



Notice of NON KEY Executive Decision containing exempt information and confidential appendix

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

Subject Heading:	234 Cross Road, RM7 8HS. Authorisation to extend the lease term in accordance with statutory provisions.
Decision Maker:	Paul Walker Interim Director of Housing & Property
Cabinet Member:	Cllr Paul McGeary Lead Member for Housing & Property
ELT Lead:	Neil Stubbings Strategic Director of Place
Report Author and contact details:	Naomie Meirelles – Home Ownership and Leasehold Officer 01708 433015 Naomie.Meirelles@havering.gov.uk
Policy context:	Housing Asset Management Plan HRA Business Plan & Capital Update Home Ownership Team
Financial summary:	The leaseholder will pay a premium and the other associated costs in connection with extending the lease term.
Relevant Overview & Scrutiny Sub Committee:	Places Overview and Scrutiny Sub Committee.
Is this decision exempt from being called-in?	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

Place - A great place to live, work and enjoy

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

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

It is recommended that the proposed lease extension is granted in accordance to the terms set out within this report. The lease was granted in July 1982 and there are currently 86 years remaining. The proposed lease extension will grant the leaseholder with a new lease with an additional 90 years for the premium amount referenced in the exempt section of this report.

Background:

The property is a 2 bedroom, first-floor purpose built flat. The property has a private rear garden.

The property was originally sold under the Right to Buy on a long lease in June 1985. The lease was originally granted for 125 years. There are currently 86 years remaining on the lease.

The right provided by the Leasehold Reform Housing and Urban Development Act 1993 (as amended) (hereinafter referred to as “1993 Act”) is for the grant of a new lease for a term of 90 years, plus the present unexpired term, all at a peppercorn rent (that is, rent free).

The legislative requirements for the terms on which the new lease is to be granted:

- To be at a peppercorn rent (i.e. no rent) for the whole of the term (the 90 years plus the present unexpired term);
- To be on the same terms as the existing lease, subject to minor modifications and certain statutory exclusions and additions:
- Modifications – to take account of any alterations to the flat, or the building, since the grant of the existing lease (e.g. reference to gas lighting or coal stores), or to remedy a defect in the lease.
- Exclusions – since the 1993 Act provides a right to perpetual renewal of the lease, any existing clauses relating to renewal pre-emptions or early termination are to be excluded.
- Additions – a requirement not to grant a sub-lease of sufficient length so as to confer on the sub-lessee a right to a new lease under the Act.
- The landlord’s redevelopment right – the new lease must also contain a clause giving the landlord the right to repossession of the flat for the purposes of redevelopment.

Valuation Commentary:

To obtain a valuation of the premium which is attainable following the Statutory route and is in accordance with Schedule 13 of the Leasehold Reform Act 1993.

The Landlord is entitled to compensation for the loss in the value of the present and reversionary interest, together with an equal share of any enhancement to the value of the flat upon extension of the lease, if appropriate (called marriage value). Marriage

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value is only attributable when leases have an unexpired term of less than 80 years and in this case therefore has not been applied as part of the valuation.

Appropriate notice pursuant to the 1993 Act was served by the leaseholder on the Council.

The agreed valuation for the lease extension is as detailed in Appendix A

The leaseholder will be responsible for the Council's reasonable Legal and Surveyor's fees.

AUTHORITY UNDER WHICH DECISION IS MADE

PART 3.3.5 SCHEME OF DELEGATIONS
FUNCTIONS DELEGATED TO OFFICERS 8.1 PROPERTY

To be the Council's designated corporate property officer, responsible for the strategic management of the Council's property portfolio, including corporate strategy and asset management, procurement of property and property services, planned and preventative maintenance programmes, property allocation, security and use, reviews, acquisitions and disposals, and commercial estate management.

STATEMENT OF THE REASONS FOR THE DECISION

The leaseholder has a statutory entitlement to extend the lease pursuant to the provisions of the Leasehold Reform Housing and Urban Development Act 1993.

OTHER OPTIONS CONSIDERED AND REJECTED

None as statutory requirements apply.

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: Naomie Meirelles

Designation: Home Ownership and Leasehold Officer

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Signature: *Meizelles*

Date: 28/10/2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The leaseholder is entitled to an extension of the lease for a period of 90 years to the unexpired term of the lease peppercorn rent pursuant to the Leasehold Reform Housing and Urban Development Act 1993 The provisions and requirements and timetable are set out in the 1993 Act.

Failure to comply with the statutory provisions and timescales can mean the leaseholder could commence action against the Council in the First Tier Tribunal (Lands Chamber) under the 1993 Act and seek appropriate redress. The Council would in addition be liable for all associated costs in this regard as well.

FINANCIAL IMPLICATIONS AND RISKS

A premium has been agreed and is payable by the Leaseholder, in addition to any other associated costs in connection with extending the lease term.

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, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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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An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this is/isn't required/attached

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are not equalities and social inclusion implications and risks associated with this decision

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any environmental and climate implications and risks that would affect either the Council or its workforce.

BACKGROUND PAPERS

None.

APPENDICES

Appendix A
-Exempt

Valuation report for 234 Cross Road, RM7 8HS

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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



Paul Walker
Interim Director of Housing & Property

Date: 11th November 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 _____