

## London Borough of Havering Record of Decision

### Announcements

### Apologies for absence

### Disclosures of Interest

### Minutes

1. **TITLE:** Oracle upgrade to Fusion

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

1. **Approved** the implementation and upgrade from our current Oracle version to the Oracle Cloud to Go Live by April 2020.
2. **Approved** a budget and allocation of funding of £4.5 million from the capital programme funded through the government's Flexible Use of Capital Receipts scheme for Transformation Projects that deliver an ongoing saving.
3. **Approved** the award of :
  - Oracle Fusion Subscription licence to Oracle as a direct award with VEAT which won 10 year contract for a total value of £4.343m
  - A Contract to Evosys off G-Cloud 10 framework as implementation partner to implement upgrade for a total value of £1.490m
4. **Approved** entering into a shared support arrangement with London Borough of Lambeth to provide expert support at the cost of £0.2m.
5. **Delegated** authority to the Council's Chief Financial Officer (s151 Officer)
  - to award a change management contract to embed the Council's new ways of working in Havering, as assessment of this will be made once the project is under way and a decision will be made to see if external support is required, £0.3m is budgeted for this activity
  - in consultation with the Monitoring Officer to approve the final forms of contract and entering into such agreements necessary to give effect to the recommendations detailed in this report.

4. **REASON FOR DECISION**

**The Direct award to Oracle has been recommended based on**

1. Due to the renewal dates of pre-existing contracts between Havering and other

suppliers (non-Oracle) there is a compelling argument to select compliant options that would enable Havering to achieve their targeted Go-Live date in April 2020.

2. This would enable cost-avoidance of specific contracts (Capgemini Hosting in June 2020). This financial saving of moving to the Cloud and away from Capgemini has been built into the business case.
3. It is possible to procure via Frameworks but they would add:
  - Additional costs of minimum 3-8%
  - Complicated contracting relationship (examples include limitation on provision of Service Credits on Oracle Cloud)
  - The contracts are unlikely to be executed in less than the one month which is needed to meet our April 2020 Go Live date on Fusion
  - There is precedence with other local authorities using this procurement route. To-date, all former Capgemini One Oracle customers upgrading from Oracle EBS, to the Oracle Cloud platform have procured the necessary Oracle Cloud Subscription citing: Continuity of service from an existing supplier
  - Services and commercial terms not available from any other supplier
  - The need for an approach that provided the council with the best value.
4. Direct Award with or without utilising VEAT is the option that has been used by a number of other councils.

## 5. **ALTERNATIVE OPTIONS CONSIDERED**

### **Other options considered but discounted:**

The other Procurement Options considered included:

- **Do nothing**  
Not viable as it could expose the Council to challenge and unnecessary costs.
- **Do our own OJEU regulated procurement**  
Not viable as timeframes do not permit and it is likely to cost more than using existing frameworks.
- **Use the Bloom framework for engaging with consultants**  
This is a viable option for the implementation partner however, it does not cover software and licences, timescales do not permit and may be more expensive than other frameworks that are available.
- **Use Health Trust Europe ICT Framework**  
This was technically a viable option for both Implementation Partner and licences elements, but this framework is meant for NHS organisations as opposed to Local Authorities so was not necessarily off the shelf and would need “tweaking” to potentially make it viable for Havering. This framework was discounted as there were more appropriate “off the shelf” frameworks that could be utilised.
- **Use the Lambeth Oracle contract**  
Liaison with Lambeth Council directly has identified that Lambeth Council procured a contract in 2016 through CCS Framework RM1058, on behalf of all One Oracle participating councils, of which oneSource officers actively participated in this procurement and were part of the specification development and tender evaluation panel.

However, following consultation with Legal, this option has been discounted as Havering did not sign the contract at the time of award (2016) and have therefore not announced publicly by way of a notice in Contracts Finder any award in 2016. Lambeth have no contract documentation evidencing Havering as being a party to this contract.

- A cost benefit analysis was carried out based on remaining on the 'as is' system and platform. This was assessed and discounted on financial grounds as well as not giving us certainty around resilience and customer experience.
- A joint project implementation and upgrade to the Cloud with Newham was considered but discounted due to the need to progress quickly and keep a separate governance approach.
- A replacement for the current systems was considered but discounted on the basis of cost of change i.e. procurement process, hardware and software licences, implementation costs of new software opposed to an upgrade as suggested in this business case.

6. **DOCUMENT CONSIDERED:** Havering Oracle Cabinet paper Final 050219 (2)  
APPENDIX A 018-LBH-Business-Case-Template-  
APPENDIX B Project Costs  
APPENDIX C Financial Summary

1. **TITLE:** 2019/20 Capital Strategy & Programme

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Approved** the capital strategy contained within this report noting its impact on both the capital programme and overall contribution to the setting of the revenue budget for 2019/20 and beyond
2. **Will Recommend to Council for consideration and approval** the 2019/20 and ongoing Capital Programme (subject to business cases for the regeneration schemes being approved in line with the governance process)
3. **Agreed** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
4. **Approved** the use of capital receipts to fund the revenue costs of two eligible proposals – the Oracle and CRM system transformations – under the MHCLG Guidance on the Flexible Use of Capital Receipts.
5. **Agreed** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed. Any external funding over £500k will be subject to approval by the Chief Financial (s151) Officer.

6. **Agreed** that the relevant Cabinet Member, together with the Cabinet Member for Finance and Property be delegated authority to commence tender processes and accept tenders for capital schemes included within the approved programme under the block programme allocations or delegation arrangements set out in this report.
7. **Noted** the capital prudential indicators included within the capital strategy when approving the capital programme to ensure affordability.

#### 4. **REASON FOR DECISION**

The Council is required to approve the Capital Strategy as per the 2017 updates to the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice.

#### 5. **ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options in so far as approving the capital strategy and setting the capital programme. However, there are options in respect of the various elements of the capital programme.

6. **DOCUMENT CONSIDERED:** Cabinet Report - Capital Strategy Havering - Final Cabinet Version  
Appendix 1 Detailed Existing Capital Programme

1. **TITLE:** 2019/20 Budget and Medium Term Strategy

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet were presented with a Corrigendum of amendments for the report and Appendices. Cabinet agreed to accept these as follows:

## **Amendments to the Budget Cabinet Report**

### **Corrigenda**

(Amended items shaded)

#### **Main Report page 84 of the Agenda pack**

Paragraph 5.2 – Table amended

	2018/19	2019/20	2019/20	2019/20
	HAVERING	HAVERING	GLA	TOTAL
		(3.25% INC)	(8.93% INC)	(4.26% INC)
<b>Band A</b>	£909.22	£938.77	£213.67	£1,152.44
<b>Band B</b>	£1,060.76	£1,095.22	£249.29	£1,344.51
<b>Band C</b>	£1,212.29	£1,251.69	£284.90	£1,536.59
<b>Band D</b>	£1,363.83	£1,408.15	£320.51	£1,728.66
<b>Band E</b>	£1,666.90	£1,721.08	£391.73	£2,112.81

<b>Band F</b>	£1,969.98	£2,033.99	£462.96	£2,496.95
<b>Band G</b>	£2,273.05	£2,346.92	£534.18	£2,881.10
<b>Band H</b>	£2,727.66	£2,816.30	£641.02	£3,457.32

## Appendix A page 102 of the Agenda Pack

Table amended

Valuation Bands	£ p
A	1,152.44
B	1,344.51
C	1,536.59
D	1,728.66
E	2,112.81
F	2,496.95
G	2,881.10
H	3,457.32

## Appendix C

**See Schedules next page – Pages 231, 232, 233 and 236 of the Agenda Pack**

(Amended items shaded)

## Neighbourhoods Environment

(B) Charges determined by Committee

Income Source	Charges 2018/19 (from April 2018) £	Charges 2019/20 (from April 2019) £	C of
<b>Hornchurch &amp; Upminster Area Car Parks</b>			
<b>Monday to Saturday (Period Hours)</b>			
0 - 1	New Charge *	1.50 *	
1 - 2	New Charge *	2.50 *	
2 - 3	New Charge *	3.50 *	
3 - 4	New Charge *	4.50 *	
4 - 5	New Charge *	5.50 *	
5 - 6	New Charge *	6.50 *	
6 - 7	New Charge *	10.50 *	
7 - 8	New Charge *	11.50 *	
8 - 12	New Charge *	12.50 *	
Solo Motorcycles	No Charge *	No Charge *	
<b>Sunday (Flat Fee)</b>	New Charge *	1.50 *	
<b>Overnight (Period Hours)</b>	New Charge *	1.50 *	

**Basis of Increase:**

- C - An increase dependent on committee approval
- G - An increase below inflation in line with a corporate growth plan
- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

**Basis for setting charge increase above complies with either:**

- P - The Corporate Charging Policy
- L - A local charging policy that deviates from the Corporate Charging Policy

## Neighbourhoods Environment

(B) Charges determined by Committee

\*VAT inclusive

Income Source	Charges 2018/19 (from April 2018) £	Charges 2019/20 (from April 2019) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
<b>On Street Pay and Display</b> (continued) <b>Romford, Hornchurch &amp; Upminster Town Centres. Monday to Saturday (Maximum Stay 3 hours)</b>				
0 - 1	New Charge	1.50	01/04/19	C/L
1 - 2	New Charge	2.50	01/04/19	C/L
2 - 3	New Charge	3.50	01/04/19	C/L
<b>Sunday</b> (Flat Fee)	New Charge	1.50	01/04/19	C/L
<b>Overnight</b> (Period Hours)	No Charge	No Charge	01/04/19	C/L
<b>Ardleigh Green, Collier Row, Cranham, Elm Park, Gidea Park, Harold Hill, Harold Wood &amp; Rainham Monday to Saturday</b> (Maximum Stay 3 hours)				
0 - 30 mins	No Charge	No Charge	01/04/19	C/L
30 mins - 1 hour	New Charge	1.50	01/04/19	C/L
1 - 2 hours	New Charge	2.50	01/04/19	C/L
2 - 3 hours	New Charge	3.50	01/04/19	C/L
<b>Sunday</b>				
0 - 30 mins	No Charge	No Charge	01/04/19	C/L
Over 30 mins	New Charge	1.50	01/04/19	C/L
<b>Overnight</b> (Period Hours)	No Charge	No Charge	01/04/19	C/L

**Basis of Increase:**

- C - An increase dependent on committee approval
- G - An increase below inflation in line with a corporate growth plan
- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

**Basis for setting charge increase above complies with either:**

- P - The Corporate Charging Policy
- L - A local charging policy that deviates from the Corporate Charging Policy

## Neighbourhoods Environment

(B) Charges determined by Committee

Income Source	Charges 2018/19 (from April 2018) £	Charges 2019/20 (from April 2019) £	o
<b>Collier Row, Cranham, Elm Park, Gidea Park &amp; Rainham Area Car Parks</b>			
<b>Monday to Saturday</b> (Period Hours)			
0 - 30 mins	No Charge *	No Charge *	
30 mins - 1	New Charge *	1.50 *	
1 - 2	New Charge *	2.50 *	
2 - 3	New Charge *	3.50 *	
3 - 4	New Charge *	4.50 *	
4 - 5	New Charge *	5.50 *	
5 - 6	New Charge *	6.50 *	
6 - 7	New Charge *	10.50 *	
7 - 8	New Charge *	11.50 *	
8 - 12	New Charge *	12.50 *	
Solo Motorcycles	No Charge *	No Charge *	
<b>Sunday</b>			
0 - 30 mins	No Charge *	No Charge *	
Over 30 Mins	New Charge *	1.50 *	
<b>Overnight</b> (Period Hours)	New Charge *	1.50 *	

**Basis of Increase:**

- C - An increase dependent on committee approval
- G - An increase below inflation in line with a corporate growth plan
- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

**Basis for setting charge increase above complies with either:**

- P - The Corporate Charging Policy
- L - A local charging policy that deviates from the Corporate Charging Policy



## Neighbourhoods Environment

(B) Charges determined by Committee

Income Source	Charges 2018/19 (from April 2018) £	Charges 2019/20 (from April 2019) £
<b>Car Parks excluding Romford Area Car Parks - Mixed Tariff</b>		
<b>Monday to Friday (Period Hours)</b>		
0 - 30 minutes	No Charge *	Withdrawn
30 mins - 2	1.50 *	Withdrawn
2 - 3	2.00 *	Withdrawn
3 - 4	3.00 *	Withdrawn
4 - 5	4.00 *	Withdrawn
5 - 6	5.00 *	Withdrawn
6 - 7	6.00 *	Withdrawn
7 - 8	7.00 *	Withdrawn
8 - 12	8.00 *	Withdrawn
Solo Motorcycles	No Charge	Withdrawn
6pm to 7am	No Charge	Withdrawn

### Basis of Increase:

- C - An increase dependent on committee approval
- G - An increase below inflation in line with a corporate growth plan
- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

### Basis for setting charge increase above complies with either:

- P - The Corporate Charging Policy
- L - A local charging policy that deviates from the Corporate Charging Policy

### Cabinet:

- Agreed** the Corporate Plan set out in Appendix G of the report.
- Agreed** the Council's General Fund Budget Requirement for 2019/20 to be set at £124.813m as set out in paragraph 5.3.2 and Appendix A of the report;
- Agreed** The Delegated Schools' draft budget set out in section 2.5 of the report;
- Agreed** a 1.25% increase in Council Tax for 2019/20 as set out in paragraph 5.1 of the report;
- Agreed** an additional 2% Adult Social Care Precept as in paragraph 5.1 of the report;
- Noted** the Medium Term Financial Strategy position as set out in Section 4 and Appendix F of the report.
- Agreed** the fees and charges schedule as set out in Section 6 and Appendix C of the report as amended.
- Noted** the budget and risks as set out in Section 9 of the report.
- Approved** the Council's approach to general balances as set out in paragraph 7.3 of the report

10. **Noted** the requirements of S106 of the LGA 1992 Act as set out in Section 1.
11. **Agreed** that if there are any changes to the GLA precept and/or levies, the Chief Financial (s151) Officer be authorised to amend the recommended resolutions accordingly and report these to the next Council meeting as required.
12. **Agreed** that to facilitate the usage of unringfenced resources, the Chief Financial Officer in consultation with Service Directors will review any such new funds allocated to Havering; make proposals for their use; and obtain approval by the Cabinet Member for Financial Management, ICT (Client) & Transformation.
13. **Delegated** to the Chief Financial Officer in consultation with Service Directors the authority to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.

**Cabinet** will recommend to Council for consideration and approval:

- The Council's General Fund Budget Requirement for 2019/20 to be set at £124.813m as set out in paragraph 5.3.2 and Appendix A of the report;
- The Delegated Schools' draft budget set out in section 2.5 of this report;
- A 1.25% increase in Council Tax for 2019/20 as set out in paragraph 5.1;
- An additional 2% Adult Social Care Precept as in paragraph 5.1;
- That it pass a resolution as set out in section 11 of this report to enable Council Tax discounts to be given at the 2018/19 level.

#### 4. **REASON FOR DECISION**

The Council is required to set a balanced budget in advance of the beginning of each financial year. This report sets out the process to reach a balanced budget for 2019/20 and sets out the Council's future plans for balancing the budget in the medium term from 2020/21 to 2022/23.

#### 5. **ALTERNATIVE OPTIONS CONSIDERED**

The report presented outlined all the options identified for balancing the 2019/20 budget. Officers will continue to seek further options for balancing the budgets for 2020/21 to 2022/23.

6. **DOCUMENT CONSIDERED:** February Budget report - Main Report cabinet final  
Appendix A - Council Tax Resolution  
Appendix B - Savings  
Appendix C - Fees and Charges  
Appendix D Risk Register  
Appendix E 2019-20 Budget  
Appendix F - Medium Term Plan  
Appendix G -- Corporate Plan  
Appendix H

1. **TITLE:** Setting the HRA Budget for 2019/2020 and the HRA Capital Programme (2019/20 - 2023/24)

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Approved** the Housing Revenue Account Budget as detailed in **Appendix 1**.
2. **Agreed** that the average rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be decreased by 1% from the week commencing 2<sup>nd</sup> April 2019 in line with the indicative figures contained in paragraph 2.1.4 of this report.
3. **Agreed** that the average rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, be reduced by 1% from the week commencing 2nd April 2019 in line with the indicative figures contained in paragraph 2.1.4 of this report.
4. **Agreed** the four rent-free weeks for 2019/20 as being: week commencing 19th August 2019, the two weeks commencing 16<sup>th</sup> and 23<sup>rd</sup> December 2019, and the week commencing 30<sup>th</sup> March 2020.
5. **Agreed** that service charges and heating and hot water charges for 2019/20 are as detailed in paragraph 2.2.2 of this report.
6. **Agreed** that the service charges for homeless households accommodated in the Council's hostels in 2019/20 are as detailed in paragraph 2.2.3 of this report.
7. **Agreed** that charges for garages should be increased by 3.4% in 2019/20 as detailed in paragraph 2.3.1 of this report
8. **Agreed** that the service charge for the provision of intensive housing management support in sheltered housing for 2019/20 shall be as detailed in paragraph 2.4.1 of this report.
9. **Agreed** that the Careline support charge should be increased by 3.4% for 2019/20 as detailed in paragraph 2.5.1 of this report.
10. **Agreed** that the Telecare support charges should be increased by 3.4% for 2019/20 as detailed in paragraph 2.5.1 of this report.
11. **Approved** the HRA Major Works Capital Programme, detailed in **Appendix 2a** of this report and **refer it to full Council** for final ratification.
12. **Approved** the HRA Capital expenditure and financing for the 12 Sites Joint Venture and Bridge Close detailed in paragraphs 3.5.1 to 3.5.17 and **Appendix 2a** of this report and **refer it to full Council** for final ratification.
13. **Approved** the £10m Estate Improvement Programme detailed in paragraph 4.4 and **Appendix 2a** of this report and **refer it to full Council** for final ratification.

4. **REASON FOR DECISION**

The Council is required to set the housing rent, service charges and a budget in accordance with the Local Government and Housing Act 1989.

5. **ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options in so far as setting the budget is concerned. However, there are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as the rent and service charge increases, budget growth and major works programme proposals. The rationale for the levels of investment and levels of charges are contained within the body of the presented report.

6. **DOCUMENT CONSIDERED:** Cabinet - HRA Business Plan and Budget 2019 - 2020 V15 (final)

1. **TITLE:** Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement for 2019/20

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Approved** the Treasury Management Strategy Statement (TMSS) 2019/20.
2. **Approved** the Treasury Management and Prudential Indicators set out in Appendices 1 and 2 of this report.
3. **Approved** the Annual Minimum Revenue Provision (MRP) Statement for 2019/20 set out in Appendix 7 of this report.
4. **Recommended** the annual TMSS and MRP statements 2019/20 to Council for approval.
5. **Delegated** future changes required to this Strategy to the Chief Operating Officer in consultation with the Cabinet Member for Finance and Property. This will provide the additional flexibility to swiftly respond to changing financial markets.

4. **REASON FOR DECISION**

The Statutory Codes set out that the Council ought to approve a Treasury Management Strategy Statement, the MRP Strategy and the Prudential Indicators.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The MHCLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Operating Officer, having

consulted the Cabinet Member for Finance and Property, believed that the strategy set out in the report represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

6. **DOCUMENT CONSIDERED:** Final Cabinet Report LBH TMSS Feb 5 Final  
Final V2 Appendix 1 Cabinet LBH TMSS  
Final V2 Appendix 2 Cabinet LBH TMSS  
Appendix 3 Cabinet LBH TMSS  
Appendix 4 Cabinet LBH TMSS  
Appendix 5 Cabinet LBH TMSS  
Appendix 6 Cabinet LBH TMSS  
Appendix 7 Cabinet LBH TMSS  
Appendix 8 Cabinet LBH TMSS

1. **TITLE:** EXCLUSION OF THE PRESS AND PUBLIC

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

The Cabinet went into closed session on occasion whilst discussing agenda items 11 to 15 which contain exempt reports. These items were considered at the beginning of the agenda as set out by the Leader of the Council.

4. **REASON FOR DECISION**

5. **ALTERNATIVE OPTIONS CONSIDERED**

6. **DOCUMENT CONSIDERED:**

1. **TITLE:** Mercury Land Holdings (MLH) in-year Business Plan Update

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Approved** the Mercury Land Holdings Limited Business Plan 2019/20 attached at exempt Appendix 2 of the report.
2. **Agreed** to delegate authority to the Leader of the Council, after consultation with the s151 Officer, the Director of Regeneration Programme Delivery and the Director of Legal and Governance, approves the detailed business cases and related viability assessments and funding requirement for the individual schemes noted within the Business Plan as they may be presented during the business plan period in order to enable them to proceed.
3. **Agreed** in principle to provide total capital funding to MLH up to a maximum of £135.85 million in respect of projects contained in exempt Appendix 2 through a combination of equity investment and state aid compliant loans subject to detailed approved business cases made under delegated authority in recommendation 2 above.
4. **Agreed** to delegate authority to the S151 Officer to agree, after consultation with the Director of Legal and Governance, the completion of all relevant agreements and appointments of relevant professionals relating to the provision of debt finance by the Council to MLH.
5. **Agreed** to delegate to the sS151 Officer, following consultation with the Director of Asset Management, and the Director of Legal and Governance, the authority to determine the principles and processes by which any assets shall be disposed of and the terms of disposal to MLH.

4. **REASON FOR DECISION**

The 2019/20 business plan meets the objectives stated in 1.1 of the report and contributes to the financial objectives of the Council

5. **ALTERNATIVE OPTIONS CONSIDERED**

A review of the alternative options of “do nothing” was not feasible as it would not fulfil the objective of growing the company.

6. **DOCUMENT CONSIDERED:** MLH BP Cabinet Report PUBLIC AGENDA 050219  
MLH BP Cabinet Report EXEMPT AGENDA 050219  
MLH Appendix 1. Movement Schedule EXEMPT  
MLH Appendix 2. MLH Business Plan EXEMPT

1. **TITLE:** Rainham and Beam Park Regeneration LLP Business Plan 2019/2020

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Approved** the draft Rainham and Beam Park Regeneration Joint Venture LLP Overarching Business Plan 2019-20, full details of which are contained within the **Exempt Agenda Report**.
2. **Agreed** that the Leader of the Council and Cabinet Member for Housing after consultation with the s151 Officer, the Chief Executive Officer and the Director of Legal and Governance, approve the finalised Overarching Business Plan 2019-20, and possible later incorporation of an additional site known as the 'Rainham Opportunity Site' as may be presented during the Business Plan 2019-20 period.
3. **Agreed to Endorse and Recommend** to Council the budget allocation set out in this report to include the related site known as 'Rainham Opportunity Site' with the Rainham and Beam Park Regeneration Scheme.
4. **Agreed** that the s151 Officer, after consultation with the Cabinet Member for Housing, responds to the service of any notice as described in Section 8.4 of this report, served by the Rainham and Beam Park Regeneration Joint Venture LLP, indicating a willingness or otherwise to participate in making third party debt available from the Council, subject to contract and due diligence.
5. **Agreed** that the s151 Officer, after consultation with the Chief Executive and The Leader of the Council, may enter into funding agreements consistent with the Treasury Management Strategy and Council's Scheme of Delegation.
6. **Agreed** the revised capital profile which brings forward £1.5m capital expenditure from 2019/20 to 2018/19.

4. **REASON FOR DECISION**

1. To incorporate revised assumptions and an updated programme into the Overarching Business Plan for the period 2019-20.

2. To continue to secure the Council's regeneration objectives for the Rainham and Beam Park Housing Zone.
3. To include an additional site to facilitate further housing delivery including affordable new affordable homes

## 5. **ALTERNATIVE OPTIONS CONSIDERED**

When the Council entered into the LLP in March 2018, consequent to the decisions made in December 2017 and March 2018, a number of commitments were made. One of these was to provide funding and this was incorporated in the capital programme by Council on 21 February 2018, which approved capital budgets from April 2018.

The funding requirement was scoped in the 2018-19 OABP which the LLP adopted soon after it was established. The budget for investment expenditure was approved by Full Council in February 2018 with effect from April 2018. The adoption of the proposed revision to the OABP is a 'Member Consent Matter'. Without the Council's approval, as a 'Member' of the LLP, the revised OABP could not be adopted and the current OABP would be maintained.

Not approving the revised OABP may have a negative impact on NHG's ability to continue funding land acquisition which in turn will have implications with delivery targets including affordable housing delivery and achieving targets agreed with GLA in the Overarching Borough Intervention Agreements.

Not adopting the revised OABP may also give rise to negative market sentiment with a consequential impact on the wider development market that this scheme would otherwise seek to stimulate.

6. **DOCUMENT CONSIDERED:** Rainham and Beam Park Business Plan PUBLIC Cabinet Report 050219  
Rainham and Beam Park Business Plan EXEMPT Cabinet Report 050219  
Rainham and Beam Park EXEMPT Appendix 1 Version 1.03  
Rainham and Beam Park EXEMPT Appendix 1 Annex A  
Rainham and Beam Park EXEMPT Appendix 1 Annex B  
Rainham and Beam Park EXEMPT Appendix 1 Annex C  
Rainham and Beam Park EXEMPT APPENDIX 2

1. **TITLE:** Havering and Wates Regeneration LLP - Business Plan 2019/2020

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

### **Cabinet:**

1. **Approved** the Havering and Wates Regeneration Joint Venture Business Plan dated January 2019, as attached at the exempt agenda report.



2. **Agreed** to delegate to the Leader of the Council, after consultation with the s151 Officer, the Director of Regeneration and the Director of Legal and Governance, the authority to approve the business cases, related viability assessments and incorporation of an opportunity site known as Chippenham Road as may be presented during the Business Plan 2019-20 period.
3. **Agreed** that the s151 Officer responds to the service of any notice as described in the exempt agenda of this report served by the HWR indicating a willingness or otherwise to participate in making third party debt available from the Council, subject to contract and due diligence.
4. **Agreed** that the s151 Officer, after consultation with the Chief Executive and the Leader of the Council, may enter into 3<sup>rd</sup> Party funding agreements consistent with the Treasury Management Strategy and the Councils Scheme of Delegation
5. **Authorised** the Director of Regeneration in consultation with the Director of Legal and Governance to make variations to the JV Development and Members agreements to enable forward funding of Napier and New Plymouth and inclusion of the Chippenham Road site into the Havering and Wates Regeneration LLP.
6. **Agreed** the phasing and works packages for the 12 HRA Regeneration Sites, as identified at 2.1, subject to any changes made by the Leader in approving the business cases.
7. **Authorised** the Director of Housing to arrange for the service of demolition notices at the appropriate time in relation to all affected properties on the named estates and schemes in this report.
8. **Agreed** to continue to develop the proposals for the Blue Line and Opportunity Sites.

#### 4. **REASON FOR DECISION**

- 1.To incorporate revised assumptions and an updated programme into the Business Plan for the period 2019-20.
- 2.To continue to secure the Councils regeneration objectives for the 12 Site Regeneration Programme.
- 3.To include an additional site to facilitate further housing delivery including that of new affordable homes.

#### 5. **ALTERNATIVE OPTIONS CONSIDERED**

1. The adoption of the Business Plan is a consent matter. Without the Council's approval, as a Member of the LLP, the revised Business Plan could not be adopted and the current Draft Business Plan would be maintained. The Council is in contract with Wates as a commercial partner for the delivery of the regeneration of sites within work package one and share the associated costs. These commitments will need to be upheld.
2. Not approving the revised Business Plan may have a negative impact on the Council's ability to continue funding land acquisition which in turn will have implications with delivery targets including affordable housing delivery and achieving targets agreed with GLA in the Overarching Borough Intervention

Agreements.

3. Not adopting the revised Business Plan may also give rise to negative market sentiment with a consequential impact on the wider development market that this scheme would otherwise seek to stimulate.

6. **DOCUMENT CONSIDERED:** 12 Estates Business Plan Cabinet report - PUBLIC AGENDA 050219  
12 Estates Business Plan Cabinet report - EXEMPT AGENDA 050219  
Appendix 1 - HWR Movement Schedule EXEMPT  
Appendix 2 - HWR Business Plan EXEMPT  
Appendix 3. Annex A - 12EstatesDashboard - Base Case EXEMPT  
Appendix 3. Annex B - 12EstatesDashboard - Red Line EXEMPT  
Appendix 3. Annex C - 12EstatesDashboard - Red Line and Chippenham EXEMPT  
Appendix 4. Annex D - HWR Chippenham Road Appraisal - Summary EXEMPT  
Appendix 4. Annex E - HWR Phase 2 Draft Indicative Phase Viability Plan - Version 3 EXEMPT

1. **TITLE:** Bridge Close Regeneration LLP Business Plan 2019/2020

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

**Cabinet:**

1. **Agreed** the Bridge Close Regeneration LLP Business Plan 2019, as attached at Appendix A.
2. **Agreed** that the Leader of the Council, after consultation with the S151 Officer, the Director of Regeneration and the Director of Legal and Governance, approve detailed business cases, related viability assessments, funding arrangements and legal agreements as may be presented during the Business Plan 2019 period.
3. **Agreed** to Endorse and Recommend to Council budget allocation to include £111.7 million within the proposed capital programme.
4. **Agreed**, in the event of approval of 2 and 3 above, to delegate to the Director of Regeneration, after consultation with the S151 Officer and the Director of Legal and Governance, the authority to take all steps to enable the approval of the terms of the agreements associated with the Council's acquisition of interests from Bridge Close Regeneration LLP relating to a new primary school, a health hub and affordable housing, including any related financial arrangements and the appointment of relevant professionals.
5. **Agreed** in principle for the Council to facilitate third party lending of debt to the Bridge Close Regeneration LLP.

6. **Agreed**, in the event of approval of 5 above, that the s151 Officer responds to the service of any notice served by the Bridge Close Regeneration LLP, indicating a willingness or otherwise to participate in making third party debt available from the Council, subject to contract and due diligence.
7. **Agreed**, in the event of approval of 5 above, that the s151 Officer, after consultation with the Chief Executive and The Leader of the Council, may enter into funding agreements consistent with the Treasury management Strategy and Councils Scheme of Delegations.

#### 4. **REASON FOR DECISION**

The Joint Venture continues to provide the best means of ensuring the delivery of the Council's regeneration objectives for the site rather than relying solely on the Council's role as planning authority and its land assembly powers.

Approval of the Bridge Close Business Plan 2019 and continued support for the Joint Venture will enable a planning submission to be brought forward in anticipation of the development of much needed housing and a primary school as part on the initial phase.

#### 5. **ALTERNATIVE OPTIONS CONSIDERED**

A detailed appraisal of options was undertaken in the 15 November 2017 Cabinet Report, "Bridge Close – Entering into a Limited Liability Partnership". Detailed appraisal of the project's viability and deliverability continues to inform the Council's strategy for delivering regeneration at Bridge Close. Alternatives that have been considered for this Cabinet report include:

- Not approving the proposed business plan

The adoption of the Business Plan is a consent matter. Without the Council's approval, as Member of the Joint Venture, the revised Initial Business Plan would not be adopted and the current Initial Business Plan would be maintained.

Not adopting the revised Initial Business Plan may also potentially give rise to negative market sentiment with potential consequences for the wider development market that this scheme would otherwise seek to stimulate.

Finally, the Initial Business Plan provides the operational framework for management of the Joint Venture and by not adopting the Business Plan, the following would be undermined:

- Ensuring a comprehensive development
- Management of design and management standards
- Ensuring delivery of much needed housing and other infrastructure
- Meeting programme deadlines
- Minimising investment and risk
- Obtaining a financial return from the scheme

6. **DOCUMENT CONSIDERED:** Bridge Close BP Public Agenda Cabinet Report 050219  
Bridge Close BP Exempt Agenda Cabinet Report  
BCR LLP Appendix 1 Movement Schedule - 4 Feb 19 Exempt  
BCR LLP Appendix 2 Bridge Close Regeneration

LLP Initial Business Plan - 12 Dec 2018 Exempt  
BCR LLP Appendix 3 Annex 1 Base Case 2019  
Exempt  
BCR LLP Appendix 3 Annex 2 Target Case 2019  
Exempt  
BCR LLP Appendix 3 Annex 3 Base Case 2018  
Exempt  
BCR LLP Appendix 3 Annex 4 Target Case 2018  
Exempt

1. **TITLE:** Contract award for the demolition of Napier and New Plymouth House
2. **DECISION MADE BY:** Cabinet
3. **DECISION:**

**Cabinet:**

1. **Approved** to directly award a demolition contract with Wates Construction Ltd. (WCL) to facilitate the demolition of Napier and New Plymouth House (NNP) in Rainham and Solar, Serena and Sunrise Courts (SSS) in Hornchurch, subject to approval of the JVLLP Wates Business Plan by Cabinet and in preparation for housing regeneration.
2. **Approved** a waiver of contract rules to allow the direct award of a works contract for the demolition of Napier and New Plymouth House and Solar, Serena and Sunrise Courts.
3. **Agreed** to endorse and recommend the inclusion of a budget of £4.144m for the demolition within the proposed HRA capital programme that is being considered by Cabinet in a report elsewhere on this agenda, as part of the annual Housing Revenue Account (HRA) rent setting and capital programme report and that this is recommended to Full Council for final approval in February 2019.

**Noted**

4. The Council to undertake the demolition and partial enabling of Napier and New Plymouth House and Solar Serena and Sunrise Courts.

4. **REASON FOR DECISION**

Approval of this decision would enable the expedited development of Napier and New Plymouth House and Solar, Serena and Sunrise Courts.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The procurement of an alternative contractor to carry out demolition work on Phase One of the Regeneration Programme would constitute a breach of the Development and Member's Agreement which the Council entered into with Wates Residential. This would have legal and financial ramifications for the Council and stall the 12 Site Regeneration Programme.

If the buildings were left vacant and in situ until the JV was ready to start on site, the Council would be responsible for ensuring security of the vacant sites. Associated with this are unrecoverable costs and a residual risk of fire damage, antisocial behaviour and criminal damage. Demolition outside of the Development and Member's Agreement will remove the risks associated with vacant buildings and reduce the potential costs associated with securing a vacant site.

6.     **DOCUMENT CONSIDERED:**   public Cabinet Award of the Demolition Contract  
EXEMPT  
exempt FINAL Cabinet Award of the Demolition  
Contract EXEMPT  
Demolition Award App 1 Page 1 EXEMPT  
Demolition Award App 1 Page 2 EXEMPT  
Demolition Award App 1 Page 3 EXEMPT

1.     **TITLE:**

2.     **DECISION MADE BY:**

3.     **DECISION:**

4.     **REASON FOR DECISION**

5.     **ALTERNATIVE OPTIONS CONSIDERED**

6.     **DOCUMENT CONSIDERED:**