. LendLease/HDV must give preference in all subcontracts on HDV developments to firms:
  - a. Where apprentices are training for a Level 3 qualification and constitute 10% of the firm's workforce.
  - b. That are approved by the South-East Region TUC (SERTUC) as of good reputation concerning blacklisting, health and safety and have a trade union recognition

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agreement and comply with existing construction industry collective agreements.

- c. Where workers are all directly employed with CSCS cards and have recognized skill qualifications.
14. No HDV or sub-contractor employee to be paid less than the London Living Wage.
  15. HDV staff remuneration policy to be set unilaterally by the HDV's Haringey Council directors.

### **Improve sustainability**

16. Building to be done to Passive House or Code 6 energy efficiency standards, with workforce to undergo training in energy literacy.
17. Priorities in all development design and building contracts to be given to sustainable housing contractors

### **Ensure probity**

18. LendLease must commit not to recruit any Haringey Council employee or Councillor or consultant who has worked for Haringey over the past 3 years (2015-2017), nor to provide any of these with any payment or service or benefits in kind for a period of five years from the date of the agreement. This clause also applies to all LendLease's wholly and partly-owned subsidiaries.
19. The salary ratio between HDV's highest and lowest full-time earnings (salary plus bonuses) will be no greater than ten to one.
20. All services to the HDV will tendered for in the normal way and if LendLease is the successful bidder, their staff will be brought in-house into the HDV so that those involved are remunerated in line with the HDV's own remuneration policy.