

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

<p>Subject Heading:</p>	<p>Subject Property: Property 1 - 9 Farnham Road, Harold Hill, Romford RM3 8ED</p> <p>Property 2 – 1-3 The Arcade, Romford RM3 8EB</p> <p>Event: Property 1 – Termination of Tenancy at Will</p> <p>Property 2 – Tenancy at Will / New Lease</p>
<p>Decision Maker:</p>	<p>Mark Butler – Assistant Director of Regeneration & Place Shaping</p>
<p>Cabinet Member:</p>	<p>Councillor Paul McGeary – Cabinet Member for Property & Housing</p>
<p>SLT Lead:</p>	<p>Neil Stubbings - Strategic Director of Place</p>
<p>Report Author and contact details:</p>	<p>London Borough of Havering (LBH) Helen Gardner Senior Estates Surveyor Property Services Town Hall Main Road Romford</p>

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Policy context:	Asset Management Plan
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 approve the termination of the tenancy at will of Property 1 and the grant of a new tenancy at will while a new lease is being prepared for Property 2. The preparation of a new lease will be actioned by Bevan Brittan in accordance with 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.

8.6 To dispose of any property or asset of the Council provided that the value of the property or asset is less than £1,000,000. The delegation is subject to the following requirements:

- a) complying with the Code of Practice on the Disposal of Surplus Property
- b) in cases where the Cabinet has already approved the principle but not the terms of a property disposal without the invitation of competitive bids, the provisionally agreed terms of any disposal exceeding £1,000,000 shall be reported to Cabinet for approval before the transaction is concluded
- c) in cases that have not been the subject of competitive bids but are below £1,000,000 in value, the provisionally agreed terms of disposal shall be reported to the Strategic Director of Resources, before the transaction is concluded
- d) complying with relevant Council policy on property transactions (e) referring a matter for Member decision where it is proposed to recommend other than the best financial bid

STATEMENT OF THE REASONS FOR THE DECISION

Background

The proposed tenant currently occupies a unit within the first phase of the regeneration scheme of the Hilldene Avenue/ Farnham Road shopping area. The lease of Property 1 expired on 13th June 2025 following a S.25 notice served earlier this year. The retail premises is a mid-terrace shop unit and is used as a nail bar and

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for beauty therapy and the tenant has, since the expiry, been occupying under a Tenancy at Will which is terminable at any time by either party.

By agreement, the tenant will be vacating towards the end of 2025/ early 2026 to allow for demolition to commence in spring 2026. The tenant is going to relocate to Property 2 which is a double single storey unit and has been vacant for a couple of months. As the tenant needs to carry out works to Property 2, we are agreeable to them commencing their occupation by way of a tenancy at will to accelerate their occupation.

This tenant is a valued part of the area and has always been a 'good tenant' and as such we are agreeable to them continuing their occupation within the development. Consequently, we would propose a new short term lease is processed. The terms agreed are based on the best open market rent achievable for this unit at this time and are as detailed in Appendix A.

This tenant is due statutory compensation under the terms of the Landlord & Tenant Act 1954 following the termination of their lease of Property 1.

Recommendations

It is recommended that the Senior Estates Surveyor, London Borough of Havering - Property Services, prepares the termination of the tenancy at will for Property 1 and a new tenancy at will for Property 2 and simultaneously instructs Bevan Britten to prepare the new lease for Property 2 as per the details in Appendix A.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: To not proceed with this new letting.

Rejected: Property 1 needs to be vacated so that the development can progress. There is no reason not to agree a new letting of Property 2 as this will provide an income stream and end the utilities and rates liability for the Council.

PRE-DECISION CONSULTATION

None

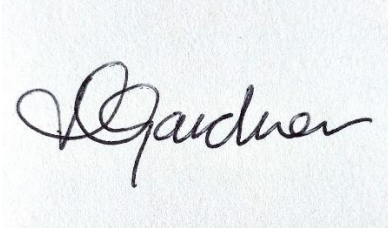
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NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Helen Gardner

Designation: Senior Estates Surveyor

Signature:

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and appears to read "H. Gardner".

Date:03/12/25

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation of this report requires the Council to terminate an existing tenancy at will, grant a tenancy at will over a different property whilst a new lease is being prepared in accordance with the terms stipulated in Appendix A.

The tenancy at will of Property 1 can be terminated at any time with immediate effect by either party.

The new tenancy at will is a short term arrangement to regularise the tenant's occupation of the Property 2 following the termination of the tenancy at will of Property 1 and whilst the terms of a new lease are being agreed. Either tenant or the Council can terminate the agreement at any time.

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.

Section 123 of the Local Government Act 1972 ("LGA 1972") allows principal Councils to dispose of land as they wish for the best consideration that can reasonably be obtained unless with the consent of the Secretary of State or by way of a short-term tenancy. It is noted that the rent negotiated is the 'best rent achievable for the unit and therefore the Council can comply with the duty to obtain best consideration, pursuant to s.123 LGA 1972.

The recommendation in this report is in keeping with the aforementioned powers.

FINANCIAL IMPLICATIONS AND RISKS

There will be a loss of income to Property Services, with the tenant moving to Property 2, as the market rent is less than the current property occupied. The tenant will also be responsible for completing the internal work required in Property 2.

This move is unavoidable, as Property 1 forms part of the Phase 1 Farnham/Hilldene Regeneration Project. The lost income will not be recovered until Phase 1 is completed and the new units are available to let. The tenant will have the option to occupy one of these new units.

The compensation payable to the tenant will be funded from the Capital Programme, Project Code C30620 (HRA Regeneration – Acquisitions), together with the associated costs of drawing up the new lease.

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

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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

None

APPENDICES

Appendix A Landlord's Proposals for Termination of Tenancy At Will / New Letting - 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: 05.12 .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 _____