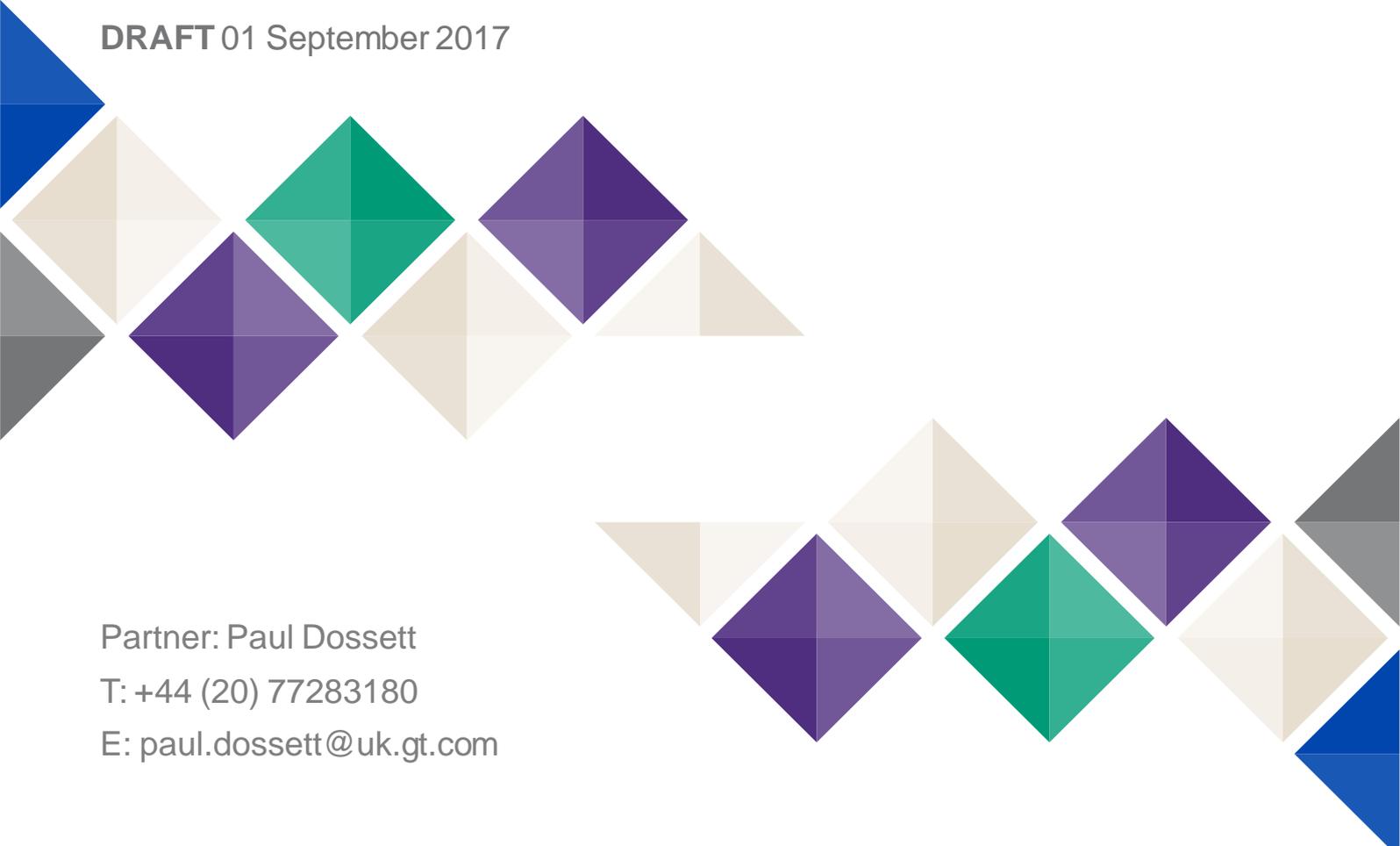


Review of the procurement of a development partner for High Road West Tottenham

London Borough of Haringey

DRAFT 01 September 2017



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Dear Tracie,

Review of the procurement of a development partner for High Road West Tottenham

Further to our letter of engagement dated 23 August 2017, we have pleasure in enclosing a copy of our report (the 'Report') containing the findings from our review of the Council's arrangements for procurement of a development partner for High Road West Tottenham on behalf of the London Borough of Haringey ('the Council'). Notwithstanding the scope of this engagement, responsibility for management decisions will remain with the Council and not with Grant Thornton UK LLP.

Limitation of liability

We draw the Council's attention to the limitation of liability clauses in paragraphs 5.1 to 5.9 in the Terms of Engagement between the Council and Grant Thornton UK LLP dated 23 August 2017.

Forms of report

For the Council's convenience, this report may have been made available to the Council in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

Confidentiality and reliance

We accept no duty of care nor assume any responsibility to any person other than the Council in relation to this report and our work. Any third party who chooses to rely upon this report or our work shall do so entirely at their own risk.

General

The report is issued on the understanding that the management of the Council have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

We would like to thank the Council's officers for making themselves available during the course of the review.

Paul Dossett

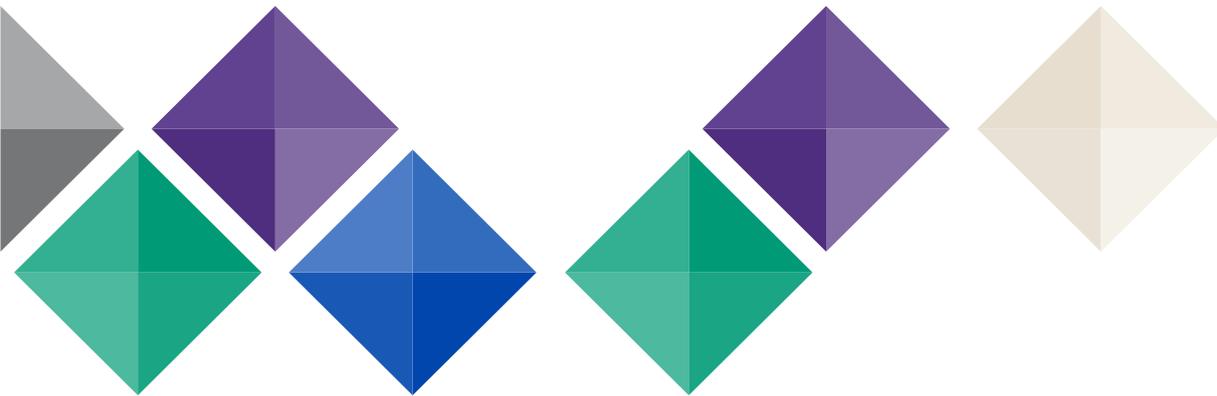
Paul Dossett

Partner and Head of Local Government
For Grant Thornton UK LLP

Chartered Accountants

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Summary findings

Grant Thornton UK LLP were commissioned by the London Borough of Haringey to undertake an independent review of the Council's arrangements for procurement of a development partner for High Road West Tottenham.

Our work was undertaken during weeks commencing 21 and 28 August 2017.

With regard to this procurement exercise, our aim was to assess the following:

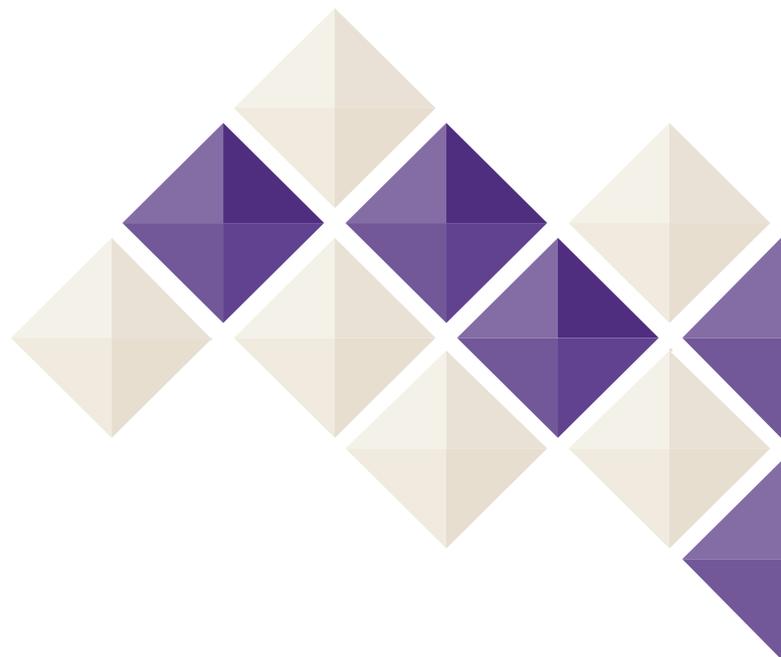
- Compliance with the Council's Standing Orders and Financial Regulations
- Compliance with the Council's procedures for public consultation
- The extent and adequacy of governance and scrutiny arrangements exercised by Members

We reviewed the Council's Standing Orders, Financial Regulations and further relevant procedures including the Council's Procurement Code of Practice. We identified the specific requirements and stipulations that obtain in the case of this procurement exercise. In each case we obtained evidence from management to enable us to reach an informed view on the three areas under consideration, as listed above.

Based on the evidence provided to us we are satisfied that the Council has complied with its own policies and procedures in carrying out this procurement exercise. We have identified no material omissions or examples of non-compliance with regard to Standing Orders, Financial Regulations or the Procurement Code of Practice.

We have been provided with committee reports and supporting documentation extending back to 2013, which demonstrate that decisions have been taken in accordance with the Council's constitution and that the local community were informed and consulted and their preferred option clearly evident in published reports.

We provided a detailed report of our findings to management on 1 September 2017.



Detailed findings

Compliance with Standing orders, financial regulations and Procurement code of Practice

Requirement	Summary findings	Conclusion
All procurement should be conducted via the Corporate procurement system.	We have been provided with a series of screenshots and system logs to demonstrate that the procurement process has been conducted to date using the Delta e-sourcing portal	No compliance issues identified
Cabinet are responsible for holding Directors to account for any decision made under their delegated authority	The masterplan was in sight of the cabinet committee on the following dates as per the council minutes. This gives the opportunity for cabinet to challenge and hold management to account. 28 th November 2013, 15 th July 2014, 15 th December 2014, 16 th December 2014, 13 th September 2016	No compliance issues identified
Cabinet approve awards of contracts over £500,000	This decision will be made by Cabinet on the 12 September 2017	Meeting not yet held.
Award of contracts of £500,000 or more should be treated as 'key decisions' and be recorded in the Forward Plan.	Forward plans viewed on website where this is detailed. Viewed the entry for August 2017 as the most up to date version, however previous iterations are still held on the website from earlier in the process. As per section 5 of the Constitution this is part of the Council policy.	No compliance issues identified
All cabinet reports for contracts over £500,000 must contain comments from Finance, Legal and Strategic Procurement.	We reviewed five Cabinet reports from November 2013 to December 2016. All of these reports included comments from Finance, Legal and Strategic Procurement.	No compliance issues identified
Key decisions should be compliant with the Constitution.	As per section 5 of the Constitution a key decision is defined as: In terms of the first part of the definition set out above, the following shall be key decisions: (a) Award of contracts or expenditure estimated at £500K or above except "spot contracts" and contracts for the supply of energy to the Council (b) Virements between service area revenue cash limits of £250k or above (c) Virements between service area capital budgets. As this regeneration constitutes a key decision have examined below that the treatment of this is consistent with that required for a key decision. No issues to note.	No compliance issues identified
Ensure compliance with EU law, England law.	OJEU notice issued on the 3 June 2016. Legal advice was obtained from Eversheds to support the procurement process. This advice was summarised and provided within the Cabinet papers (December 2015). In addition all Cabinet papers include a comment by the Council's legal advisors, setting out the legal implications and impact.	No compliance issues identified

Detailed findings

Compliance with Standing orders, financial regulations and Procurement Code of Practice

Requirement	Summary Findings	Conclusion
Procurement based on qualitative selection questionnaire must comply with the Crown Commercial Services.	We have reviewed CCS guidance on this issue and we are satisfied that the selection questionnaire is compliant with this.	No compliance issues identified
The responsible Director should record in writing the total value of the contract, to confirm if EU regulations apply. Those above £160,000 should be led by Strategic Procurement.	Evidence indicates that OJEU notice was published on 3 June 2016. As per the ISOS it is clear this features in the strategic plan as this plan is included in part of the bid information. Given the project value, the procurement has been led by the Business Unit and has received advice and support from the Strategic Procurement Team throughout the duration of the process. Evidence for this review has been received directly from Strategic Procurement staff involved in the process.	No compliance issues identified
Contracts over the value of £500,000 must be let following publication of an appropriate advertisement. All contracts over £25,000 must be published on "contracts finder".	Evidence indicates that OJEU notice was published on 3 June 2016. We viewed the entry on contracts finder which stipulates published date, closing date, contract start date and contract end date.	No compliance issues identified
The procedure to be followed must be determined prior to advertising.	Cabinet agreed in December 2015 that the process would follow the competitive dialogue procedure, prior to the advertisement in June 2016	No compliance issues identified
All communication and information exchange should be conducted via electronic means of communication	Per the bid instructions at 30.2.5 and 42.4 per the ISOS documentation all communication must be on the e-portal; thus electronic communications.	No compliance issues identified
Decisions and approval of awards should be evidenced within the Corporate Procurement System	The procurement process has not yet been concluded, however we have been provided with a series of screenshots and system logs to demonstrate that the procurement process has to date been conducted using the Delta e-sourcing portal and that the decision and award will also be recorded and notified through that route.	No compliance issues identified
Electronic bids may be opened at the appointed time by one officer.	We have completed a walk-through of the process for submission, opening and distribution of bids to evaluators and moderators via the Delta portal. We are satisfied that the process has been conducted robustly.	No compliance issues identified

Detailed findings

Compliance with Standing orders, financial regulations and Procurement Code of Practice

Requirement	Summary findings	Conclusion
The Head of procurement must ensure the independence of officers engaged in the procurement process.	We have been provided with copies of declarations of conflict of interest signed by the following officers: Helen Fisher, - Tottenham Programme Director Helen McDonough – Head of Socio-Economic Regeneration for Tottenham Judith Walker – Head of Libraries and Customer Services Liz Skelland – Tottenham Programme Manager Matthew Maple – Regeneration Programme Officer Patrick Uziac – Principal Lawyer, Property Paul Carten – Senior Finance Business Partner Sarah Lovell – Area Regeneration Manager (High Road West) Steve Clark – Strategic Procurement	No compliance issues identified
Officers must complete a declaration of conflict for each procurement project valued at £160,000 or above	As above	No Compliance issues noted.
The tender documents must outline the basis on which bids will be evaluated. Evaluation criteria and scoring methodology must be clearly defined.	As evidenced in the ISOS/ITCD and ISFT weighting is assigned to each question with each also defining what constitutes 'at a minimum' requirements and 'bidders should also' considerations. Thus the scoring criteria is defined.	No Compliance issues noted.
The bids are to be accepted on the basis of the most economically advantageous tender (MEAT).	Scoring criteria has been reviewed within the procurement documents which show a clear process to understanding and identifying the MEAT offering.	No Compliance issues noted.
Bidders clarification questions should be responded to promptly and circulated to all bidders.	We have been provided with a log of correspondence between the Council and prospective bidders on the DELTA system, which indicates a timely response to queries and transparent sharing of information with all bidders.	No Compliance issues noted.
Prior to the award of contracts over £160,000 financial or credit checks should be undertaken on the preferred bidder. This may also include insurance certificates, industry accreditation etc	This is done after the agreement of Cabinet scheduled for 12 th September 2017.	Meeting not yet held.
Abnormally low bids, should be evaluated.	"43.1 The Council reserves the right to reject any ISOS Submission(s) on the grounds of being abnormally low in accordance with Regulation 69 of the Regulations." In this instance however no abnormally low bids were received.	No Compliance issues noted.
The Procurement code of practices requires that there is a clear audit trail to support all procurement activity. All decisions on tendering and contract letting must be clearly documented, with sufficient detail to support decisions.	Signed record of decision to begin procurement process viewed. Delegated authority clear from cosignatories of Director of Regeneration, Planning and Development following consultation with Cabinet Member for Housing, Regeneration and Planning. This flows from the Cabinet decisions as detailed below which act as a decision audit trail.	No Compliance issues noted.

Detailed findings

Compliance with the Council's procedures for public consultation

Requirement	Summary findings	Conclusion
<p>Range of consultation undertaken to engage with the local community:</p> <ul style="list-style-type: none"> • Love Lane Residents • Local Businesses • Wide stakeholder <p>Need to assess if this is transparent and outcomes reported</p>	<p>In November 2013 Cabinet were provided with the High Road West Consultation Feedback Report, but also approved further consultation as the masterplan was developed.</p> <p>The High Road West Consultation Feedback Report included qualitative and quantitative feedback over an eight week period and sought to inform the process as well as inform others on what was being proposed. It was aimed at three main groups:</p> <ol style="list-style-type: none"> 1. Love Lane residents 2. Residents of the wider community 3. Local business services <p>A range of methods were used and the results provided to Cabinet, including the preferred option for the masterplan for each of the groups listed above. The Cabinet report provided a brief summary of these findings.</p> <p>Cabinet agreed to develop a Residents Charter. The Residents' Charter will set out Love Lane Residents' aspirations for the regeneration proposals and build on the housing assurances given to residents to ensure that they are not adversely affected by any future regeneration proposals.</p> <p>This was a public report and features in the cabinet minutes.</p> <p>Full Council and Scrutiny have not had an opportunity to formally respond to these reports and the decisions within.</p>	<p>Detailed consultation undertaken and Cabinet were made aware of the results and the decisions they were required to make as a result.</p> <p>The Local community were informed and consulted and their preferred option clearly evident in the Committee papers.</p>
	<p>In July 2014 Cabinet agreed:</p> <ul style="list-style-type: none"> • the Love Lane Residents Charter • principles and approach to engagement within the High Road West Consultation and Engagement Strategy • the approach to undertake statutory consultation with Council tenants on Love Lane Estate. <p>These all ensured that the Council continued to consult and meet its statutory obligations.</p> <p>This was a public report as per the cabinet minutes.</p> <p>Full Council and Scrutiny have not had an opportunity to formally respond to these reports and the decisions within.</p>	<p>Cabinet were provided with detailed document that set out what consultation had been undertaken, what was proposed and why.</p>

Detailed findings

Compliance with the Council's procedures for public consultation

Requirement	Summary findings	Conclusion
<p>Evidence of a range of consultation activities undertaken to engage with the local community, including:</p> <ul style="list-style-type: none"> • Love Lane Residents • Local Businesses • Wider stakeholders <p>Evidence to demonstrate that the results of procurement exercises are transparent and that outcomes are publically reported</p>	<p>The December 2014 Cabinet report provided the results of the next phase of the consultation process (September 2013 to October 2015) and the masterplan which has taken account of the results of the consultation.</p> <p>This stage of the consultation also included the statutory requirements for council tenants.</p> <p>Building on the consultation undertaken the Council approved Secure Council Tenant, Leaseholder and Private Tenant Guides, the Business Charter and agreed to annually review the Love lane Residents Charter.</p> <p>This was a public meeting as per cabinet report with notifications of filming rights.</p> <p>Full Council and Scrutiny have not had an opportunity to formally respond to these reports and the decisions within.</p>	<p>We have been provided with copies of published material including the masterplan – no compliance issues noted.</p>
	<p>Cabinet Report December 2015</p> <p>This report provided the High Road West Objectives for approval, which informed the procurement objectives.</p> <p>It included:</p> <ul style="list-style-type: none"> • business case for approval • agreement to the Competitive Dialogue Procedure under the Public Contracts Regulations to procure a commercial partner, to deliver the High Road West Regeneration Scheme • delegated authority to the Director of Regeneration, Planning and Development, after consultation with the Cabinet Member for Housing and Regeneration, to deselect bidders, in line with the evaluation criteria, throughout the procurement process and to return to Cabinet for approval of the preferred bidder following the conclusion of the procurement process. This was a public meeting, with the majority of information being available to the public, except for some exempt information. Eg commercially sensitive information. 	<p>The outcome of this decision was clearly communicated and reported through the council website.</p>
	<p>Cabinet Report September 2016</p> <p>This report provided the background and covered the approval of the funding for the scheme. The majority of the information was available to the public, apart from a short paper which sets out the funding and its sources for the project.</p>	<p>The outcome of this decision was clearly communicated and reported through the council website</p>
	<p>Cabinet report September 2017</p> <p>This report sets out the preferred bidder, the process thus far in the procurement exercise (a reiteration of previous cabinet viewed reports as above) and the preferred bidder with robust explanation as to why.</p>	<p>This Cabinet meeting is yet to be held.</p>

Detailed findings

Governance and scrutiny role exercised by members throughout the process. We have considered the role of Cabinet and delegated decisions, Overview and Scrutiny Committee and Full Council.

Requirement	Summary findings	Conclusion
Have Cabinet received adequate information to enable them to make informed decisions?	Can be concluded from the cabinet reports as previously detailed that sufficient information was provided.	No compliance issues noted
Have the procedures for 'key decisions' been followed, including delegated decisions?	Key decisions are featured on the forward plan as is appropriate as per section 5 of the Constitution. These have also been taken to Cabinet as part of delegated authority overview. Delegation is appropriate as per Section 2 of the Constitution of the council noted on their website. Part 4 of the Constitution states: "Key decisions may only be taken by the Leader, the Cabinet, or a Committee of the Cabinet, or an individual Cabinet Member or the Chief Executive as described below. Decision-making is allocated between these bodies/persons in accordance with of the Executive Responsibilities at Part 3 Section C and the Cabinet collectively may also delegate specific decisions to a committee of the Cabinet or an officer.". The repeated updates to Cabinet show compliance with this.	No compliance issues noted
Do the minutes of Cabinet meetings indicate that the decisions have been based on robust discussion and debate?	Cabinet minutes show robust discussion and debate between management and councillors in regards to the redevelopment.	No compliance issues noted
Scrutiny – role and responsibility to be taken from the Constitution	The OSC's functions are set out in the Constitution. There is a protocol setting out how OSC operates. The Council's Policy, Intelligence and Partnership Unit coordinate the work programme of the OSC at the beginning of each civic year. Officers may suggest an item for scrutiny but is not obliged too. The OSC has regard to these suggestions when they decide their work programme. The OSC itself may request reports from the areas mentioned in the Protocol. There has been no referrals to or call ins so far from the OSC on the HRW procurement exercise. Scrutiny have not been involved to date	No compliance issues noted
Full Council are responsible for monitoring compliance with Council policy and related cabinet decisions	No reports have been issued to Full Council. No decisions taken in relation to High Road West to date have required a Full Council decision. The decision to dispose of land and seek Secretary of States Consent to dispose are the only Full Council decisions and as set out in the Cabinet report which is due to go to Cabinet on September 12 th , these will be taken to full Council (with the 12 th Sept Cabinet report) following the 12 th Cabinet decision.	This meeting has not yet taken place.

Timeline of activities/decisions

Month/year	Timeline
February 2012	Cabinet decision made to develop a masterplan and regeneration proposal for High Road West, Tottenham.
March to September 2012	Consultation undertaken on three masterplan options.
November 2013	Cabinet decision made to develop a comprehensive masterplan for further consultation with the community.
September to October 2014	Six week consultation process on High Road West Regeneration Proposals, including the masterplan framework. Statutory consultation undertaken with secure council residents living in Love Lane Estate.
December 2014	Cabinet presented with feedback on consultation and agreed the masterplan framework. Love Lane residents charter agreed. Funding requirements agreed. Negotiations with Tottenham Hotspurs Football Club agreed, to include possible land pooling agreement.
December 2015	Cabinet provided with a progress update since December 2014. Cabinet approved: <ul style="list-style-type: none"> • the High Road West objectives • business case , with the Director of Regeneration, Planning and Development in consultation with the Cabinet Member for Housing and Regeneration to refine following soft market testing • commencement of a Competitive Dialogue Procedure, under the Public Contracts Regulations to procure a commercial partner • delegated authority to the Director of Regeneration, Planning and Development in consultation with the Cabinet Member for Housing and Regeneration and to agree all documentation required to support the procurement process and to deselect bidders, in line with evaluation criteria, and to return to cabinet for approval of the preferred bidder • the phasing plan and to commence re-housing of the Love lane Estate.
	Soft market testing
	Start of Completeive Dialogue procedure
	OJEU notice issued
September 2016	Cabinet key decision, approval of funding for High Road West Housing Zone 2.



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