

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

Subject Heading:	Subject Property: 2A The Arcade, Romford RM3 8EB (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 434123 helen.gardner@havering.gov.uk

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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 grant of a new lease being prepared by legal services 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

This Property was previously let to the tenant by way of a non protected lease. This lease ended in May 2026, and the tenant is currently occupying under a tenancy at will. The Property is a small lock up end of terrace shop unit.

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This tenant is already a valued part of the area and has always been a 'good tenant' and as such we are agreeable to them entering a new non protected lease for the Property. Following Hilbery Chaplin's valuation report dated 6th May 2026, negotiations have taken place and 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.

Recommendations

It is recommended that the Senior Estates Surveyor, London Borough of Havering - Property Services, instructs Legal Services to prepare the new lease as per the details in Appendix A.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: To not proceed with this new letting.

Rejected: There is no reason not to agree a new letting of this property as this will provide an income stream and end the utilities and rates liability for the Council.

PRE-DECISION CONSULTATION

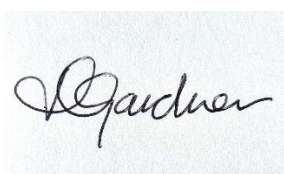
None

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 written over a light blue rectangular background.

Date: 19.08.26

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation of this report requires the Council to grant a new lease in accordance with the terms stipulated in Appendix A.

The lease has a contractual term of 5 years and is contracted out of sections 24 to 28 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.

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 was negotiated to best value to ensure that the Council can comply with the duty to obtain best consideration, pursuant s.123 LGA 1972.

FINANCIAL IMPLICATIONS AND RISKS

This report seeks permission to agree a new lease for 2A The Arcade with the existing tenant after the previous lease has expired.

The new lease will provide an uplift in rental income which will help to alleviate the pressure on the commercial rent income budget. VAT is not chargeable on the rent.

The tenant will be responsible for any internal repairs and maintenance although the Council is responsible for any external or structural repairs required.

The tenant will be covering the council's legal costs for this matter.

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;

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- (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 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

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 _____