



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 16 December 2020
(7.30 - 8.10 pm)

Present:

Councillor Damian White (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Robert Benham	Cabinet Member for Education, Children & Families
Councillor Osman Dervish	Cabinet Member for Environment
Councillor Joshua Chapman	Cabinet Member for Housing
Councillor Jason Frost	Cabinet Member for Health & Adult Care Services
Councillor Roger Ramsey	Cabinet Member for Finance & Property
Councillor Viddy Persaud	Cabinet Member for Public Protection and Safety

There were no apologies for absence.

1 ANNOUNCEMENTS

The Leader of the Council welcomed everyone to the meeting and indicated that in the spirit of preserving officer's time, questions were requested from Group Leaders ahead of the meeting. These would be collated and responses would be provided accordingly.

Mark Ansell, Director of Public Health attended the meeting to give an update on the current Covid Crisis. The roll out of the vaccines is the bright light on the horizon. However, the epidemic locally continues to increase significantly, higher than the London average, which is significantly higher than the rest of England. London is now in Tier 3 with significant increases in cases within secondary schools.

Havering is close to having the highest rates in the country and it is important that we work with neighbouring boroughs to reduce these levels.

Vaccinations have started amongst the over 80's and care home staff. It is hoped that come the spring the programme will be widespread to give hope for an end to the Covid crisis.

A further All Member Briefing will be delivered soon for all Councillors.

2 **DISCLOSURES OF INTEREST**

There were no declarations of interest.

3 **CAPITAL LETTERS**

Councillor Joshua Chapman presented the Capital Letters report to Cabinet. This report detailed the Capital Letters Scheme, which is a mechanism by which good quality homes will be procured for residents in the Borough. All properties procured in the Borough of Havering by Capital Letters will be procured for Havering Council on a first refusal basis. The Council will establish a robust property matching service to ensure that all properties are let to Havering residents. As members of Capital Letters we will gain some control on the procurement activity in the Borough to ensure local people benefit as far as possible.

This will save money and ensure we are able to assist families who are facing homelessness and need temporary accommodation.

Capital Letters was established in December 2018 to increase the supply of good quality rented accommodation for homeless households across London. They have already procured over 3,600 properties across London which have been used by the current 17 owning boroughs. Some of these have been procured in Havering and used by other boroughs. By joining the scheme we will get nomination rights to Havering properties and information regarding placements in other boroughs.

By removing competition and duplication of effort, and by providing an organisation to represent all the London boroughs, Capital Letters offers a simpler and more straightforward interface (a One Stop Shop) for landlords, managing agents and developers anywhere in London who are able to provide properties for those families and other households most in need of accommodation. Capital Letters also offers faster payments to landlords (on behalf of member boroughs) and the confidence that they will be supported during tenancies as well as the households living in their properties.

This decision will secure good quality, affordable accommodation for the Borough and Councillor Chapman was delighted to commend the recommendations to Cabinet.

Cabinet:

1. **Agreed** to join Capital Letters (London) Limited, a company limited by guarantee established by the London boroughs, as a **member**. This will procure or lease accommodation for the benefit of those

London boroughs that become members of the company including signing the relevant Membership Agreement and Deed of Adherence.

2. **Agreed** to pay the annual sum of £100,000 from the Flexible Homelessness Support Grant to Capital Letters.
3. **Agreed** that the Council is represented as a Member by Cllr Chapman and noted that this can be changed subject to availability for any Member Meetings.

4 **HOUSING ALLOCATION SCHEME 2021**

Councillor Chapman presented the report to Cabinet to commence the Statutory Consultation on the draft Housing Allocation Scheme for Havering. This draft policy proposes a number of revisions to the current policy (dated 2016) and sets out how social housing is prioritised, to ensure that it is fairly allocated to households in the greatest need. Prior to being implemented a statutory consultation is required.

The Scheme also sets out how the Council will enable access to other forms of affordable housing, such as shared ownership and intermediate rented housing.

The aims of the revised Allocations Scheme are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

The Housing Act 1996 requires significant changes to the housing allocation scheme to be consulted on with stakeholders and housing applicants. Following the authorisation of this draft scheme a formal consultation will commence over a period of 12 weeks. This will consist of:

- The draft policy and questionnaire being available on the council consultation portal;
- Draft questionnaire will be sent to key stakeholders such as housing association, neighbouring boroughs and voluntary sector organisations.

The outcome of the consultation will be reported to Cabinet with recommendations for the adoption of the formal allocation scheme in April 2021.

Cabinet:

Agreed the statutory consultation on the draft Housing Allocation Scheme attached as appendix 1 of the Cabinet report.

5 HOUSING REVENUE ACCOUNT BUSINESS PLAN 2020-50

The Director of Housing Patrick Odling-Smee presented the report to Cabinet.

By way of introduction, the Housing Revenue Account is a sub-account of the Council's general fund and is funded from the rents and other charges paid by the council's tenants. Under the Local Government & Housing Act 1989 the HRA is ring fenced for service relating to the council's role as a landlord. This includes the management and maintenance of the existing stock and the development of new housing stock. The Council is required to ensure that the HRA does not operate in deficit in any financial year.

It is controlled by legislation and the Council is legally obliged to maintain the account. Since 2012, the best practice recommendations for the management of the HRA has been carried out on a business planning basis with the planned income and expenditure for the next 30 years projected to ensure that the commitments and assumptions can deliver a plan that it viable.

The Business Plan is based on a number of assumptions detailed in the report.

The council has carried out a stock condition survey during 2020 to assess the investment needs of the current housing stock. This has been based on surveys of a sample of properties and the analysis of the data held on the council's asset management system. Appendix 1 of the report sets out proposed the investment needs for the stock over the next 30 years. In principle, the investment in existing stock should be funded through revenue contributions to capital rather than borrowing as the investment maintains the value of the asset rather than creating an asset.

The pressure on the business Plan will exist over 7 years however, after then substantial returns are anticipated. The Council has been working hard with Savills and CIPFA to ensure the Business Plan is well managed and within the rules of prudential borrowing.

It has been possible to invest millions of pounds in securing an innovative and caring Council to provide new and affordable, good quality housing for the benefit of the most vulnerable and needy members of the Borough.

Cabinet:

Noted the proposed income and expenditure for the housing revenue account business plan up to 2050.

6 **EXCLUSION OF THE PRESS AND PUBLIC**

The meeting continued in open session.

7 **BRIDGE CLOSE REGENERATION – FUNDING ARRANGEMENTS**

Neil Stubbings the Director of Regeneration Programme Delivery, presented the report to Cabinet. There are two parts to the report, a public report and an exempt report.

Cabinet considered the position in September 2020 and this report is a further update of the current position regarding the regeneration of Bridge Close.

The Council's over-arching vision for setting up the Joint Venture was to facilitate the regeneration of a strategic area of Romford as part of a wider initiative to invest in the renewal of key town centres and estates in order to deliver truly affordable homes for local people and to benefit from the generation of social value, including jobs, apprenticeships and increased local spend.

A further objective for setting up the Joint Venture was to facilitate the delivery of high-quality public realm, design and wider place-making, with the scale and quantum of development to serve as a beacon for wider development and regeneration activity within the town centre.

Following a review of options, it is now recommended that the Council delivers the regeneration of Bridge Close directly (Option 3 – Council funds and builds all three phases itself), funding the development entirely through Council resources, predominantly using the Housing Revenue Account. This version of the scheme differs from the previous version in that the percentage of affordable housing is increased from 30% to 50%. Full detail was considered by Cabinet and contained within the exempt appendix. There was no further discussion and Cabinet did not move into closed session.

Cabinet:

1. **Approved** the continued use of the existing budget related to the 2019-20 BCR LLP Business Plan to fund 100% of project expenditure, given that the Council has full control of BCR LLP and is responsible for all investment in the regeneration scheme, on a temporary basis, until, if approved, Recommendations 2-4 can be fully implemented ;
2. **Approved** the adoption and utilisation of Option 3 - the Council to fund and deliver all phases of the regeneration of Bridge Close, funded via the appropriate use of the Housing Revenue Account, as set out in the exempt part of this report;
3. **Approved** the provision of a budget to enable Option 3 to be funded as required and detailed within the exempt Financial Implications and Risks section (see paragraphs 11.22 to 11.36); this budget to be

included within the proposed HRA Capital Programme that will be considered by Cabinet in the Housing Revenue Account Business Plan update and that this be recommended to Council for final approval.

4. **Approved** the transfer of the existing investment in BCR LLP and the associated debt from the General Fund to the Housing Revenue Account when appropriate, as set out in paragraph 11.32 in the exempt part of this report, noting that consequent changes will be made to the General Fund Medium Term Financial Strategy to reflect the adoption of Option 3 in Recommendation 2 above, at the appropriate time;
5. **Authorised** the Director of Regeneration to update the Bridge Close Regeneration LLP Business Plan to reflect the proposed changes to the funding and delivery arrangements, noting that the Business Plan will be subject to Cabinet review within the next six months;
6. **Noted** the approval by the GLA's Housing Zone Steering Group for the early release of grant funding, subject to the negotiation of a new Borough Intervention Agreement;
7. **Authorised** the Director of Regeneration, acting in consultation with the Monitoring Officer and the Section 151 Officer, to negotiate and agree terms with the Greater London Authority for a new Borough Intervention Agreement to enable the early release of grant funding for the regeneration of Bridge Close;
8. **Authorised** the Director of Regeneration to secure the reappointment and appointment of the necessary supporting professional team by the Council or through BCR LLP, as appropriate, and that the contract rules and contract standing orders be waived to the extent necessary to facilitate this;
9. **Authorised** the Director of Regeneration to complete and arrange for the submission of an appropriate planning application via Bridge Close Regeneration LLP to provide for the regeneration of Bridge Close, when appropriate;
10. **Authorised** the Director of Regeneration to (1) undertake soft market testing to establish main contractor interest in the project and (2) to prepare a full tender pack to facilitate any subsequent procurement exercise when appropriate, noting that any future contract award will be subject to formal approval;
11. **Authorised** the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, having regard to Section 12(1) of the Housing Act 1985, to seek Secretary of State's consent to provide and maintain such non-housing buildings and land that will serve a beneficial purpose in connection with the proposed new housing accommodation, when appropriate;
12. **Authorised** the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, to negotiate, finalise and enter into all necessary legal agreements, to bring into effect the proposed arrangements set out in Recommendations 1-11 inclusive.

Chairman