



Notice of Non-key Executive Decision

Subject Heading:	48 St. Andrews Road, Romford, RM7 9BB Housing Scheme for the buy-back of leasehold properties in Regeneration Estates
Cabinet Member:	Damian White - Cabinet Member for Housing
CMT Lead:	Neil Stubbings – Director of Housing & Regeneration
Report Author and contact details:	Ian Nolan Tel: 01708 431 217 Email: ian.nolan@havering.gov.uk
Policy context:	The purchasing of this property will contribute to the London Borough of Havering's Housing Strategy, and will support the Council's vision of Putting Our Residents First.
Financial summary:	This purchase will provide an additional unit for use as rented social housing (temporary accommodation). The purchase of this unit prevents the need for CPO action later as the surrounding estate is identified for potential redevelopment.
Relevant OSC:	Towns and Communities OSC
Is this decision exempt from being called-in?	Yes it is exempt, as it is a Non-Key Decision by a Member of Staff

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

Havering will be clean and its environment will be cared for
People will be safe, in their homes and in the community
Residents will be proud to live in Havering

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The London Borough of Havering is planning an estate regeneration project which encompasses 12 different estates. As part of the initial stages of the project, the Council will purchase leasehold and freehold properties within those estates as part of its 'site assembly' obligations. The initial outline for the 12 estates project was approved at Cabinet on 12th October 2016.

48 St. Andrews Road, Romford, RM7 9BB has been identified as a property to purchase as part of this project. It is a 2 bedroom flat located in the Romford Town Ward / Waterloo Estate (Romford Housing Zone).

The purchase of this property enables the Council to use the property for social housing and prevents the need for a Compulsory Purchase Order (CPO) later.

After consideration of an independent valuation report and knowledge and expertise of the councils property services and legal services it has been recommended to proceed with the purchase of the property at the purchase price of £237,000. This price has been negotiated within the valuation parameter recommendation of £225,000 - £245,000 as advised by Kemsley LLP, Surveyors.

The recommended action is:

1. To note that a purchase price of £237,000 (excluding all standard additional costs) has been successfully negotiated for the acquisition of the leasehold interest in the property and that the price is within the price range parameters of £225,000 to £245,000 advised by the independent valuation report.
2. To agree to proceed with the recommendation to purchase the leasehold interests in the property referred to above at the agreed price.
3. To note also that external legal advisers will be instructed to prepare and complete the legal documents which will enable the purchase to be completed.

AUTHORITY UNDER WHICH DECISION IS MADE

As outlined in Part 3.3 of the Council's constitution "Functions delegated to staff - Powers of members of the Corporate Management Team"

(a) To incur expenditure within the revenue and capital budgets for their allocated portfolio as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

STATEMENT OF THE REASONS FOR THE DECISION

The purchasing of 48 St. Andrews Road, Romford, RM7 9BB will have the following benefits for the Housing Revenue Account (HRA):

- Provide an additional unit of Social Housing.
- Reducing the need for CPO's for Waterloo Estate regeneration.

Non-Key Executive Decision (by a Member of Staff)

OTHER OPTIONS CONSIDERED AND REJECTED

Option: To not purchase the property and move the existing resident on a timely basis.

Reason for Rejection: This has been rejected as not purchasing on a timely basis may result in having to evoke CPO which may cause delays and additional costs.

PRE-DECISION CONSULTATION

The following have been consulted over the proposed transfers & easements -

Legal Services and Property Services.

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

Name: Kevin Hazlewood

Designation: Property & Land Services Manager

Signature:



Date:

8/3/17

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to acquire houses and land under section 17 of the Housing Act 1985. The power does not preclude the repurchase of former council properties.

It is understood that external solicitors will be instructed to deal with the procedure under the 2005 Regulations and the conveyancing.

The purchase will be subject to the necessary legal due diligence taking place.

Janet Isaacs – Senior Solicitor

02.03.2017

FINANCIAL IMPLICATIONS AND RISKS

The total cost is:

£ 237,000.00 purchase cost

£ 23,700.00 10% compensation (agreed by Neil Stubbings due to redevelopment)

£ 2,000.00 professional fee (£1500 Glennys acquisition fee & £500 KSA survey fee)

Non-Key Executive Decision (by a Member of Staff)

£ 3,500.00	legal fees for sale and purchase of new property*
£ 4,000.00	stamp duty land tax for purchase of new property*
£ 11,416.00	stamp duty land tax for buy back*
£ 1,400.00	removals to new property
£ 300.00	survey fee on related purchase
£ 270.00	land registration fee*
£ 283,586.00	

The cost will be met from HRA capital resources (Project Code - A2322 Task - 22.24),

It is anticipated that right to buy receipts could be used to fund 30% of the cost of this purchase. However, as the confirmation is still awaited and due to the time constraints associated with this purchase, the full cost will be covered from the HRA capital programme at this stage.

Note *

Legal Fees, Land Registry Fees, Stamp Duty Land Tax and Removals quoted are those currently applicable however the rates payable will be those current on the date of completion and always subject to agreement.

John Price – Finance Business Partner
08.03.2017

**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.

Cheryl Graham – Strategic Business Partner (HR)
03.03.2017

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

It is not considered necessary to enter into an Equalities Impact Assessment in relation to buying this property. The purchase will be completed after the standard property purchase negotiations using standard a contract format, undertaken with the expressed consent of the owner; therefore an EIA is not considered relevant.

Diane Egan - Community Safety and Development Manager
28.02.2017

BACKGROUND PAPERS

~~Cabinet report approving initial 12 Estates Project - 12th October 2016.~~
~~Cabinet report approving development budget - 12th February 2017~~

NONAS

Exempt Appendix (not for disclosure)

Non-Key Executive Decision (by a Member of Staff)

Appendix 1
Appendix 2

Valuation report for 48 St. Andrews Road
Land Registry for 48 St. Andrews Road

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

Proposals agreed

Details of decision maker

Signed: 

Name: Neil Stubbings

Title: Director of Housing & Regeneration

Date: 8th March 2017

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration Manager, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 16/3/17

Signed 

