



Notice of Key Cabinet Decision containing exempt information.

This Cabinet Report contains some appendices which comprise exempt information which is not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A of the local Government Act 1972. They are exempt because they refer to confidential information and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

<p><b>CABINET</b></p> <p><b>Subject Heading:</b></p> <p><b>Cabinet Member:</b></p> <p><b>SLT Lead:</b></p> <p><b>Report Author and contact details:</b></p> <p><b>Policy context:</b></p> <p><b>Financial summary:</b></p> <p><b>Is this a Key Decision?</b></p>	<p><b>January 2025</b></p> <p>Temporary Housing for Waterloo and Queen Street site - Meanwhile Use.</p> <p>Councillor Graham Williamson Cabinet Member for Development &amp; Regeneration.</p> <p>Neil Stubbings – Strategic Director of Place</p> <p>Maria Faheem - Regeneration Manager <a href="mailto:Maria.Faheem@havering.gov.uk">Maria.Faheem@havering.gov.uk</a> 01708 434 379</p> <p>Housing Asset Management Plan The Havering Wates Joint Venture Business Plan The HRA Business Plan Update and Capital Programme</p> <p>This is a key decision</p>
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**When should this matter be reviewed?** February 2025

**Reviewing OSC:** Places

**The subject matter of this report deals with the following Council Objectives**

People - Things that Matter for Residents	X
Place - A Great Place to Live, Work and Enjoy	X
Resources - A Well- run Council that Delivers for People and Place.	X

**SUMMARY**

This report seeks Cabinet approval for the installation of 18 modular homes at the Waterloo and Queen Street site as a meanwhile use to address the acute housing shortage. The modular units will provide temporary accommodation for households at risk of homelessness and help mitigate reliance on unsuitable temporary housing options such as hostels or hotels.

**RECOMMENDATIONS**

Members of Cabinet are asked to:

- **Approve** the installation of 18 modular homes and related accommodation works on part of the Waterloo and Queen Street site by the Havering/Wates Joint Venture Partnership.
- **Approve** expenditure of £6,500,000 from the allocated budget.
- **Delegate** authority to the Strategic Director of Place to progress and complete all relevant applications, consents, legal agreements and ancillary documentation necessary to deliver the project

**REPORT DETAIL**

**1.0 Background**

**1.1** London Borough of Havering faces a shortage of homes with a persistent high demand for accommodation from households at risk of homelessness. To help address this issue, the Joint Venture between LBH and Wates has explored the development of temporary modular homes. This could reduce temporary accommodation pressures, particularly for families who may otherwise spend extended periods in hostel and hotel accommodations, which are particularly unsuitable for families.

**1.2** The units are proposed to be installed within the area allocated for the final phase of the Waterloo/Queen Street regeneration scheme. The development programme does not envisage permanent development of this part of the site for 5-7 years. The introduction of the 18 modular homes will serve as a meanwhile use until the land is needed for long-term development.

**1.3** The modular homes offer a range of benefits to the Council including:

- They are relatively quick to bring on stream and relatively easy to procure, offering an efficient solution to address immediate housing needs
- The homes are offered with a 60-year manufacturer's warranty which is sustained for up to 5 relocations, although the Council's preference is to limit their relocation to one further move within Havering.
- The flexibility of these homes means they can be deployed across various locations in the borough, subject to planning permission.
- The modular units are stackable, allowing for the optimal use of space on constrained sites.
- The units are manufactured in factory-controlled conditions, with low future maintenance requirements
- The units are provided with green technologies and high insulation standards, achieving an Energy Performance Certificate (EPC) rating of B, higher than most housing stock and minimising costs in use.
- With internal standards comparable to traditionally built homes, the modular units will provide residents with modern amenities, including well-equipped kitchens, energy-efficient systems, and high-quality living spaces
- With a long lifespan, they provide a durable and sustainable solution for temporary accommodation needs.

**1.4** The proposed modular homes require planning approval and an application for temporary planning permission has been submitted so as not to delay the delivery programme. As indicated above, the dwellings are expected to remain on-site for approximately 5 to 7 years. The ability to relocate them to an alternative site thereafter significantly extends their scope for continued use.

- 1.5** Capital provision of £7.3 million was allocated within the 2024 HRA Business Plan Update and Capital Programme report, approved by Cabinet in February 2024. The project will be further supported by MHCLG grant from their Local Authority Housing Fund (Round 3) reducing the net unit cost to the Council. Further details of costs and funding arrangements are set out within the Financial Implications section of this report and the exempt appendix B.
- 1.6** The Joint Venture will be conducting a competitive tender process for the supply of the modular homes required for the Joint Venture to deliver the completed units. While the use of a framework was considered for the supply and assembly of completed units, it was determined that no existing frameworks are suitable due to the unique nature of the modular units. Gardiner and Theobald, the Council's cost consultant, will review all costs to provide assurance that the project delivers value for money.
- 1.7** An Early Development Agreement will be entered into between the Council and the Joint Venture to progress the works for the modular homes project in substantially the form previously agreed in relation to the early works. The proposed site is shown on the plan at Appendix A.

## **REASONS AND OPTIONS**

### **Reasons for the decision:**

The London Borough of Havering faces a shortage of homes with a persistent high demand for accommodation from households at risk of homelessness. The modular homes proposal offers an opportunity to meet some of this demand as an appropriate meanwhile use pending future development of the subject site.

### **Other options considered:**

Option: *Do Nothing*

Not proceeding with the modular homes would lose the opportunity to mitigate the housing shortage and would leave some families in unsuitable accommodation.

Option: *Providing a higher number of modular units than proposed.*

These units are a meanwhile use pending the re-development of a part of the site and it is not appropriate to provide them at a greater scale given that they will have to be relocated at a future date.

*Option: Procure the modular units via an existing framework*

The potential use of suitable frameworks has been explored, but the modular option is not yet subject to existing framework arrangements. The modular market has however been canvassed to develop a long list of suppliers, from which it is proposed to conduct a mini-tender amongst a shortlist of suppliers that are considered to best meet the project criteria.

**IMPLICATIONS AND RISKS**

**Financial Implications and Risks**

This proposal is to acquire 18 modular homes at the Waterloo and Queen Street site, costing up to £6.5m. A budget of £7.3 million has been approved to support this project. Further details are available in Exempt Appendix B.

Temporary accommodation can fall within scope of the HRA and other local authorities have funded both hostel and modular provision via their Housing Revenue Account to meet statutory housing needs whilst maintaining compliance with subsidy cap regulations.

**Legal Implications and Risks**

The Council is empowered to provide temporary accommodation under the Housing Act 1996, as amended by the Homelessness Reduction Act 2017.

The Joint Venture has been established to deliver affordable housing as part of its output following the established business case and viability processes – the latter having already been completed by the Joint Venture Partnership. This ensures the proposal aligns with the JV's objectives, including the delivery of low-cost housing and maximising housing outputs, which were central to the original procurement..

A full audit trail of the evaluation process will be maintained for all decisions and approvals.

**Human Resources Implications and Risks:**

There are no HR (Human Resources) implications or risks arising that impact directly on the Council's workforce.

**Equalities Implications and Risks:**

The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. ‘Protected characteristics’ include gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and

The EQIA (Equality Impact Assessment) for the 12 Estate programme of 2024 assessed the equalities opportunities and risks from the modular meanwhile use project.

This EqIA recommends a series of further actions the Council should take to further mitigate the potential equality risks of the Programme, including the potential for adverse health effects. These include:

*Ongoing Accommodation Reviews:*

Commit to bi-annual reviews of temporary accommodation to ensure residents' needs are consistently met.

*Enhanced Resident Engagement and Communication:*

Improve resident and business engagement, particularly for vulnerable groups, ensuring their concerns and needs are addressed at all stages of the regeneration programme.

Provide clear, timely, and accessible information about construction schedules, processes, and mitigation plans, alongside opportunities for residents to provide feedback.

*Environmental and Health Mitigations:*

Support for Vulnerable Residents. Enhance tailored support measures for vulnerable residents during the relocation process, ensuring pre-arranged, appropriate alternative accommodations are available where necessary.

*Ongoing Equality Impact Monitoring:*

Ensure equality impacts are reviewed at key stages of the programme, with individual Equality Impact Assessments (EqIAs) conducted for each site to maintain compliance with the Public Sector Equality Duty.

*Maximising Community Benefits:*

Approve actions to leverage the regeneration programme to deliver improved housing provision, high-quality public spaces, and enhanced community cohesion through new facilities.

**Health & Wellbeing Implications and Risks:**

Havering Council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing.

The proposed modular homes will be warm, well insulated and energy efficient and will provide much better accommodation for families compared to hostels and hotels. This will impact positively on individuals and families with housing needs including those on low income by increasing access to the number of affordable, quality homes which will, in turn, reduce risk of ill health and improve their quality of life.

A health impact assessment will be undertaken for all the Joint Venture schemes.

The Joint Venture has continued to work with local social enterprises providing local people with jobs, apprenticeships, and work placements which will have a positive impact on the health and well-being of residents.

**Environmental and Climate Change Implications and Risks.**

Modular homes are typically built in controlled factory environments, which reduces waste compared to traditional on-site construction. Additionally, fewer site deliveries and shorter construction times reduce carbon emissions associated with transportation and site work. The modular homes are designed with energy-efficient materials and systems such as high-performance insulation, and low-energy heating systems (e.g., air-source heat pumps). These features reduce energy consumption and lower greenhouse gas emissions over the building's lifespan.

**BACKGROUND PAPERS**

Report to Places Overview and Scrutiny Sub-Committee on temporary modular homes at Waterloo and Queen Street.

**APPENDICES**

- Appendix A - Site plan
- Appendix B (Exempt) - Financial and Legal Implications
- Appendix C - Illustrations of the proposed scheme