

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 contain) or relates to exempt information within the meaning of paragraph 1 & 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:	<p>Subject Property: King George's Playing Fields, Eastern Avenue West, Romford, RM7 7AY</p> <p>Event: Rent Review – September 2022</p>
Decision Maker:	Mark Butler - Assistant Director of Regeneration & Place Shaping
Cabinet Member:	Cabinet Member for Regeneration
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 1</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

The above property is leased to the tenant who took an assignment of the lease in July 2021. The lease is for a term 30 years commencing on 26th September 2021 that is protected by the Landlord & Tenant Act 1954. The property is used as a high quality publically available recreation facility for the provision of five and seven-a-side soccer pitches with ancillary changing accommodation offices clubhouse bar and social facilities.

The lease provides for the rent to be reviewed on every 5 years from 26th September 2022 alternating between open market rent reviews and RPI compounded increases. The rent review falling on 26th September 2022 requires the rent be reviewed to the open market. The rent review clause unusually allows the rent be both increased and decreased.

Given the specialist use of the premises it wouldn't be possible to carry out the rent review internally. After speaking with a two local agents about the rent review they reported that there is little grounds to obtain comparable evidence. They do not hold nor do they know who would hold such comparable evidence. They also explained that it would be difficult to establish the method to value the rent.

Recommendations

It is recommended that the outstanding rent review from September 2022 is not implemented and the London Borough of Havering - Estates Surveyor prepares a completion statement confirming this.

Decisions

Formal authority is hereby given to not implement the September 2022 rent review and for the London Borough of Havering - Estates Surveyor to prepare a completion statement confirming this

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.

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STATEMENT OF THE REASONS FOR THE DECISION

There are difficulties in obtaining comparable evidence, establishing a method of valuation and the risk that the rent can be reduced on review. There would be fees payable to an external Surveyor to carry out the review and given the complex nature and the possibility the rent could be reduced it is not viable to implement the September 2022 rent reviews at this time.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: Implement the review
Rejected: The annual rent could be reduced should the rent review be implemented, there is a lack of comparable of evidence and there is no clear method for valuing the rent.

PRE-DECISION CONSULTATION

None

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

Name: Luke Kubik
Designation: Estates Surveyor
Signature:



Date: 18th October 2024

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.

Local Government Act 1972 Section 111 Subsidiary powers of local authorities

Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions

Pursuant to the lease terms, the council has the power to review the rent on the rent review dates.

FINANCIAL IMPLICATIONS AND RISKS

As it has not been possible to implement the rent review, there will be no change in rental income received from this property.

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.

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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 Review of the Rent	Exempt
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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

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 _____