

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:	33 Gobions Avenue, Romford RM5 3SS. Event: Tenancy at Will / New Lease.
Decision Maker:	Paul Walker – Interim Director of Housing & Property.
Cabinet Member:	Robert Whitton - Cabinet Member for Regeneration.
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

Non-key Executive Decision

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 approve the exercising of delegated authority by the appropriate Property Officer to approve the grant of a tenancy at will, followed by the preparation of 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

Non-key Executive Decision

- 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

The above powers are the subject of a sub-delegation from the Strategic Director of Place to the Interim Director of Housing and Property, as notified to the Monitoring Officer on 3 April 2024.

STATEMENT OF THE REASONS FOR THE DECISION

Background

New Lease

The Property comprises a mid-terrace retail shop beneath residential flats and has now been vacant for a few months following the forfeiture of the lease via peaceable re-entry earlier this year.

The Property has been re-marketed and received considerable interest on the open market and after considering all the lease proposals and tenant covenants, we have selected the best overall lease and occupier package to progress. The proposed tenant already has a successful online business, which is also run from her home. Due to rapid growth in demand, a proper business premises is now required so that customers can visit and for displaying the stock. We have also secured a rent deposit of 4 months' rent to further secure the Council's position.

Tenancy at Will

In order to accelerate early occupation, it is proposed that the tenant takes the Property on a tenancy at will basis whilst the lease is drafted and completed. We will receive the 4 months' rent deposit prior to the completion of the tenancy at will. The issuing and completing of the tenancy at will agreement will be led by Property Services.

Recommendations

Tenancy At Will

It is recommended that the Council agrees that the Senior Estates Surveyor, London Borough of Havering - Property Services prepares the tenancy at will on the rental terms detailed in Appendix A.

New Letting

Non-key Executive Decision

It is recommended that to formalise the new letting, 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 and Rent Deposit Deed as per the details in Appendix A.

OTHER OPTIONS CONSIDERED AND REJECTED

Option: Not to proceed with the Tenancy at Will and the new letting.

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

PRE-DECISION CONSULTATION

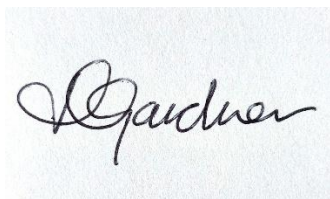
The Property has been fully marketed and the tenant has proposed the best lease terms along with a good market rent.

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

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendation of this report requires the Council to grant a lease in accordance with the terms stipulated in Appendix A. The lease has a contractual term of 10 years and is not afforded security of tenure.

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 given the circumstances to ensure that the Council can comply with the duty to obtain best consideration, pursuant s.123 LGA 1972.

The recommendation in this report is in keeping with the aforementioned powers.

FINANCIAL IMPLICATIONS AND RISKS

The new lease will generate additional rental income for the Council during the lease term, helping to alleviate pressure on the commercial rent income budget. VAT is not chargeable on the rent. This tenancy will also save the Council future void costs, including utilities and business rates, as the property will no longer be vacant.

A one month rent free period has been negotiated to assist the tenant in purchasing initial fixtures and fittings, and to help the tenant get their business off the ground.

The four-month rent deposit will allow the council to recover costs in the event that the tenant becomes unable to pay the rent, giving the council more security against loss of income.

The legal costs associated with drawing up the new lease will be paid by the incoming tenant. The tenant will also be liable for the repairs and redecoration of the property, except for structural works which will remain 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:

Non-key Executive Decision

- (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

None.

APPENDICES

Appendix A Landlord's Proposals for New Letting - 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

Proposal agreed

Details of decision maker

Signed



Name: Paul Walker

Position: Interim Director of Housing & Property

Date: 28th August 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 _____