

Overview and Scrutiny Board, 7 May 2024 - Call-in of Executive Decisions - Authorisation to provide additional equity funding to Mercury Land Holdings Ltd to enable the purchase of sites in accordance with the approved 2023-26 MLH Business Plan and Disposal of Council-owned sites to Mercury Land Holdings

Comments of the Overview and Scrutiny Board on the Upholding of the Call-ins of the above Executive Decisions:

At its meeting on 7 May 2024, the Overview and Scrutiny Board agreed the following reasons and comments in relations to its upholding of the requisitions (call-ins) of both the above Executive Decisions. These are submitted to Cabinet for its consideration and response.

1. By combining all sites into one Executive Decision, members were unable to ascertain if the project was viable and offered value for money for Havering residents.
2. Provide a detailed business case where possible for each site in order that an informed decision regarding the viability of the project can be made.
3. From discussions held on the night, it became apparent to the Board that the quest for capital receipts was the overriding goal of the project at this time. Please could an explanation be provided as to why this is?
4. Sound reasoning should be provided as to why the Council cannot pursue planning permission for the sites directly itself rather than via Mercury Land Holdings.
5. A business case should be developed for the appropriation of Housing Revenue Account funds and the Council developing the sites in its own right as it has done in for example its Joint Venture with Wates.
6. A separate decision to approve the disposal of each site should be put forward, if this is practicable.
7. A corroborated statement of valuation for each site should be drawn up. The existing external valuations could be to be used as a starting point but these would need to be corroborated independently. This would provide clarification of whether the figures for value of the sites, given in the Executive Decision reports, reflected the true, current market value.