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

This Executive Decision Report is part exempt and Appendix 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:	**12 Ormonde Court, Clydesdale Road, Hornchurch, RM11 1AT. 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:	**Claire Grover – Home Ownership and Leasehold Officer** **01708 433015** **claire.grover@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.**

Non-key Executive Decision

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

Non-key Executive Decision

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 August 1982 and there are currently 82 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 1 bedroom, first-floor purpose built flat. The property does not have a private rear garden.

The property was originally sold under the Right to Buy scheme on a long lease in August 1982 for a term of 125 years with a commencement date of August 1982. There is therefore currently 82 years of the term of the lease remaining.

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 togas 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

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: Claire Grover

Designation: Home Ownership and Leasehold Officer

Signature: C L Grover Date: 25/03/2025

Non-key Executive Decision

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 readdress. 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

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 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.

APPENDICIES

Exempt Appendix A Valuation report for 12 Ormonde Court, Clydesdale Road, Hornchurch, RM11 1AT

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

Paul Walker
Interim Director of Housing & Property

Date: 3rd April 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 _____