

CABINET MEETING

Wednesday 13 March 2019

London Borough of Havering Record of Decisions

1. **TITLE: Quarter 3 Corporate Performance Report**

2. **DECISION:**

Cabinet:

Noted the performance figures set out in the Appendices to the report and the corrective action that is being taken.

4. **REASON FOR DECISION**

To provide Cabinet Members with an update on the Council's performance against each of the strategic goals set out in the Corporate Plan.

5. **ALTERNATIVE OPTIONS CONSIDERED**

There are no other options available.

6. **DOCUMENTS CONSIDERED:** Cabinet Briefing Report - CPR (Q3) 18-19
Quarter 3 Corporate Performance Report 2018-19

1. **TITLE: Future of Chafford Sports Complex**

2. **DECISION:**

Cabinet:

1. **Considered** the results of the consultation on the future of Chafford Sports Complex.
2. **Agreed** that funding for the community use of Chafford Sports Complex should cease, with effect from 1 June 2019.
3. **Delegated** authority to the Chief Operating Officer to end the current arrangement to give effect to the decision to cease funding for the community use of Chafford Sports Complex.

4. **Agreed** that the cost of keeping Chafford Sports Complex open from 1 April 2019 until the end of the notice period is met from the Business Risk Reserve. Based on a monthly cost of £19,357, if the notice period ran until late May 2019 the estimated cost is £38,714
5. **Agreed** that the mitigating actions identified in section 6 are progressed.
6. **Agreed** to investigate the feasibility to secure a site and funding to develop a new self-financing sports centre in the south of the borough, with a report on this to be submitted to Cabinet in the autumn and agree that funding of up to £50,000 be released from the Business Risk reserve if required.

4. **REASON FOR DECISION**

Chafford Sports Complex is being funded from business risk reserves until February 2019. There is no identified funding to continue operating and managing the Sports Complex beyond this time. The Council do not own the Sports Complex or the land. A decision is required as to whether the Council seeks ownership of the land, in order to invest Capital in it, HAR have indicated that they are open to this approach subject to agreement from the Education and Skills Funding Agency (ESFA). A decision is also required as to whether to continue funding the operation and management of Chafford Sports Complex as funding to achieve this has not been agreed beyond February 2019.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The following options have been considered:

1. Continue with current arrangement – this will create a budget pressure of at least £232k per annum as the council does not have any funding in its base budget. That sum represents the cost the council has to pay SLM to manage the public use of the facilities, because unlike other facilities managed under the SLM contract; this requires financial support to continue to operate. Those costs may rise if public use falls as could be reasonably expected with no investment. The facilities are in need of updating if they are to continue to be used by the public and the estimated cost of this is approximately £1M, with the possibility of further future spend being required over time. However, the Council is not permitted by law to invest capital in a site it does not own and so any improvements would need to be met from revenue. The Council has a £37.8m funding gap over the next four years and has no revenue for this investment without making changes to other aspects of the budget. The Council would need to consider whether it is prudent to invest such large sums in a building it does not own, on a dual use site which will always require financial support for use by the public. This option has been rejected for the reasons set out.
2. Land and Asset Transfer – Harris Academy Rainham ('HAR') have offered to transfer ownership of the complete school site to LBH. HAR would need to seek agreement from the Education and Skills Funding Agency (ESFA) to do

this as without their approval the transfer could not progress. The Council would then lease the school site on a long term arrangement to HAR, with a joint use agreement being agreed providing HAR access to the Sports Complex. Under this arrangement the necessary investment of approximately £1m in the Sports Complex, required by the SLM contract, would again fall to the Council but could be funded from capital. The Council would also be responsible for the repair and maintenance of the Sports Complex. If at a future time the Council decided to remove Chafford Sports Complex from the SLM contract, the Complex would revert to HAR. As with the option above there are real financial questions about whether such high levels of investment are prudent or affordable in an asset which has an uncertain long term future. This option has been rejected on grounds of affordability.

3. When tendering for the current Leisure Management Contract, tenderers were asked to submit proposals for a new build on the school site. Considerable capital investment would be required – approximately £11m generating an ongoing revenue subsidy of approximately £500k per year inclusive of capital borrowing costs. Again, consideration would need to be given to whether a school site is the correct location for a new sports complex. However, more recent discussion has highlighted the option of a modular build facility as mentioned in 7.3 above. The early indications are that this is a less expensive alternative to that submitted as part of the tendering process based on a traditional build.
4. A stand-alone site would allow greater day time use of the facility and would be more likely to achieve a self-financing position. A new sports complex on the school site would require the demolition of the existing sports complex prior to building the new; it is expected that there would be no sports complex for a period of up to two years. The traditional build option has been rejected on grounds of affordability. As per Recommendation 6 of this report, it is recommended that a feasibility study is carried out to establish the business case on a new sports centre in the south of the borough on a stand-alone site, with consideration of the modular build option as part of that study.

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| 6. | DOCUMENTS
CONSIDERED: | Cabinet 13.3.19 Chafford Sports Complex
FINAL
Appendix A Consultation Paper
AppendixBFullSurveyresponseEdit
Appendix C Consultation Summary Presentation
Appedix D Written Responses
Appendix E - EIA |
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1. **TITLE: Property Disposals**

2. **DECISION:**

Cabinet:

- (a) **Agreed**, in principle, that the land referred to below is no longer required to be held for the purposes for which the Council presently holds it and that it should be appropriated to planning purposes with a view to its subsequent disposal in due course:
- Land at Gooshays Drive, Harold Hill
 - Hall Lane Pitch & Putt Course, Upminster
- (b) **Authorised**, for the purposes of (a) above and in accordance with section 122(2A) Local Government Act 1972 and section 233(4) Town and Country Planning Act 1990 that notices are placed in a local newspaper circulating in the area for two consecutive weeks expressing
- (i) an intention to appropriate the land to planning purposes; and
 - (ii) an intention to dispose of the land following its appropriation.
- (c) **Considered** any objections to the intended appropriation and/or disposal before a decision to appropriate or dispose is made.
- (d) **Agreed**, in principle, following its appropriation for planning purposes, to the disposal of the land referred to above subject to (b) and (c) above.

4. **REASON FOR DECISION**

The Council should regularly review assets to ensure that they meet the requirements of the Asset Management Plan and make the best possible contribution to the aims of the Council.

As a preliminary step it is necessary to obtain Cabinet's in principle decision to both appropriate and thereafter dispose of the land for planning purposes. A final decision on whether to appropriate for planning purposes and dispose of the land will be made following the consideration of any objections received.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The only other option immediately available would be to not sell these sites. They are considered to be surplus to the Council's requirements and retaining them may not maximise their contribution to the Council's aims.

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| 6. DOCUMENTS CONSIDERED: | Property Disposals Cabinet report (13.03.2019-Final Version)
Property Disposals Cabinet Report 13.03.2019 (Appendices)
Gooshays Gardens [11]
Hall Lane Mini Golf Course [23] |
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1. **TITLE: Appropriation of the piece of land at New Zealand Way, Rainham RM13 8JT**

2. **DECISION:**

Cabinet:

1. Based on the reasons set out in the report before them, **Agreed** in principle :
 - i. subject to Recommendation 2 below that the land referred to below bounded by New Zealand Way, Queenstown Gardens and Gisborne Gardens, Rainham RM13 8JT, (shown in redline boundary on the plan attached as Appendix 1 to the Report) is no longer required to be held for the purposes for which the Council presently holds it and that it should be appropriated to planning purposes with a view to its subsequent development in due course;
 - ii. to appropriate the land at New Zealand Way for planning purposes under S122 (1) of the Local Government Act 1972;

and

2. **Authorised**, for the purposes of carrying out Recommendation 1.ii above and in accordance with section 122(2A) Local Government Act 1972, that notices are placed in a local newspaper circulating in the area for two consecutive weeks expressing both an intention to appropriate the land to planning purposes and following the completion of the process, **Authorise** the Director of Regeneration Programme Delivery following consultation with the Lead Member for Regeneration,
 - i. to consider any objections to the intended appropriation before it is made
 - ii. to consider also the outcome of the Equalities Impact Assessment before the intended appropriation is made.
3. Given the above, **delegated** authority to the Director of Regeneration Programme Delivery, following consultation with the Lead Member for Regeneration and Director of Legal and Governance to:
 - i. determine and implement the appropriation;
 - ii. agree the timing of the implementation and all matters related to appropriation;
 - iii. undertake all the appropriation processes in respect of the site; and
 - iv. deal with all matters arising from the decision and to complete appropriation process. This is to include completion of the statutory processes for the appropriation of the open space and the appropriation for planning purposes in respect of the site, in the event that there are no representations on the above issues.

4. **REASON FOR DECISION**

The proposal will deliver 30 affordable houses for local residents. This option to go ahead with the development was accepted because it fulfils the objectives of

Council's Affordable Housing Programme and Development Plan.

For the reasons highlighted in the recommendation of the report before Cabinet and in order to minimise risk and override any private rights that subsist in the land it will be prudent to appropriate it for planning purposes.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The other option considered was to dispose of the land to a private developer.

This was rejected – Due to the negative value of the site the opportunity to deliver much needed affordable Housing would be lost and bring no benefit to the Council and residents

6. **DOCUMENT CONSIDERED:** Appropriation of NZW - Cabinet Report_ Final 05_03_2019_Final

1. **TITLE: London Counter Fraud Hub**

2. **DECISION:**

Cabinet:

1. **Approved in principle** Havering Council joining the London Counter Fraud Hub.
2. **Delegated** authority to the Council's Chief Financial Officer (s151) to enter into the contract following consultation with the Director of Legal and Governance

4. **REASON FOR DECISION**

The London Counter Fraud Hub will provide greater opportunities for Havering Council to identify fraudulent activity, specifically in the areas of single person discount, business rates and tenancy fraud. The ability to match data with other London Boroughs will give the Council a greater opportunity to identify those individuals committing fraud in multiple Boroughs.

5. **ALTERNATIVE OPTIONS CONSIDERED**

Havering could wait to join until other Councils have embedded the system so that its benefits can be evaluated. However, the Hub needs Councils to join to make it a success, so if Havering were to take this approach it would not benefit the wider London authorities. It is also likely that late joiners will have higher costs charged.

6. **DOCUMENT** LCFH - CABinet report 19.02.19 FINAL (3)

CONSIDERED:

Exclusion of the Press and Public – members of the press and public were excluded from the meeting at this stage.

1. TITLE: Hainault Golf Course- Lease Surrender and Renewal

2. DECISION:

Cabinet:

- (a) **Agreed in principle, subject to (c) below**, to accept the surrender of the existing lease of Hainault Golf Course, Romford Road, Hainault, in consideration of a payment by the lessee of a surrender premium together with the payment of any rent arrears outstanding at the date of surrender.
- (b) **Agreed in principle**, to grant a new lease of Hainault Golf Course for a term of 25 years to Hainault Golf Club Limited, as outlined in the main Heads of Terms attached to and forming part of Exempt Appendix 1 to this report subject to (c) below.
- (c) **Authorised**, for the purposes of (a), and (b) above and in accordance with section 122(2A) Local Government Act 1972, that notices are placed in a local newspaper circulating in the area for two consecutive weeks expressing an intention to dispose of the land and following the completion of the process, **Authorised** the Director of Asset Management following consultation with the Cabinet Member for Finance and Property to consider any objections before the disposal is made.
- (d) **Authorised** the Director of Asset Management in consultation with the Director of Legal & Governance, to take all necessary action to complete a surrender and re-grant of a new lease substantially on the terms set out in the main Heads of Terms attached to and forming part of Exempt Appendix 1 to the Report subject to (a), (b) and (c) above.

4. REASON FOR DECISION

The new lease terms will secure a long term income stream for the Council, unlock investment in the golf course, increase accessibility and secure the long term viability of HGCL

5. ALTERNATIVE OPTIONS CONSIDERED

The Council could choose not to accept the proposed surrender and renewal of the lease. This will present the real risk of tenant default and there is no guarantee that the Council will successfully pursue the tenant to recover rent and enforce all terms under the lease.

In the event of default and in the context of the current golf environment, external valuation advice has confirmed that the Councils as Landlord would need to accept a substantial reduction in achievable rent, a rent free period and other capital incentives may need to be offered in order to attract a new golf operator to the course, who is willing to take on and invest in the golf courses, buildings and facilities for the longer term.

Given the certainty associated with the quantitative and qualitative benefits of the proposal against the uncertainty and risks associated with a decision to reject it, such a decision cannot be recommended.

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| 6. DOCUMENTS
CONSIDERED: | Hainulat Golf Course Lease Surrender Renewal
(13.03.2019 Cabinet-Final)
Hainault Golf Course - EXEMPT Appendix 1 (
Cabinet-13.03. 2019-Final)
HoTs Proposed Surrender & Renewal - Hainault
Golf Club Ltd Sept 2018 |
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