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MINUTES OF A MEETING OF THE PLACE OVERVIEW & SCRUTINY SUB COMMITTEE Council Chamber - Town Hall 27 January 2026 (7.00 - 10.00 pm)

Present:

COUNCILLORS

Conservative Group	David Taylor (Chairman), Ray Best and +Christine Vickery
Havering Residents' Group	Philippa Crowder, Robby Misir, John Wood and +Christine Smith
Labour Group	Matthew Stanton (Vice-Chair)
East Havering Residents Group	Vacant

Also present at the meeting were Councillors Ray Morgon, Graham Williamson and Paul McGeary.

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

101 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

The Sub-Committee noted the apology for absence of Councillor Laurance Garrard and Councillor Osman Dervish. +Councillor Christine Smith substituted for Councillor Garrard and Councillor Christine Vickery substituted for Councillor Dervish.

102 DISCLOSURE OF INTERESTS

There was no interest disclosed at the meeting.

103 MINUTES

The minutes of the sub-committee meeting held on 4 November 2025 were agreed as a correct record and signed by the Chairman.

104 PRE DECISION SCRUTINY - MERCURY LAND HOLDINGS BUSINESS PLAN

The Sub-Committee received a presentation outlining the background and purpose of Mercury Land Holdings (MLH), its original objectives and the rationale for its operational model. Officers explained that MLH was established to deliver private rented sector (PRS) homes, generate financial returns, and support wider housing supply and regeneration objectives. The Sub-Committee was reminded that MLH is not a registered provider and therefore cannot directly hold or manage social rented homes. Officers highlighted that redirecting MLH toward social housing would be financially unviable, potentially prejudicial to Council finances and unnecessary given the existing Housing Revenue Account (HRA) provision.

The revised motion under consideration removes the requirement for MLH to focus on social housing and instead emphasises delivering affordable homes after the company reaches break even. Officers confirmed that, with this amendment, the motion becomes workable. They explained that each MLH scheme already undergoes an individual business case demonstrating tenure mix, viability and affordable housing levels, and that officers will continue to explore opportunities to increase affordable provision within the constraints of viability and MLH's financial obligations.

Officers then presented detailed updates on MLH's completed schemes, pipeline delivery, financial position, and projected trajectory towards financial self sustainability. The Sub-Committee discussed the threshold at which MLH will break even, noting that PRS units under management are forecast to reach around 239 by 2030, enabling self sufficiency. Questions were raised about sales performance, market confidence, affordable housing percentages, the ability to restrict sales to Havering residents, and the potential for MLH properties to support reductions in temporary accommodation costs. Officers confirmed that MLH does not sell directly to other local authorities and that market sales are essential for liquidity and debt repayment.

The Sub-Committee also considered questions submitted in advance relating to MLH loans, repayment schedules, funding requirements for the agreed development pipeline, tenure breakdown, and viability processes. Officers confirmed that the current MLH programme is fully funded within existing budgets and that viability assessments follow standard policy with Havering achieving an average of 15% affordable housing across major schemes. Members also discussed alternative delivery models used in other boroughs, with officers explaining that while options exist, each has limitations and must be assessed against Havering's financial position, borrowing capacity and strategic aims.

Following discussion, the Sub-Committee voted not to call an extraordinary Council meeting. Members agreed for the MLH business plan to proceed to Cabinet. The following comments were made for the benefit of the Sub-Committee for future update to Members:

- MLH producing a benefits dashboard showing impacts on temporary accommodation, general fund pressures and HRA implications;
- MLH incorporating social value commitments aligned with Havering's Social Value Strategy;
- Consideration of flexibility between market sale and PRS units where viable.

Officers also presented business plan updates for Bridge Close, Waterloo & Queen Street, Chippenham Road, Farnham & Hildene, and Rainham Park. Each update covered progress over the last 12 months, planned activity for the coming year, key financial movements, viability considerations and major risks.

The Sub-Committee noted planning permissions obtained, land assembly progress, modular construction procurement, GLA grant negotiations, CPO processes, and decant activity. Members questioned design risks, links to adult social care and ageing in place considerations, opportunities to address temporary accommodation needs, and whether regeneration timelines were affected by external announcements such as the Beam Park Station decision.

Members stressed the importance of the early availability of business plans for scrutiny, the Sub-Committee recommended that draft plans be submitted no later than December in future cycles whilst recognising dependencies on government rent policy announcements. The meeting concluded with agreement to note the HRA business plan and forward recommendations to Cabinet for response.

The following comments were to be passed to Cabinet for response at its meeting on 28 January 2026:

Mercury Land Holdings Business Plan

1. An explicit commitment should be given in the MLH Business Plan that MLH will not sell units direct to another Council.
2. Further information should be provided to Members on the impact of MLH developments on lowering the demand for temporary accommodation. The Sub-Committee supports the intention of officers to develop a dashboard to illustrate this.
3. The commitment of MLH to support the Council's Social Values Strategy should be stated more explicitly in the MLH Business Plan.

All Business Plans

4. Given their length and complexity, the Sub-Committee requests that the Business Plans are in future brought for scrutiny at an earlier stage with

drafts presented in December if possible. The Sub-Committee appreciated however the pressures on officers and that elements of this timescale may be outside of officers' control.

105 PRE DECISION SCRUTINY - RAINHAM AND BEAM PARK BUSINESS PLAN UPDATE 20206/27

Officers presented the business plan for the Rainham and Beam Park. The update covered progress over the last 12 months, planned activity for the coming year, key financial movements, viability considerations and major risks.

The Sub-Committee noted the update and did not make any recommendations.

106 PRE DECISION SCRUTINY - HAVERING WATES REGENERATION JOINT VENTURE BUSINESS PLAN

Officers presented the Sub-Committee with an update report on the Havering Wates Regeneration business plan. The update covered progress over the last 12 months, planned activity for the coming year, key financial movements, viability considerations and major risks.

The Sub-Committee noted the update and did not make any recommendations.

107 PRE DECISION SCRUTINY - BRIDGE CLOSE REGENERATION LLP BUSINESS PLAN REFRESH 2026/27

The Sub-Committee received the Bridge Close, Waterloo & Queen Street business plan 2026/27. The update covered progress over the last 12 months, planned activity for the coming year, key financial movements, viability considerations and major risks.

The Sub-Committee noted the update and did not make any recommendations.

108 PRE DECISION SCRUTINY - HRA BUSINESS PLAN UPDATE BUDGET 2026/27 AND CAPITAL PROGRAMME 2026/27 - 2030/31

The Sub-Committee received a presentation on the business plan updates for the Housing Revenue Account. The update covered progress over the last 12 months, planned activity for the coming year, key financial movements, viability considerations and major risks.

Place Overview & Scrutiny Sub Committee,
27 January 2026

The Sub-Committee noted the update and did not make any recommendations.

Chairman

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