

Notice of Non-key Executive Decision

Notice of NON KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix 1 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.

<p>Subject Heading:</p>	<p>Sale of Plot 231, 21 Soden Court, Ratten Close RM12 6FJ</p> <p>Shared Ownership Property 990 year Shared Ownership Lease</p>
<p>Decision Maker:</p>	<p>Paul Walker Interim Director – Housing & Property Place Directorate</p>
<p>Cabinet Member:</p>	<p>Councillor Paul McGeary – Cabinet Member for Housing and Property</p>
<p>ELT Lead:</p>	<p>Neil Stubbings Strategic Director of Place Barbara Nicholls Strategic Director of People</p>

Non-key Executive Decision

Report Author and contact details:	Amanda Sone Business Support RTB Sales & Marketing Housing Operations and Estate Services London Borough of Havering Town Hall Main Road Romford RM1 3BB t 01708 434343 01708 433015 e:amanda.sone@haverling.gov.uk
Policy context:	Asset Management Plan and LBH's Housing Build Programme
Financial summary:	<p>The St. Georges park development consists of 18 Shared Ownership units and 4 direct sales.</p> <p>14 of the Shared Ownership Units and 4 direct sales are funded through utilisation of Right to Buy receipts.</p> <p>4 of the Shared Ownership units: 19 Sodden Court, RM12 6FJ 20 Sodden Court, RM12 6FJ 21 Sodden Court, RM12 6FJ 22 Sodden Court, RM12 6FJ</p> <p>Are funded by the utilisation of 2016-2023 GLA programme funding for affordable housing.</p> <p>Shared ownership products are appropriate for those on low to moderate incomes to support purchase of between 25% (10% for homes funded through AHP 2021-26) and 75% of the value of the property, (minimum 10% for homes funded through AHP 2021-26)</p> <p>Shared ownership - sale of 25% equity share to purchaser in line with criteria under which purchase of units was funded from Bellway Homes.</p> <p>The sale of 40% equity in this property will generate a capital receipt of £120,000</p>
Relevant OSC:	Place Overview and Scrutiny

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Is this decision exempt from being called-in?	Yes - exempt from call-in, as it is a Non-key Executive Decision by a Member of Staff
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Non-key Executive Decision

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

People - Supporting our residents to stay safe and well. X

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

Resources – Enabling a resident-focused and resilient Council. X

Part A – Report seeking decision

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DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Approval of terms for the proposed Shared Ownership sale of a 40% share valued at £300,000 for the recently built 1 bedroom flat in the St Georges Park development at **Plot 231, 21 Soden Court, Ratten Close RM12 6JF**. This property is one of 18 New Build Shared Ownership flats in this development.

An independent Surveyor has confirmed in a report that the market value of this property is £300,000

Recommendation:

That formal authority is hereby given to complete (a) an Agreement for Sale and (b) a 990 year term Shared Ownership Lease for residential property at **Plot 231, 21 Soden Court, Ratten Close RM12 4JF**.

AUTHORITY UNDER WHICH DECISION IS MADE

Powers of Members of the Senior Leadership Team under Part 3 Paragraph 3.3 of the Council's Constitution "General powers"

- (a) To take any steps as necessary for the proper management and administration of allocated portfolios

Powers of Members of the Senior Leadership Team under Part 3, Paragraph 3.3 of the Council's Constitution "Financial Responsibilities":

- (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.

- (b) To oversee the delivery of programmes agreed by Council and cabinet.

- (c) Applicable Policies are:

- Havering Housing Strategy 2014-2017
- Havering Local Plan 2016- 2031
- HRA Business Plan 2023-2052

STATEMENT OF THE REASONS FOR THE DECISION

The sale of **Plot 231, 21 Soden Court, Ratten Close RM12 4JF** will have the following benefits for The London Borough of Havering and the Housing Revenue Account (HRA):

- Providing Low Cost Home Ownership

Provide rental income to the HRA.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: To not proceed with the sale.

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This was rejected as this Council needs to sell this property as soon as possible as a Shared Ownership unit, as previously envisaged.

PRE-DECISION CONSULTATION

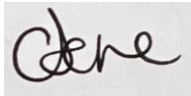
No pre-decision consultation has been carried out additional to usual communications with the Housing Services and Insurance teams.

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

Name: Amanda Sone

Designation: Business Support RTB Sales & Marketing

Signature:



Date: 22 April 2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This property is held by the Council for the purposes of part 2 of the Housing Act 1985. The property may only be disposed of with the consent of the Secretary of State (section 32 of the 1985 Act). The Secretary of State has issued the General Housing Consents 2013. The Council may rely on the general consent in paragraph A3.1.1 which permits disposals provided the disposal is at market value.

An independent surveyor has confirmed that the disposal value of the property of £300,000 is its market value.

The Lease has been prepared by Penningtons Manches LLP, in collaboration with The Council, using the GLA/HCA template lease for shared ownership houses.

1. The prepared shared ownership lease is based on the latest Homes and Communities Agency template; and
2. The Lease contains all the required fundamental clauses, complying with Council of Mortgage Lenders requirements.

The engrossment shared ownership lease for **Plot 231, 21 Soden Court, Ratten Close RM12 4JF** is considered to be GLA compliant and any legal implications and risks that there are, will be mitigated by the usual conveyancing processes.

The Council assume, prior to exchange of contracts and completion of the sale, that all building work is complete to a satisfactory standard, that full planning permission and building regulation approval and an appropriate new build warranty is in place and that these matters have been satisfactorily verified by Housing Services.

FINANCIAL IMPLICATIONS AND RISKS

The sale of a 40% equity share in £300,000.00, will generate a capital receipt of £120,000.00. The property was independently valued at £300,000.00, details of which can be found in the Exempt Section of the Report, Appendix 1.

There will be some costs incurred in relation to the conveyancing process of this sale, but these will be paid for from existing budgets.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

No human resources Implications or Risks have been identified.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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.

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An Equalities Assessment is not considered necessary, the allocation of shared ownership units is in line with the agreed policy.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Property is a new build and recently constructed with energy efficient materials producing a high Energy Performance Level (EPC).

BACKGROUND PAPERS

None

APPENDICIES

Exempt Appendix 1:
Hilbery Chaplin Valuation Report for the New Green Development, dated 24th July 2023.

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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: **Paul Walker**

Cabinet Portfolio held:

CMT Member title:

Head of Service title: Interim Director – Housing & Property Place Directorate

Other manager title:

Date: **29.04.24**

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 _____