

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 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

Subject Heading:	Subject Property: 25 Boxmoor Road, Essex RM5 2SH (The Property) Event: New Lease
Decision Maker:	Mark Hopson- Interim Assistant Director of Regeneration & Place Shaping
Cabinet Member:	Robert Whitton - Cabinet Member for Housing & Property
SLT Lead:	Neil Stubbings - Strategic Director of Place
Report Author and contact details:	London Borough of Havering (LBH) Helen Gardner Senior Estates Surveyor Property Services Town Hall Main Road Romford RM1 3BD Tel: 01708 434 123 E: helen.gardner@havering.gov.uk
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 ()

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 instruct legal to prepare a new lease 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 (2 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

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- 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

New Lease

The Property is a small single lock-up shop forming the ground floor of a two storey building. A service road runs to the rear of the parade with gated access from Kingshill Avenue. The property benefits from a demised rear yard and external wc.

The Property is used for hair extension services.

The tenant previously occupied under a non-protected lease, which expired in May 2026 and have been occupying by way of a tenancy at will in the interim. A Valuation Report dated 7th May 2026 from property consultants Hilbery Chaplin provided comparable evidence to suggest an uplift in rent and Hilbery Chaplin have now agreed the best terms for a new lease as detailed in Appendix A.

Recommendations

New Letting

It is recommended that to formalise the new lease, the Council agrees that the Senior Estates Surveyor, London Borough of Havering - Property Services instructs the Council's Legal team to draw up a new Lease as per the details in Appendix A.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: Not to proceed with the new letting to the existing tenant.

Rejected: There is no good reason not to agree the new lease terms with the existing tenant as there will be an uplift in rental income and this will negate any void costs.

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PRE-DECISION CONSULTATION

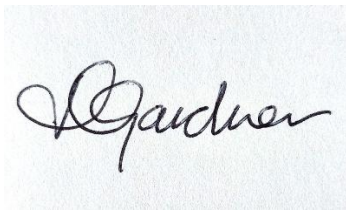
None

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

Name: Helen Gardner

Designation: Senior Estates Surveyor

Signature:

A handwritten signature in black ink, appearing to read 'H. Gardner', is displayed on a light blue textured background.

Date: 19.08.26

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation within this report requires the Council to grant a new lease in accordance with the terms set out in Appendix A. The lease will be contracted out of the security of tenure provisions contained in Part II of the Landlord and Tenant Act 1954, meaning that upon expiry of the contractual term the tenant will have no statutory right to remain in occupation or to seek a renewal tenancy. The Council has the power to enter and grant the proposed lease pursuant to the general power of competence contained in section 1 of the Localism Act 2011, which enables local authorities to do anything that an individual may do, subject to any statutory limitations.

The proposed transaction falls within the scope of that power. In addition, the Council has power under section 123(1) of the Local Government Act 1972 to dispose of land in any manner it sees fit. The restriction in section 123(2) of the Local Government Act 1972, which requires the Council to obtain the best consideration reasonably obtainable, applies only to disposals of freehold interests or the grant of leases exceeding seven years. As the proposed lease is for a term of five years, the statutory best consideration requirement under section 123(2) does not apply.

Whilst the proposed lease term of five years means that the best consideration requirement under section 123(2) of the Local Government Act 1972 does not apply, the Council should nevertheless satisfy itself that the transaction represents an appropriate market arrangement and delivers value for money. This can be evidenced through an independent valuation, market rent appraisal, benchmarking against comparable transactions, or a competitive marketing exercise. The Council must have regard to its fiduciary duty to local taxpayers and the Best Value Duty under section 3 of the Local Government Act 1999 in ensuring that the terms agreed are reasonable and in the Council's interests.

FINANCIAL IMPLICATIONS AND RISKS

This report seeks permission to agree a new lease and subsequent rental uplift with the existing tenant at 25 Boxmoor Road.

The new lease will generate additional rental income for the Council from year two, which will help to alleviate the pressure on the commercial rent income budget. VAT is not chargeable on the rent.

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The costs associated with drawing up the new lease will be paid for by the tenant. The tenant will also be responsible for the repairs and redecoration of the property. Any structural works will be the responsibility of the Council.

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.

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 when a proposed or planned activity is likely to affect staff, service users, or other residents.

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

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None

APPENDICES

Appendix A Landlord's Proposals for New 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



Name: Mark Hopson

Position: Interim Assistant Director of Regeneration & Place Shaping

Date: 24.08.2026

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 _____