

Notice of NON KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices A is not available for public inspection as it contain) or relates to exempt information within the meaning of paragraph 1 and 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial and business affairs of the Tenant and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	Subject Property: 7 Farnham Road, Harold Hill, Romford RM3 8ED Event: Surrender of Lease
Decision Maker:	Mark Butler – Assistant Director of Regeneration & Place Shaping
Cabinet Member:	Councillor Paul McGeary – Cabinet Member for Property & Housing
SLT Lead:	Neil Stubbings - Strategic Director of Place
Report Author and contact details:	London Borough of Havering (LBH) Helen Gardner Senior Estates Surveyor Property Services Town Hall Main Road Romford RM1 3BD Tel: 01708 434123 helen.gardner@havering.gov.uk
Policy context:	Asset Management Plan

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Financial summary:	The financial aspects for the transaction are detailed in the <u>EXEMPT Appendix A</u> to this Report
Relevant Overview & Scrutiny Sub Committee:	Place
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non-key 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 ()

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To note the exercising of delegated authority by the appropriate property officer to instruct Bevan Brittan to deal with the surrender of the lease and once completed to circulate the completion report as per the details in Appendix A.

AUTHORITY UNDER WHICH DECISION IS MADE

Havering Council's Constitution Part 3.3 Scheme 3.3.5 (2nd April 2024 - current)

8.1 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

Background

The above property is leased on a 7 year lease commencing 26th January 2023 and is not protected by the Landlord and Tenant Act 1954 (L&T Act). The retail premises is a mid-terrace shop unit which forms part of the first phase of the Hildene/ Farnham regeneration plans. The property is used as a charity shop.

Vacant possession of this unit is required before the lease expiry in order to facilitate the redevelopment scheme commencing November/ December 2025. This tenant is a large regional charity and due to financial pressures are closing a few stores and have agreed to leave the property subject to the terms detailed in Appendix A.

Recommendations

It is recommended that the Senior Estates Surveyor, London Borough of Havering - Property Services, instructs the external solicitors to prepare the surrender documentation as per the details in Appendix A.

OTHER OPTIONS CONSIDERED AND REJECTED

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Option: To not agree the surrender.

Rejected: There is no good reason not to agree to this surrender as it will ease the redevelopment's progress as this unit is within the first phase.

PRE-DECISION CONSULTATION

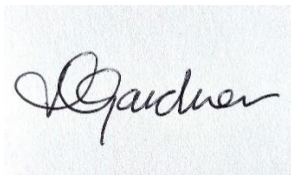
None

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

Name: Helen Gardner

Designation: Senior Estates Surveyor

Signature:

A handwritten signature in black ink, appearing to read 'H. Gardner', is written on a light blue rectangular background.

Date: 14/08/25

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation of this report requires the Council to enter into a deed of surrender of lease in accordance with the terms stipulated in Appendix A.

The lease has a contractual term of 7 years and is contracted out of the L&T Act. The council has a general power of competence under Section 1 of the Localism Act 2011, which gives the power to do anything an individual can do, subject to any statutory constraints on the council's powers ("the General Power"). The recommendation in this report is in keeping with the General Power.

FINANCIAL IMPLICATIONS AND RISKS

The Executive Decision seeks approval to execute the surrender of the lease at 7 Farnham Road. The property lies within the boundary of the proposed regeneration of the Farnham Hildene Estate.

The regeneration scheme falls within the scope of the Housing Revenue Account (HRA), as it involves the redevelopment of an existing HRA housing estate. The outputs will predominantly deliver new HRA homes, supplemented by market sale units, with any sales proceeds reinvested to support further HRA housing provision.

Extinguishing the tenancy at this stage will enable site assembly for the HRA-led regeneration, avoiding the need for more costly CPO compensation later and ensuring timely progress towards vacant possession. Given the clear and direct link between the lease surrender and the delivery of new HRA housing, there is a robust basis for funding this transaction from the HRA capital programme.

The cost of the lease surrender will therefore be met from the dedicated HRA capital budget (C30620 – HRA Regeneration Acquisitions). This approach is consistent with ring-fence requirements, as the expenditure is directly attributable to enabling the redevelopment and future housing outputs of the HRA estate.

Impact on the General Fund

The termination of the lease will result in a loss of rental income to the General Fund until the regeneration scheme is completed. This loss will need to be managed within the Council's Medium-Term Financial Strategy.

The current regeneration plans include provision for the replacement of the commercial space, which, once let, would generate future income for the General Fund.

The detail of the proposed transaction is set out in Exempt Appendix A.

Financial Risks

Completion delay – A delay in completing the lease surrender could hold up the earmarked demolition of the site, currently scheduled for Q4 2025, impacting the regeneration timetable.

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Regeneration delay - If the wider regeneration is delayed, the HRA will have incurred acquisition costs without the immediate ability to redevelop, and the General Fund will continue to forgo income.

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

No human resources implications and risks have been identified.

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.

An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this is not required.

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

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

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

No Environmental and Climate Change implications identified.

BACKGROUND PAPERS

Non-key Executive Decision

None

APPENDICES	
Appendix A	Landlord’s Proposals for Surrender of Lease - Exempt

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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

Agreed

Details of decision maker

Signed 

Name: Mark Butler

Position: Assistant Director of Regeneration & Place Shaping

Date: 14.08.2025

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 _____