

HDV Scrutiny Project – Responses to Recommendations

	Overall comments on the report		
	Recommendation	Response (Agreed / Not agreed / Partially agreed)	Who and when
	<p>The original agreed scope for this scrutiny review is set out paragraph 4.2 of the Overview and Scrutiny Committee’s report to Cabinet. The report, and the recommendations set out and responded to below, take a broad interpretation of that scope covering a very wide range of current and future work by the Council and HDV. A number of the issues raised in the recommendations are comprehensively addressed in the report to Cabinet recommending establishment of the HDV, while others address issues of detail in relation to the HDV’s future activity which cannot be meaningfully addressed at this stage. The Council’s decisions and activity in respect of the HDV will undoubtedly be the subject of further scrutiny work during the HDV’s lifetime, though it is important to stress that the work programme of the HDV itself – which is an independent body – is not subject to the Council’s scrutiny function in the same way as the Council’s own.</p>		
1	<p>1a. No decision on the HDV should be taken until a fully updated business case is prepared and evaluated. For the avoidance of doubt, before Cabinet is asked to approve the legal documentation to establish the HDV, and its first set of business plans, there must be a meaningful update to the Business Case, originally published in 2015, to ensure it is still fit for purpose. The updated business case should:</p> <ul style="list-style-type: none"> - Review the economic modelling used in the initial Business Case to reflect recent circumstances, which have increased economic uncertainty, including: Brexit, Crossrail 2, numerous changes in housing and planning law which were enacted in the Housing and Planning Act 2016, the recently released Housing White Paper (“<i>Fixing our broken housing market</i>”), a new good practice guide to estate regeneration published by the Mayor of London, and the 	<p>Partially agreed.</p> <p>The Cabinet decision to establish the HDV and agree its first set of business plans is accompanied and informed by a fully up-to-date financial model, prepared collaboratively by Lendlease and the Council and made available in the published Cabinet papers. Its integrity has been verified by independent auditors, and the assumptions (including those taking account of current market conditions) and outputs have been tested by the Council’s expert commercial advisers GVA. This model is an integral part of what will become the business plan and budget for the HDV.</p> <p>However, this will not be presented in the context of a revised Business Case in the format used to support the November 2015 decision. That format was appropriate for the decision being made then, but the level of detail set out in the Cabinet papers supporting the decision to establish the HDV supersedes the content of that</p>	<p>Director of Housing & Growth July 2017</p>

	<p>results of the “snap” General Election.</p> <ul style="list-style-type: none"> - Be made public and transparent with sufficient time for meaningful scrutiny before a decision is taken. <p>1b. If time allows, this should be undertaken by an independent external advisor commissioned for this purpose</p>	<p>Business Case.</p> <p>In respect of 1(b), while external advisers have been retained by the Council to support the procurement process, it is not considered necessary or appropriate to secure additional external advice for the work described above.</p>	
2	<p>That the full risk register and comprehensive risk assessment for the HDV should be made available to the Housing and Regeneration Scrutiny Panel and made public prior to any decision being taken. This should work backwards from all the things that can go wrong, setting out where risk arises and the remedy for managing risk i.e. accept it, control it, transfer it, or avoid it.</p>	<p>Agreed.</p> <p>The Council’s risk register – and the description of the overall approach to risk to be taken by the Council as a member of HDV – has been made available to the Housing & Regeneration Scrutiny Panel, and to the public via the Council website where it will be updated regularly.</p> <p>There is no separate documentation with the title or purpose of ‘risk assessment’. The legal documentation presented to Cabinet for approval is very largely informed by a detailed, expert assessment of the risks to the Council arising from the HDV approach and has been with the principal aim of managing that risk in the most effective way possible. This documentation can therefore be considered a detailed expression of the Council’s risk assessment, as informed by expert legal and commercial advisers.</p>	<p>Director of Housing & Growth Ongoing</p>
3	<p>No decision should be taken to establish the joint</p>	<p>Partially agreed.</p>	<p>Head of Audit & Risk</p>

	<p>venture until:</p> <ul style="list-style-type: none"> - The Council's External Auditor has reviewed concerns, including those referred to them, relating to the HDV. Findings should be published (with actions to mitigate any risks set out and followed up) and considered by Corporate Committee. - Corporate Committee has considered the outcomes of the initial work that has been undertaken by internal audit concerning the HDV. 	<p>Given the Committee timetable, there will not be an opportunity for this work to be considered by Corporate Committee ahead of the Cabinet decision on establishing the HDV.</p> <p>Internal audit are due to report the findings of their initial work to the July meeting of the Corporate Committee, so the report will be in the public domain. As with all internal audit reviews, if there are any significant governance or control issues identified within the audit scope, these will be raised with senior management in advance of the report being produced so any action required can be taken. No issues have been identified to date which would prevent the internal audit work from being completed and reported in accordance with agreed procedures.</p> <p>The external auditor has confirmed that he will be notifying the council of any issues raised as a result of his review before the cabinet meeting of 3 July, however he is at pains to point out that his role is not to stop the decision being made but to raise issues if there are any of concern.</p>	<p>Management July 2017</p>
4	<p>Any final approval to establish the HDV by Cabinet must be accompanied by a robust set of measures to audit the work of the joint venture on a continuous basis. This must include a detailed plan of how the 30 days per year of the internal auditor looking at the HDV will be spent, to be addressed by Corporate Committee.</p>	<p>Partially agreed.</p> <p>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. Internal audit resources will therefore be used to provide ongoing assurance to senior management and members that</p>	<p>Head of Audit & Risk Management Ongoing</p>

		<p>risks are being appropriately identified and managed. Internal audit outcomes are provided to the Corporate Committee and reports are publicly available to provide transparency.</p> <p>During 2017/18, internal audit has agreed an initial allocation of 30 days to undertake assurance work and a high level plan has been approved with senior managers as to how these will be used. In the longer term, the internal audit resources required for HDV assurance will be kept under review as the HDV progresses and appropriate resources allocated as required.</p>	
5	<p>To address concerns raised by expert witnesses, and by Panel members themselves, about whether the 50:50 arrangements constitutes an “equal partnership”, and therefore whether the council’s objectives (policy framework/corporate plan) are achievable, the Head of Paid Service must ensure there is sufficient officer capacity to support the Council with its engagement with the HDV. This must be guaranteed, and outlined, before Cabinet is asked to establish the HDV.</p>	<p>Agreed.</p> <p>The Head of Paid Service is satisfied that arrangements are in place to support the Council in its partnership with the proposed HDV, both in terms of dedicated staff and in terms of engagement with the HDV and its work programme across the Council. This will be kept under close periodic review. It is neither possible nor appropriate for the Head of Paid Service to ‘outline’ how this approach will be defined and adapted over a 20-year period, nor is it clear what any kind of ‘guarantee’ in this context would look like or achieve.</p> <p>It should be stressed, however, that the joint venture approach based on the equal 50:50 partnership has been a fundamental principle, agreed by both the Council and Lendlease, from the start of this process and has been the firm basis of the work done by the Council team and its expert external advisers to secure</p>	<p>Head of Paid Service Ongoing</p>

		the Council's position in the legal documentation.	
6	To ensure clarity, details of the due diligence process for establishing the HDV, and its first set of business plans, should be included in the HDV Cabinet report. This should include clear, comprehensive information on the work that has been carried out, by whom, and steps that have been taken as a result.	<p>Agreed.</p> <p>The Cabinet report proposing establishment of the HDV includes a detailed description of the process for defining the key terms of the arrangement and for selecting Lendlease as the proposed partner for the HDV.</p>	Director of Housing & Growth July 2017
7	<p>7a. Information on what the Balance Sheet will look like on Day One, including the short- and long-term assets and liabilities, should be included in the HDV Cabinet report. To ensure clarity, it is recommended that a model balance sheet is included to illustrate what the basic HDV financial structure will look like.</p> <p>7b In addition:</p> <ul style="list-style-type: none"> i. The updated HDV Balance Sheet, including any major changes to assets or liabilities, should be reported quarterly to the Housing and Regeneration Scrutiny Panel. ii. Management Accounts for the HDV should be reported quarterly to the Housing and Regeneration Scrutiny Panel. 	<p>Partially agreed.</p> <p>The Cabinet report clearly sets out the structure of the HDV's financing and an illustration of the HDV's early financial position.</p> <p>It is agreed that the HDV will report to Cabinet on an annual basis, and the Cabinet's decisions in respect of that report is subject to scrutiny in the normal way. It is not accepted that a quarterly report or balance sheet is appropriate or proportionate, given the HDV's status as an independent body with its own governance and audit arrangements.</p> <p>It should be stressed, however, that the joint venture approach based on the equal 50:50 partnership has been a fundamental principle, agreed by both the Council and Lendlease, from the start of this process and while the balance sheet will of course change all the time, the equal matching of equity that underpins the arrangement will always be in place.</p>	Director of Housing & Growth July 2017
8	The legal framework for the HDV must include	Partially agreed.	Director of Housing & Growth

	<p>binding guarantees in relation to dispute resolution mechanisms and, in order to reduce financial risk, the legal framework for the HDV must allow 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.</p>	<p>The legal agreement between the members of the HDV includes provisions for disputes and deadlock situations between the members of the HDV.</p> <p>However, the proposal for a five yearly break clause is not accepted. The Council is deliberately establishing a long-term partnership and has designed the arrangements accordingly. The Council has the ability to withhold future sites/phases from the HDV if performance is not as expected; this, alongside the overall governance and performance management regime described in the Cabinet paper, is considered an appropriate and sufficient safeguard against poor performance. Nor would it be commercially acceptable to our proposed partner or permissible within procurement regulations to introduce this requirement at this stage.</p> <p>However, the legal documentation does include provisions for the winding up of the vehicle under a range of circumstances, and In the event of a winding up of the HDV or if the private sector member wishes to sell its share of the HDV, the Council retains the first option to acquire the interest of the member.</p>	<p>July 2017</p>
9	<p>A professional independent advisor should be appointed to support the Council on on the HDV Board to ensure Haringey board members have a clear understanding of the matters put before them and the implications of any decision made by the board, to allow them to act in the best interest of the Council and local residents. This advisor would not be</p>	<p>Not agreed.</p> <p>The Council's nominees to the board of the HDV will have constant access to advice and input from Council officers and (where considered appropriate) external advisers. However, it is not considered necessary or appropriate to use Council resources to appoint an</p>	-

	voting but would have full access to information and be able to input and participate at board meetings.	advisor on a standing basis in the way proposed, nor is it consistent with the governance arrangements put forward in the Members Agreement.	
10	Cabinet should invite and establish a Gateway Review (using OGC methodology) to deliver a “peer review” in which independent practitioners from outside the project use their experience and expertise to examine the progress and likelihood of successful delivery of the project. Ideally this should happen before a decision is taken to establish the HDV.	<p>Not agreed.</p> <p>While it is agreed that the decision to establish the HDV and agree its work programme is worthy of careful scrutiny and consideration, it is not considered given the procurement process already conducted and the significant external commercial and legal advice received that a Gateway Review of this sort, applied to the Council’s decision to create the HDV, would add value in proportion to the work associated with it.</p> <p>OGC Gateway Reviews are usually undertaken to provide assurance and confidence during the lifecycle of major projects that they are on track and delivering the stated benefits. The successful delivery of the overall aims and objectives of the HDV will depend on the cumulative impact of each of the projects within it. Best practice programme and project methodology must be used throughout the HDVs lifetime, which is one reason the Council has sought to procure a partner with high quality expertise of that nature. The HDV Board will keep programme delivery under review, including by considering from time to time what the best method for doing that is.</p>	-
11	To ensure probity, and to protect the council’s commercial interests, the legal agreement to establish the HDV should contain a commitment from Lendlease not to recruit any Haringey Council employee/Councillor/consultant who has worked for	<p>Not agreed.</p> <p>The legal agreement between the members of the HDV includes a non-solicitation clause, containing a requirement that our preferred bidder undertake not to</p>	-

	<p>Haringey on the HDV over the past 3 years (2015-2017). Furthermore, neither should Lendlease provide any individual with any payment or service or benefits for a period of five years from the date of establishing the joint venture. This should include any company that is a subsidiary company of Lendlease.</p>	<p>offer employment to senior Council officers directly involved in the process of establishing the HDV, for a period ending six months after the execution of the legal agreements.</p> <p>However, it would be illegal in employment and contract law to impose a requirement along the lines proposed.</p>	
12	<p>The overarching agreement with Lendlease, to establish the HDV, should not contain an exclusivity percentage. Any exclusivity percentage should only be applied on a site by site basis following consideration of value for money and an appraisal of likely costs for each project.</p>	<p>Not agreed.</p> <p>The proposed contractual arrangement for Lendlease Construction to carry out a defined percentage of construction contracts – under strictly monitored conditions to ensure value for money – was central to Lendlease’s bid which was submitted as part of the procurement process, and has been accepted by the Council.</p> <p>The safeguards in place, provided by the independent verification team as described in the Contractor Framework Agreement, are considered adequate to ensure the HDV – and by extension the Council – secures value for money from all construction contracts. With these safeguards working effectively, the HDV will benefit from having a dedicated construction partner, including through the application of construction expertise early in project design, guaranteed availability at times of pressure in the market, and reduced time and expense associated with procurement.</p>	-
13	<p>In view of the interrelationship between</p>	<p>Partially agreed.</p>	<p>Leader of the Council</p>

	<p>Regeneration, Planning and the HDV, the Leader of the Council should ensure responsibility for Regeneration and the HDV are set out in the same portfolio. In addition, and following Recommendation 12 of the interim scrutiny report on governance, in order to remove any ambiguity concerning responsibilities for Regeneration and the HDV with that of the Local Planning Authority, it is recommended Cabinet responsibility for Regeneration and Planning is disaggregated and allocated to separate members.</p>	<p>The work of the HDV will – as set out in the business plans – span the full range of the Council’s business, and therefore the full range of Cabinet portfolios. However, given the particular links between the HDV and rest of his portfolio, the Cabinet Member for Regeneration, Housing and Planning has taken the overall lead for Cabinet in driving the work on the HDV.</p> <p>However, it is not accepted that responsibilities for Regeneration and Planning need to be split. This is of course not an issue which relates only to the HDV, but it is not overall considered that there is any conflict between leading the regeneration work of the Council and being the Cabinet member for Planning, especially given the entirely separate quasi-judicial role of the Regulatory Committee in fulfilling key functions of the Local Planning Authority. In addition it should be noted that there are examples of the same situation in other Councils and in some the Cabinet Member even sits on planning committee.</p>	<p>Ongoing</p>
14	<p>No decision to commit any site should go ahead without a full and detailed equality impact assessment on each site. This work should be commissioned and completed independently, in order to demonstrate sufficient separation to the overarching Overview and Scrutiny Committee who should oversee this.</p>	<p>Partially agreed.</p> <p>All business plans – the mechanisms for committing sites to the HDV – are (and will continue to be) accompanied by equality impact assessments (EqIAs) which inform the content of the plans, and which Cabinet will consider alongside the business plans themselves as part of the decision on whether to approve them. This is to ensure that Cabinet members discharge their Public Sector Equality Duty (PSED). The business plans’ EqIAs contain actions to commit to</p>	<p>Director of Housing & Growth Ongoing</p>

		<p>undertaking further EqIAs for specific elements of the business plans.</p> <p>However, it is not accepted that this should be undertaken by an external advisor. It is good practice for the individual or team to develop the EqIA alongside the development of a proposal as this allows equality issues to be embedded in proposals. It also allows the Council to document how it has shown due regard to the PSED throughout the development of the proposal as the duty does not just apply to decision makers but also people developing and implementing decisions. An external advisor would be detached from the process.</p> <p>Bespoke training and additional support has been provided to officers to help them develop EqIAs .</p>	
15	<p>Given that the commercial portfolio would transfer immediately after establishing the HDV, a full and detailed equality impact assessment should be undertaken before the portfolio is transferred. If time allows, this should be undertaken by an independent external advisor. The final list of commercial properties proposed for transfer should be made public. The impact on the HRA should be quantified and made transparent as part of that listing.</p>	<p>Partially agreed.</p> <p>All business plans, including that for the commercial portfolio, are accompanied by equality impact assessments (EqIAs) which have informed the content of the plans, and which Cabinet will consider alongside the business plans themselves as part of the decision on whether to approve them. This is to ensure that Cabinet members discharge their Public Sector Equality Duty (PSED). The business plans' EqIAs contain actions to commit to undertaking further EqIAs for specific elements of the business plans.</p> <p>However, it is not accepted that this should be undertaken by an external advisor. It is good practice for the individual or team to develop the EqIA alongside</p>	<p>Director of Housing & Growth July 2017</p>

		<p>the development of a proposal as this allows equality issues to be embedded in proposals. It also allows the Council to document how it has shown due regard to the PSED throughout the development of the proposal as the duty does not just apply to decision makers but also people developing and implementing decisions. An external advisor would be detached from the process.</p> <p>Bespoke training and additional support has been provided to officers to help them develop EqIAs.</p> <p>The list of properties proposed for transfer is appended to the Cabinet report seeking approval for the transfer.</p> <p>For the Commercial Portfolio, there is a commitment to undertake an EqIA for any property when there is a change in the conditions or rent of the property at the point when leases are renewed or the relevant review point in the lease occurs.</p> <p>The financial implications for the Council – including on its Housing Revenue Account – are fully set out in the Cabinet report.</p>	
16	<p>To ensure residents' rights are protected, a set of formal policy documents should be drafted specifically related to the rights of tenants and leaseholders living in properties to be transferred to the HDV. These policies must establish and set out firm and transparent criteria and principles regarding residents' rights, including:</p> <ul style="list-style-type: none"> a. That a clear, legally enforceable, commitment be made to council tenants to be re-housed on rent matching that of an 	<p>Partially agreed.</p> <p>The Cabinet report recommending establishment of the HDV sets out the specific provisions that enshrine requirements on rehousing (including the terms of rehousing) in the legal documentation, building on the commitments made in the Council's draft updated Estate Renewal Rehousing & Payments Policy which is currently the subject of public consultation and which specifically describes how its terms relate to the HDV.</p>	<p>Director of Housing & Growth July 2017</p>

	<p>equivalent council property and on the same terms, either on the estate or elsewhere in the borough, according to their choice.</p> <ul style="list-style-type: none"> b. To protect homes for future generations of Haringey residents, the right-to-buy scheme should not be offered on replacement homes built by the development vehicle. c. In developing HDV tenancy and evictions policies, strong safeguards should be put in place to protect vulnerable tenants from eviction. d. That overcrowded tenants be offered a replacement property of a size that meets their needs. e. That robust and meaningful resident consultation be guaranteed, with a commitment that sites can only be transferred to the HDV once full resident consultation, has taken place. As part of the consultation process, the difference between refurbishment and demolition should be made clear with a clear choice of regeneration or renewal being stated i.e. not everything needs to be demolished. f. There should be a Ballot of tenants and leaseholders as part of the consultation process and that the Council should provide the evidence to residents that it is beneficial for sites to be transferred to the HDV. This recommendation was not agreed by all Panel members. g. Resident leaseholders should be provided with a package of support, including 	<p>It also describes the specific requirement for full, statutory section 105 consultation to be carried out with affected residents on estates proposed for regeneration, and that such consultation must be carried out – and the results referred to Cabinet – before any housing site can transfer to the HDV.</p> <p>The Council has been clear that right to buy should not be offered on homes held by the HDV.</p> <p>The HDV will put in place appropriate safeguards to ensure leaseholders are not met with onerous terms or escalating ground rents. The Council as a member of the HDV will also be able to prevent this in its approval of the business plan.</p> <p>The one element which is not accepted is the requirement for a ballot. There is a strong commitment to comprehensive and meaningful engagement with residents about all regeneration projects delivered by the HDV, but it is not expected that the Council or HDV will use yes/no ballots. As set out in the Mayor of London’s draft Estate Regeneration Good Practice Guide, ballots <i>‘can risk turning a complex set of issues that affects different people in different ways over many years into a simple yes/no decision at a single point in time’</i>.</p>	
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	<p>independent legal advice regarding their position, so they don't lose out when their property is subject to CPO.</p> <p>h. A clear policy should be set out to protect residents from onerous leasehold terms and escalating ground rents. In developing this policy, it is recommended consideration be given to Nationwide Building Society's new valuation policy for new build leasehold properties¹</p>		
17	<p>That a Residents' Charter, setting out the expectations of Northumberland Park residents (or any other affected estate), written by the residents themselves, be adopted by Cabinet to give a clear public commitment to meeting the ambitions of tenants and resident leaseholders.</p>	<p>Agreed.</p> <p>As stated on the Council website in a Q&A for Northumberland Park residents, PPCR (the independent tenant and leaseholder advisor for Northumberland Park) is working with residents to get an understanding of what they want from the regeneration programme. This will contribute towards the development of a Regeneration Charter, setting out a series of commitments to residents, based on what residents have said they wish to see the regeneration programme deliver, which would then be presented to Cabinet for adoption.</p>	<p>Director of Regeneration July 2018</p>
18	<p>The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV incorporate important protections for the provision of affordable, and target rent social housing, including:</p>	<p>Partially agreed.</p> <p>All HDV developments will of course be subject to the normal planning process, including testing against whatever planning policy is current at the time. The business plans proposed to Cabinet for the first phase of sites do provide a policy compliant mix of housing</p>	<p>Director of Housing & Growth July 2017</p>

¹ <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/press-releases/archive/2017/5/05-protect-homeowners>

	<p>a. That the development vehicle be bound by Haringey’s planning policy requiring at least 40% affordable housing and the Council should seek to use profits from the vehicle to boost affordable housing and target social rented numbers.</p> <p>b. Contractually making sure that target rent homes are not transmuted into affordable rent homes.</p> <p>c. There should be no loss of target rented housing – that is housing which was, prior to any demolition, council housing. Any new developments must reprovide – at minimum – an equivalent number of target rented homes on the same rents (without service charges) and security of tenure. The basis for calculating the number of homes to be reprovided should be the number of council homes and leasehold properties on any estates before any people accept alternative accommodation i.e. the position at the start of any community engagement and consultation.</p> <p>d. All HDV viability assessments should be made public in full with no redactions.</p>	<p>with 40% affordable homes. The use of the returns from the vehicle, which will no doubt be subject to many competing demands, will be a matter for determination through the Council’s normal budget-setting process at the relevant time.</p> <p>In relation to the recommendation in (b), the HDV is committed to comply with the Council’s Housing Strategy and other housing policies. The HDV Board, in collaboration with the Council, will determine how this is best achieved.</p> <p>In relation to the recommendation in (c), the Council’s Housing Strategy – adopted by Full Council in November 2016 – sets out (in section 5.4 ‘Promoting Estate Renewal’) the Council’s aim to ensure that there is no net loss of affordable habitable rooms in estate renewal projects. This will apply to all HDV projects. However it is made clear in the Strategy why a commitment to the reprovision of the same number of homes is not always achievable.</p> <p>In relation to the recommendation in (d), while the Council and Lendlease have made a clear commitment to transparency in the work of the HDV, it is not possible to commit to 100% publication of viability assessments. For example, they may contain information that is commercially confidential and would hinder the Council/HDV position in negotiating contracts.</p> <p>However the Council’s policy is for full disclosure of viability assessments and requests for redaction will be</p>	
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		considered in the same way for the HDV as for other developers.	
19	Consideration should be given to establishing a wholly council-owned housing company to purchase and manage HDV affordable homes and target rent homes. This will ensure that there will be no reduction in homes wholly owned and managed by the council.	<p>Agreed.</p> <p>The Council will continue to consider the potential benefits of using a Council-owned housing company to acquire and hold stock on the Council's behalf. There is no reason such a vehicle could not acquire homes from the HDV, subject to agreement with the HDV, appropriate budgets being identified, and a full business case and assessment of risk including in respect of exposure to Right-to-Buy.</p>	Director of Housing & Growth Ongoing
20	<p>Given that the HDV will operate in line with Haringey's Housing Strategy the mixed communities model pursued by the HDV, with mix-tenure housing built in the same locality, must be underpinned by genuine social integration. Safeguarding for achieving this should include:</p> <ul style="list-style-type: none"> - Social housing must be of the same standard as private housing - All new build of all tenures should be pepper potted, with no "poor door" arrangements - A retail offer which reflects the needs and wishes of all residents rather than aimed at just higher-income residents - Leisure amenities must be equally accessible to private and social tenants 	<p>Partially agreed.</p> <p>The HDV will operate in line with the Council's Housing Strategy and other housing policies. It is wholly accepted that new mixed-use, mixed-tenure development should be based on standards of quality, access and experience that are blind to tenure. Individual proposals will be considered – both by the HDV Board and the Council's planning function – as they come forward, and tested against these principles while being balanced with other factors such as efficiency of maintenance regimes and affordability of mandatory service charges which can sometimes make separate building cores for different tenures the most effective way to ensure affordability and good housing management.</p>	Director of Housing & Growth July 2017

	- Blocks of private flats should not be gated		
21	<p>The legal framework for the HDV must establish firm principles and policies which would be binding on any development carried out by the HDV. Cabinet must ensure that decisions on the HDV reflect estate regeneration / development best practice, including:</p> <ul style="list-style-type: none"> a. There should be no building on Metropolitan Open Land. b. Good practice guidance, published by the Mayor of London on estate regeneration, should be complied with. c. There should be a suitable proportion of homes built to comfortably accommodate people with disabilities and all properties should be built to Lifetime homes standards. d. All building work by the HDV should be done to Passive House or Code 6 energy efficiency standards. e. Priority in all development design and building contracts should be given to sustainable housing contractors. f. Ensuring all contracts engaged in by the HDV with third parties are awarded by transparent competitive tender. 	<p>Partially agreed.</p> <ul style="list-style-type: none"> a. Given the very strict tests that are applied by the planning process to any proposed development on Metropolitan Open Land (MOL), any sites transferring to the HDV which include MOL would be very unlikely to be proposed for development. Any proposal that did come forward would rightly be subject to those tests. b. Every estate renewal project promoted by the HDV will comply with the Mayor's Good Practice Guidance, and its business plan will show how the individual elements of the Guidance have been addressed. c. Requirements for accessible and lifetime homes are enshrined in planning policy, and the HDV will comply with this. d, e. The commitments to high sustainability standards are set out in the Strategic Business Plan being presented to Cabinet for approval. While it will not always be possible to deliver 100% of homes and developments to these high standards for viability reasons, the HDV's commitment to sustainable development is central to its plans. f. Notwithstanding the provisions of the Contractor Framework Agreement, the HDV's proposed Procurement Policy – included as part of the Cabinet papers for the establishment of the HDV – sets out clear 	<p>Director of Housing & Growth July 2017</p>

	<p>g. Arrangements being put in place with the construction subsidiary of Lendlease to provide local employment and training opportunities; particularly in respect of equalities groups, including job support and training for disabled people.</p> <p>h. To ensure the HDV provides decent jobs, preference in all subcontracts on HDV developments should be given to firms:</p> <ul style="list-style-type: none"> ○ Where apprentices are training for a Level 3 qualification and constitute 10% of the firms workforce. ○ That are approved by the South-East Region TUC (SERTUC) as a good reputation concerning blacklisting, health and safety and have a trade union recognition agreement and comply with existing construction industry collective agreements. ○ Where workers are all directly employed with CSCS cards and have recognised skill qualifications. <p>i. No HDV or sub-contractor employee should be paid less than the London Living Wage.</p>	<p>requirements for competitive tendering and other elements of procurement good practice.</p> <p>g. Agreed. These arrangements are set out in the Social & Economic Business Plan.</p> <p>h. One of the four impact themes of the HDV Social Economic Business Plan is to create better prospects; it describes how the HDV will procure construction services from Lendlease through the Construction Framework agreement, and as part of this there will be substantial investment in social and economic outcomes. Principal activities will include paying London Living Wage and cascading this requirement down the supply chain, investing in traineeships, employing local labour and investing in upskilling, schools engagement, Considerate Contractor Scheme, Investing in workforce wellbeing, local supplier days, and a Sustainable Supply Chain School. However, this work has not yet reached a level of detail where all elements of this recommendation can be considered.</p> <p>i. Agreed. This commitment is set out in the Social & Economic Business Plan.</p>	
22	The HDV must use all measures available, including any changes to national/regional policy, to enable homes built by the HDV to be only sold to UK	Partially agreed. The Delivery section of the Strategic Business Plan sets	Director of Housing & Growth July 2017

	<p>residents, with priority given to Haringey residents and those with a local connection to Haringey (not overseas buyers).</p>	<p>out the measures proposed to prioritise local sales and marketing. These include a general commitment to align with emerging best practice, as well as specific commitments to exclusive early access to sales – and early purchase incentives – for local buyers.</p>	
23	<p>Given the number of housing estates already listed for transfer to the HDV, and the significant number of commercial properties paying rent to Homes for Haringey which are scheduled for transfer, we recommend that clear consultation with the board of Homes for Haringey is initiated forthwith. This would be to establish in detail the likely impact of the HDV on Homes for Haringey, the Housing Revenue Account and the Homes for Haringey repairs service and any other significant factors, e.g. impact on staffing, equalities, the impact on other estates and overall viability of Homes for Haringey and its in house services.</p>	<p>Agreed.</p> <p>Senior Council officers have already held dedicated discussions with Homes for Haringey’s Chair, Managing Director and Executive Leadership team, and participated in a dedicated meeting with the Board. These covered the potential impacts and opportunities arising from it in the short, medium and long term. These discussions will continue, within Homes for Haringey and between Homes for Haringey and the Council, assuming the Council approves the establishment of the HDV and to proceed with development on sites managed by Homes for Haringey.</p> <p>The continuing viability and success of Homes for Haringey is seen as vitally important, and will be part of those ongoing discussions and subsequent agreements. The option for Homes for Haringey to manage future housing and estates is a potential way to mitigate the impact of reduced numbers of stock under its management. The short and medium term management arrangements, while the relevant housing estates are developed, will certainly involve Homes for Haringey as the provider of housing and estate services.</p> <p>It is worth noting that management of the HRA is the responsibility of the Council, and not Homes for</p>	<p>Director of Housing & Growth Homes for Haringey Board Ongoing</p>

		Haringey. The income from the commercial properties on Council estates goes to the HRA and not to Homes for Haringey.	
24	Both the revenue and the capital costs incurred by the Council and HFH in preparing any site for transfer to the HDV should be reimbursed to the Council and HFH at the date of the transfer. These costs incurred to commence from the date any site was identified as moving to the HDV until the actual legal date of its transfer to the HDV. For example, the revenue and capital costs would include all staff costs, all repair and capital costs involved in providing accommodation for residents decanted, all leaseholder costs, all legal costs and all disturbance costs to both residents and leaseholders. These costs listed are examples only, all other costs incurred should also be reimbursed.	<p>Partially agreed.</p> <p>It is accepted that appropriate Council costs associated with Land Assembly, including those costs associated with rehousing, should be reimbursed to the Council – this is enshrined in the Land Assembly Agreement, which sets out the categories of cost covered by this arrangement.</p> <p>However, costs associated with the day-to-day management and maintenance of properties between their identification as potential HDV sites and transfer to HDV will not fall on HDV.</p>	Director of Housing & Growth July 2017
25	The 1% rent reduction due as part of the government's 4 year rent reduction agenda should be appealed to the DCLG to be ceased for the Council and HFH properties within the HRA. The appeal to request exemption from any further rent reductions to enable the resultant extra rental income to assist with the regeneration of the above mentioned housing / estates.	<p>Not agreed.</p> <p>Exemption from the 1% rent cut would of course be very welcome indeed in order to improve the long term viability of the HRA and the investment options available to the Council. Officers – in discussion with the appropriate Cabinet members – have given careful consideration to the possibility of seeking an exemption.</p> <p>However, it is thought very unlikely indeed that an exemption would be granted. Government guidance is very clear that councils are required to show that all</p>	-

		possible other measures have been taken to improve the position of the HRA, including for example by reducing maintenance standards to the bare statutory minimum and disposing of high value street properties. The decision was therefore taken, in light of our not being able (and/or willing) to meet all these requirements, that the work involved in seeking an exemption was not justified given other priorities and the very slim chances of success; this remains the recommendation of officers.	
26	That the Cabinet commit to exploring all options for using Haringey's right-to-buy receipts in conjunction with the HDV.	Agreed.	Director of Housing & Growth Ongoing
27	<p>The legal framework for the HDV must establish firm principles which would be binding on any development carried out by the HDV. Cabinet must ensure the following important protections to guarantee ongoing democratic control of major decisions:</p> <ul style="list-style-type: none"> a. No scheme land transfer to take place without Cabinet approving the business plan which should set out expectations on: the number and type of housing, employment spaces, job numbers and employment, inclusion of open space and community facilities, the timetable for development and an assessment of the key risks. b. Regular reports to Cabinet on the performance of the Haringey Development Vehicle, based on clear and robust key 	<p>Agreed.</p> <p>The Cabinet report recommending establishment of the HDV sets out the specific provisions that enshrine requirements (a)-(c) in the legal documentation.</p> <p>On (d), the Overview and Scrutiny Committee will be able to scrutinise in the normal way the annual presentation of the business plan to Cabinet.</p>	Director of Housing & Growth July 2017

	<p>performance indicators. As set out in the interim scrutiny report (Recommendation 6), these should include: (i) Challenging targets for both revenue and capital growth from the management of the Council’s commercial property portfolio; and (ii) Ambitious regeneration outcome targets to help improve the health, wellbeing, safety and life chances of those within regeneration areas (and beyond).</p> <p>c. Ward Councillors should be kept fully informed about specific proposals in their ward and a meaningful consultative structure established to ensure Ward Councillors are fully aware of, involved in, and able to influence the decision making process, and methodology, on any site decant and demolition.</p> <p>d. The HDV’s Strategic Business Plan should be updated and presented to Overview and Scrutiny on an annual basis and senior HDV staff must be available to answer questions as required.</p>		
28	<p>The Overview and Scrutiny Committee must itself commit to ongoing scrutiny, possibly by setting up a separate HDV Scrutiny Panel.</p>	<p>Partially agreed.</p> <p>While it is for the Overview and Scrutiny Committee to determine its scrutiny programme, it should be stressed that the formal role of scrutiny does not extend to the decisions and activity of the HDV itself, which is an independent body. While invitations to HDV executives</p>	-

		may be extended from time to time, formal scrutiny activity in respect of the HDV will be limited to the decisions and activities of the Council that relate to the HDV.	
29	An independent advisor with experience in finance, risk and partnerships should be appointed to assist the Committee/Panel with its scrutiny work.	<p>Not agreed.</p> <p>It is for the Head of Paid Service to determine the allocation of resources – including advice of this nature. It is not normal practice for paid advice of this nature to be used in connection with scrutiny activity, and there is no special case for a different approach in this case.</p>	-
30	That Cabinet be asked to consider and respond to the deputation, attached at Appendix 3, presented to the Overview and Scrutiny Committee on 13 June 2017 by the Northumberland Park Supporters Group.	<p>Not agreed.</p> <p>While this is not a recommendation from the Panel as such, the terms of the deputation are not accepted.</p> <p>The deprivation experienced by residents of Northumberland Park ward is one of the main reasons that the Council is not prepared to accept the current situation on the estate, whether in terms of housing, economic opportunity, health or crime. The Council has considered very carefully its options for tackling these stubborn issues, and has concluded that this approach – alongside a wide range of other work as part of the wider Tottenham regeneration programme – offers the Council and most importantly residents the best chance of tackling these stubborn issues.</p> <p>The emerging proposals for Northumberland Park have already been the subject of extensive engagement with local people, and this engagement will continue and intensify as plans develop. Clear commitments have been made to Council tenants and leaseholders about</p>	-

		<p>their right to return to a new home, and the terms on which this will happen; in no way can this be described as ‘abandoning’ tenants to the housing market.</p> <p>Alongside its duty to tackle the deprivation experienced by existing Council tenants, the Council also has a duty – and a has made it a strategic priority – to meet the needs of households who have no permanent home at all, whose ambitions to stay in Haringey will depend on the provision of new housing, and especially affordable housing. Again, the Council after careful deliberation has taken the clear view that the proposed HDV is the most effective way to achieve this in terms of development on the Council’s own land.</p>	
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