

JV Business Case

January 2026

Havering & Wates Regeneration LLP



Revision	Date	Author	Checked
9	7 January 2026	CO	JA
8	28 November 2025	CO	JA
7	13 June 2025	JA	HJ
6	3 April 2025	JA	HJ
5	15 November 2024	JA	HJ
4	16 Jan 2023	JA	HJ
3	16 December 2021		
2	10 March 2021		
1	17 January 2020		

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1. Introduction

The purpose of this document is to set out the business plan for the Havering & Wates Regeneration LLP (the JV) which covers a 5-year period of activities as required under the Members Agreement clause 6 and to Schedule 1.

2. Background and JV Objectives

During the JV procurement process, the Council set out the key objectives that it was seeking to achieve as part of the JV activities. The JV has now been in existence for over 7 years, and it has been agreed that the original objectives no longer align with today's wider market conditions and circumstances many local authorities find themselves in. Therefore, the JV has now agreed in revised objectives that are specific and measurable. These are shown in the table below:

Objective	Detail
Viability	Viability model showing a 15% return and ensuring that LBH can work to a 40-year payback period through internal modelling.
Programme	Measure against the LBH housing needs programme as well as the Business Case programme for wider delivery.
Quality	Measure against compliance documentation including building regs, ERs and associated policy documents.
Social Value	Measured against social value targets.

The joint venture structure is as set out below in Figure 1 - Havering & Wates JV Structure Chart

LONDON BOROUGH OF HAVERING - JOINT VENTURE STRUCTURE CHART

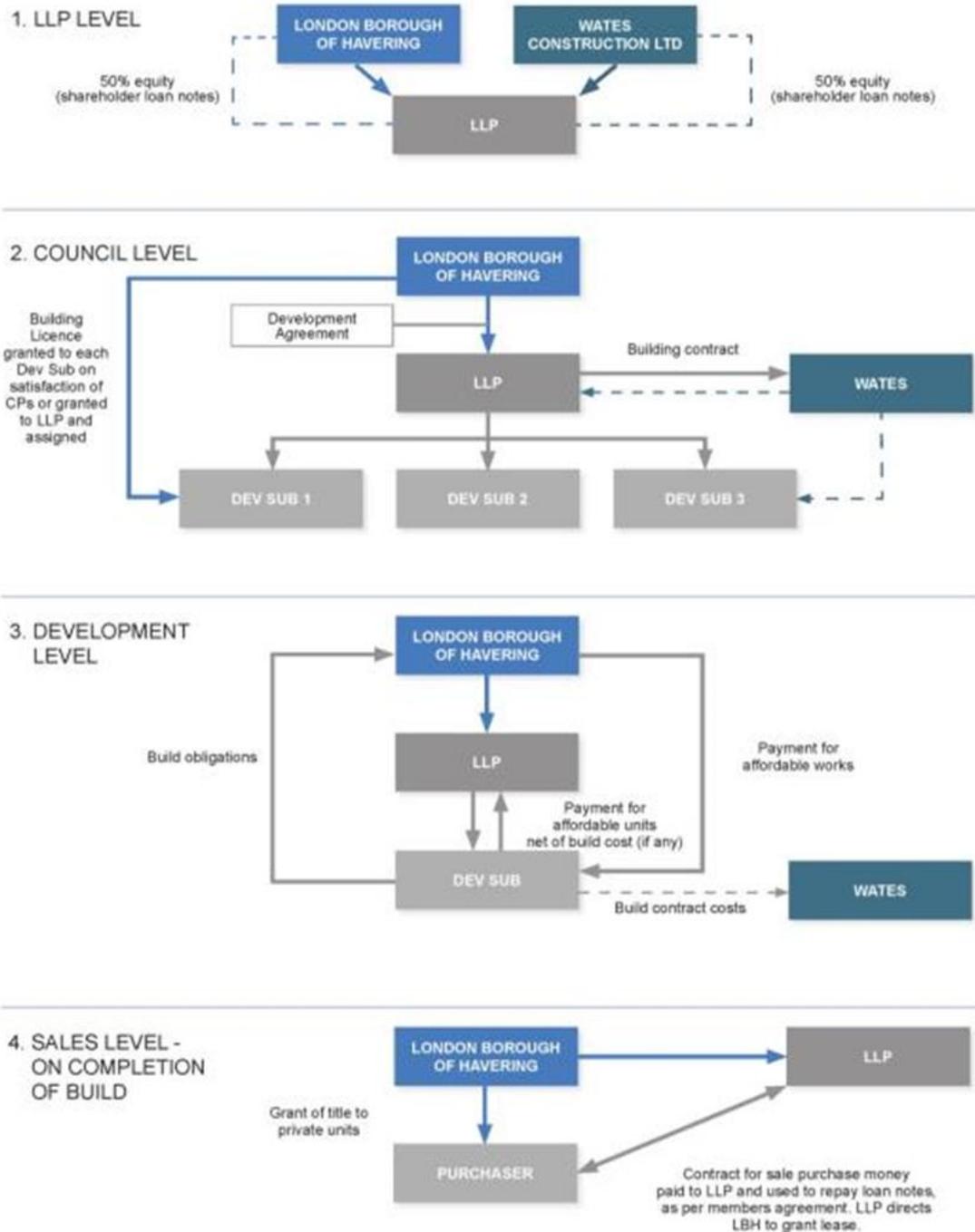


Figure 1 - Havering & Wates JV Structure Chart

3. JV LLP's Objectives

3.1 Priority and minimum number of objectives to be met

The purpose of the JV is broadly to deliver:

- a) Up to 4,500 homes over the 12 sites
- b) New homes in vibrant and safe communities
- c) Quality developments, which have been through Quality Review Panel process
- d) High quality public spaces, and open space for play and recreation
- e) Community facilities where people want to live and participate in local activities
- f) Target of delivering 40% affordable housing across the 12 sites
- g) New infrastructure
- h) To receive a revenue return from the venture

3.2 Role and Activities of the JV

Importantly for the JV, it is critical that improvements to the social and economic fabric of the Borough are realised alongside the delivery of high-quality homes. This means for the JV:

- Setting benchmark standards for design that other developers will seek to follow
- Delivering jobs for local people, including apprenticeships
- Providing apprenticeships and other skills development, work experience and opportunity access programmes to leave a legacy of workforce investment
- Curriculum support to schools, with contractors sharing knowledge and expertise
- Supply chain opportunities for local small businesses and social enterprises
- Training opportunities to hard-to-reach groups

The partners also agree the importance of local procurement and supporting UK supply chains.

3.3 Key Requirements

The Key Requirements are defined in the Development Agreement between LB Havering as landowner and the JV. The Key Requirements for each Phase or Stage are included in the Phase Viability Plan for a Phase or Stage, and set the parameters for a planning application and include:

- The number of units to be delivered by a development;
- The mix of units to be delivered including affordable, private etc.; and
- Any requirement for commercial, retail, non-residential uses.

The original capacity requirement for the sites was set out in the May 2017 Memorandum of Information issued by the Council. This has been updated as the projects have been brought forward, and the following table sets out the current targets:

Key Requirements

Site Name	Market Sale Homes	Shared Ownership Homes	Affordable / Social Homes	Rent	Total Homes	Retail / Commercial (Sqm)
Phase 1	Waterloo & Queen St	824	147	409	1,380	1,016
	New Green	0	71	126	197	
	Park Rise	41	54	80	175	
	Total	390	347	1029	1,766	
Phase 2	Chippenham Rd	0	0	138	138	
	Farnham & Hilldene	225	117	139	481	10,178
	Total	225	117	277	619	
Phase 3	Brunswick Court	34	0	15	49	
	Delderfield House	6	0	6	12	
	Dell Court	18	0	20	38	
	Total	58	0	41	99	
Phase 4	Oldchurch Gardens	184	0	122	306	
	Royal Jubilee Court	109	0	44	153	
	Maygreen Crescent	177	24	94	295	
	Total	470	24	260	448	
JV Total		528	488	1,607	2,932	

The Key Requirements form the basis of the brief to the JV for the planning applications to be submitted on each site. The requirement may vary to respond to planning policy or stakeholder input, and the business case will be updated accordingly.

3.4 Design Quality Statement

The vision for each scheme is set out below:

Phase 1 - Waterloo and Queen St

Romford has many fantastic qualities to build upon to help create a revitalised Waterloo Road estate neighbourhood. With the wide variety of shops, leisure and excellent transport links, alongside housing affordability, Romford is a location with real depth of character and place. The redevelopment of Waterloo estate will add value and support the wider plans for Romford's growth.

- A new urban boulevard – Waterloo Road will become a new urban boulevard which will be a pleasant environment for pedestrians and cyclists, whilst facilitating traffic flows. Buildings will line the Waterloo Road and act as a gateway to the site and neighbourhood beyond.
- A place of vitality and life – Streets and pavements will give priority to the pedestrian and cyclist yet allow for car parking to be sensitively integrated into the streetscape. Front doors will animate the street giving the space a truly neighbourhood feel.
- Celebrating the community – Respect for St Andrews Church in architecture and design, as well as enabling its function as a community asset, will deliver a focal point to the redevelopment.
- A place to relax and play – Children's playgrounds will be integrated into the design along with public spaces and dedicated amenity space for residents.
- A neighbourhood – A mix of dwelling types, including 3 bed homes for families and compact apartments for young first-time buyers, will attract a range of people to the community.

Phase 1 - New Green

The redevelopment of Napier New Plymouth has created a high quality, vibrant, contemporary residential project that will repair a neglected and dilapidated estate that is negatively affecting the street, neighbourhood and wider community.

- A place with a green heart – a public open space for meeting, resting, playing or just passing through.
- A place for new housing with a community spirit – bringing new and existing neighbours together, reaching out to connect to the wider neighbourhood and network of public spaces.
- A place that lets nature in – through the planting of appropriate species in communal gardens and on roofscapes, to increase the biodiversity of urban environments.

The project has reached completion and has met the vision.

Phase 2 Park Rise

The redevelopment of the Solar Serena Sunrise site has created a vibrant, contemporary retirement village that is designed to cater for a range for different levels of support, from extra care and those with dementia to more independent living for the active elderly.

- New housing for the elderly with a community spirit – creating a purpose-built environment for the over 55s whilst reaching out to connect to the wider neighbourhood and Harrow Lodge Park.
- A sense of arrival and gateway – with distinct buildings and landscape at the northern and southern approaches that renewed character and enhance connections to the wider context,

whilst repairing the Sunrise Avenue and Parkhill close connection as a well-defined active place (not thoroughfare).

- The layering levels of privacy – creating an internal sanctuary with private courtyards and gardens that support a healthy and active lifestyle, whilst providing visual links to the wider neighbourhood.

The project has reached completion and has met the vision.

Phase 2 - Chippenham Road and Farnham & Hilldene

The Harold Hill regeneration masterplan presents an opportunity to improve the street scene and to kick start wider regeneration for the area. The vision is to deliver high-quality new homes and retail units to support residents, businesses and the wider community. The aim is to create a lively, sustainable town centre that will be a better place to live, work, shop and visit.

- Create a central square – bringing a focal point to the site from the Farnham Road and helping to stitch the site into the wider neighbourhood context with improved street lighting, new trees and landscaping, with a new public green square at its heart.
- Deliver a garden setting to new housing – reflecting on the past, through a new interpretation of the garden suburbs approach which defined the surrounding context.
- To bring a mixed housing opportunity to the site - through integration of private and affordable dwellings in high quality architecture in a tenure blind approach.
- An active high street with a range of shops and services - with highly visible and attractive shop fronts and better designed service and welfare areas.
- Well managed and sufficient visitor and shopper's car parking – across the estate
- A pedestrian friendly environment - with safe and accessible public spaces for people to sit, socialise and relax.





Note: Phases 3-4 are currently paused due to viability challenges and will be reassessed in 2026.

Phase 3 Sites

- Brunswick Court
- Delderfield House
- Dell Court

These are currently paused and may be revisited in a future Business Case.

Phase 4 - Oldchurch Gardens

The Oldchurch Gardens site in Romford is within close proximity to a variety of shops, leisure and excellent transport links. This site provides an excellent location and opportunity to provide regeneration and increase demand to support the wider plans for Romford's growth.

- Maximised Views - all existing buildings are to be demolished and replaced with "C" shaped residential blocks to maximise views over the adjacent park.
- Landscaped Podiums - providing courtyards with landscaped podiums, promoting dual aspect and increasing natural relief space for residents, promoting healthy living and vitality.
- Activated Street / Frontage - car parking provided under the podium gardens allows and promotes the residential frontage to the perimeter, activating the street and promoting neighbourhood and community spirit.

- Connectivity – “pocket parks” created between the blocks keep the street level free from cars and provide visual links across the site into the park beyond, promoting connectivity of the public realm, pedestrian accessibility and integration into the surrounding context.



Figure - Oldchurch Gardens proposal

Phase 4 - Maygreen Crescent

The regeneration of Maygreen Crescent will deliver on the JV vision to create stable, sustainable, diverse and balanced communities.

- Create Courtyard living - delivering secure gardens within the development for residents to enjoy and bring nature to its heart.
- Dual aspect – achieve 90% dual aspect with no north facing homes, giving high quality living space for residents to thrive.
- Deliver high quality public realm – connecting residents with nature with a high-quality landscaping design for residents to enjoy.
- Connect to local facilities – retaining and improving pedestrian connectivity to the adjacent retail areas and recreation space, and walking routes towards Romford



Figure 1 - Maygreen Crescent overview

4. Approach to Partnering

4.1. Partnering principles

A partnership charter has been adopted by the JV Board as set out below.



Figure 2 Partnership Charter

4.2. Continuous Improvement

A key focus of the JV is to ensure that lessons are learnt as the projects progress, and the knowledge is fed back into the future projects as they come forwards. Key Performance Indicators (KPI's) are to be set with the Havering Regen team and reported on to the JV Board meeting monthly. The Partners will need to agree the specific KPIs to be used.

4.3. Local Engagement and Consultation

The success of the JV projects is reliant on the community being appropriately engaged and consulted on the projects. Each site has in place a site-specific consultation plan in conjunction with the LBH Regeneration Team. Consideration is given to all relevant stakeholders including:

- Political
- Council departments
- Incumbent residents
- Neighbouring residents
- Local community

4.4. Communications Strategy

Strategic communications consultancy Lexington is engaged by the JV with a brief across all live projects in preconstruction onwards. A communications strategy is in place as part of this appointment.

The strategy sets out the objectives that communication activity around the JV is seeking to achieve, the key audiences we will target, and the messaging required.

Working with the Wates and Havering' internal PR and Comms teams, Lexington will manage and review the communications strategy. Ongoing communication support will be reviewed annually.

4.5. Community engagement and events

Since the last business case, a series of community events and engagements a have been delivered for the community. Some of these events are summarised below:

Blooming Balconies at Park Rise



Mad Hatters Tea Party at Park Rise



5-year Anniversary of the Havering and Wates Joint Venture



University Bursary for Havering Architectural Student



The prospect of attending university to study architecture is a lifelong dream come true. I'll be the first person in my family to pursue higher education.

Thank you and your whole team for this opportunity, when I heard the results me and my family were in disbelief. This is an incredible first step in my architecture journey and I cannot thank you enough."

Jordanas Viliusis

Collado Collins, Architect for the Farnham & Hilldene masterplan, committed to providing a bursary as part of their bid. What followed was a collaborative process with havering, Wates and Collado which resulted in Jordanas Viliusis securing the bursary, which is funding his fees through university.

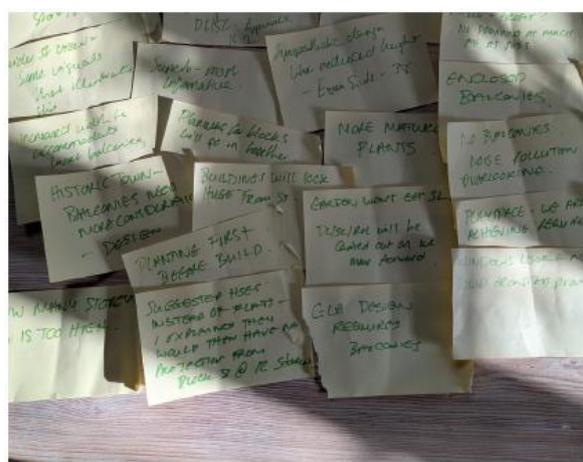
4.6. Project Specific Community Events

A series of past year project events over the past year are listed below:

Date	Activity	Outcomes
13/07/2023	Chippenham Road Press Release	To detail the proposals and promote the upcoming consultation period.
18/07/2023 - 08/08/2023	Chippenham Road Stage 1 Public Consultation	Two public exhibitions which attracted 40 members of the local community. Residents expressed genuine enthusiasm for the development in the area.
06/12/2023	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
25/01/2024	Chippenham Road Strategic Planning Committee	The scheme was presented to and gained support from local councillors.
29/02/2024	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
15/04/2024	Chippenham Road Press Release	To detail the proposals and promote the upcoming consultation period.
15/04/2024 - 10/05/2024	Chippenham Road Stage 2 Public Consultation	Two public exhibitions which attracted 45 members of the local community.
06/08/2024	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
20/11/2024 - 13/12/2024	Farnham & Hilldene Stage 2 Public Consultation	Two public exhibitions which attracted 30 members of the local community.
21/11/2024	Farnham & Hilldene Shopkeepers Consultation	To allow existing shopkeepers in Harold Hill to review proposals and give feedback.
25/11/2024	Farnham & Hilldene Resident's GLA Ballot	96% of respondents voted in favour of the regeneration.
03/12/2024	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
27/02/2025	Residents Design Engagement Session 1	To present the updated design and gather the resident's views and comments.

27/02/2025	Chippenham Road Strategic Planning Committee	Councillors debated the proposals and voted in favour of approving the application.
03/04/2025	Residents Design Engagement Session 2	To present the updated design and gather the resident's views and comments.
05/05/2025	Surrounding Local Businesses Meetings	To provide an update and presentation on the progress and latest design.
05/06/2025	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
04/09/2025	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.
02/12/2025	Cotleigh Road Residents Meeting	Quarterly update to the local residents on the WQS estate.

Waterloo & Queen Street – Residents Engagement Session



Chippenham Road & Farnham & Hilldene - Public Consultation Events



4.7. Collaboration to provide local economic and social benefits

The Council and Wates have jointly produced a Social Value Strategy, which has been approved by Cabinet. Additional social value activities will be delivered across the business case year, and these will be developed in partnership with the Council’s regeneration team.

A look ahead to future social value activities is summarised below:

Activity	Outcomes
People	
Apprenticeships	Support local people to gain skills, qualifications, and knowledge by providing accredited learning and the opportunity of employment
Work experience placements	To offer placements throughout the development to support individuals to gain valuable experience to increase their future employability and enriching persons learning.
Construction careers and advice	To support Havering focus on enhancing awareness of career possibilities in the built environment by establishing transparent pathways to employment or advanced education
Aspiring Havering	This is a school engagement programme initiated by the Wates Group and Career Ready to inspire young people from under- represented groups between the ages of 11-16 to join the construction sector.
Place	
Community & conservation week	To hold an annual Community and Conservation Week where all Wates & Havering employees and supply chain support local community projects by volunteering their time & materials. This could be for community clean up days, garden projects and refurbishment projects such as painting or refurbishing a local community facility.
Basketball Youth Intervention	We will partner with the Bad Thunder Basketball Club to support them deliver sessions for youth in Harold Hill. Additionally, we will collaborate with Bad Thunder to explore funding opportunities aimed at enhancing sustainability and expanding the outreach to more young people.
Young Person's IDVA	We will allocate funding for an 18-month Young Person's Independent Domestic Violence Advisor (IDVA) experiencing domestic violence. This initiative, in partnership with Havering Women’s Aid, aims to address gaps in provision within the borough.
Sponsorship of Box Up Crime	Support the Box Up Crime Havering community programme for an additional 12 months, whilst aiding them in optimising their revenue streams, seeking out additional grant support, and funding opportunities to foster their long-term sustainable development.
Resources	
Digital Engagement	We commit to upskilling individuals of all ages by volunteering at the Digital Skills sessions already held at Harold Hill Library twice a month.
Local SME and SE spend	We will work closely with our commercial and procurement team as well as collaborating with Havering teams in ensuring we are reaching Havering businesses and social enterprises
Green space for all	This programme aims to improve Chippenham Road green space, increase biodiversity, and empower residents to take ownership of their community
Good Food, Good Mood Programme	We understand through our research one in five children in Havering under 16 years live in poverty, coupled with the obesity rates in Havering being the highest in London. Additionally, across the country many are struggling due to the cost-of-living crisis and fuel poverty crisis across the UK

A review of the social value activities from 2025 is listed below:

- We continued to provide meaningful support to local schools and colleges, strengthening our partnerships with NCC College, Local London, and STC Group. Together, we delivered high-quality Careers Information, Advice, and Guidance (CIAG) sessions to over 100 local students, inspiring future talent and promoting opportunities within the construction industry.
- Our collaboration with NCC College and STC Group has been instrumental in championing apprenticeships and job opportunities linked to upcoming JV projects, ensuring local residents are aware of pathways into rewarding careers.
- Beyond education, we created tangible social value through community volunteering initiatives, including our Community and Conservation Week, where teams helped restore and clean the residents' community garden at Waterloo and Queen Street.
- In mid December, Rollalong and Wates also held a day-long careers event at St Edwards School to connect students with careers in construction. Year 8 and 9 students were offered opportunity to work with explore the many opportunities in construction, particular with modular manufacturers.
- We ended the year on a festive note by sponsoring material donations for the Harold Hill Christmas Light Switch-On, bringing joy and celebration to the local community.
- Looking ahead, and working with St Edward's School, we are working on a site visit for selected students in 2026 to witness the real-life delivery of modular units, bringing classroom learning to life and showcasing innovation in the industry.



5. Short Term Development Opportunities (0-5 years)

5.1. Short Term Development Opportunities Overview

There are two schemes currently in delivery by the JV including:

Phase 1: New Green (Napier New Plymouth), Park Rise (Solar Serena Sunrise)

Phase 2: Waterloo and Queens St, Blocks 9 and 10, Chippenham Road Phase 1 and Farnham & Hilldene Block A. There are no current plans to bring forward Brunswick Court into the JV vehicle. This will be reassessed in due course.

Phase 3: See "Future JV Sites" section.

Phase 4: See "Future JV Sites" section.

Royal Jubilee Court: there are no current plans to bring this forward at this stage due to the council repurposing the buildings for temporary emergency housing.

The phases referred to above are as set out in the original council tender for the JV. They will not necessarily be delivered sequentially.

5.2. Appraisal of developments and phasing

Financial models are included in Appendix 1 for Waterloo & Queen Street Blocks 9 and 10, Chippenham Road Phase 1 and Farnham & Hildene Block A.

6. Long Term Development Opportunities (5-10 Years)

6.1. Long Term developments opportunities overview

The further sites within the 12 estates portfolio as identified in the which will be assessed on both feasibility and viability grounds before being brought into the JV. The following table sets out the 12 estates and the current status of each project:

Site Name	Ward	Status
Phase 1		
Waterloo & Queen St Blocks 9 and 10	Romford Town	Short Term Opportunity
New Green	South Hornchurch	Complete
Park Rise	St Andrews	Complete
Phase 2		
Chippenham Rd Phase 1	Gooshays	Short Term Opportunity
Farnham & Hilldene Block 1	Gooshays	Short Term Opportunity
Waterloo Blocks 1-8	St Andrews	Short Term Opportunity
Brunswick Court	Cranham	Long Term Opportunity
Phase 3		
Delta TMO	Squirrels Heath	Long Term Opportunity
Delderfield House	Pettits	Long Term Opportunity
Dell Court	St Andrews	Long Term Opportunity
Phase 4		
Oldchurch Gardens	Brooklands	Short Term Opportunity
Royal Jubilee Court	Pettits	Long Term Opportunity
Maygreen Crescent	Hylands	Short Term Opportunity

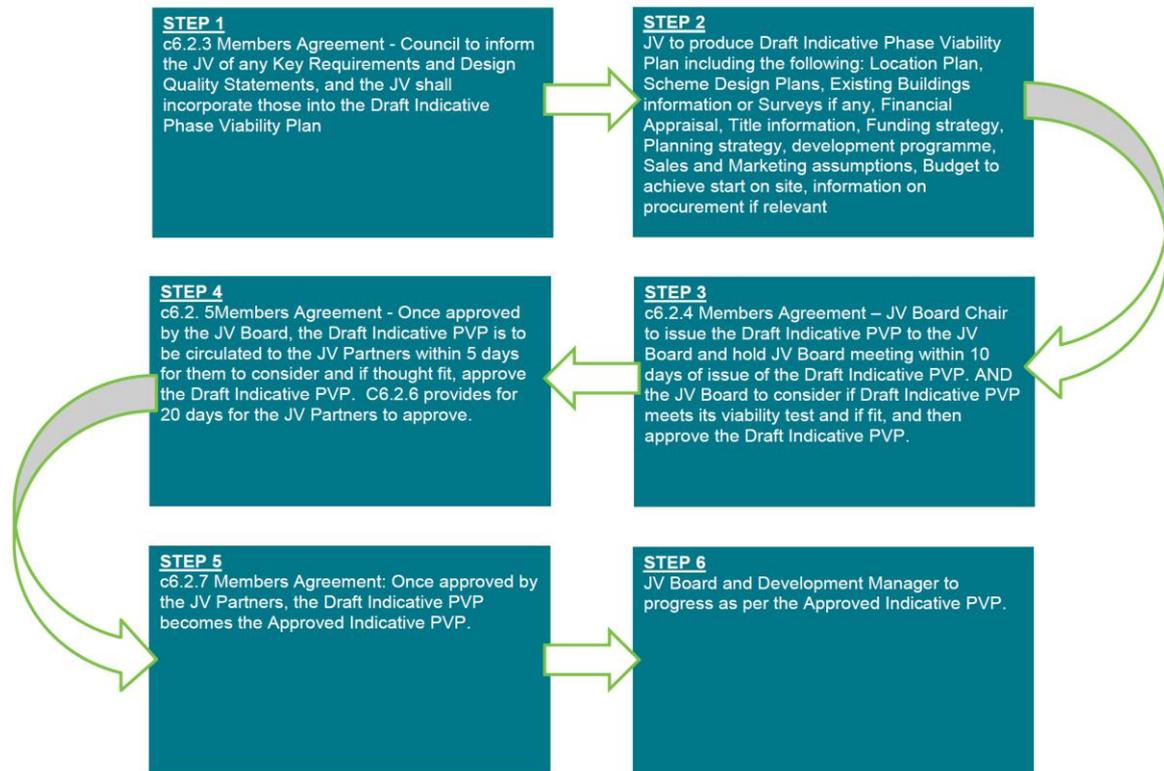
Within the next business case period, the phases are to be reviewed and reset based on current viability and delivery requirements.

An extract from the Council's Memorandum of Information dated May 2017 stated the following with regards to the existing dwellings on each of the sites:

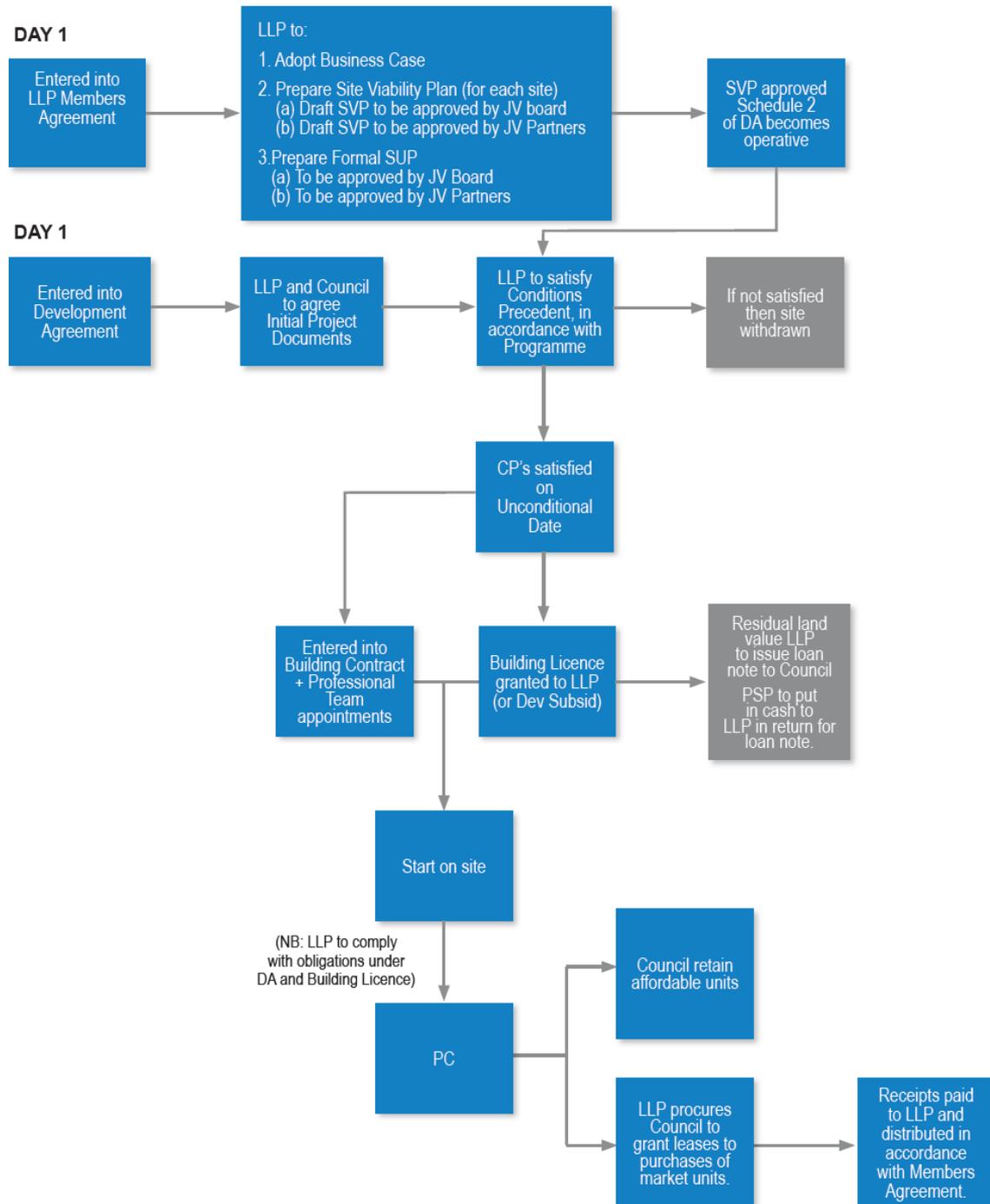
Housing Regeneration Programme – Existing Number of Homes				
Site Name	Site Area (Ha)	Tenanted Homes	Leasehold Homes	Total Homes
Brunswick Court	0.5	47	0	47
Delderfield House	1.0	14	0	14
Dell Court	0.5	29	0	29
Delta Estate	1.6	45	18	63
Farnham & Hilldene	n/a	0	0	0
Maygreen Crescent	1.5	77	17	94
Napier & New Plymouth	0.7	87	10	97
Oldchurch Gardens	1.2	79	0	79
Solar, Serena & Sunrise	1.0	55	0	55
Waterloo Estate	4.5	237	48	285
Queen Street	0.5	31	0	31
Total	14.2	766	112	878

6.2. Appraisal of developments and phasing

To be assessed as each project is reviewed to come forward. The process for the JV to adopt additional phases for delivery is defined in the Members Agreement and summarised in the below diagram:



The process for the partners to deliver the schemes under the Members Agreement and the Development Agreement is set out below.



7. Overview of Phase Development Plans

7.1. Phase 1 Sites

Both New Green and Park Rise are now complete and occupied. Waterloo and Queen St is the final Phase 1 site to be delivered and is the largest site within the 12 estates portfolio.

The first phase is now confirmed to be 100% affordable housing in the form of 107 homes in Blocks 9&10, which are being fully funded by LB Havering. Investment in later phases is expected to recommence once viability conditions become more favourable, and this will be brought forward in a future Business Case. It is now expected for Blocks 1&2 to be redesigned with two stairs with the possibility of a number of homes for private development if conditions permit.

A temporary modular housing scheme is due to be delivered as a meanwhile space project in the permanent location of Block 5. These will be relocated elsewhere by LBH when block 5 is ready to come forward. The modules are expected to be occupied in Q1 2026.



7.2. Phase 2 Sites

Chippenham Road and Farnham & Hilldene are being delivered as part of the wider Harold Hill masterplan regeneration. Chippenham Road already has planning permission (S106 agreement executed December 2025) and Farnham & Hilldene received Resolution to Grant at Strategic Planning Committee in November 2025.

Both projects still require vacant possession which has been delayed. At Chippenham Road, there are three outstanding properties to be acquired – The Alderman Pub, 70 Chippenham Road and 10 Rothbury House. A compulsory purchase order (CPO) has been approved by Cabinet in November 2025 for these properties if a commercial settlement cannot be reached.

At Farnham & Hilldene, the Block A area needs to be decanted; both residential tenants and commercial / shopkeepers. A CPO may be necessary for these properties and the Council are working through a programme of decanting existing residents and re-locating businesses. Vacant possession by March 2026 has been assumed.

Chippenham Road PCSA has now finished, and a price is being established by Wates on the basis of the revised VP programme. Phase 1 demolition at Chippenham Road is also complete, which only leaves Rothbury House, the Alderman Pub and 70 Chippenham Road left.



Typical Floor Plan



8. Development Strategy

8.1. Headline Programme

See Appendix 3 for the development programme. Key dates are summarised for the next 3 projects in the short-term development plan as follows:

	Waterloo 9&10	Chippenham Road Phase 1	Farnham & Hilldene Block A
Pre-planning start	Jan 25	Apr 23	Dec 23
Full Planning Approval	Jan 26	Nov 25	Mar 26
PCSA	Mar 26	Mar 25	Mar 26
Enabling works	Mar 26	Mar 26	Mar 26
Main Construction Start	Jul 26	Mar 26	Jul 26
Practical Completion	Mar 28	Mar 28	Mar 28
Sales Completion (S/O)	Feb 29	N/A	N/A

The above dates are contingent on receiving confirmation from the GLA that grant is in place by March 26 for WQS Blocks 9 and 10 and Farnham and Hilldene Block A.

Risks and opportunities to achieving the key dates are set out as follows:

Risks	Opportunities
<p>1. Planning: delays with pre-app process, agreeing strategy with officers, and meeting deadlines ensuring applications are submitted on time, including the determination period and signing the S106.</p> <p>2. Inflation: build cost inflation experienced beyond sales value inflation within development appraisals specifically. Build cost estimates are current day</p> <p>3. Vacant possession: decanting existing residents including protracted CPO process if required. Also, difficulties with breaking long commercial leases where applicable</p> <p>4. Service connections / disconnections: Delays due to stat providers</p> <p>5. Building Safety Act: delay as a result of BSR / new Gateway process taking longer than advised timescales</p>	<p>1. Early commitment to investment: such as starting PCSA at risk of planning will enable an earlier start on site and deliver homes quicker</p> <p>2. Construction methodologies: exploring MMC and other build technologies such as light gauge steel (LGS) and prefabricated components</p> <p>3. Confidence in sales market: opportunity to pre-sell more homes off-plan by monitoring the market for signs of improvement.</p> <p>4. Planning process: earlier engagement with officers and ensuring they are bought into the development strategy could result in faster application time.</p>

8.2. Waterloo and Queen Street

The WQS project has been impacted by several issues. Following the decision to not progress with the scheme in accordance with the planning permission (single stair design), the JV partners have not yet agreed the route forward to set out how the masterplan progresses. It is noted that a Deed of Variation to the Development Agreement is required subject to the outcome of discussions. The following sections for WQS reflects the proposed short-term strategy.

Phase One - Blocks 9 and 10

Phase One has been brought forward as Blocks 9 and 10. Block 9 is intended as a mix of rent and shared ownership. This comprises 107 homes (70 for rent in Block 9 and 37 shared ownership in Block 10). LB Havering will be paying for all development costs, pre-planning and construction, as per the development appraisal.

This phase also currently includes the S278 works (the bellmouth to the site) and road/public realm leading to Block 9, as well as the temporary energy centre (as an interim measure, until the permanent energy centre is delivered).

Phase 2 – Blocks 1, 2 & 8

Currently investigating options for delivery of Blocks 1, 2 & 8 and will update JV Board at next Business Case.

8.3. New Green

The scheme comprises 197 fully affordable homes, a mix of Affordable Rent, Social Rent and Shared Ownership. The project is now complete.

8.4. Park Rise

The scheme comprises of 175 units and a guest suite, with a mix of Affordable Rent, Social Rent, Shared Ownership and Private Sale units.

The developer's margin has been eroded because of cost increases and the challenging sales market.

The Management Company has been set up and is being administered by Churchill Estate Management Ltd with Board Representatives from both Havering and Wates. Trowers & Hamblins are providing company secretarial services.

The key features of the sales and marketing strategy include the following sales incentives:

- The council has agreed to buy 3 bedroom or larger homes within the borough from prospective purchasers at valuation, subject to legals and survey. This is up to the longstop date of 18 months post Practical Completion. Valuation subject to a cap of £450,000 per unit the council will buy back;
- The council has agreed to buy-back any units within the development that become vacant at valuation, saving the customer agency fees on their property;
- Noted that no rent is paid on the shared ownership element provided the purchasers acquire 75%;
- The JV commits to no assignment and exit fees upon sales; and

- A service charge in line with typical council management level of service across OMS and affordable units.

Long stop arrangements:

- 18 months from practical completion which has now passed
- Valuation as per business plan; and
- There is an option for the JV to trigger the buyback clause for the open market sale homes. It is at the council's discretion whether they buy back the shared ownership homes.

Given the current sales position, the strategy is under review to ensure it responds to market conditions and in the context of the longstop date. Regenta (previously Site Sales) are now acting as sales agent for the scheme. Some alternative disposal strategies are currently being considered by the JV and will be brought forward for decision.

8.5. Chippenham Road

The application achieved resolution grant in February 2025 and S106 has been signed. Meanwhile, the PCSA has now finished and a fixed price to start construction in February 2026 has been provided by Wates. Due to the delays in securing vacant possession, construction is not expected to start until March 2026.

Demolition for Phase 1 is complete, and the remaining properties will be demolished once vacant possession is achieved.

8.6. Farnham & Hilldene

A hybrid planning application was submitted in March 2025 for 481 new homes plus ground floor commercial space. The application was granted by SPC on 13th November. The S106 will now need to be agreed with Havering and the GLA.

The Council have started the process of decanting the residents and retail tenants in Phase 1 and we expect this should be complete by March 2026.

In comparison to the last approved Business Case, the project is now phased into 4 phases which allow for decanting of some residents and mainly retail tenants into new permanent accommodation. This is to not expose the Council to breaking long commercial leases for costly sums. The phased approach means a longer development programme which shows an anticipated final completion by 2033. To mitigate risk and financial exposure, the Council have decided to only initially commit to delivering Phase 1 (the detailed element of the hybrid application, Block A which consists of 104 social rented homes). At each subsequent phase, a review will be conducted to bring forward the outline phases. If any of the future phases prove viable as an investment for open market sale, the JV may wish to invest in the project at that point in time.

The Development Management fee has now been split into Block A and the remaining phases. The Block A fee also includes services related to the design of the outline phases (Blocks B-F) and is reflected in its proportionality.

8.7. Future JV Sites

These will be the next projects to be developed within the 12 estates portfolio.

Current market conditions mean that delivering medium to high rise buildings is extremely challenging. This is largely a combination of build cost related to high rise requirements and regulations, along with the programme associated with achieving the Building Safety Act Gateways.

For the time being the following sites have been paused, albeit once conditions improve they will be assessed as needed:

- Maygreen Crescent
- Oldchurch Gardens
- Brunswick Court
- Dell Court
- Delderfield House

9. Planning and Environmental Issues

9.1. Third Party Land

The Council is committed to securing vacant possession of the sites such that the land is available for development at the earliest opportunity. The redline boundaries of the Phase 1 sites has been reviewed in detail by the JV legal team.

9.2. Valuation of Phases

The Development Agreement sets out the process of valuation for the Phases. The process is a residual calculation summarised broadly below:

Total revenue – development costs – LLP margin = land value

The land value is determined to the value of the Phases but is then spread across the stages proportionally. Please refer to the development agreement for the full details.

Chippenham Road and Farnham & Hildene are 100% funded by the Council.

9.3. Design Strategy

It is important for the JV to develop designs that create buildings and places that stand the test of time and grow old gracefully. The buildings need to be easy to maintain, places where people are proud to call home, safe and secure, and provide a number of dwelling types that support all types of residents in Havering. To achieve this, the design strategy will include:

- Regular design team meetings held with attendance from the JV, with JV management by the Development Manager on a day-to-day basis.

- Design workshops and reviews held during the planning and design development stages. These will ensure efficient and collaborative management of the design development process, whilst keeping sight of the integrity of the design aesthetic and quality requirements.
- Wates undertaking key design stage audits to check that design information meetings the requirements of the JV.
- Structured design reviews undertaken with formal comments issued back to the design team for adopting and carrying through to the next stage of design.
- Design information reviewed with respect to: completeness, coordination, buildability, statutory compliance, and CDM and safety.

9.4. Construction strategy

The construction procurement for the JV projects is to follow a two-stage approach with a PCSA (Pre-Construction Services Agreement) to allow the technical design (RIBA Stage 4 onwards) and also the market-testing of the packages to be carried out. At the point of entering a build contract, the JV has mitigated the design and construction risk as far as possible with the details enshrined within the JCT Design and Build Contract.

Early works can be undertaken direct between Havering and Wates Construction subject to following necessary procurement routes to demonstrate value for money.

10. Supply Chain Management

10.1. Value for Money

Schedule 5 of the Members Agreement (Procurement Strategy) sets out the objectives which include securing value for money in relation to the procurement of goods, works and/or services by the JV Group.

During the pre-unconditional phase, the Development Manager will procure goods and services in accordance with the Procurement Strategy with key decisions taken to the JV Board for approval.

10.2. Parent Company Guarantees and Performance Bonds

Security from the supply chain will be assessed on a package-by-package basis on each project. Where required, a performance bond will be procured.

11. Resourcing of the JV LLP

11.1. Structure and required management support

The JV has appointed Wates Construction Limited as Development Manager. The role is scoped out in the Development Management Agreement and includes a comprehensive list of services from appointment of consultants, design processes, cost, securing consents, reporting, budget

management, supporting the JV's role as CDM client, management of the building contractor (instructions, defects, PC certificates, etc), sales and lettings, and corporate services. The JV will rely on external professional services for design delivery, and separately Wates Construction limited will be appointed as a building contractor for the construction works stage.

Board members are appointed by the JV, and are:

Wates: Phillippa Prongué, Paul Nicholls, Stephen Rees

Havering: Mark Butler, Neil Stubbings, Christopher Hobbs

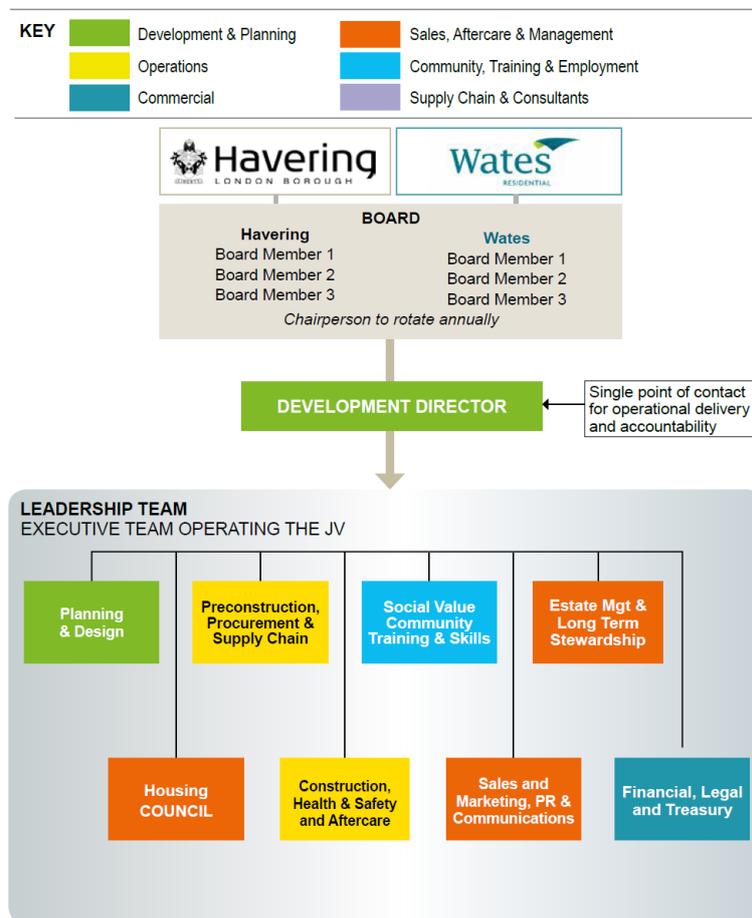
Ikon are appointed as monitoring advisors to the JV and working in an Independent EA role to ensure the JV is delivering on its objectives.

The Development Management team will be provided by Wates.

11.2. Development Management Fee

To provide the necessary services, as prescribed in the Development Management Services Agreement, a fee will be paid by the Joint Venture to the Development Manager.

The fee is included within the development appraisals. This fee has been predicated on the programme included within the Business Case. If the programmes are to delay beyond the control of the Development Manager, then the fee will need to be revised and agreed by the JV.



11.3. What the PSP will provide

The PSP will provide the services set out the Development Management Agreement and other services as set out in other JV legal agreements.

11.4. Responsibility for delivery of Business Case

The JV Members Agreement sets out a requirement to provide updated Business Cases. The PSP shall deliver the Business Case to the JV Board as part of their Development Management Services.

11.5. Responsibility for day-to-day management

Services are included in the Development Management Services.

12. Developing the Business

13. Financial appraisal for the JVLLP

13.1. Budget

Development appraisals are included in Appendix 1.

13.2. Sensitivity Analysis

Development appraisals include certain sensitivity analysis on forecast cost and revenue to stress test the projects.

13.3. Taxation Assumptions

The PSP will liaise with HMRC in connection with all taxation matters and prepare all necessary returns

13.4. Indicative Drawdown Profile

An indicative profile will be contained within Business Cases which sets out the JV Partner Loans required to be made and the dates by which such loans shall be made.

13.5. JV Partner Loan repayment

Repayment is included within the JV Legal Agreements.

13.6. Inflation

The appraisals included within the appendices include the following inflation assumptions:

- Chippenham Road Phase 1 – midpoint inflation assuming March 26 start on site
- Farnham & Hilldene – first phase (Block A) inflation included below the line which assumes a start on site date in Q2/2026
- WQS 9 & 10 – the viability appraisal does not include inflation past Oct 2025 due to uncertainty over land swap and programme.

They are treated differently due to the individual circumstances of the projects.

14. Risk Appraisal

Refer to Appendix 2.

15. Policies and procedures of the JVLLP

Policies and procedures of the JV will be implemented should they be required.

Since establishment of the JV, the only JV specific policy developed is in relation to payments from the JV's bank account. The JV Board adopted this policy.