



Cllr Joseph Ejiofor and Zina Etheridge
Haringey Borough Council
Haringey Civic Centre
255 High Road
Wood Green
London N22 8LE

9 July 2018

Dear Joseph and Zina,

Re: Cabinet consideration of HDV

I write this letter with reference and further to my letter of 4 July.

In advance of Cabinet papers being completed and issued for the Cabinet meeting on 17 July, and in the circumstances where the Council may be contemplating an alternative pathway other than continuing with the procurement of the partnership vehicle, I think that it is important that I am clear as to Lendlease's position as the successful bidder in the HDV procurement.

As everyone agrees, Haringey faces some significant challenges, not least how it can provide homes for the 10,000 households currently on its waiting lists. We believe that we can make a major contribution in addressing these urgent housing needs in the borough by working as the Council's partner, in ways which deliver on your priorities as you set out in your recent manifesto. As the partnership requires, Lendlease will attract significant investment for this purpose.

Given the lack of any viable alternatives to fund and deliver new homes at anything like the required pace and scale, we urge you and your colleagues to take the time to fully consider the opportunity for inward investment and support for Haringey the HDV partnership framework offers. As set out in my 4 July letter, we are certain that this framework, comprehensively procured by the Council and its advisers, has the inherent flexibility required to meet the new Council's needs, including giving the Council control over its affordable housing stock. This has been confirmed by our legal advice.

However, whilst our strong preference is to work as your partner in delivering on our joint commitments to provide new housing and regeneration, if the Cabinet decides to attempt to reverse our appointment as the successful bidder, we will have no choice but to seek to protect Lendlease's interests given our very significant investment over the last two and a half years.



Background

Since the start of the formal procurement process in 2016, Lendlease has, in good faith, worked closely with the Council, and invested considerable time, people, know-how and money, to deliver a partnership which will meet the borough's pressing need for more housing and wider regeneration. The partnership provides the Council with appropriate control and ensures that the community and residents have a say in what does and doesn't get built on an ongoing basis.

The Council approved the setting up of the HDV and assured us of the intention to award the contract to us. That contract was supposed to have been implemented last year, but this was held up whilst the legality of our joint venture structure was challenged and the Council faced other external pressures seeking to undermine that implementation. As you know, the Court in the judicial review duly upheld the legality of the structure and the decision-making process that was run by the Council.

Council's duties and obligations

We appreciate that the new administration has had little time since the election to consider the HDV framework procured and all the permitted options and variants, and as a result we will not, within reason, object to you having a suitable period to obtain all the advice that you will be obliged to consider whilst maintaining a constructive dialogue with Lendlease.

Of course, we understand the political considerations and that is why I wrote to you last week to set out our thinking as to how we can work together to meet the objectives of the Council's new administration. Again, I would like to stress that we are very keen to meet the Council's needs. As such we would welcome the opportunity to work through those options with you and your advisers as soon as possible.

It is important that in reviewing the HDV at the Cabinet on 17 July, the Council does not take any step which infringes or damages Lendlease's rights. Most obviously, it is not open to the Council in such circumstances to attempt to abandon the procurement, in which Lendlease was selected and then confirmed as successful bidder.

Lendlease's position

Lendlease is entitled to be treated fairly and not to be discriminated against and the Council is obliged to act rationally. You will presumably have taken legal advice about the full range of remedies that would be open to Lendlease if we were prevented from proceeding. The Council will be aware that it must follow due process in fully and properly considering its obligations arising from this procurement. It must not take any decision which would be irrational, in particular in the context of the borough's urgent need for housing – which requires very significant investment and capability. As the Council, over a number of years, undertook a very extensive process, including consideration of various delivery options, we would have to question how the new Cabinet, which has been in place for only a matter of weeks, could be in a position to be ready and able to make any significant change of direction.



Commitment to borough and cabinet meeting on 17th July 2018

I reiterate again that Lendlease remains committed to Haringey and wishes to work with you for the benefit of the people of the borough. To this end we are ready to mobilise immediately. Collectively, we have a unique opportunity to make a real difference to the provision of urgently needed homes, jobs and public amenities. We have the advantage of a flexible procurement model which allows us to achieve those objectives in the ways that were set out in the recent manifesto.

Accordingly, I very much hope that the Cabinet discussion on 17 July properly considers all relevant factors, objectively and rationally, and there will also be a positive discussion in which all relevant information is put before the members. If this is not possible we assume the Council will have no option but to defer any Cabinet decision. I also repeat my offer to be present at the Cabinet to confirm our commitment to the borough and to answer questions.

Thereafter, the Council and Lendlease should take suitable time to reflect, so we can work together and discuss how we can secure a strong partnership in the best interests of the residents of Haringey.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dan Labbad", is positioned above the printed name.

Dan Labbad
Chief Executive Officer, Lendlease Europe