



Havering
LONDON BOROUGH

Notice of Non-Key Executive Decision

Subject Heading:	Completion & Submission of DS3 forms to release certain units from the legal charge over land at Quarles Campus, now known as Roe Wood Park together with a consent to a deed of easement.
Decision Maker:	Paul Walker, Director of Housing & Property, Place
Cabinet Member:	Cllr Paul McGeary, Cabinet Member for Housing & Property.
ELT Lead:	Neil Stubbings, Strategic Director, Place.
Report Author and contact details:	Mark Butler, Assistant Director of Regeneration & Place Shaping Email: mark.butler@havering.gov.uk Tel: 01708 432947.
Policy context:	MLH Business Plan 2023-26. HRA Business Plan & Capital Programme.
Financial summary:	<p>This report seeks authorisation to remove, as and when necessary, the council charge over land within the development boundary at Roe Wood Park and also to grant consent to a deed of easement.</p> <p>There are no direct budgetary implications arising from this proposal.</p>
Relevant Overview & Scrutiny Sub Committee:	Places OSSC.
Is this decision exempt from being called-in?	Yes. The decision is exempt from call in as it is a Non key Decision.

Non-key Executive Decision

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

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

X

Resources - Enabling a resident-focused and resilient Council

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons detailed in this report, the Director of Housing & Property is recommended to:

(1) Approve the completion of DS3 forms in relation to the below named units at the housing development at Quarles Campus, now known as Roe Wood Park:

Plots 7, 9, 10, 87, 98, 99, 100, 101, 102, 104, 105 and 106.

(2) Grant consent to the deed of easement to Energy Asset Pipelines Limited.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

Scheme 3.3.5

Specific powers of the Strategic Director of Place

8.1 To be the Council's designated corporate property officer, responsible for the strategic management of the Council's property portfolio, including corporate strategy and asset management, procurement of property and property services, planned and preventative maintenance programmes, property allocation, security and use, reviews, acquisitions and disposals (freehold and leasehold), and commercial estate management.

As sub-delegated to Paul Walker.

STATEMENT OF THE REASONS FOR THE DECISION

Background

The Council has previously resolved to fund MLH, to undertake the housing development of the former Quarles Campus, now known as Roe Wood Park, in partnership with Bellway. The Council, in its separate capacity as the manager of Council housing, has also resolved to purchase some of the houses being built for use as general needs affordable council housing.

The development has now progressed on site to the point where it is necessary to consider completing DS3 forms to release, as necessary, land from a registered charge. In lay terms, if a lender, in this case the Council, has a charge over a property, a DS3 form can be used to confirm that, as appropriate, a specific portion of the land is no longer subject to that charge.

These forms have to be completed because they provide legal proof that the lender, in this case the Council, has agreed to release part of the property from the 'mortgage'. This is important in selling part of a property, subdividing land, or making changes to ownership, whilst ensuring that the lender's interests are properly recorded.

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If a DS3 form(s) was not completed, there would be a legal restriction on the land, meaning that it could not be freely sold or transferred, without the lender's consent.

For the avoidance of doubt, it will not be appropriate to complete a DS3 form for the land/property comprising the 20 units of accommodation that MLH will retain as PRS homes, because the council, as lender, will still need to have a charge over that land/property.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1 - Do nothing.

This is not really an option because this course of action would result in legal difficulties, for example in the sale of homes to buyers, who need to know that there are no charges registered on the homes/land that they are proposing to purchase. This has therefore been rejected.


PRE-DECISION CONSULTATION

None required.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Butler

Designation: Assistant Director of Regeneration & Place Shaping

Signature:  Date: 20th June 2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council protects its loan funding to MLH by way of legal charge. The Decision Maker should be aware that each DS3 reduces the scope of the legal charge.

The nature of the development, and the supporting documentation, necessitates the sale of units and the corresponding releases.

The terms of the legal charge will stipulate that the consent of the lender is required where disposals are made, which includes the grant of a deed of easement.

FINANCIAL IMPLICATIONS AND RISKS

This decision seeks approval to complete and submit DS3 forms to facilitate the removal, where required, of a legal charge over land at Quarles Campus, now known as Roe Wood Park. Without this action, the proposed sale of 53 private homes and 47 affordable homes by the JV would be placed at risk.

Removing the charge would enable the joint venture (JV) to proceed with the disposal of these homes. Sale proceeds would be used by MLH, in the first instance, by MLH to repay outstanding Council loans.

Financial Risks

The principal financial risk is the potential failure to complete and submit DS3 forms. Such a failure would halt the disposal process, significantly endangering the Council's ability to fully recover the loan provided to MLH.

Issuing DS3s would result in a partial release of units from the existing legal charge, which would inherently decrease the remaining value of the secured asset. Normally, such partial releases should trigger proportional loan repayments to maintain the balance between loan exposure and the security held.

Upon disposal of land interests, MLH generates proceeds reflected on its balance sheet. Given that MLH is wholly owned by the Council, these disposals will not result in value leakage outside the group. Repayment of the Council's loan is structured and governed through the facility agreement, and it is mandated that the cumulative proceeds from sales will initially prioritise loan repayment to the Council.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not appear to give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 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;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this isn't required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are no equalities and social inclusion implications and risks associated with this decision

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering Council are committed to protecting and improving the health and well-being of all residents.

There are no direct health and wellbeing implications associated with the recommendation to complete and submit DS3 forms as recommended in this report.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental and climate change implications or risks associated with the recommendation to complete and submit DS3 forms as recommended in this report.

BACKGROUND PAPERS

N/A.

APPENDICES

None.

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker

Signed

A handwritten signature in black ink, appearing to read 'Paul Walker', written over a large, stylized capital letter 'P'.

Name: Paul Walker

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title: Director of Housing & Property

Date: 20th June 2025.

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____