



Tel: +44 (0)20 7486 5888
Fax: +44 (0)20 7487 3686
DX 9025 West End W1
www.bdo.co.uk

55 Baker Street
London
W1U 7EU

Tracie Evans
Interim Deputy Chief Executive & CFO
London Borough of Haringey

3 July 2017

BY EMAIL

Dear Tracie

We have nearly finished our initial review of the proposed decision to create the Haringey Development Vehicle. The scope of the review has focused on:

- Has due process been followed?
- Are there any indications that the process will deliver poor value for money to the Council and its residents?
- Have the Council's interests been adequately protected?

Initial review and preliminary findings

Our initial work has included a review of key documents, interviews with key members of the project team, review of external advice obtained by the Council and meetings with other individuals who have raised concerns with us.

A small number of interviews have not yet taken place and we have arranged for those to take place shortly.

We set out below our preliminary findings below.

Due process for decision making

The Council has obtained external legal advice to confirm that Cabinet has the appropriate powers to make the decision whether or not to proceed with the Haringey Development Vehicle as this is within the scope of the Council's budgetary framework.

We note that a number of individuals have raised concerns regarding the amount of published information on the business case and financial projections made available, and we acknowledge that the Council has sought to provide transparency through the decision making process but have had to withhold certain information during the procurement process.

Reasonableness of proposed decision

Under public law, any decision may be challenged through the courts where it is determined that a decision taken is unreasonable. The key tests are:

- in making the decision, the Council took into account factors that ought not to have been taken into account, or
- the Council failed to take into account factors that ought to have been taken into account, or
- the decision was so unreasonable that no reasonable authority would ever consider imposing it.

Nothing has come to our attention to date that would suggest that the proposed decision is unreasonable.

Due diligence and financial modelling

We were pleased to note that the project team had a clear understanding of the proposal, were appropriately experienced and have obtained appropriate external legal, financial and taxation due diligence advice.

The risk assessment has been developed through the project and the Chief Internal Auditor has worked with the project team to develop risk mitigation planning.

Initial conclusion

Based on our initial review, we are satisfied that the Council has undertaken sufficient work and provided appropriate information to Cabinet to allow it to make a reasonable decision whether to proceed with the Haringey Development Vehicle.

We have not raised any concerns that need to be brought to the attention of Cabinet ahead of the meeting on 3 July 2017.

We agree that you may share this preliminary findings letter with Cabinet.

Yours sincerely



Leigh Lloyd-Thomas

For and on behalf of BDO LLP