

## 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.

<b>Subject Heading:</b>	Deed of Surrender for the common areas to grant unrestricted rights of use for plot sale leases in Block D.
<b>Decision Maker:</b>	<b>Paul Walker</b> Interim Director – Housing & Property Place Directorate
<b>Cabinet Member:</b>	Councillor Paul McGeary – Cabinet Member for Housing & Property
<b>ELT Lead:</b>	<b>Neil Stubbings</b> Strategic Director of Place
<b>Report Author and contact details:</b>	<b>Maria Faheem</b> Regeneration London Borough of Havering Town Hall Main Road Romford RM1 3BB  <b>e:</b> <a href="mailto:maria.faheem@havering.gov.uk">maria.faheem@havering.gov.uk</a> <b>t:</b> 01708 434692
<b>Policy context:</b>	Housing Asset Management Plan The Havering Wates Joint Venture Business Plan  The HRA Business Plan Update and Capital Programme

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<b>Financial Summary:</b>	<p>Deed of Surrender for the common areas in Block C to grant unrestricted rights of use for plot sale leases in Block D.</p> <p>This would remove an impediment, which is delaying the completion of several sales and mitigate against delays in the completion of future sales. The proceeds from which would be used to repay the JV Partner investment, reducing Council holding costs.</p>
<b>Relevant OSC:</b>	Places Overview & Scrutiny.
<b>Is this decision exempt from being called-in?</b>	Yes - exempt from call-in, as it is a Non-key Executive 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**

A lease of Block C at Sunrise Avenue, Hornchurch, and Essex, RM12 4GL was entered into on 30 April 2021 between the Council (the Landlord) and HWR Phase 1 Stage 2 LLP (the Tenant) for the purposes of enabling the development and sale of residential units at the Property.

The Tenant wishes to surrender the common parts of the Property comprising the ground floor, stairways, lifts and hallways in order that the plot sale leases in Block D can grant the occupiers of Block D unencumbered rights of use over those common areas in Block C.

This report seeks approval of the Director of Housing and Property for the Council to enter into the deed of surrender with HWR Phase 1 Stage 2 LLP in the form attached at Confidential Appendix 1.

#### **Recommendation**

Approval is given to take all necessary steps, with Trowers & Hamblins LLP, acting for the Joint Venture and Bevan Brittan, acting on behalf of the Council, to complete the Deed of Surrender.

### **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" (Constitution pre 1st April 2024)**

(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:

- Housing Asset Management Plan
- The Havering Wates Joint Venture Business Plan
- The HRA Business Plan Update and Capital Programme.

### **STATEMENT OF THE REASONS FOR THE DECISION**

To enable the sale of Plot Leases in Block D and provide unencumbered access to the common parts of Block C.

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

Option: To not proceed with the deed of surrender.  
The deed of surrender must be completed to ensure that the new owners of Block D have unencumbered rights over the common areas of Block C. Without this, the newly developed Park Rise, now complete and ready for sale, will face significant impediments, preventing successful sales transactions.

### **PRE-DECISION CONSULTATION**

No additional pre-decision consultation has been conducted beyond the usual communications with the OneSource and Bevan Brittan's legal team.

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

Name: Maria Faheem- Regeneration Manager

Signature:

Date:01/07/2024

### **LEGAL IMPLICATIONS AND RISKS**

The deed of surrender has been reviewed by Legal Services and drafted by external solicitors instructed by the Council. Any legal implications and risks have been mitigated by using an approved deed. Additionally, the standard conveyancing processes will further mitigate risks associated with the completion of the sale and the transfer of the sale proceeds to the Council.

### **FINANCIAL IMPLICATIONS AND RISKS**

Approval is sought to grant the surrender of lease of the common parts of the Property comprising the ground floor, stairways, lifts and hallways in Block C.

This would remove an impediment, which currently is preventing the completion of several sales and mitigate against delays in the completion of future sales. The proceeds from which would be used to repay the JV Partner investment, reducing Council holding costs.

#### Financial Risks

The Council would assume full ownership rights over the common parts (Block C), taking responsibility of the costs of repairs, maintenance and utilities. When fully occupied, the bulk of these costs would be recovered from residents, but given no sales have been completed the Council remains liable.

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Given the block is new, costs are anticipated to be minimal in the early years. An allowance for future repair liabilities has been incorporated into the HRA Business Plan. Costs are to be funded from the dedicated budget C38700 Decent Homes Works – External.

The properties in Block D remain outside scope, the holding costs remain the responsibility of the Havering and Wates Regeneration LLP.

### **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 recommendations made in this report do not give rise to any identifiable Equalities and Social inclusion implications and risks.

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

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

### **BACKGROUND PAPERS**

None

### **APPENDICES**

Exempt Appendix 1: Deed of Surrender.

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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, and in consultation with the Interim Director of Housing, Paul Walker

**Decision**

Proposal agreed

**Details of decision maker**

Signed



Name: Paul Walker

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

Date: 1st July 2024

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