

## Notice of NON KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices [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 financial information/valuation and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

|  |   |
|--|---|
| <b>Subject Heading:</b>                              | Approval to sell a further 20% share of Havering's equity share in 4 Clayfield Close, Upminster, RM14 1FA. A 3 bedroom mid-terraced house |
| <b>Decision Maker:</b>                               | Patrick Odling-Smee<br>Director of Housing  |
| <b>Cabinet Member:</b>                               | Lead Member for Housing   |
| <b>SLT Lead:</b>                                     | Patrick Odling-Smee<br>Director of Housing  |
| <b>Report Author and contact details:</b>            | Claire Bailey – Home Ownership and leasehold Officer<br>01708 433015<br>Claire.bailey@havering.gov.uk                                     |
| <b>Policy context:</b>                               | Home Ownership  |
| <b>Financial summary:</b>                            | A capital receipt of £91,000.00 will be received on the sale of the 20% equity share.   |
| <b>Relevant OSC:</b>                                 | Places Overview and Scrutiny Sub Committee OSC  |
| <b>Is this decision exempt from being called-in?</b> | Yes, this is a non-key decision by a member of staff.   |

**Non-key Executive Decision**

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

|                               |     |
|-------------------------------|-----|
| Communities making Havering   | [X] |
| Places making Havering        | [X] |
| Opportunities making Havering | [X] |
| Connections making Havering   | [X] |

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

#### Background:

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report proposes the sale of 20% equity share in the property 4 Clayfield Close, Rainham, RM14 1FA which is a 3 bedroom mid- terrace house.

Under the terms of the shared ownership scheme, the shared owner can buy a 'share' of the property and pay rent on the unbought remaining equity shares (which remains in the ownership of the Council). The individual sales allowed for purchasers to then "staircase" at a later stage i.e. by increasing the percentages of the property until they have purchased 100%.

In July 2018, the Council sold a 25% share of 4 Clayfield Close, Rainham RM14 1FA for £102,500.00. The Council retained a 75% share in the property. The shared owner has now requested to purchase a further 20% share in the property out of the 75% retained by the Council.

The property has been revalued by a RIC qualified surveyor and the property is valued at £455,000.00

The equity share that the Council is selling is £455,000.00 x 20% - £91,000.00

The shared owner will pay a rent and ground rent on the unbought equity share which is a 55% share that is retained by the Council.

The share owner will be responsible for the legal fee and external surveyor's fees for dealing with the further equity share sale of the property.

### AUTHORITY UNDER WHICH DECISION IS MADE

#### 3.8.2

(dd) To carry out the following functions:

(i) To undertake management responsibility for the Council's freehold interest where property has been disposed of on a leasehold basis under the right to buy legislation. This includes:

- enforcing covenants
- carrying out repairs
- recharging liabilities
- consulting with and involving leaseholders and their management organisations as necessary.

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(ii) To manage the Council's housing stock and authorise action to obtain possession of Council housing accommodation and recover rent arrears, including the service of all necessary notices and action (including applying for injunctions) to enforce or vary the Council's tenancy agreement

**STATEMENT OF THE REASONS FOR THE DECISION**

To sell a further equity share of 20% in the property 4 Clayfield Close, Upminster, RM14 1FA.

**OTHER OPTIONS CONSIDERED AND REJECTED**

None as statutory requirements apply.

**PRE-DECISION CONSULTATION**

Leaseholder has made a request to purchase a further 20% equity share from the Council.

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

Name: Claire Bailey

Designation: Home Ownership and Leasehold Officer

Signature: 

Date: 27/07/2022

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

### **LEGAL IMPLICATIONS AND RISKS**

Under the terms of the shared ownership scheme, the leaseholder can buy a 'share' of the property and pay rent on the remaining shares (which remains in the ownership of the Council). The procedure for effecting further shares is set out in the equity share lease previously granted to the leaseholder. The Council are bound by the terms of the original equity share sale in respect of this property.

The leaseholder has triggered the option to purchase a further equity share in the property in accordance with the terms of the lease and complied with the procedures therein. The Council has no alternative but to transfer the 20% equity share to the leaseholder. The leaseholder will also be responsible for the Council's surveyors and legal fees.

### **FINANCIAL IMPLICATIONS AND RISKS**

There is no financial risk to the council as we are receiving funds of £91,000.00 for the purchase of a further 20% equity share in the property.

The leaseholder will also pay for any costs and fees associated with the transaction.

### **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**

It is not considered necessary to enter into an Equalities and Health 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 EqHIA is not considered relevant.

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.

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Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

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.

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

The leaseholder has a statutory entitlement to purchase further shares of the shared ownership property. The recommendations made in this report do not appear to conflict with the Councils policy on Environmental and Climate implications.

### **BACKGROUND PAPERS**

None.

### **APPENDICIES**

#### **Appendix A Exempt**

Valuation report for 4 Clayfield Close, Upminster, RM14 1FA.

**Non-key Executive Decision**

**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

**Details of decision maker**

A handwritten signature in dark ink, reading "Patrick Odling-Smee". The signature is written in a cursive style with a trailing flourish.

Signed

Name: Patrick Odling-Smee

Cabinet Portfolio held:

CMT Member title: Director of Housing

Head of Service title

Other manager title:

Date: 2<sup>nd</sup> August 2022

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_

**Non-key Executive Decision**

**Executive Decision Report Audit Trail**

| Position/Title | Directorate  | Date Sent | Date received | Date Cleared |
|----------------|--------------|-----------|---------------|--------------|
|                | Cabinet Lead |           |               |              |
|                | Member       |           |               |              |
|                | SLT Director |           |               |              |
|                | Legal        |           |               |              |
|                | Finance      |           |               |              |
|                | Human        |           |               |              |
|                | Resources    |           |               |              |
|                | Equalities   |           |               |              |
|                | Health       |           |               |              |
|                | Democratic   |           |               |              |
|                | Services     |           |               |              |