

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 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to Information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	<p>Subject Property: Elm Park Assembly Hall, Eyhurst Avenue, Elm Park, Hornchurch, RM12 4RA (“the property”)</p> <p>Event: Reversionary Lease</p>
Decision Maker:	Mark Butler - Assistant Director of Regeneration & Place Shaping
Cabinet Member:	Cabinet Member for Housing and Property
SLT Lead:	Neil Stubbings - Strategic Director of Place
Report Author and contact details:	<p>London Borough of Havering (LBH) Luke Kubik Estates Surveyor Property Services Town Hall Main Road Romford RM1 3BD</p> <p>Tel: 01708 434 176 E: luke.kubik@havering.gov.uk</p>
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 (x)

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Formal authority is hereby given to instruct Property Services to instruct the Council's Legal Department to draw up a reversionary lease 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.

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

The property is leased to the lessee on a 20 year lease that is not protected by the Landlord & Tenant Act 1954 commencing 1 July 2013. The property is used as a community centre providing facilities for recreation and social purposes or education and physical training.

The current lessee of the Property enquired about extending their current lease term. The best way to do this is by way of a reversionary lease to commence at the end of the current lease.

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This Property benefits from the Council's Equitable Rent Policy as detailed in the Non Executive Decision dated 28 April 2008 "Community Halls – Maximising the benefit for the community" The reversionary lease to the lessee still fulfils the requirements of the Equitable Rent Policy. Additional clauses relating to the policy have been included in the heads of terms as detailed in exempt Appendix A.

As the reversionary lease commences in 2033 a day one rent review is included to set the open market rent and the equitable rent calculated based on the Council's adopted policy in 2033.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: Not to agree a reversionary lease
Rejected: Approval has been given by the Cost Centre Manager of the building and there is no good reason not to agree a reversionary lease

PRE-DECISION CONSULTATION

None

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

Name: Luke Kubik
Designation: Estates Surveyor
Signature:



Date: 23 March 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation of this report requires the Council to grant a lease for a term of 20 year lease that is not protected by the Landlord & Tenant Act 1954 in accordance with the terms stipulated in appendix A and commencing 1 July 2033. The lease will be contracted out of the Landlord and Tenant Act 1954.

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. In addition, under the powers granted by section 111 of the Local Government Act 1972 which enables the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The recommendation of this report accords with Havering general power of disposal enshrined in section 123 of the Local Government Act 1972; The legislation gives all local authorities in England and Wales the power to dispose of land in any manner it wishes provided the land is disposed of for the best consideration that can reasonably be obtained. However, this rule has exceptions, such as "short tenancies" (less than seven years) and certain disposals for less than market value that are deemed to improve the area's economic, social, or environmental well-being of its area. Provided the proposed grant of a lease for a term of 20 year lease is based on an open market valuation, the disposal will satisfy the best consideration test. The Council must ensure that it complies with normal and prudent commercial practices.

FINANCIAL IMPLICATIONS AND RISKS

The reversionary lease will generate additional rental income for the Council during the lease term. VAT is not chargeable on the rent. The rent will be reviewed at the start of the extended lease term and set to market rate with the equitable rents discount to ensure that the council and the tenant are getting a fair rent.

The legal and surveyor costs associated with drawing up the reversionary lease will be paid for by the lessee.

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:

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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 isn't required.

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

There are no 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 a Reversionary 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

Proposal agreed

Details of decision maker

Signed *Mark Butler*

Name: Mark Butler

Position: Assistant Director of Regeneration & Place Shaping

Date: 14.05.2026

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 _____