

## Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A *is* not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information), and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

<b>Subject Heading:</b>	To accept GLA Affordable Housing Grant funding for the Chippenham Road development
<b>Decision Maker:</b>	Neil Stubbings Strategic Director of Place
<b>Cabinet Member:</b>	Councillor Graham Williamson Cabinet Member for Regeneration
<b>ELT Lead:</b>	Paul Walker Interim Director of Housing & Property
<b>Report Author and contact details:</b>	Danielle Goldsmith – Interim Head of Programme & Support Danielle.Goldsmith@havering.gov.uk  Mark Butler – Assistant Director of Regeneration & Place Shaping <a href="mailto:Mark.Butler@havering.gov.uk">Mark.Butler@havering.gov.uk</a>
<b>Policy context:</b>	This decision supports the delivery of new affordable housing for Havering
<b>Financial summary:</b>	The decision requests permission to accept £29,926,000 in grant funding from

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	the Greater London Authority under the 2021-26 Affordable Homes Programme
<b>Reason decision is Key</b>	(a) Expenditure or saving (including anticipated income) of £500,000 or more
<b>Date notice given of intended decision:</b>	14 <sup>th</sup> October 2024
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Places 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 - 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**

The Strategic Director of Place is asked to approve the decision to accept £29,926,000 of GLA grant funding to fund 136 new affordable homes at Chippenham Road. The funding falls within the GLA's 2021-26 Affordable Homes Programme, which is in accordance with an existing approved funding agreement.

The Chippenham Road scheme will deliver 138 affordable homes within a typically lower-income area, and is being progressed as a 100% affordable council-funded development, in line with Cabinet approval granted in February 2023.

77 of the 138 total homes are being set at social rents and 59 homes are proposed as London Living Rent, an intermediate rent tenure which enables residents to progress toward home ownership. Two of the 138 homes are not funded from grants. The project's financial viability has been assessed in detail due to the impact of economic factors such as build cost inflation and stagnant housing market values, which compress financial viability. The proposal also responds to evolving government funding priorities like the preference for social rent levels over affordable rent levels. This grant funding provision enables the Council to progress with a financially viable scheme, with the right levels of GLA financial support. Further financial detail is provided within Exempt Appendix A.

Acceptance of the grant funding is recommended, based on a number of factors, including:

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- Alternative external funding options are limited, with no other grant alternatives identified that could provide the required level of subsidy to ensure the viability of the project
- The Council's future supply of Right to Buy receipts is hindered by government Right to Buy policy changes, like lowering the RTB discount, which is expected to reduce future levels of Right to Buy Sales
- The Council's existing retained Right to Buy receipts are largely committed against other regeneration schemes, and swapping funding streams would be damaging to the overall provision of affordable housing or increase the level of resources required from the Housing Revenue Account (HRA).

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

Part 3.3.3 of the Council's constitution delegates the following powers to Strategic Directors:

5.1 To apply for, accept and thereafter spend / allocate any grant funding connected with their directorate provided that any match funding or residual liabilities can be met from the existing budget of the directorate.

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

The decision to accept the grant funding from the GLA is recommended due to a range of factors:

#### **Meeting the Grant Requirements**

The Council is able to meet the requirements of the 2021-26 programme milestone dates, with a meaningful 'start on site' by 30th March 2026 and completion by 31<sup>st</sup> March 2028. The Chippenham Road project milestones currently fall within these parameters, with resolution to grant planning permission achieved and Phase 1 demolition works recently completed.

#### **The Existing Grant Agreement in Place:**

The funding is to be provided under an existing grant agreement, entered into in November 2022. The terms of the grant agreement remain acceptable to the Council, with management arrangements in place to keep the GLA updated on project progress and ensure the project details are recorded properly for audit purposes. The new funding will be managed as a 'new project' via the GLA's Open Projects System.

#### **Funding Benefits for Project Viability**

Funding is beneficial for the delivery of the scheme, making the project financially viable, as set out in Exempt Appendix A.

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

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### **Option 1 - Move Forward with the Chippenham Road development project without grant funding**

This option has been rejected as the project would not meet the required payback requirements to move forward without use of external grant funding. This would mean that project costs incurred to date become impaired without the prospect of future assets to provide future income/stock value. The Housing Revenue Account would be responsible for these impairment costs within its revenue account. This would be detrimental to the HRA, not only because of the unbudgeted additional costs, but also because planned affordable housing would not be delivered, which would have provided a future rental stream to help fund HRA costs.

Homelessness costs in the general fund would also likely increase as planned additional affordable housing from this scheme would not be forthcoming, increasing pressure further where housing demand is already exceeding supply.

### **Option 2 - Utilise Right to Buy Receipts Instead of Grant Funding**

This option has been rejected as there are insufficient retained Right to Buy receipts to provide the level of subsidy required for this project to be financially viable.

The project would therefore not meet the required payback requirements to move forward, and the same outcome would occur as demonstrated in Option 1.

## **PRE-DECISION CONSULTATION**

There is no formal consultation required for this decision

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

Name: Mark Butler

Designation: Assistant Director of Regeneration & Place Shaping

Signature: **M Butler**  
2025

Date: 27th November

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

### **LEGAL IMPLICATIONS AND RISKS**

The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation. S111 of the Local Government Act 1972 to do which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

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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.

The recommendations in this report are in keeping with the Council's powers and, the Council has the power to receive the grant funding.

The terms of the grant were reviewed and considered acceptable by the Council's legal team. As set out in this report, the Council has mechanisms in place to ensure compliance with the grant funding requirements. These should be kept under review to ensure funding conditions and reporting mechanisms are not breached.

- i. The use of the funding should be applied for the purposes expressed in this Report as this will contribute to the achievement of
- ii. (i) the promotion or improvement of social well-being;
- iii. (ii) the promotion or improvement of the economic, social and environmental well-being of the residents of Havering.

### **FINANCIAL IMPLICATIONS AND RISKS**

The financial implications and risks are set out in EXEMPT Appendix A as it contains commercially sensitive information.

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

There are no human resource implications arising from the proposals in this report.

### **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, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

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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 acceptance of the grant funding set out in this report would benefit local residents by providing funding to build suitable affordable housing.

### **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.

Inadequate or poorly designed housing is associated with increased risk of ill health including cardiovascular and respiratory diseases, depression and anxiety as well as risk of physical injury from accidents.

Acceptance of this grant funding will support Havering's ambitions to provide more good quality, genuinely affordable homes for local people, through the development of 42 affordable homes (33 social rent and 9 shared ownership) on the Farnham and Hilldene Estate.

This will impact positively on residents 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.

#### **Health & Wellbeing Risks:**

The proposals to increase grant funding for this project do not give rise to any health and wellbeing risks.

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

The decision to accept grant funding means that the grant-funded units will meet GLA sustainability and environmental requirements wherever possible. These targets are designed to protect the natural environment, improve air quality across London and deliver sustainable homes for generations to come.

Details are set out within the 2021-26 Affordable Homes grant agreement which is included as Appendix B and also available on the GLA's website – [www.London.gov.uk](http://www.London.gov.uk)

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**BACKGROUND PAPERS**

None

**APPENDICES**

<b>Appendix A</b>	<i>Financial Viability Information (Exempt)</i>
<b>Appendix B</b>	<i>2021-26 Affordable Homes Programme Grant Agreement (Open)</i>

## **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

**Neil Stubbings**  
**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 \_\_\_\_\_