



## Notice of KEY Executive Decision

Notice of Key Decision containing exempt information.

This Key Decision 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.

<b>Subject Heading:</b>	Enter into an Early Development Agreement for demolition works at Chippenham Road
<b>Decision Maker:</b>	Neil Stubbings Strategic Director of Place
<b>Cabinet Member:</b>	Councillor Paul McGeary – Cabinet Member for Housing & Property
<b>SLT Lead:</b>	Neil Stubbings Strategic Director of Place
<b>Report Author and contact details:</b>	Veronika Lebedeva Regeneration London Borough of Havering veronika.lededeva@havering.gov.uk 01708 432336
<b>Policy context:</b>	Housing Asset Management Plan  The Havering/Wates Joint Venture Business Plan  The HRA Business Plan Update and Capital Programme
<b>Financial summary:</b>	Approval is sought for expenditure outlined within the Exempt Appendix A to cover Phase 1 demolition and enabling works at Chippenham Road, funded from the existing approved HRA capital budget. . The Early

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	Development Agreement has a total value confirmed within Exempt Appendix A, which includes provisional allowances for Phase 2 works. A separate approval will be sought for Phase 2 expenditure once full vacant possession is achieved.
<b>Reason decision is Key</b>	This decision will result in expenditure of more than £500,000
<b>Date notice given of intended decision:</b>	10 <sup>th</sup> February 2025
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Place Overview & Scrutiny Sub Committee
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

### **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

## **Part A – Report seeking decision**

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

For the reasons detailed in this report, it is requested that the Strategic Director of Place, in consultation with the Director of Legal and Governance approves:

- The Council entering into an Early Development Agreement (EDA) with the Havering and Wates Regeneration LLP (the “JV LLP”) for the delivery of Phase 1 demolition and enabling works at the Chippenham Road site.
- Note the appointment of Wates Construction Limited (WCL), through the JV LLP structure, as Principal Contractor for Phase 1 demolition works, with Erith Contractors Limited as the specialist demolition subcontractor.
- The commitment of expenditure up to the sum outlined in Exempt Appendix A from the approved HRA Capital Programme and the Havering and Wates Joint Venture Business Plan budget of £67.3 million (February 2025 Cabinet approval), to cover Phase 1-related expenditure within the Early Development Agreement. This includes the demolition contract, enabling works, utility disconnections, site surveys, professional fees, and risk contingency allowances.
- To authorise all other associated legal agreements and/or permissions necessary to deliver the Phase 1 works.

Note: This decision relates only to the initial Phase 1 expenditure. Phase 2 demolition works can will proceed once full vacant possession is achieved and will be subject to a separate procurement and approval process at the appropriate time.

The cost and the tender process for the demolition is included in the exempt report.

The successful tender for Phase 1 is in sum of £554,153.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

#### **Part 3 of the Council’s Constitution**

#### **Scheme 3.3.3 – Powers common to all Strategic Directors**

##### **1. General**

1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate.

##### **4. Contracts**

4.2. To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions).

### **STATEMENT OF THE REASONS FOR THE DECISION**

## **Key Executive Decision**

Approval is sought to enter into an Early Development Agreement (EDA) with the Havering and Wates Joint Venture (JV) to facilitate Phase 1 demolition and enabling works at Chippenham Road, Harold Hill. This forms the next stage of regeneration activity at Harold Hill, following the commencement of construction at the Family Welcome Centre.

The Chippenham Road scheme will deliver 138 affordable homes and is being progressed as a 100% affordable development, fully funded by the Council, in line with Cabinet approval granted in February 2023 .

To enable delivery, demolition and enabling works are required to clear the site, which currently comprises a number of low-rise residential blocks, the former housing office, and associated structures. The Council has secured prior approval for demolition (Ref: F0003.23) and vacant possession has been achieved, with the exception of three properties, such that a phased approach to demolition is being adopted.

The early works will be progressed through an Early Development Agreement (EDA) with the JV. The agreement is based on a standard form developed by Trowers & Hamlins LLP, aligned with the existing Master Development Agreement (MDA), and has been reviewed by Bevan Brittan LLP on behalf of the Council to ensure consistency with the overarching legal framework and protection of the Council's interests. It includes appropriate provisions relating to governance, statutory compliance, insurance, collateral warranties, and termination. The EDA enables the JV's development subsidiary to manage and procure the Phase 1 works through a JCT Design and Build Contract, supporting timely site preparation in line with programme requirements.

Key advantages of the proposed delivery route include:

- Continuity and efficiency: Delivery through the JV ensures integration with the wider regeneration programme and enables works to progress without delay.
- Cost and programme certainty: The pricing for the works is consistent with cost plan allowances and benefits from established contractual arrangements.
- Proven experience: The JV delivery team and its subcontractors have a strong track record in delivering demolition works across the borough, supporting delivery confidence and reducing programme risk.

The demolition works will be delivered in two phases:

- Phase 1 (July–Sep 2025): Crediton House, 74–84 Chippenham Road, and the former Housing Office.
- Phase 2: The Alderman Public House, car park, Rothbury House, and 70–72 Chippenham Road (to be progressed separately once full possession is secured).

As part of preparations for Phase 1, a competitive procurement exercise was undertaken by the JV LLP to secure a demolition subcontractor. Erith Contractors Limited was identified as the preferred bidder on the basis of best value, programme efficiency, and technical compliance. The Council's Employer's Agent (Ikon Consultancy) and Cost Consultant (AtkinsRéalis) have reviewed the process and

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confirmed that the recommended appointment represents value for money and aligns with market expectations, as set out in the Tender Recommendation Report at Exempt Appendix B.

Approval of the EDA and the associated Phase 1-related expenditure will enable the Council to maintain momentum on the Chippenham Road scheme, secure the site, and support a smooth transition into the main construction phase. Phase 2 demolition works will be progressed separately once full vacant possession is achieved and will be subject to a further approval. This decision is consistent with the Council's wider commitment to delivering high-quality, affordable housing that meets local needs and supports long-term regeneration outcomes.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

Option 1: Delay demolition until full vacant possession is achieved.

This option was discounted due to the risk of programme slippage and increased exposure to anti-social behaviour. Proceeding with a phased approach enables the Council to make early progress on site clearance, maintain momentum in the regeneration programme, and mitigate risks associated with leaving buildings unoccupied.

Option 2: Procure demolition works outside of the Joint Venture.

A separate procurement route outside of the Havering and Wates Joint Venture was considered but not pursued. Procuring externally would have introduced additional time, cost, and resource implications, with no guarantee of improved value. The JV delivery structure offers an efficient and compliant route to market, leveraging existing expertise, contract frameworks, and cost controls to ensure value for money and continuity of delivery.

Option 3: Do nothing.

Not proceeding with the demolition works would significantly delay delivery of the Chippenham Road scheme, undermine the Council's regeneration programme, and prolong the existence of vacant buildings on site, increasing the risk of vandalism, squatting, and other anti-social behaviour. This would also reduce the Council's ability to respond to local housing needs in a timely manner.

### **PRE-DECISION CONSULTATION**

None

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

Name: Veronika Lebedeva

Designation: Development Surveyor

Signature:

Date:

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## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's Section 1 power are engaged by this decision.

The Council entered into a JV with Wates Construction Limited in accordance with the Public Contracts Regulations 2015 (PCR 2015), so the PCR is still relevant in this instance. For the purpose of procurement regulations, this is a sub-threshold contract for works. The Members Agreement (MA) requires sub-contracts to be procured, where relevant, in accordance with the procurement regulations. On that basis, this requirement is not engaged.

The Chippenham Road site was not included within the scope of the JV when first instituted, although there is a contractual mechanism for the inclusion of Further Sites. This requires certain approvals from the Council, Wates Construction Limited and the JV itself, which have now been received and confirmed. Officers are aware of the need to seek further approvals in relation to the phased viability plans as the project progresses.

That JV agreement provides a structure for awarding contracts to Wates relating to sites and further sites, providing them with a first right of refusal for building contracts on the basis of a defined process designed to demonstrate best value. The Early Development Agreement is to be awarded under that structure and is compliant with the requirements set out within the JV agreement and MA.

In particular, as required by the agreement, the MA stipulates that where Wates awards a sub-contract works package, at least three sub-contractors shall be invited to tender. As set out in the report, this process has been followed.

In light of the above, the Council may enter into the EDA.

### **FINANCIAL IMPLICATIONS AND RISKS**

The Early Development Agreement (EDA) includes expenditure in the sum outlined in Exempt Appendix A, to be met from the £67.3 million capital budget previously approved as part of the Havering and Wates Joint Venture Update and Budget (5 February 2025) and the approved HRA capital programme.

While the total value of the EDA outlined in Exempt Appendix A, this report seeks approval only for expenditure associated with the delivery of Phase 1 works. These works will be progressed through the EDA with the Havering and Wates Joint Venture (JV), which provides the contractual framework for site clearance ahead of construction.

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This includes the Phase 1 demolition contract, as set out in the Tender Recommendation Report prepared by Ikon Consultancy (Exempt Appendix B), along with additional early-stage costs such as utility disconnections, site surveys, professional fees, and a contingency allowance to manage risks relating to ground conditions and asbestos. A breakdown of Phase 1-related expenditure being approved through this decision is provided within Exempt Appendix A. The remaining balance within the EDA relates to provisional allowances for a future Phase 2 demolition package, which will be subject to a separate procurement process and brought forward for approval once full vacant possession is achieved. This phased approach ensures the Council can proceed with critical site preparation works while maintaining clear governance and cost control.

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

The recommendations made in this report do not 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:

- The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- 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.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are no equalities or social inclusion risks considered to arise from this decision.



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### **HEALTH AND 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 Council is committed to ensuring that all regeneration activity supports the health and wellbeing of residents. The demolition of existing buildings at Chippenham Road forms an essential part of the wider housing-led regeneration programme and will contribute to improving community safety and environmental quality.

The removal of vacant and deteriorating structures will:

- Reduce risks associated with anti-social behaviour, including vandalism, fly-tipping, and unauthorised occupation, which negatively impact local residents.
- Improve public safety by eliminating hazards linked to derelict buildings.
- Enhance the local environment, ensuring a secure and well-managed site in preparation for future development.
- Demolition activities will be carried out in compliance with environmental and health regulations, with appropriate dust, noise, and vibration control measures in place to mitigate disruption.

Furthermore, the Joint Venture continues to work with local suppliers and contractors, supporting job creation, apprenticeships, and training opportunities, which will contribute to long-term socio-economic benefits for the borough.

There are no specific adverse health & wellbeing implications arising from this decision.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The demolition will be carefully managed to minimise environmental impact and ensure a sustainable approach to site clearance. Wherever possible, materials such as concrete, steel, and brick will be salvaged and recycled to reduce waste. Measures will be in place to control dust, noise, and vibrations, limiting disruption to the surrounding area. The programme has been designed to optimise logistics and reduce vehicle movements, helping to lower carbon emissions associated with transportation. Additionally, service disconnections and diversions will be coordinated efficiently to prevent unnecessary energy wastage. These steps will support a responsible and environmentally conscious transition to the next phase of development.

### **BACKGROUND PAPERS**

None

### **APPENDICES**

Appendix A- Exempt Financial Report

Appendix B- Exempt Tender Recommendation Report

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### **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

Name: Neil Stubbings

ELT Member title: Strategic Director of Place

Date:

#### **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 \_\_\_\_\_