



Notice of NON KEY Executive Decision containing exempt information

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 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

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| Subject Heading: | Subject Property: Regeneration Management- The grant of new leases for properties in New Road |
| 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: | Harry Scarff Regeneration Manager – Rainham & Beam Park Tel: 01708 43 harry.scarff@havering.gov.uk |
| Policy context: | Rainham & Beam Park JV Business Plan |
| Financial summary: | The financial and commercial aspects for the transaction are detailed in the <u>EXEMPT Appendix A</u> to this Report |
| Relevant Overview & Scrutiny Sub Committee: | Place |

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| Is this decision exempt from being called-in? | The decision will be exempt from call in as it is a Non-key Decision |
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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

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| DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION |
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Non-key Executive Decision

To note the exercising of delegated authority by the appropriate property officer to to agree and enter into new leases as per the details in Exempt Appendix A.

AUTHORITY UNDER WHICH DECISION IS MADE

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

Scheme 3.3.5 Specific Powers of the Strategic Director of Place

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, and commercial estate management.

The above powers are subject to a sub-delegation dated 3rd April 2024, to the Director of Housing & Property and a subsequent delegation to the Assistant Director of Regeneration & Place Shaping

STATEMENT OF THE REASONS FOR THE DECISION

Background

1. The Rainham and Beam Park Regeneration LLP (**LLP**) was originally established as a 50/50 Joint Venture between the Council and Notting Hill Commercial Properties Limited (**NHCPL**). NHCPL is part of Notting Hill Genesis (**NHG**).
 - a. In September 2024, NHCPL retired from the LLP and was replaced by Rainham and Beam Park Regeneration Nominee Company (The Nominee Co).
 - b. In parallel with acquisition of NHCPL's interest, Cabinet approved the voluntary sale of properties already acquired for the LLP by the JV partner's parent company, to the council.
 - c. The LLP is tasked with delivering a scheme of residential led regeneration across nine comprehensive development sites along the A1306 New Road corridor in Rainham.

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- d. Site assembly was, until it was withdrawn in December 2021, to be concluded by the Council having made the 'Rainham and Beam Park CPO No 1 2019'.
- e. Crucially, the business plan anticipated the approval and then the opening of the proposed Beam Park Station. The investment in this station, and subsequent improvement in rapid transport options for the neighbourhood was expected to make a positive contribution to the local area and its economy and helping to stimulate demand for new homes.
- f. The delay from the station confirmation led to the withdrawal of the CPO; the new station was a key part of the assumptions made in support of the councils' ability to show how the proposed residential schemes would be assembled and delivered.
- g. To date 20 CPO sites comprising 29 interests, including commercial and residential tenancies, have been acquired.
- h. These interests concentrate ownership primarily on four strategic sites.
- i. The acquired sites are a mix of industrial, commercial and residential properties in varying states of condition. A number have existing occupiers in situ and generate an ongoing rental stream whilst also maintaining security and addressing short term repairs and maintenance requirements.
- j. Current uses are largely of a meanwhile nature, on short term leases with break provisions at three or six months to allow the Council the opportunity to obtain vacant possession when required, but offering the tenant little security of tenure. Accordingly, rents have been low. The proposed break options ensure that the Council retains flexibility for future regeneration and land assembly, consistent with the long-term Rainham & Beam Park programme.
- k. Supported by the LLP, the Council continues to seek to maximise the opportunity to improve rental income when leases are renewed or when new leases are agreed.
- l. Tenancy arrangements for a number of properties that were leased on meanwhile terms following their acquisition are now near to expiry or have expired. These arrangements need to be replaced in order to secure continuing rental income and mitigation of the councils' costs incurred as landlord.

2. Commercial Arrangements

- a. Terms have been or are being negotiated by the Council and its managing agent Glenny, in consultation with the LLP.

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- b. Where there is efficiency to be gained by joining two interests being let to the same tenant, this is being explored.
- c. In each case, the proposed durations of the tenancy, and arrangements for break, have been reviewed with the LLP to make sure that any arrangements are not to the detriment of medium and longer terms plans for land assembly and regeneration.
- d. Where opportunities to enhance placemaking, for example by requiring screens to be fixed to perimeter fences for the purpose of screening of activities, these will be sought.
- e. In each case tenants will be responsible for repair and upkeep, and where tenancies are part of a wider group of properties with common parts, a service charge contribution will also be included.
- f. In the case where void properties are let for the first time, and where the incoming tenant will need to carry out work to make the property suitable for their intended use, a rent-free period may be agreed.
- g. Where the covenant strength of the tenant is judged to need additional assurance, a rent deposit may be agreed. Where this is required the rent deposit will be held by the managing agent in an interest-bearing account and accounted for in accordance with rules set out by the Royal Institution of Chartered Surveyors.
- h. Where properties form part of Centurion Works, tenants will contribute to a service charge to cover upkeep of shared roadways, yards, and common parts, ensuring the Council does not carry these costs.
- i. Further details of the commercial arrangements for each proposed new tenancy are set out in **Exempt Appendix A**

Recommendations

It is recommended that:

1. The Council agrees to enter into new tenancy arrangements involving the interests subject of this report, and for which further details are set within **Exempt Appendix A**.
2. Authorisation is given to the Assistant Director of Regeneration & Place Shaping to negotiate and agree any remaining terms and to conclude all arrangements to enter into each new tenancy, including making arrangements for holding rental deposits and giving instructions to affix the council's seal when each agreement is determined as ready to Complete.

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3. Authorisation is given to the Assistant Director of Regeneration & Place Shaping to negotiate and agree any further matters necessary to bring into effect recommendations 1 and 2 including, but not limited to, issuing notices, providing instructions to legal officers and the appointment of architects, surveyors, engineers, planning advisors and agents.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: Not to agree to new leases for each of the subject properties

Rejected: if new leases are not agreed the council will forego revenue income and also be exposed to the full costs of holding void properties, including security, maintenance, utilities and rates.

PRE-DECISION CONSULTATION

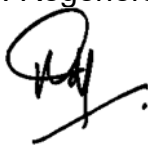
None

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

Name: Harry Scarff

Designation: Regeneration Manager R&BP

Signature:



Date: 27th April 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

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 recommendations in this report are in keeping with the General Power.

The Council also has powers under Section 123(1) of the Local Government Act 1972 to dispose of land in any manner it wishes, subject to subsection 123(2) which provides that land should not be disposed of for less than best consideration on a transfer of the freehold or lease of more than 7 years. In this case, the proposed leases are for a term of 3 years and therefore fall outside the statutory requirement to obtain best consideration. Notwithstanding this, the proposed rents represent an improvement on the current rental income and are therefore consistent with the Council's duty to manage its assets prudently.

Entering into the proposed new leases is within the Council's statutory powers and delegated authority. All leases will be contracted out of the Landlord and Tenant Act 1954 (Part II), which requires service of a warning notice and receipt of the appropriate tenant declaration before completion. Legal Services will prepare or approve all leases to ensure compliance with statutory procedure, ensure that break clauses, service charge obligations, and rent deposit arrangements are correctly documented, and confirm that all terms are within the Council's powers and procurement obligations.

FINANCIAL IMPLICATIONS AND RISKS

Financial implications are considered in Exempt Appendix A.

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.

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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 Commercial Benefits and Implications - Exempt

Non-key Executive Decision


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: 27.04.2026

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 _____