



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:	Approval to sell off remaining leasehold and transfer of freehold of 7 Leathart Close, Hornchurch, RM12 5AP. The property is a 3 bedroom mid-terraced house
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:	Claire Bailey – Senior Home Ownership & Leasehold Officer 01708 434505 claire.bailey@havering.gov.uk
Policy context:	Home Ownership
Financial summary:	A capital receipt of £120,085 will be received on the sale of the leasehold and transfer of Freehold
Relevant OSC:	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.

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

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Background:

This report proposes the sale of the remaining leasehold and transfer of freehold of 7 Leathart Close, Hornchurch, RM12 5AP. The property is a 3 bedroom mid-terraced house.

Under the Shared Ownership scheme, the original leaseholder bought a 63.5 % share of the property and was obligated to pay rent for the remaining 36.5 % unowned equity share. Pursuant to the scheme, the original leaseholder is able to “staircase” at a later stage i.e. by purchasing the remaining share of the property, which then allows them to purchase the Freehold. Rent is currently £49.11 per week in relation to the 36.5% currently owned by The London Borough of Havering.

On 14th May 1987 the Council sold 63.5% of 7 Leathart Close, Hornchurch, RM12 5AP for £51,500.00 and the owner has now requested to purchase the balance of 36.5% 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 £470,000.00.

The equity share that the council is selling is £171,550 = 36.5% of £470,000. Joint venture owners are eligible for a 30% discount and therefore the amount payable to the Council to purchase the freehold is £120,085.00 .

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

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

To sell the remaining equity share of the leasehold and transfer the freehold property known as 7 Leathart Close, Hornchurch, RM12 5AP.

Non-key Executive Decision

OTHER OPTIONS CONSIDERED AND REJECTED

None as statutory requirements apply.

PRE-DECISION CONSULTATION

The buyer has made a request to purchase the remaining equity share of the leasehold interest from the Council and acquire the freehold.

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

Name: Claire Bailey

Designation: Senior Home Ownership & Leasehold Officer

Signature: 

Date: 15th January 2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Under the terms of the shared ownership scheme, a 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 Council has the power, pursuant to Section 123 of the Local Government 1972, to dispose of land at best consideration. An independent Surveyor's valuation report has certified that the terms of the proposed sale as set out in this report reflect the best consideration achievable.

The Council will transfer the remaining share of equity to the buyer in accordance with the terms of the equity share lease which will enable the Freehold to be transferred also. The buyer will be responsible for the Council's surveyors and legal fees incurred.

FINANCIAL IMPLICATIONS AND RISKS

A capital receipt will be received in accordance with the valuation from the sale of the remaining 36.5% equity share and freehold to the property. The leaseholder will also be responsible for paying the Council's surveyor's fees.

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

N/A

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision.

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

There are no equalities and social inclusion implications and risks associated with this decision.

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 Council's policy on Environmental and Climate implications.

Non-key Executive Decision

BACKGROUND PAPERS

None.

APPENDICIES

Appendix A Valuation report for 7 Leathart Close, Hornchurch, RM12 5AP.
Exempt

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to the Strategic Director of Place by the Leader of the Council and sub-delegated to me by the Director of Place in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed

A handwritten signature in black ink that reads "P Walker". The "P" is large and stylized, with a loop at the top. The name "Walker" is written in a cursive style below it.

Paul Walker
Interim Director of Housing & Property

Date: 28th January 2025

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 _____