



## 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 Havering's equity share in 10 Robinson Close, Hornchurch RM12 5AR. A three bedroom Semi-detached house.
<b>Decision Maker:</b>	Garry Knights Assistant Director of Housing
<b>Cabinet Member:</b>	Cllr Paul McGeary Lead Member for Housing
<b>SLT Lead:</b>	Paul Walker Interim Director of Housing and Property
<b>Report Author and contact details:</b>	Emine Ahmet– Home Ownership and leasehold Officer 01708 433015 Emine.ahmet@havering.gov.uk
<b>Policy context:</b>	Home Ownership
<b>Financial summary:</b>	This will generate a receipt of £107,800 for the remaining 38.5% 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.

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

People - Things that matter for residents [X]

Place - A great place to live, work and enjoy [X]

Resources - A well run Council that delivers for People and Place. [X]

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

#### **Background:**

This report proposes the sale of the remaining Leasehold equity share in the property 10 Robinson Close, Hornchurch RM12 5AR. The property is a 3 bed semi-detached house.

Under the Shared Ownership scheme the purchaser bought a 61.5% share of the property and then paid rent on the unbought equity share element. The shared owner also pays ground rent and service charges, rent is currently £60.45 per annum in relation to the 38.5% currently owned by The London Borough of Havering.

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%. which then allowed them to purchase up to the full 100% of the Leasehold interest Freehold

On 12<sup>th</sup> February 1987 the Council sold 61.5% of 10 Robinson Close Hornchurch RM12 5AR for £55,000 and the owner has now requested to purchase the balance of 38.5% retained by the council.

The property has been revalued by a RIC qualified surveyor, the report has been received and the property is valued at £400,000.

The equity share that the council is selling is £154,000 = 38.5% of £400,000. £107,800 after receiving a 30% discount on the remaining share price.

The Leaseholder is also responsible for the Council's Surveyor's fees for dealing with the further Leasehold equity share sale

As the Lease does not comply with the Homes and Communities Agency current recommended version a Deed of Variation will also need to be entered into between the Council and Leaseholder to rectify this issue.

### 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

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- carrying out repairs
  - recharging liabilities
  - consulting with and involving leaseholders and their management organisations as necessary.
- (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 the remaining equity share of 38.5% for the property known as 10 Robinson Close Hornchurch RM12 5AR

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

None as statutory requirements apply.

### **PRE-DECISION CONSULTATION**

Leaseholder has made a request to purchase the remaining 38.5% equity share from the Council.

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

Name: Emine Ahmet

Designation: Home Ownership and Leasehold Officer

Signature: *Emine Ahmet*

Date: 11/10/2023

## 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 the outstanding 38.5% 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 remaining share of equity which will enable the freehold to be transferred to the current leaseholder in return for the payment of £107,800. 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 £107,800 for the remaining equity share of 38.5% 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**

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, 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.

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**ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The leaseholder has a statutory entitlement to extend the lease pursuant to the provisions of the Leasehold Reform Housing and Urban Development Act 1993. 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** Valuation report for 10 Robinson Close, Hornchurch RM12 5AR.  
**Exempt**

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**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**

Signed



Name: Garry Knights

Cabinet Portfolio held:

CMT Member title:

Head of Service title:

Other manager title:

Date: 1/11/23

**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 \_\_\_\_\_

**Executive Decision Report Audit Trail**

**Non-key Executive Decision**

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