

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Council Chamber, Havering Town Hall, Main Road, Romford
8 January 2025 (7.00 - 9.20 pm)**

Present:

COUNCILLORS

Conservative Group	Dilip Patel, Keith Prince and David Taylor
Havering Residents' Group	Laurance Garrard (Chairman), David Godwin, Bryan Vincent and Julie Wilkes
Labour Group East Havering Residents' Group Residents' Association Independent Group	Jane Keane and Matthew Stanton Martin Goode

Councillors Natasha Summers (Cabinet Member for Housing Need & Climate Change) and Pat Brown were also present.

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

20 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillors Mandy Anderson (Councillor Jane Keane substituting) Philippa Crowder and Philip Ruck.

21 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

22 REQUISITION (CALL-IN) OF CABINET DECISION - OFFICE TO RESIDENTIAL CONVERSION TO ACCOMMODATE HOMELESS FAMILIES - CHESHAM HOUSE

Members were concerned about the seemingly poor balance sheet of the National Housing Group and that three directors had recently left the company. Officers responded that the company had already built a similar scheme in Havering. Cabinet had approved the lease for Chesham House but the risk remained with the company. Further due diligence would also be

undertaken. There were no grants associated with the scheme and the majority of costs would be met from housing benefit funds.

Previous planning applications for the site had been turned down for a variety of reasons including a noise survey being conducted at the wrong times and section drawings not being done. The National Housing Group would address these areas and carry out three further noise surveys.

Officers advised that the scheme would save the Council money compared to the cost of putting homeless people in hotels. The final plans were still under discussion with National Housing Group but homeless people currently living in Royal Jubilee Court had been consulted. The development would meet the immediate needs of homeless people who wanted more settled accommodation. It was hoped to mitigate noise issues in the final design. Members remained concerned that the area may not be a suitable place for people to live.

It was noted that the Board was not considering a planning decision but a decision to enter into a lease agreement. All works at the site would be subject to a planning application and building control assent. There was also a danger that the owners would sell the building to another borough if the Havering scheme did not go ahead.

Members raised what would be the position for the Council at the end of the 10 year period but officers felt that the agreement represented a good deal for the Council. This would counter the issue of landlords flipping properties into the premium market for Local Authorities and the average cost of accommodation therefore increasing. Parameters had been set for what the Council was willing to pay which was less than other boroughs.

Officers wished to stop housing people in chain hotels where price points were also increasing but more supply of accommodation was needed. A Member felt that there should be a closer relationship between the housing and planning departments.

Members were advised by officers that the development would be solely for use by Havering residents. There was an option to offer void properties to other Councils but this was not the intention. It was however unlikely that there would be any voids at the development for a number of years.

Quality issues at the development would be worked on closely with the aim to match the quality seen at Royal Jubilee Court. It was clarified that the Council would manage the scheme. Reception services would be provided by the Council's hostels team. As regards allocation of the properties, the allocations policy had been approved by Cabinet and would be implemented in April 2025. A transparent points system of allocations would be introduced. It was confirmed by officers that Mercury Land Holdings did not have the required public liability insurance to be considered for the development.

The Cabinet Member for Housing Need & Climate Change confirmed she had met with officers regarding the scheme and was satisfied that it did not pose a risk to the Council. Officers added that the business plan for the QLM company managing the scheme would be brought to Cabinet on an annual basis.

A Member stated that they were not convinced that the Cabinet Member had satisfied herself with the report. Officers confirmed that any previous rejections of the scheme were at planning level and they were confident that the scheme would be approved on this occasion.

Members were unconvinced that it was not necessary to run a procurement process for the project and also asked for clarification on whether Stamp Duty needed to be paid on the scheme. Officers responded that advice on Stamp Duty was included in the financial implications section of the report and that this had been factored into the financial model. A request would be made to HMRC for exemption from Stamp Duty as had been agreed with a previous development.

The legal advice on the project that had been seen by Cabinet would be circulated to the Board by officers. This related mainly to procurement issues and had advised that the tender could be awarded directly to National Housing Group. Members agreed to recommend to Cabinet that the Board should be given sight of the legal advice provided as the absence of this had made scrutiny of the proposals more difficult. The Board sought reassurance that the advice confirmed that there was no risk to the development.

Officers confirmed that all information relating to QLM would be available to Members. Residents of the development would be tenants of QLM rather than the Council. Households would however continue to be supported by the Council for a period of two years.

It was confirmed that the Family Assessment Officer and Receptionist at the property would work Monday – Friday, 9 am – 5 pm. These staff costs would be met from Housing Benefit and included provision to cover absence and management costs. Security would be managed in the same way as at Royal Jubilee Court and would include covering the risks and challenges of vulnerable tenants.

A total of 120 – 150 people would be housed in Chesham House, depending on the size of families placed. Children who currently did not have access to hot meals in hotel accommodation would be able to do so in the new development. It was noted that this could not however be easily measured.

It was agreed that the meeting should now go into exempt session.

Following resumption of the open session, the Cabinet Member left the meeting room. The Board then **AGREED** unanimously to uphold the

requisition by 10 votes to 0. Those Members voting in favour of upholding the requisition were:

Councillor Laurance Garrard
Councillor Julie Wilkes
Councillor David Godwin
Councillor Martin Goode
Councillor Jane Keane
Councillor Dilip Patel
Councillor Keith Prince
Councillor Matthew Stanton
Councillor David Taylor
Councillor Bryan Vincent

The following comments were later confirmed as being agreed by the Board to be passed to Cabinet for response:

That Cabinet confirms whether it wishes to reconsider the original Cabinet decision and responds to the following recommendations made by the Overview and Scrutiny Board:

- 1. There are concerns over the financial position of National Housing Group with a lack of liquidity and low levels of cash at bank demonstrated in the Cabinet report. The recent departure of three directors of the company, without apparent replacement, is also of concern.**
- 2. No agreement should be entered into for the site until more detail is known of the precise elements of the scheme or planning permission has been granted.**
- 3. More detail is required on whether the location of the development in an industrial estate is suitable and conducive to the quality of life of residents. In particular, more precise detail should be given of the noise mitigation measures to be taken to reduce disturbance from nearby industrial units. The Board is also concerned that the development may set an unwanted precedent for locating residential units in industrial areas.**
- 4. The Board is disappointed that it was not presented for scrutiny the legal advice received by Cabinet on this matter (this has since been provided) and feels that this significantly hindered the scrutiny process.**
- 5. Confirmation should be given that the scheme will be solely for Havering residents.**

- 6. Further detail should be given on the quality aspects of the scheme and the risk of not reaching these should be established.**
- 7. A specific explanation is requested of why Mercury Land Holdings does not have Public Liability Insurance and hence cannot be considered as an option for this scheme.**
- 8. Clarity should be given over whether Stamp Duty needs to be paid for the Chesham House development as the report is unclear on this point.**
- 9. It is essential that adequate security arrangements are in place to safeguard tenants at Chesham House, including external and internal CCTV cameras as required.**
- 10. The Board requests to see any pre-planning application discussions that may have taken place.**
- 11. Briefings on the development should be given as soon as possible to Strategic Planning Committee and to Places Overview and Scrutiny Committee (OSSC). The briefing to Places OSSC to cover compliance with housing law as part of the development.**
- 12. Details should be provided on the impact of the scheme of the Council's Risk Register.**

Chairman