

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 17TH JULY, 2018, 6.30pm

PRESENT:

Councillors: Joseph Ejiofor (Chair), Emine Ibrahim (Vice-Chair), Charles Adje, Peray Ahmet, Patrick Berryman, Mark Blake, Zena Brabazon, Kirsten Hearn, Noah Tucker and Elin Weston.

Also in attendance: Councillors – White, das Neves, Barnes, Hare, Culverwell, Bull, Chiriyankandath

22. FILMING AT MEETINGS

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at the meeting and Members noted this information.

23. APOLOGIES

There were no apologies for absence.

24. URGENT BUSINESS

There were no items of urgent business.

25. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

There were no representations received at the agenda publication stage in relation to the exempt items on the agenda.

26. DECLARATIONS OF INTEREST

Councillors: Mark Blake, Zena Brabazon, Emine Ibrahim, and Kirsten Hearn declared personal interests in items 14a, 14b, 14c, and 14d. They had either participated or chaired the scrutiny reviews which were for noting and responses to the recommendations put forward for agreement.

27. MINUTES

The minutes of the Cabinet meeting held on the 26th of June 2018 were agreed as a correct record of the meeting.

28. DEPUTATIONS/PETITIONS/QUESTIONS

The Leader had received requests for three representations at the meeting.

- Dan Labbad of Lendlease put forward the first representation in relation to the HDV report at item 8.
- The second deputation was from Ms Mirca Morera in relation to item 9 on the agenda, the Fairness Commission launch.
- The third representation was put forward by Unison in relation to Shared Digital Service implementation report at item 12.

The Leader started the meeting by considering the representation from Dan Labbad.

Dan Labbad – Lendlease

Mr Labbad thanked the Council for the opportunity to speak at the meeting. He outlined that Lendlease had been working to support housing ambitions in the borough for three years. However, Lendlease accepted that the new administration did not want to continue with the model developed by the previous administration. Mr Labbad instead focused on the issues that could be agreed upon. These were, in his view, as follows:

- 10,000 households on the housing waiting list in Haringey
- Urgent need for new homes
- Capability to deliver these homes at pace and scale.
- Need for the Council to keep public assets and minimise exposure to risk
- Council setting the agenda on affordable and social housing including adhering to Council policies such as right to return.

Mr Labbad emphasised that the Council cannot deliver on meeting housing need by itself nor can the private sector also deliver this solely. Mr Labbad contended that the Council needed capable and willing partners to deliver on its Housing agenda. Mr Labbad re-iterated that the partnership offered by the HDV was flexible enough to still offer these opportunities. Mr Labbad highlighted the clear advice provided from a QC expert in public procurement which also verified this.

Mr Labbad referred to the report which highlighted that the Council had invested time and money over 4 years in the HDV. Mr Labbad asked the Cabinet to take a little longer to explore opportunities and options with Lendlease, which was keen to continue working with the Council to meet the community's needs.

Mr Labbad explained that the public procurement process, followed for the HDV did not allow engagement with the local community. Dissimilarly, in the High Road West regeneration project, for which the contract had been signed in December, there had been extensive community activities and local people were benefiting from regeneration. Mr Labbad invited the Cabinet to visit Lendlease's other London regeneration projects, in particular Elephant Park in Southwark where the Council had worked with Lendlease for over 8 years. Mr Labbad encouraged Cabinet Members to

speak with community representatives in Elephant Park to understand more fully the nature of the partnership working completed. Lendlease had a number of projects in London and was proud of their work for delivering regeneration.

Mr Labbad, on behalf of Lendlease, acknowledged the right of the local authorities to lead and direct on what is needed in communities, in particular level of affordable homes. It was also important for Lendlease to keep its word and deliver on what it had promised to the community.

Mr Labbad understood the assumption that Lendlease was a business and therefore existed to make profit for shareholders. However, this was not at any cost. Indeed the business model was predicated on successfully serving communities, partners, and stakeholders. This was reflected in the successful working of Lendlease across the world with governments in partnership. The company was only able to obtain more work through meeting the needs of governments and communities.

Lendlease had made a significant investment, over three years, in Haringey and did not want this to be discarded in a matter of weeks especially when need for partnership had not changed.

Mr Labbad, personally, also did not want the opportunity to change people's live chances and deliver opportunities for young people in Tottenham abandoned.

Although Lendlease did not need to work in the borough, the partnership was still a good fit in terms of capability and meeting the Council needs. Lendlease were ready and prepared to work with the Council according to the manifesto, and by keeping the Council in control. This further included taking forward a wholly owned Council vehicle which Lendlease could support.

Mr Labbad asked Cabinet to reconsider the proposed decision. Lendlease were ready to deploy capability and investment to achieve the Council's objectives across the borough and with Council control, ensuring no development occurs without community approval. Mr Labbad concluded by asking Cabinet to defer the proposed decision, in order to have a proper conversation and to explore possibilities of what can be achieved through working together.

The Chair invited questions to be put forward from Cabinet Members to Mr Labbad

In response to a Cabinet Member question on the level of asset transfer, Mr Labbad confirmed that the options considered so far did involve a 100 % transfer of commercial assets to Lendlease, but other options could be further explored with the new administration.

In response to a question on the social economic investments, starting straight away, there would be the employment and skilling vehicle. Lendlease would use their portfolio to employ local people in Tottenham until development in Haringey reached full productivity. The social investment vehicle would involve the investment of £20m over 20 years and leverage other funding to become a bigger source of employment

support. This was one initiative amongst others included in the proposed suite of social economic activities going forward.

29. HARINGEY DEVELOPMENT VEHICLE

The Assistant Director for Corporate Governance and Monitoring Officer reminded the Cabinet of their duty to approach the decision with an open mind. He advised Cabinet to take into account all relevant considerations before coming to a decision. This included giving sufficient attention to the points raised, both in the officer's report as well as in any representations made at the meeting at item 7 and any representations received from Lendlease including any correspondence.

The Leader confirmed that the Cabinet had received three letters from Lendlease with regards to the report and the Council had responded to the third letter received. The Cabinet had these representations and would consider them when considering the report and recommendations.

The Leader continued to introduce the report and set out that this administration was elected on a promise to build Council homes on Council owned land. There was also a commitment to house Haringey's people, creating a diverse mixture of housing options for Haringey's residents. There was a commitment from the administration for doing the best for Haringey and delivering the best for Haringey's residents.

The Leader expressed that there can be little disagreement about the importance of tackling poverty and deprivation, providing access to housing and jobs, and securing a sustainable future for the public services we provide. However, the proposed HDV had shown how strongly opinions differ, both inside and outside the Council, about the best way to address these important issues.

Building on the commitments made during the recent elections, the new administration were taking decisive action to set a new direction for the Council, by taking this final decision on the HDV.

It was recognised that this decision should not be taken lightly. As set out in this report, this was an informed decision. Furthermore, the work completed to develop the HDV proposals by the bidders, including by Lendlease was recognised. The decision proposed was neither a reflection on the quality of that work nor of their desirability as a partner. Indeed, the Council remained grateful to Lendlease for the interest that they had shown in Haringey and its future, and for their commitment to the Council in its other partnerships.

The Leader expressed that a decision of this significance must be taken having weighed the risks and demerits against the benefits. He continued to advise that this administration had taken a different view on that balance from the previous one.

The Leader understood that the residents and businesses of Haringey would expect the Council to offer a clear alternative vision for how to tackle the challenges faced. The work on the alternatives had already begun and was not only to be described but

being put it into action, as could be seen from the other reports being considered by Cabinet alongside this one.

In response to questions from Cllr Adje and Cllr Barnes:

- In relation to continuing engagement in the Northumberland Park estate renewal, paragraph 6.45.3 was referred to and outlined the engagement with residents in Northumberland Park .This encompassed community development related activities as well as engagement actions aimed at instigating discussion about the wishes and aspirations of residents for the estate.
- The Director for Housing and Growth clarified that section 4.1.3b advised specifically on the bidder's responsibility for the cost of bidding in a procurement process .Distinctly, the agreed costs set out at section 6.2.6, were the costs that were incurred on behalf of the future HDV. These costs were accrued by Lendlease in relation to the work completed for the benefit of the HDV, after Lendlease was appointed as preferred bidder. These costs were due to be reimbursed to Lendlease if the HDV had been established, with an agreement they would be shared between the Council and Lendlease if the HDV were not established for any reason.
- In relation to the potential cost of contract mediation, the Chief Executive reiterated that no contract had been entered into.

Further to considering the exempt information, the Leader asked Cabinet to consider the information contained in the public report, representations received from Lendlease, including the presentation at the meeting. He referred to the recommendations of the public report set out at section 3.1 page 29 of the public report and also referred to the exempt recommendation and asked Cabinet to consider these with an open mind, referring to the Monitoring officer's advice above.

Cabinet unanimously RESOLVED

1. To agree that the Council should withdraw from the Competitive Dialogue procedure with immediate effect for the reasons set out in section 4 of this report and therefore not award a contract in relation to the Haringey Development Vehicle (OJEU reference 2016/S 008-010032);
2. To agree to delegate authority to the Director for Housing, Regeneration and Planning, to approve payment to Lendlease of the Council's share of 'Agreed Costs' as described in para 6.34; and
3. To agree to delegate authority to the Director for Housing, Regeneration and Planning, following consultation with the Leader, to address any other matters arising from the decision, including writing to all bidders and other matters

referenced in the exempt report. **(this paragraph includes information in the exempt report)**

Reasons for decision

The selection of a preferred bidder for HDV was undertaken in accordance with the Public Contracts Regulations 2015 (“PCR 2015”) from three compliant and high quality bids in response to the Competitive Dialogue Procedure documents. In line with those regulations, the Council had issued various procurement documents to tenderers. Provisions contained in these documents, as listed below in relation to stages of the procurement process:

The PQQ makes clear that:

- (a) The Council reserves the right not to make any appointment following the procurement process; and
- (b) That all Bidders are responsible for their own costs and the Council will not fund the costs of any Bidder in applying for this opportunity;

In the ITPD and ISDS the Council reserves the right:-

- (a) not to award a contract;
- (b) to cancel or withdraw from the Competitive Dialogue Procedure at any stage;

In the ISFT the Council reserves the right:-

- (a) not to make any appointment following the procurement process;
- (b) all bidders are responsible for their own costs and the Council will not fund the costs of any bidder in applying for this opportunity not to award a contract;
- (c) to cancel or withdraw from the Competitive Dialogue Procedure at any stage.

There are two distinct reasons for the recommendations set out in this report, each of which inform and explain the new administration’s manifesto statement that it did not believe the HDV provides the answer to the challenges faced by the Council. Each reason, being distinct, is of itself sufficient to found the recommendation.

The first reason is related to the approach taken to public assets within the HDV. The new administration does not agree with the proposed transfer of public assets out of 100% public ownership at the scale envisaged by the HDV proposals. The proposed project agreements would commit the Council to transferring the Commercial Portfolio and (subject to conditions being met) the Wood Green development sites to the HDV, which is in itself a large scale, multi-site transfer of assets out of sole Council control. In particular, the new administration believes on principle that the Council’s Commercial Portfolio should remain in Council ownership and subject to Council management, and should not transfer as a whole portfolio out of solely public ownership. Further, although it is correct that setting up the HDV would not – of itself - commit the Council to transfer any further sites into the HDV, the HDV proposals envisage that if it was ultimately to develop any further sites, these too would be on the basis of transfer of legal title to the HDV. A transfer on this scale is not an acceptable approach for the new Council administration.

The second reason relates to risk. In line with provisions in the Cabinet reports in November 2015 and July 2017, the Council has throughout the development of the HDV proposals, recognised that to proceed with the HDV came with a degree of risk, including those related to committing its commercial portfolio and, subject to satisfaction of conditions, land for development. These risks combined those to which the Council would have been directly exposed, and those to which it would have been indirectly exposed through its 50% stake in the HDV.

The Council's acknowledgement of these risks, and plans for mitigating them, are illustrated both in the Business Plans approved by Cabinet in July 2017, and by the Cabinet responses to scrutiny reviews of the HDV proposals as they were emerging during 2017 (see para 6.14), as well as in its HDV risk register which has been published online, with regular updates.

The previous administration considered that these risks were acceptable when weighed against the potential benefits of proceeding with the HDV. The new administration does not object to outcomes anticipated by the HDV programme, nor does it object to the principle of partnerships with the private sector. But it takes a different view on the acceptability of the risks.

In particular, the new administration is not prepared to accept the scale and nature of risk implied by the aggregated volume of the proposed HDV programme. Even accepting that the Northumberland Park, Cranwood and Category 2 sites would not be formally committed to the HDV under the terms of the proposed HDV agreements, the Commercial Portfolio and Wood Green Business Plans alone present a degree of risk that the Council is not now prepared to accept. As with any development project, the proposed HDV development plans for the Wood Green sites would have significantly exposed the HDV (and by extension the Council) to fluctuations in the residential and commercial property markets and a range of other development risks; given the treatment of the Council's Wood Green and Commercial Portfolio property interests as an equity stake in the HDV, the nature and extent of the exposure of those assets to those risks is not considered acceptable. While the Council (on its own, and in the development of the HDV proposals alongside Lendlease) had done a great deal of work to map and mitigate a range of risks associated with the HDV – as set out in section 6 below – these risks, about which the new Council administration is principally concerned, are fundamental to the nature of the HDV proposal and cannot be mitigated to an extent that would change the view expressed here.

In anticipation of the Cabinet decision on 17 July 2018, Lendlease wrote to the Council Chief Executive on 4 July 2018, urging the Council to consider taking forward the HDV, on the basis that the HDV's flexibility could allow a reconfiguration to meet the new administration's priorities. Lendlease also asked that its letter be put before Cabinet members as they considered their decision. The letter is attached as Appendix 1a to this report.

Lendlease wrote again on 9 July 2018 (Appendix 1b), which reiterated Lendlease's continued commitment to working with the Council, but notes that if "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". Lendlease propose that the Cabinet "considers all

relevant factors, objectively and rationally”, or else, “assumes the Council will have no option but to defer any Cabinet decision.” The Council Chief Executive has replied to the letters from Lendlease, to acknowledge receipt and to confirm that their contents will be made available to Cabinet Members ahead of the decision recommended in this report.

The HDV represents a unique programme, the nature and potential scale of which makes the consequences of any risks being realised especially serious. Since coming into office in May 2018, the current administration has considered the options available to the Council, including the recommended option and alternative options as referred to in section 5. On balance, and building on the view set out in its manifesto at the May 2018 elections, the Council’s new administration does not believe that proceeding with the HDV, or alternative option(s) as described in section 5, is in the Council’s interests. It is not a judgement that is specific to the bid from Lendlease or the arrangements discussed and agreed between the Council and Lendlease during the Competitive Dialogue process, but rather one, which relates to the fundamental structure of the proposed deal as defined by the Council from the start of that process. It is a judgement, which also takes into account, and accepts, that the Council has already expended a considerable sum of money on setting-up of the HDV.

This report therefore seeks authority to withdraw from the Competitive Dialogue Procedure and therefore not proceed with the setting up of the HDV. It also recommends delegations to officers to resolve the outstanding issues that directly arise from a decision not to proceed.

As with all decisions, the recommendations in this report carry a number of risks and implications. Section 6 of this report highlights these risks and implications. These include (a) legal risks, **(this information is partly included in the exempt report)**; (b) financial risks and implications, **(this information is partly included in the exempt report)**, costs for due diligence work done to date (known as ‘Agreed Costs’) and costs which would be written off for work undertaken to date; (c) strategic risks, covering the capacity of the Council to meet its objectives and statutory requirements, including additional costs and loss of potential future investment; and (d) reputational and political risks.

Alternative options considered

The option of establishing the HDV is described by the decision made by Cabinet in July 2017. If progressed, this would commit the Council to pursuing the transfer of the Commercial Portfolio to the HDV, and the Wood Green sites subject to certain conditions being met. Further, it would mean that the Cabinet had the option, at its complete discretion, following section 105 consultation and the satisfaction of further necessary conditions, to transfer the Cranwood and the Northumberland Park sites to the HDV for redevelopment.

Alongside the option of establishing the HDV as currently configured, Cabinet has also considered reconfiguring the HDV, for example by investing the Commercial Portfolio but with a reduced scope of delivering only the Category 1A Properties (i.e. the Wood Green sites). However, this option, as with other variations, which exclude significant parts of the offer originally envisaged, would require a modification to the project

agreements and could be regarded as a substantial modification to the procurement contemplated by the Procurement Documents. This option would therefore lead to a risk of the Council breaching the PCR 2015 with a real risk of challenge from any of the bidders. This is a risk the Council does not consider it would be prudent to take.

Even in the absence of the real risk of challenge for breach of the PCR 2015, none of these alternative options – in any of their respective variants – would address the concerns of the political leadership about the fundamental approach underpinning the HDV, as set out in section 4 above. These alternatives have therefore been rejected, in favour of the recommendations set out in section 3 of the report.

Lendlease contacted the Council on 4 July 2018 as referred to above in paragraph 4.8. The potential approach described in the Lendlease letter does not differ in its key characteristics from the range of reconfiguration options described in paragraph 5.2. Rather, like those options, it remains based on the fundamental deal structure as defined by the Council from the start of procurement (and could be subject to the same risk of challenge for breach of the PCR 2015, depending on the nature and scale of departure from the original procurement proposition). The approach proposed by Lendlease is therefore rejected for the same reasons as all other possible variants of the deal.

In relation to recommendation 1, in the private session, the Assistant Director for Corporate Governance referred to a legal QC opinion which was received, dated 12th of July 2018, which considered three potential options for restructuring the HDV relating to affordable housing which in the QC's view fall within the scope of this procurement. He stated that options 2 and 3 involved some change but did not in his view involve such a change as is sufficiently substantial to require a fresh procurement.

This opinion was also considered by Cabinet. However, these variants were rejected by Cabinet in any event as they did not address the concerns of the political leadership about the fundamental approach underpinning the HDV as set out in section 4 of the report.

30. FAIRNESS COMMISSION LAUNCH

A deputation had been received from Ms Mirca Morera, representing Save Latin Village and Wards Corner campaign, in relation to item 9 of the Agenda.

Ms Morera spoke as the representative of Save Latin Village and Wards Corner and firstly welcomed the creation of the Fairness Commission as it had the potential to signify necessary change to ensure fairness for all.

Ms Morera further stated that such a body was significant in creating a dialogue for the future with its number one regeneration resource, its people. Ms Morera spoke about the Fairness Commissions set up in other Boroughs which served as a valuable blueprint for the Haringey Fairness Commission to follow.

Ms Morera went on to highlight the following:

- The good community work that takes place at the Latin Village, such as, providing access to childcare, health and supporting users with disability.
- The alternative community plan that Save the Latin Village campaign has produced for Wards Corner which, in the view of the deputation, was a viable and affordable plan that would involve a full renovation to provide a diverse and genuinely unique landmark.
- In the deputation's view, the developer had not complied with section 106 of the agreement to support existing traders.
- The Save Latin Village and Wards Corner campaign has had three failed judicial reviews but had now filed a race discrimination claim against the developer agent following several disputes with local traders.
- The deputation felt that the diversity of Latin village should be valued and questioned the lack of affordable housing on the site.
- The Save Latin Village and Wards Corner campaign was seeking Haringey Council to withdraw and annul its co-operation the developer at Wards Corner and referred to the recent behaviour of the developer agent at a meeting.

The Cabinet Members asked the deputation questions and the following was noted:

- That the race discrimination case, mentioned above, was filed in November 2017 but, as of yet, there was no update regarding the progression of this case.
- The deputation welcomed the opportunity to take part in the evidence gathering stage and asked for Cabinet to look at the Wards Corner development with fresh eyes and review the case of Latin Village, judging this on its merits.

The Cabinet Member for Civic Services thanked the deputation for their presentation, which covered a range of areas, wider than the remit of the Fairness Commission. The Commission would be gathering information from across the borough and would welcome hearing from the group. They were invited to submit evidence in writing to understand implications for policymaking. The Cabinet Member was interested in deputation's comments about childcare as this was an area of particular concern in the borough. Also how the Council shapes its policies in relation to this will be important going forward.

The Leader invited the Cabinet Member for Civic Services to introduce the report on the Fairness commission.

The Cabinet Member for Civic Services introduced the report which sought agreement to the establishment of the Fairness Commission, in line with the current Council's Leadership pledge during the recent electoral campaign, and the early actions to be

undertaken. The Council's overarching aim was to improve the quality of life in Haringey. This work was especially important given the impact of the last 8 years of austerity and cuts in local government funding which had a substantial impact on communities.

Through listening and collecting information from community stakeholders, the Commission would make proposals on how to make Haringey a fairer borough for all. The commissioners would be drawn from as many different sections of the community as possible to represent the voices of all those within the borough of Haringey.

The Cabinet Member emphasised the importance of Councillors hearing and listening to local residents, discussing issues related to fairness. Key activities would involve backbench members to further allow them to participate in shaping the Council's decision making to achieve the aim of becoming a fairer borough.

In response to questions, the following information was noted:

- In relation to the key priorities of the Fairness Commission, it was highlighted that the issues presented in the report for coverage was not an exhaustive list and that the process was an organic one by which issues may present themselves for discussion through the course of the evidence gathering. Amongst the key issues to be addressed, by the Fairness Commission, were : housing; the supply of housing; issue of private sector housing; debt, access to credit; rising household costs; the impact of welfare reform; safety and security; projects that seek to tackle loneliness via social media; access to information; health and wellbeing; and issues of mental health. It was noted that the likely question for the Commission will be how it narrows the scope of its report.
- In addressing how the Fairness Commission will go about getting the viewpoints of those who do not actively choose to participate in such formal meetings, it was noted that the intention of the Commission was to travel throughout the Borough to extend its reach and to invite all communities to give evidence. For individuals who were not be able to access meetings or not comfortable speaking in meetings, the Commission may look at providing alternative means by which these individuals can give evidence. This could be by providing evidence via a tape recording for these to be played at the public hearings. It was further noted that the Council was taking all of these sensitivities into account and that there was a dedicated team of officers thinking about all of these issues regarding how best to collate and present evidence before the Commission.
- With regards to how often the Fairness Commission findings will be reviewed and considered, it was highlighted that other London boroughs, that have set up similar Commissions, have produced reports on an annual basis to ensure that the Commission is still working effectively.
- The success of the Fairness Commission report will be measured against the improvement it achieves in creating policies that are workable and mitigate

poverty or any other problems that affect people. The commissioners, including members of Overview and Scrutiny, will be invited to sit on the Fairness Commission and will have a full range of varying experiences and are people who come from all different walks of life. The idea was to balance individuals sitting on the Commission with different experiences and different skills.

RESOLVED

1. To agree that the Haringey Fairness Commission is established;
2. To agree the appointment of Cllr Brabazon, Cabinet Member for Civic Services, and Dr Paul Watt, Professor of Urban Studies at Birkbeck, University of London, as Co-Chairs of the Commission;
3. To note the range of partners and stakeholders who have been approached to join as Commissioners;
4. To note that the Commission will conduct a range of evidence and public engagement sessions between October 2018 – March 2019, with a view to publishing a final report and set of recommendations in summer 2019.

Reasons for decision

This report and recommendations seek to establish the Haringey Fairness Commission. The Commission will aim to hear from a wide range of residents, stakeholders, partners and experts with a view to publishing a final report setting out their findings and recommendations in summer 2019.

The recommendations are intended to be practical, setting out how the Council and its partners can tackle issues of inequality and fairness that are highlighted through the evidence sessions and public engagement that is planned to take place.

31. SETTING UP A WHOLLY OWNED COMPANY FOR HOUSING DEVELOPMENT

The Cabinet Member for Housing, and Estate Renewal introduced the report which sought permission to set up a wholly owned company (WOC) to deliver new build Council-owned homes.

The Cabinet Member expressed that current Labour leadership was elected on a manifesto that placed housing at its heart and was committed to delivering 1,000 new Council homes at Council rent by 2022, to meet the needs of those on the waiting list. The creation of a wholly owned company represented a clear change in direction of housing in Haringey and the Council owns a number of sites in the borough which can be used to develop new housing.

The Cabinet Member referred to the last two bullet points at recommendation 3.6 and advised that the inclusion of these two housing sites was subject to approval of agenda item 19.

- In response to a question regarding the allocation of up to £500,000 funding from the Government's Flexible Homelessness Support Grant to address the

initial set up of WOC, it was noted that no current projects were losing funding as a result. This was a three year funding programme that was entirely flexible and so the money could be moved around, between projects and over different years, and it was expected to be repaid once the costs of WOC become capitalised. Furthermore, although the cost allowed for the setup of the WOC is up to a maximum of £500,000, it was expected to be far less than this.

- In response to a question regarding the potential of the WOC to be able to deliver on larger schemes, it was noted that other local authorities whose WOCs had taken on large schemes in the first instance, had taken considerable time to enable procurement of land and get development underway. The proposed WOC was in a better position because the Council was already in possession of the land for the type of schemes proposed in the report. In time, the WOC may be able to take on much larger and more complex schemes, but expertise would need to be built up first.

RESOLVED

1. To agree to set up a Wholly Owned Company (WOC), as set out in paras 6.5 to 6.30, with the primary purpose of maximising the delivery of new Council owned homes on the condition that the WOC shall not be incorporated until Cabinet has considered the further report set out in paragraph 3.6;
2. To note that the Director of Housing, Regeneration and Planning, in consultation with the Director of Finance and Deputy Leader of the Council and Cabinet Member for Housing and Estate Renewal, will take all necessary steps towards setting up the WOC, including but not limited to drawing up the Articles of Association of the WOC, the Shareholder's Agreement between the Council and the WOC, any other necessary agreements and legal documentation required, including, if necessary, registration of the WOC as a Registered Provider; subject to recommendation 3.6;
3. To agree that the WOC may undertake commercial activities, that is to develop market housing for sale and rent, subject to approved business cases and subject to recommendation 3.6;
4. To allocate up to £500,000 funding from the Government's Flexible Homelessness Support Grant for 2018/19 to cash flow initial set up and development costs of the Wholly Owned Company;
5. To note that where possible any costs incurred in the establishment of the WOC will be capitalised and the funding returned to the FHSG;
6. To note that decisions will need to be made on the following issues by Cabinet later in 2018:
 - The appointment of the initial Company Directors of the WOC
 - The appointment of members of the Shareholder Board for the WOC

- The Objects Clause and Articles of Association of the WOC, the Shareholders Agreement between the Council and the WOC and any other necessary agreements required between the Council and the WOC.
- All further legal documentation necessary to the set up of the WOC.
- The capital and revenue budgets to be made available to the WOC.
- Further delegations to agree and sign off the business cases for future WOC development sites.
- The financial limits for future delegated decisions and where Cabinet decisions will still be necessary.
- The first site business case for the WOC, ie housing development at Cranwood.
- Disposal of land at Cranwood to the WOC.

Reasons for decision

A wholly owned company (WOC) will enable the Council to scale up its delivery of new Council-owned homes to help deliver the Housing Strategy aims to increase housing supply in the borough, and in particular the supply of affordable homes.

To increase significantly the supply of housing in the borough that the Council itself owns and that it can use to house those on its housing register and homeless households, it will need to do this through number of different mechanisms. In addition to this WOC, this includes acquiring new homes on estate renewal schemes and municipalising existing market housing and purchasing s106 affordable housing from developers. Over time, the WOC could expand its role into these other areas, if necessary by developing subsidiaries or a wider family of WOCs.

The WOC could also expand, as has happened in other local authorities, to deliver a wider range of services or to repatriate surpluses to the Council to support the General Fund. It could also, to facilitate any such expansion, or if necessary, to facilitate the granting of Registered Provider status, be given more independence, for example having an independent chair, board members or its own staff. But to ensure a rapid start on the programme of new Council house building, a simpler more focused approach that will move as swiftly as possible to delivery has been recommended. At all times, the WOC will remain a separate entity and the board must always act in the best interest of the company.

Over the period 2014 to 2018, the Council built its first new Council owned homes for decades - 32 new homes, a combination of Affordable Rent and shared ownership. The lessons learned from this experience has informed the establishment of the WOC. As a result, it will, in the first instance, aim to develop mid-size sites, on Council owned land, in mixed tenure developments. Its primary purpose, at this stage, is to maximise the delivery of Council owned housing at Council rents on these sites. The WOC will sell any market housing it develops to cross-subsidise the Council owned housing, ensuring all surpluses are reinvested to maximise the supply of Council owned housing.

A number of sites in the borough are being considered for development through the WOC, with the first site identified being the Cranwood site in Muswell Hill. As future sites are identified, each will come to Cabinet for approval.

Alternative options considered

There were a number of other options considered, and as with the preferred WOC option, a number of Councils are operating these alternative options. The options considered below may be deemed more appropriate to pursue on future housing developments, and if the legislative and policy agenda changes. But for the purposes of the types of development identified in section 6, the WOC set out here is, at this point, the preferred option.

For the Council not to seek to deliver any affordable housing itself: That is, the Council could continue to rely wholly on Registered Providers to deliver affordable housing in the borough, helping the Council meet its housing need through nominations agreements to these homes.

This has not been pursued because, while Registered Partners are likely to still deliver the majority of new affordable homes in the short to medium term, relying wholly on Registered Partners eschews the ability of the Council to provide additional supply using its own resources. Any surpluses from Council led housebuilding will be reinvested in housing in Haringey or paid as dividends to the General Fund at a later stage, if other Council investment purposes are deemed a greater priority. In contrast, Registered Partners can utilise surpluses from their new build stock in Haringey to invest in other Boroughs or even outside London. In addition Council nominations are rarely 100% in perpetuity on Registered Partner homes, rents will typically be higher than Council rents and tenants and prospective tenants have expressed a preference for Council owned housing. Finally, this would miss the opportunity to bring new stock into the HRA, of good quality and with little or no debt, and providing additional rental income, which will enhance the financial viability of the HRA and support the improvement of existing Council stock.

For the Council to deliver affordable housing itself, but not through this form of wholly owned company: That is, for the Council to deliver affordable housing through other methods such as:

- a) The Council building directly itself, rather than through a WOC.
- b) Homes for Haringey, an already established WOC, building the new housing.
- c) The Council establishing a joint venture with a housing developer or Registered Provider.

Although Option (a) has not been pursued further at this point, this does not mean that the Council cannot consider at a future point whether there are developments that could be better undertaken directly by the Council itself or by Homes for Haringey, rather than through the WOC. However, for some sites, having the WOC option is beneficial because it is able to operate in a more commercial manner than the Council itself can. The WOC could also more easily build for market sale and market rent to cross subsidise affordable housing, and could make a return to the General Fund,

activities that would not normally fit so easily within the Council's, or Homes for Haringey's, social purposes.

It is important for Members to note that homes owned by a WOC would not have the statutory Right to Buy, which they would, were they owned by the Council directly. However, homes owned by a WOC cannot have a secure tenancy, which they would have, were they were owned by the Council directly; although if owned by the WOC they can have a lifetime assured tenancy, as most Housing Association tenants do. Depending on the Council's view on these and other relevant issues, as new homes are developed by the WOC, the Council can choose to hold them within the WOC itself, or for the WOC to sell them to the HRA.

If the Council were to develop within the HRA, then this capital investment would be constrained by the HRA debt cap. With the new pressures on the HRA on Broadwater Farm, this headroom is likely to be extremely restricted in the short to medium term. And HRA investment in new build would need to be balanced against other existing stock investment pressures, such as decent homes, fire safety and environmental improvements. The HRA is a ringfenced Account so offers less flexibility over use of surpluses than a WOC and does not as easily support trading for profit.

Option (b), utilising Homes for Haringey (HfH) as the WOC, has not been pursued, to enable the greatest flexibility going forward. It is noted that this decision is about where the legal entity of the WOC is based. The WOC will employ no staff itself and all the actual work of delivery will be undertaken by Council and HfH staff as appropriate. Basing the WOC itself within HfH, or using HfH itself as the WOC, would both distance it to some extent from direct Council control and mean that the actual delivery capacity could only sensibly be entirely within HfH. But as noted above, this decision does not preclude using HfH to deliver some or all of the programme, and, wherever the delivery of the new homes is based, the management and maintenance of the homes would be undertaken by HfH.

Option (c), a joint venture (JV) has not been pursued at this point for the types of development that the WOC is seeking to undertake. Although such a JV would bring immediate benefits in that it would be with a partner that has the delivery capacity and experience the Council lacks, this may have less long term benefits as the Council is seeking to develop that capacity itself. It typically takes much longer to procure, negotiate and enter into a joint venture agreement, whereas a WOC can be set up relatively quickly. Due to the cost and time involved in setting up a JV, this option is more suitable for larger or multi-phased developments where these costs can be justified over the lifetime of a higher value, longer term strategic development partnership, rather than the type of developments identified for the WOC in section 6.

32. SETTING UP A COMMUNITY BENEFIT SOCIETY TO DELIVER IMPROVED HOUSING OPTIONS FOR HOUSEHOLDS PRESENTING AS HOMELESS

The Cabinet Member for Housing and Estate Renewal introduced the report which proposed two schemes to increase housing options. These options were A

Community Benefit Society (CBS), and a Purchase, Repair and Management Joint Venture Partnership (PR&M).

This would allow an increase in the number of properties available to the Council to use as temporary accommodation, or provide more affordable and better quality private rented housing into which homelessness duty can be discharged.

The Cabinet Member outlined that the manifesto upon which the Labour Council Leadership was elected is clear on the need to act decisively to address homelessness in the borough and to help the 3,000 households in temporary accommodation, and sometimes in homes that are in poor condition. The administration promised to deliver housing differently, alongside the position of the wholly owned company.

In response to questions, the following was noted:

- It was highlighted that the decision on the Community Benefit Society was more of a safety mechanism as it was anticipated that the wholly owned company (WOC) may be able to achieve what the CBS seeks to achieve in terms of provision of homes.
- It was noted that the caps on acquiring 100 properties and spending £25m did not mean an expected £250,000 cost per home. Instead these two figures represented a double lock on spending and acquisitions by officers, before the proposal comes back to Cabinet for review and to agree further spending and acquisitions. For information, the modelling for the CBS had assumed an average cost of properties acquired as £360k per home.
- With regard to what discussions there had been with potential partners in PR&M, it was noted that there was a formal procurement process, started late last year, which in January 2018 identified three bidders as potentially meeting the requirements needed. Although there has been initial meetings with them, this process has been paused in order to explore the proposal with the newly elected Council before further progressing negotiations. The bidders would be named once the procurement had been finalised, if Cabinet decided to proceed with the proposal at that stage.
- It was noted that, where possible, the Council was aiming to house residents in temporary accommodation within the borough but may use properties in neighbouring boroughs such as Enfield, Waltham Forest or Barnet.
- All homes acquired through CBS would be managed by Homes for Haringey. It was further clarified that there may be bidders for the Purchase, Repair and Management Joint Venture Partnership (PR&M) in the form of a consortium, including a registered provider.

RESOLVED

1. To agree to set up a Community Benefit Society, as set out at paras 6.8 to 6.18.

2. To agree to the acquisition of the first 100 residential units for the purposes as set out in paras 6.8 to 6.18.
3. To approve the first funding tranche of capital of up to £25m in 2018/19 for the purchase of properties set out in recommendation 3.2 to be funded by £17.5m of borrowing and £7.5m of retained right to buy capital receipts as agreed by Council at its budget setting meeting of 26 February 2018.
4. To approve the first tranche of Right to Buy receipts of up to £7.5m in the financial years 2018/19 to fund the purchase of properties set out in recommendation 3.2.
5. To approve the establishment of a CBS “smoothing reserve” as described in paragraph 8.20 to smooth any increases in capital finance costs during the life of the CBS or successor body or bodies.
6. To delegate the following decisions:
 - a) Delegate responsibility to finalise the necessary legal arrangements for the setting up of the CBS and to recruit the three independent board members for the CBS to the Director for Housing, Regeneration and Planning, after consultation with the Director of Finance and the Deputy Leader and Cabinet Member for Housing and Estate Renewal.
 - b) Delegate the purchase up to 100 individual residential units to be acquired under recommendation 3.2 and to be leased to the CBS to the Director for Housing, Regeneration and Planning in conjunction with the Director of Finance up to a maximum amount of £25m in total.
 - c) Delegate the agreement on property covenants and loan agreements to the Head of Legal Services and Director of Finance, as appropriate.
 - d) To note the progress made on the establishment of a Purchase, Repair and Management Joint Venture, with the purposes as set out in paragraphs 6.19 to 6.30, with any final decision on its establishment to be taken at a future Cabinet meeting alongside consideration of other options to achieve the aims of this proposal.
 - e) To Allocate up to £200,000 funding from the Government’s Flexible Homelessness Support Grant for 2018/19 to fund initial set up costs of the CBS and PR&M.

Reasons for decision

Haringey has experienced a significant increase in the number of households who are either homeless or at risk of becoming homeless. Where possible, the Council works with households to prevent homelessness, as set out in the Homelessness Strategy 2017-2022, but where prevention is not possible, the Council has a statutory duty to provide TA to eligible households until a more permanent offer of accommodation can be found.

A significant proportion of the TA used by the Council is sourced from the PRS. This TA is unsuitable in terms of its low quality, insecurity and high rents. This TA is also expensive to the Council, with over £8m spent on TA in 2017/18.

This report describes two schemes, a CBS and a PR&M, which will increase the number of properties available to the Council to either use as temporary accommodation, or to provide more affordable and better quality private rented housing into which homelessness duty can be discharged.

A Community Benefit Society (CBS) which is a capital-based model, in which the Council will use its capital resources, including retained RTB receipts, to acquire residential properties. These properties will then be leased to the CBS.

A Purchase, Repair and Management (PR&M) Joint Venture Partnership, which is a revenue-based model, in which the PR&M partner acquires the residential properties, while the Council guarantee nominations to the properties. The Council will take ownership of the properties at the end of the partnership.

The properties acquired through both schemes will be used as TA and for the discharge of homelessness duty into private sector tenancies. The homes acquired will be better quality and better managed (either by a Registered Provider or Homes for Haringey) than existing stock used as TA, the residents will have greater security and the costs of these homes to the resident and Council will be lower. In addition, the homes acquired by the Council and leased to the CBS and the homes owned by the PR&M will all ultimately be fully municipalised.

Alternative options considered

The Council is already taking action to address the high cost of temporary accommodation, for example by strategically evaluating demand to ensure the best use of resources. However, no serious dent can be made in the TA spend without addressing the cause of this cost: the high rents that are charged on TA leased from private sector landlords. Additionally, issues of poor quality will be best addressed by having close control of the homes used for temporary accommodation.

There are alternative options for acquiring properties to use for TA and discharge of homelessness duty. The Council commissioned an options appraisal, which considered a range of options, summarised below, against the key requirements of being able to use RTB receipts to support any capital costs and being able to charge Local Housing Allowance (LHA) level rents.

The Housing Revenue Account option

This would entail purchasing properties and owning them within the HRA for use as TA. However, this option would not allow sufficient rent levels to be charged to make the property purchases viable or to make savings in the TA budget.

The General Fund option

This would entail purchasing properties and owning them within the General Fund for use as TA. This option would also not allow sufficient rent levels to be charged to make the property purchases viable.

The Arms-Length Management Organisation option

This would entail Homes for Haringey purchasing properties, then owning and letting them directly. Homes for Haringey is unable to use RTB receipts provided by the Council, and could not charge LHA rents on the properties.

A Limited Liability Partnership (LLP) option

This would entail setting up an LLP between the Council and a charity to purchase properties, with the Council holding a minority interest in the LLP. It is not clear whether it is possible to use RTB receipts in this model, given the level of control and concern about the efficacy of LLPs as a model for Council delivery. However, an LLP could be a viable model in the future, if the partner was the CBS once it is fully and properly constituted. However, Council control of such a body would be diluted further than with a CBS.

33. SHARED DIGITAL SERVICE IMPLEMENTATION

Deputation from Gerard McGrath and Kevin Prior.

The deputation outlined experienced issues with the management of Shared digital service and included problems with the communication about the direction of the service with staff, causing a state of confusion. The deputation continued to outline their concerns in relation to the proposals contained in the report, which were as follows:

- There was a short allocated time line on TUPE –and employees were concerned that they would end up working for Camden rather than working for Haringey, which was the borough they chose to work for.
- Welcomed the reduced scope of the shared service but this lacked clarity and needed further work, particularly in terms of posts.
- If the Unions and Management cannot reach a decision on a delegated decision then Unison proposed this decision should be and signed off by Cabinet instead.
- Option of alternatives to TUPE not being considered properly, further options need to be explored - staff faced with TUPE want to leave. One of the proposals is to TUPE 50 members from each borough and if this happened at Haringey there would be no staff left in Haringey as it is the smallest IT service of the three boroughs. This also reflected the proportionality issues that Unison had concerns about.

- There was a worrying lack of control for Haringey if this model was adopted as Camden will dictate the term and conditions and Haringey staff terms and conditions are compromised.
- The proposed model for the shared service may not be the best value option as the costs were divided equally and Haringey are smaller IT unit than other partners.
- The detail of the proposals needs to be considered. If the proposal to TUPE members goes ahead then the members need to understand the deal and whom they will work for. For the record, Unison members wanted to work for Haringey and not Camden.

In response to Cabinet Member questions the deputation responded as follows:

- There had been a form of consultation when the idea for the TUPE plan was launched. Staff have had discussions and attended huddles in response to proposal. There has been a mix of trade union members and non -union members. However the key message was that staff preferred working for Haringey to Camden. There was also concern about the lack of clarity on who stays and who goes.
- In relation to alternatives to TUPE, these were secondments in line with section 113 of the Local Government Act. Members were given an assurance to discuss this option in detail but as the report came to Cabinet it was prudent to formally register representations.

The Cabinet Member for Corporate Resources and Insourcing thanked the deputation and the entire workforce and provided assurance of his continued involvement in this process. These issues had been raised with management and the Cabinet Member wanted to assure the workforce that both management and Cabinet notes and respects the points being raised and want to make sure the workforce was fully on board with proposals.

There was a target date for completion of the implementation but this was not regarded as a fixed hard deadline as it was important to work towards this in full agreement with members. Firstly, there would be official discussion between management and trade unions and proceeding this, the Cabinet Member would meet separately with the unions.

With regards to the power of delegation, the Cabinet Member was in close contact with this decision. This decision would be taken in consultation with the Cabinet Member and discussed with Cabinet colleagues.

The Leader thanked the deputation and Cabinet proceeded to consider item 12.

The Cabinet Member for Corporate Resources and Insourcing introduced the report, which followed the consideration of governance options for the shared service with Camden and Islington by Cabinet on 16 January 2018. The report recommended that

the previous “lean” Joint Committee model was no longer proceeded with and that a revised governance model be approved (Shared Digital ‘Lite’) that dispenses with the need for a Joint Committee and focuses on specific shared functions where there is strategic alignment.

The Cabinet Member noted that the reason this matter was before the Cabinet was due to it representing a change of approach in that:

- A smaller proportion of the IT service being run jointly by the 3 by the boroughs; and
- The revised governance model would retain more of the IT support staff within the Council, meaning that staff would remain directly employed and under the control of Haringey Council.

The Cabinet Member emphasised that there was an existing commitment towards a partly shared service and that this was expected to result in expected savings of £2.4 million from procurement due to jointly purchasing equipment.

In response to a question regarding the involvement of staff in designing the details of the model, it was noted that staff were involved in two ways. Firstly, there are regular meeting with management and trade unions. Secondly, the Cabinet Member has separate meetings with trade unions to discuss all aspects of the programme.

That having considered the contents of this report, in particular the results of the consultation set out in Section 6.22 and feedback from Trade Unions, staff and other stakeholders, and having given due regard to the equalities implications as summarised in section 8.4 the Cabinet :

RESOLVED

1. To note the achievements of the shared service (including c. £2.4m of savings in the delivery of commodity Digital and ICT services, to be shared equally by the three Councils) and also the challenges in achieving strategic alignment with Camden and Islington.
2. To agree that the recommendations set out in the report to Cabinet on 16 January 2018 in respect of a ‘lean’ Joint committee model are no longer proceeded with and that a revised governance model for Shared Digital be adopted as set out in paragraph 6.5, specifically that the Joint Committee cease to exist as from the date of this decision and to agree that Camden host the shared Digital and ICT functions set out in paragraph 6.5.2 (‘the Shared Functions’) to be transferred from Haringey and Islington Councils (as detailed in paragraph 8.3). Haringey and Islington will have lead officers in place to oversee their sovereign Digital and ICT services and the Shared Functions delivered by Camden (including their performance against service level agreements (‘SLAs’)).

3. To approve Camden as the host Council in respect of the Shared Functions and note the staffing impact of the proposals as set out in paragraph 6.8 of this report.
4. To agree the dissolution of the Shared Digital Joint Committee as from the date of this decision and to note that Cabinet will make any decisions previously delegated to the Joint Committee which are required in the period from now until the entering in the service agreement and TUPE transfer (which is planned for 1 October 2018) in respect of the current Shared Digital Service subject to those matters previously delegated to and discharged by the Chief Digital Information Officer (CDIO) under those terms of reference being delegated directly to the CDIO or, any successor role designated by Haringey as set out in paragraph 6.21.4.
5. To note that the transfer of service and staff is currently planned for 1 October 2018, and to agree that as a result Camden will be responsible for employing staff engaged to deliver the Shared Functions.
6. To note that the Cabinet of Camden are considering a recommendation to be the primary host authority for Shared Functions in the Shared Service, and to accept the delegation from Haringey and Islington. The Executive of Islington are also considering a recommendation to delegate to Camden (as the host authority in the shared service) the delivery of the Shared Functions in like terms and that the recommendations set out in this report, if agreed, will only be implemented if the Camden Cabinet and Islington Executive agree the equivalent and related recommendations that they are considering.
7. To delegate authority to the Director of Customers, Transformation and Resources to take all necessary steps to put arrangements for the new governance model into effect as set out in this report, including but not limited to finalising the detailed specifications and resource implications of the Shared Functions, the terms of a revised inter-authority agreement for the operation of the 3 way Shared Digital service and a commencement date for the new model including the date for the TUPE transfer.

Reasons for decision

In March 2018, following extensive dialogue and consultation feedback from Unions, and input from staff and other stakeholders, the transfer planned for 1 April 2018 was paused to allow the Councils to reflect on the approach and implementation of the shared service.

Taking account of the consultation and dialogue feedback and considering the achievements and challenges of the shared service, we are clear that we share aspirations around Digital transformation, and the key role that Digital will play in transforming the services that we deliver to our citizens and the way that we work.

Pushing for deeper alignment and integration independently of local priorities and constraints runs the risk of becoming an end in itself and may not position us to most effectively realise our local outcomes and aspirations in Haringey.

The recommendation maintains efficient and effective operational services that will improve services to citizens and staff while reducing unit costs. The proposal will allow the Council to develop and progress our ambitions with a local Haringey-focused Chief Information Officer. (Camden and Islington will similarly be able to focus on their local priorities.)

Alternative options considered

The review of options considered the scale and extent of sharing from wholly sovereign to wholly shared services.

Noting the Councils' shared ambitions and the significant achievements of the shared service, 'stopping' the shared service was not a preferred option.

Considering the challenges of strategic alignment, and of balancing integration and local priorities, constraints and pace, it is not considered an option to progress the previously agreed model and a Shared Digital 'Lite' option is being proposed.

This option is mindful that integration should not be an end in itself and allows the Councils to maintain and strengthen working together. It will consolidate on-target savings of c. £2.4m per year across the three Councils; to be shared equally, i.e. £800,000 each.

This will retain a number of Shared Functions, and mechanisms to encourage and build on opportunities to work together, aligned with both shared strategic priorities and new ways of working to support Medium Term Financial Savings.

Further savings may be achieved over time with this option, for example if more application consolidation is achieved.

34. LAPTOP AND DESKTOP REFRESH

The Cabinet Member for Corporate Services and Insourcing introduced the report which sought Cabinet approval to the allocation of funding of up to £4.1m to enable the delivery of phase 2 of the Council's Laptop and Desktop Refresh Project (part of the End User Compute Programme) by Shared Digital Service.

The Cabinet Member went on to state that this project was about capital investment to ensure that staff of Haringey Council could continue to work effectively. Currently, the Council was still using Windows 7 which would soon become obsolete and cease to be supported by Microsoft. Furthermore, the project would allow the Council to utilise Office 365 to its fullest extent.

The Cabinet Member emphasised that the project was required to ensure that the necessary equipment is supplied to staff and that it would be funded by Capital Funding and not revenue allocation.

In response to a question, it was noted that an Equalities Impact Assessment screening tool had been carried out and that the utmost attention has been given to access issues and ensuring that all disabled members of staff have full access to the equipment. Furthermore, it was noted that, due to the rollout of newer and better systems across the Council, it was anticipated that efficiency savings would be released as a result.

RESOLVED

To approve the allocation of funding up to £4.1m to enable the delivery of phase 2 of the Council's Laptop and Desktop Refresh Project (part of the End User Compute Programme) by Shared Digital Service.

Reasons for decision

The Council has an ageing estate of laptops, desktops and monitors which were last refreshed in 2012/2013. The hardware is now failing at an increasing rate and the general level of dis-satisfaction and frustration with the existing estate from the user community is very high. The estate is also not suitable for running the latest software applications and is inadequate in supporting users with smart / mobile working. The ability to procure new or refurbished Windows 7 devices (the operating system currently installed on Council computers) is now proving almost impossible.

In addition to the critical usability issues, Windows 7 will no longer be supported by Microsoft from January 2020. No further security fixes will be released by Microsoft from that date. It is therefore critical that the Council move to the new Shared Digital recommended platform of Windows 10 before January 2020. Failure to do so may compromise the Council's security and potentially expose the Council to exploitation of known hacking attacks. The Council's access to Public Services Network (PSN) based systems e.g. NHS, may also be affected, as access to PSN is predicated upon the Council demonstrating that it is only running supportable and patchable hardware and software.

The move to Windows 10 is aligned to the Council's software strategy (office tools, server and end user device operating systems) and the Council is currently renewing its Microsoft Enterprise Subscription Licensing Agreement and have recently migrated to Office 365. This will allow the Council to make use of the latest versions of Windows and Office as well as maintaining its investment in Office 365.

To address the above issues, the Shared Digital Service initiated the End User Compute Programme with a view to addressing the needs of the Council and our partner boroughs: Camden and Islington, using a "shared" approach. This approach allows all boroughs to utilise designs, resources, experiences and deployment approaches, will maximise efficiency whilst ensuring individual Council nuances are recognised. The Laptop and Desktop Refresh Programme is part of the wider End User Compute Programme.

The Laptop and Desktop Refresh Programme aims to make the Council more flexible and joined up in conjunction with Office 365. Implementation of the new technology

will give users the capability to work from anywhere and facilitate more joined up and integrated working. Systems will be easier to use, secure, fit for purpose, forward looking and future proof. The Council will become 'digital by default' as users are able to access information from anywhere and maximise benefits by aligning the Council's service offer with the technology used by our residents, customers and partners.

Following a detailed specification phase to understand user and technical requirements across all three boroughs, the Shared Digital Service has undertaken a procurement exercise including the use of an eAuction conducted by Crown Commercial Services and benchmarking information to ensure the cost of the replacement hardware provided value for money for the Council.

The overall cost of the Laptop and Desktop Refresh Programme is up to £4.6m which includes £488,340 already funded for Phase 1. The total estimated cost of the programme is £3.6m based on the initial user specification and resource requirements as at March 2018.

The remaining funding request is to cover any contingencies that may arise as a result of changes during the deployment of phase 2 as follows:

- a) Price increases – the original costings were conducted in March 2018. There may be some variations in costs.
- b) Resource requirements – the resources required to implement phase 2 may change if the Council wishes to deploy the programme more quickly or unforeseen circumstances require additional resources.
 - a. Change in mix of hardware requirements – the hardware requirements (e.g. the number of devices) to be deployed is shown below in table 1. A number of assumptions have been made around the user estate. The proposed new estate adopts a "laptop first" policy and users of desktops will switch to laptops where possible, and the mix of laptop types has been estimated based on the initial user specification but the overall mix of estate may change during the implementation as user requirements are better understood.

Table 1:

	Number of Devices	
	Current Estate	Proposed Estate
Laptops	2224	3323
Desktops	818	0
Kiosks	67	67
User Profile:		
Handheld Devices		500
Roaming Devices		2723

Power Devices	100
Desktop	67
Connectivity (see note 1)	3000
Accessories (see note 2)	3323

Note 1: Connectivity includes 24 inch monitor, dock, 24 inch USB-C Monitor and dongle pack

Note 2: Accessories includes laptop riser, ruck sack, pen, Bluetooth mouse

The number of devices takes into account where there is currently a desktop device that is used by multiple staff members, if the desktop device is replaced, each member of staff would need an individual laptop. During the phase 2 deployment, where it makes business and financial sense to maintain a desktop device e.g. job share or where home or smart working is not a requirement, then the desktop device will be retained.

All costs associated with the programme will be monitored on a monthly basis and reported to Cabinet on a quarterly basis. Any unused contingency funds will be carried forward and used to fund other transformational work.

Alternative options considered

Do Nothing:

The Laptop and Desktop Refresh Programme has been initiated to address two specific issues. The withdrawal by Microsoft of Windows 7 support from January 2020 and the ongoing procurement issues of purchasing the Council's existing estate of Dell laptops due to the requirement of using Windows 7 operating system. Failure to address these issues would not only be in breach of the Council's current commitments and expose the Council to security flaws (e.g. out of date software will not be patched / supported by Microsoft), but will also affect the Council's PSN submission. Coupled with high levels of frustration with the existing Dell laptops and their continued suitability as an enabling business tool, 'Do nothing' is not an option.

35. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE

In introducing this item, the Leader, referred to the distinct powers of Cabinet and Scrutiny, located in the Local Government Act 2000 & consolidated by the Localism Act 2011. Furthermore, taking account of the personal declarations of interest made at the start of the meeting, Cabinet would not be taking forward presentation of the scrutiny reviews. These had been agreed by Scrutiny Committee in March and Cabinet would proceed to consider the responses to the scrutiny recommendations in line with their responsibilities.

(a) **Cabinet Response to the Scrutiny Review on Social Housing**

The Leader introduced this item, and advised that the recommendations made in the attached scrutiny review report could be used to help guide the development of the policy agenda in housing, regeneration and planning for the new administration. While the report did not set out a detailed list of explicit objectives to be delivered to a given timescale, it did propose a clear direction of travel for policy in these areas. Many of the recommendations were positive and were either currently being incorporated into the Council's approach or could be incorporated going forward. Some recommendations presented challenges to implementation and have therefore been responded to cautiously, with partial agreement. Specific reasons for each recommendation response were given in Appendix 2.

The overall approach of the report, which was comprehensive and detailed, was a helpful framework to inform the future housing policy of the Council.

In response to what other measures were being re-examined, in light of the acceptance of recommendation 13 (the need for sprinklers), it was highlighted that there was a thorough review of all blocks being carried out and that this involved all mechanisms, not just fire doors and hand-held sprinklers, being re-examined.

RESOLVED

1. To consider the Overview and Scrutiny Report on social housing (attached at appendix 1).
2. To agree the responses to the Overview and Scrutiny report recommendations (attached as Appendix 2).

Reasons for decision

On 26 March 2018, Overview and Scrutiny Committee approved the report of the Housing and Regeneration Scrutiny Panel (HRSP) on social housing.

In developing its report, the HRSP held a number of evidence gathering sessions and took evidence from Council officers as well as a range of experts and local stakeholders. The HRSP then made a number of recommendations, which were adopted by Overview and Scrutiny Committee on 26 March 2018.

The recommendations made in the HRSP report can be used to help guide the development of the policy agenda in housing, regeneration and planning for the new administration. While the report does not set out a detailed list of explicit objectives to be delivered to a given timescale, it does propose a clear direction of travel for policy in these areas. Many of the recommendations are positive and are either currently being incorporated into the Council's approach or can be incorporated going forward. Some recommendations present challenges to implementation and have therefore been responded to cautiously, with partial agreement. Specific reasons for each recommendation response are given in Appendix 2, the draft responses to

recommendations. The overall approach of the report – which is comprehensive and detailed – is a helpful framework to inform the future housing policy of the Council.

Alternative options considered

None.

(b) Cabinet Response to Scrutiny Review on Parks

The Leader introduced this item and outlined that the Scrutiny recommendations were a positive contribution to improving the management and protection of Parks in the Borough.

Haringey parks were well used. Millions of visits were made to parks and open spaces each year and it was clear that parks are enjoyed and valued across the Council, partners and residents.

It was therefore encouraging to note that evidence received by the Committee reflected this and the recommendations would help to support and protect parks in the long term.

This was an important and timely review that will help shape the forthcoming Parks Strategy to be developed collaboratively over the next twelve months.

The Council recognised that there were always improvements to be made to enhance parks users' experience and the recommendations will support the Council and partners to raise standards in a sustainable way.

This has been a useful piece of work in ensuring that our parks are of a high standard. The Leader was particularly pleased that the 'Friends of the Parks' groups have been involved in this review. It is important that users groups are involved in the use and development of their parks.

Parks played an important part in promoting health and well-being.

In response to Councillor questions, the following was noted:

- The possibility of exploring a future partnership between Tottenham Hotspur Football Club and the Council in relation to building all weather pitches in the borough, mirroring the existing arrangement between Islington and Arsenal Football Club.
- In response to the proposal from Cllr Hare that the Council commit to a programme of putting all of the borough's designated parks and green open spaces under a Fields in Trust covenant which was a stronger protection than the MOL protection, it was noted that this was not cost effective. Placing all parks in the Fields in Trust would cost £150k and would also require an additional officer to manage this. The Council's response was based on the element of risk to the park and the protections that do exist and categorisations.

A more prudent approach would be to consider the 10 unprotected sites as a priority for protection under a Fields in Trust Covenant over the next two years and for further consideration be given to the remaining parks as part of the development of the Parks and Open Spaces Strategy.

- In response to representations regarding the response to recommendation 16, the Leader agreed that further financial detail is added to the proposed report to Overview and Scrutiny, including a breakdown of income with specific spending items park by park. The Leader further agreed that a timescale for Overview and Scrutiny considering this report is added to the response.

RESOLVED

1. To consider the Overview and Scrutiny Report on Parks (attached as Appendix 1).
2. To agree the responses to the Overview and Scrutiny report recommendations (attached as Appendix 2).

Reasons for decision

Haringey parks are safe places, enjoyed by many.

Over the autumn / winter of 2017/18 partners and stakeholders were invited by the Overview and Scrutiny Committee to present their evidence and opinions on the borough's parks.

The Overview and Scrutiny Committee has now made a number of recommendations focused on how the Council and its partners can improve the visitor experience when using the borough's parks and how parks can be protected and enhanced over time.

Alternative options considered

The Overview and Scrutiny Committee explored a number of views and opinions from a range of partners and stakeholders to enable the collation of the report and subsequent recommendations.

The recommendations have been carefully considered. Responses to these have been drawn up to help the Council and its partners to improve the borough's parks.

(c) Cabinet Response to Scrutiny Review on Support to Children from Refugee families

The Cabinet Member for Children, Education and Families introduced the report which reinforced the commitment of the Council to providing the right support, at the right time to children, young people and families in Haringey.

The report highlighted the many issues that affect NRPF families living in Haringey. It considered the current experience of children and families in light of the provision available, the support provided by the third sector and voluntary agencies in advocating for families and the interface with other government departments. In doing this, the report gives a clear account of the complexity and challenges involved in delivering services to families.

Haringey has been hit hard by the budget cuts imposed by central Government. The borough was home to some of the most vulnerable families in the country had lost over 40% of its funding since 2010. One in three children in Haringey lived in poverty, and NRPF families are disadvantaged further by being precluded from much of the welfare system and delays in Home Office decisions on their immigration status. In this context, the Council were keen to ensure that these children and families were supported, and would work with organisations like NELMA and Project 17 to achieve this.

RESOLVED

To consider the Scrutiny Review Report in Appendix 1 and approve the responses to the Scrutiny recommendations as outlined in Appendix 2 of this report.

Reasons for decision

The evidence supporting the Panels' recommendations on the enhancements that could be made to the support provided to children from refugee families is at (Appendix 1).

Alternative options considered

The evidence supporting the Panels' recommendations is outlined in the main body of the report (Appendix 1). The Cabinet could choose not to accept the recommended response by officers to them as outlined in Appendix 3. The potential implications of alternative courses of action are referred to within this as appropriate.

(d) Cabinet Response to Scrutiny Review on Restorative Justice

The Cabinet Member for Children, Education and Families introduced the report which provided strong evidence of restorative justice providing benefits as an approach and application across a range of settings for organisations engaging with young people, encouraging desistance from offending, and whom are at risk of school exclusions.

The Cabinet Member outlined that restorative justice had the potential to offer clear and measurable benefits to reduce young people's involvement in crime whilst also reducing school exclusions. There was also evidence that restorative justice can provide value for money by reducing reoffending rates whilst at the same times providing tangible benefits to victims.

The Cabinet Member for Children, Education and Families looked forward to working with the Cabinet Member for Communities, Safety and Engagement in order to implement the recommendations of the review.

RESOLVED

To consider the Scrutiny Review Report in **Appendix 1** and approve the responses to the Scrutiny recommendations as outlined in **Appendix 2** of this report.

Reasons for decision

The evidence supporting the Panel's recommendations on the potential for promoting and extending the use of Restorative Justice and a Restorative Practice approach in Haringey is outlined in the main body of the Report (**Appendix 1**).

Alternative options considered

The evidence supporting the Panel's recommendations is outlined in the main body of the Report (**Appendix 1**). The Cabinet could choose not to accept the recommended response by officers to them, as outlined in Appendix 2. The potential implications of alternative courses of action are referred to within this, as appropriate.

36. MINUTES OF OTHER BODIES

RESOLVED

To note the minutes of the Corporate Parenting Advisory Committee on the 20th of March 2018.

37. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note the significant and delegated actions taken by directors in June.

38. NEW ITEMS OF URGENT BUSINESS

None

39. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph, 3 and 5, Part 1, schedule 12A of the Local Government Act 1972.

40. HARINGEY DEVELOPMENT VEHICLE

The minutes for this item were exempt.

41. EXEMPT MINUTES

RESOLVED

To agree the exempt minutes of the meeting held on the 26th of June 2018.

42. NEW ITEMS OF EXEMPT URGENT BUSINESS

None

CHAIR: Councillor Joseph Ejiofor

Signed by Chair

Date

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