

Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices A, B and C are not available for public inspection as they relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. They are exempt because they refer to information/valuation and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	Proposed purchase of 2 Dhani Close, Collier Row, Romford, RM5 3FL (four bed, semi-detached new build property).
Decision Maker:	Paul Walker Interim Director – Housing & Property Place Directorate.
Cabinet Member:	Councillor Paul McGeary – Cabinet Member for Housing & Property.
ELT Lead:	Neil Stubbings Strategic Director of Place.
Report Author and contact details:	Jane Bhatti Senior Sales and Marketing Officer Housing Operations & Estate services London Borough of Havering Town Hall, Main Road, Romford, RM1 3BB T: 01708 434182 E: Jane.bhatti@haverling.gov.uk
Policy context:	The purchase of this property will contribute to the London Borough of Havering's Housing Strategy and HRA Business Plan. This will support the

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	Council's vision of Putting Our Residents First.
Financial summary:	The purchase of acquiring larger properties will provide an additional larger unit of social housing, which will generate rental income, could potentially free up smaller properties, reduce costs relating to the use of other housing options, such as hotels. No void costs expected, subsequently loss of rental income will be minimal, due to properties being new builds. Reduction in potential repairs costs over the short term.
Reason decision is Key	Expenditure of £500,000 or more, Part 3 of Constitution, para 2.5 (t) The appointed RICS Surveyor has valued the subject properties at the price shown in Exempt Appendix A.
Date notice given of intended decision:	8 August 2025
Relevant Overview & Scrutiny Committee:	Places Overview & Scrutiny Sub-Committee.
Is it an urgent decision?	No.
Is this decision exempt from being called-in?	No.

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well. X

Place - A great place to live, work and enjoy. X

Resources – Enabling a resident-focused and resilient Council. X

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Authority is requested to acquire the following property:

2 Dhani Close, Collier Row, Romford, RM5 3FL in response to the Council's need for larger properties.

2 Dhani Close, Collier Row, Romford, RM5 3FL is a 4-bedroom semi-detached new build houses with downstairs W.C, and open plan kitchen/dining/living area on the first floor there are 3 double bedrooms and a family bathroom, the loft space has been built with the master bedroom and en-suite shower room, The property is located in a cul-de-sac and are only neighbouring properties at the point of entrance to the site.

Acquiring larger properties could be an effective strategy to reduce overcrowding by creating a chain reaction where families move into larger homes, freeing up smaller, overcrowded properties for others.

By addressing the growing number of residents needing larger properties on the Council's waiting list, particularly for families who are overcrowded, the need for temporary accommodation and homelessness services can be reduced. When a family moves into a larger property, their previous, smaller home would become available. This would enable other families to move into the vacated properties, subsequently freeing up multiple homes and potentially alleviating overcrowding for a number of households.

As Table 1 shows, there are currently 286 four bed need applicants on the housing register, waiting list, and on average, the Council lets approximately 6 four-bedroom properties per year.

Table 1: Housing Need for Larger Properties (Source LBH).

	Existing Supply (Stock no's)	Demand (No. of applicants on Housing Register 24/25)
3 bed	2555	1071
4 bed	193	286

This new build property would be energy efficient, with EPC ratings of B – 85, constructed with modern insulation and energy-efficient materials, resulting in lower energy bills and a smaller carbon footprint.

The property would come with warranties and guarantees, often covering structural issues and faulty workmanship for a specified period. We would expect there will be less need for immediate repairs or renovations, minimising maintenance costs in the initial years. New builds adhere to the latest building regulations and safety standards, ensuring a secure and reliable living environment.

After consideration of an independent valuation report and knowledge and expertise of the Council's property services it is recommended that the Council purchases this property.

This is a rare opportunity to purchase a larger home for general needs housing. The recommended action is to purchase the property as set out in Exempt Appendix B. This price has been negotiated below the Surveyors valuation recommendation, provided at Exempt Appendix A.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.3, Scheme 3.3.5, Para 8.12 of the Constitution:

To purchase assets, land and property on behalf of the Council provided that the value of the land, property or asset is less than £1,000,000. Any land, property or asset of £1,000,000 or above shall require the authorisation of Cabinet.

8. Property:

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 (freehold and leasehold), and commercial estate management.

STATEMENT OF THE REASONS FOR THE DECISION

The purchase of 2 Dhani Close, Collier Row Romford, RM5 3FL would have the following benefits for the Housing Revenue Account (HRA/RTB receipts):

- Provide a four-bedroom accommodation, which are in short supply, to help those in need of larger homes.
- Moving residents in to a much needed larger properties, will free up properties for smaller families, which should reduce overcrowding, homelessness and the need to utilise other forms of expensive housing options, such as hotels.
- Utilise expenditure of Right to Buy Receipts to part-fund the purchase.
- Improve the living conditions of our residents through providing homes that are affordable and energy efficient.
- Not purchasing would lose an opportunity to acquire rarely available units of larger accommodation, which are in short supply, not to proceed would be detrimental to our efforts to reduce the financial and social impact of residents living in overcrowded conditions and in some cases, temporary accommodation.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: To not purchase the properties.

Reason for Rejection:

Potential financial impact

Consideration will need to be given and appropriate legal advice and actions taken to ensure there is no future risks, with regard to the service charges relating to the private road.

Ensuring contractually we have first right of refusal on any further properties built and access road.

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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: Jane Bhatti

Designation: Sales and Marketing Officer

Signature:



Date: 2nd October 2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to acquire houses and land under section 17 of the Housing Act 1985.

It is understood that external solicitors will be instructed to deal with the conveyancing.

The purchase will be subject to the necessary legal due diligence taking place.

FINANCIAL IMPLICATIONS AND RISKS

This Executive Decision seeks approval to complete the acquisition of this 4-bedroom family homes at a total cost of £0.562 million from the HRA (C42710 GLA Council Housing Acquisitions Programme).

Due to its relatively high individual value (total £562,000, including on-costs), this property will be let at London Affordable Rent levels (£234.40 per week including service charges) as opposed to social rent, supporting the Council's commitment to delivering genuinely affordable housing. This will reduce the proportion of funding required from Right to Buy (RTB) receipts.

This in turn will enhance the Council's capacity to fund the acquisition or development of additional affordable homes.

It should be noted that it is possible to apply RTB receipts up to 100 per cent of development cost in 2025.26.

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Funding Breakdown:

	£m	
Acquisition Cost	0.562	
Less: RTB	0.281	50%. Permitted to claim up to 100%
HRA Borrowing	0.281	
Total	0.562	

This acquisition increases the supply of affordable housing, helping to reduce reliance on costly temporary accommodation placements funded through the General Fund.

Potential General Fund Savings

- **Indirect (Deferred) Savings:** Increasing supply could reduce future demand for temporary accommodation. Avoided costs range from approximately:
 - £6,000 per household per annum in Private Sector Leasing (PSL), to
 - £26,000 per household per annum in Overnight Emergency Accommodation.These avoided costs represent indirect benefits to the General Fund over time.
- **Direct (Immediate) Savings:** If households are directly transferred from existing overnight accommodation into these new homes, the savings to the General Fund would crystallise immediately, reducing budget pressure in-year.

Financial Risks

1. **Letting Risk:** If the properties are not let promptly or voids occur, the General Fund may not realise expected savings, particularly if used for decants or non-homeless households.
2. **Substitution Risk:** If households placed are not from high-cost placements, the financial benefit may be less than modelled.

Please see Exempt Financial Appendix B, for more details.

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

None.

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:

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- (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 equalities and social inclusion implications and risks associated with this decision.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There are no direct health and wellbeing impacts arising from the decision to purchase the above named property.

Purchasing this property supports the Council's efforts to increase available social housing stock, offering the opportunity for residents to have access to more affordable accommodation that meets their needs. Improving social housing stock supports delivery of the wider health and wellbeing benefits associated with good quality, stable accommodation.

In addition to the benefits already mentioned, it is widely acknowledging that overcrowding has been linked to negative health outcomes, including increased risk of infectious diseases, respiratory problems, mental health issues, and accidents. Acquiring larger properties can improve living conditions and reduce these risks.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There is a current requirement for properties that are purchased to either have an EPC with a minimum of a 'C' rating or that a 'C' rating can be achieved. The final decision is with Senior Management as it may be beneficial to acquire leasehold properties below the minimum rating to make it easier to arrange the required energy improvement works to leasehold blocks.

Proposed properties for acquisition are all have an EPC rating of 'B – 85'

BACKGROUND PAPERS

None.

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APPENDICES

Exempt Appendix A Andrew Chater & Co, Valuation Report.

Exempt Appendix B Financial Exempt Report.

Exempt Appendix C Land Registry.

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:

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____