

## OFFICER DECISION RECORD SHEET

**Name of decision maker:** Strategic Director of Place

**Service Area:** Housing Development

**Title of Decision:** To seek approval to purchase the outdoor storage unit which forms part of the lease agreement of 52 Eastwick Row, Hemel Hempstead, HP2 4PA

### Decision made and reasons:

**Decision:** To seek approval of the purchase of the outdoor storage unit under the leasehold demise of 52 Eastwick Row, Hemel Hempstead, Hertfordshire, HP2 4PA for the sum of **£15,000.00** (Fifteen thousand pounds only), in addition to the leaseholders reasonable legal costs.

### Reason:

The leaseholder has refused to approve a Deed of Variation to alter the location of the outdoor storage unit, which forms part of their leasehold demise. This relocation is required to make way for a reorganising of the public realm space to support the construction of building a new flat block development ("the Scheme").

Without owning this storage unit it can't be demolished and relocated and hampers planned housing development.

The outdoor storage unit has been informally valued by Braiser Freeth Ltd as a desktop valuation in the region of £5,000 - £6,000 based on rental figures.

### Reports considered:

None

### Officers/Councillors/Ward Councillors/Stakeholders Consulted:

David Barrett - Head of Development

James Doe – Strategic Director of Place

Cllr. Margaret Griffiths Portfolio Holder of Housing

Cllr. Alan Anderson Portfolio Holder of Place

Mark Brookes Assistant Director Corporate and Contracted Services

Jody Nason – Interim Deputy Chief Executive

### Financial Comments:

Given this has been a long standing challenge to engage with this leaseholder and the construction project is now progressing on site it is considered that this solution represents the best value for money for the Council. Failure to conclude the relocation of the unit will result in potential protracted delays in redesigning and obtaining statutory approvals.

### Deputy Monitoring Officer Comments:

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Further to section 17 of the Housing Act 1985, local authorities have the power to take over land, houses or other properties to increase the number of houses available or to improve the quality of the housing stock. This provision is relevant to the Scheme as it will both improve and increase the housing stock at Eastwick Row.

The lease of 52 Eastwick Row includes the brick built shed within its demise. It is proposed that the Council will acquire the leasehold interest in the shed as the Council already owns the freehold interest. Once acquired, the shed can be redeveloped as part of the Council's Scheme.

The Council has entered into contracts with all the other affected leaseholders within Eastwick Row to vary the demise of their leases. They have agreed to accept new sheds in different locations in substitution for the original sheds.

The leasehold owners of 52 Eastwick Row have not engaged with the Council in any meaningful way in negotiations. Whilst the Council has considered acquiring the leasehold interest in 52 Eastwick Row (the flat and shed), a price could not be agreed.

The cost of obtaining a Compulsory Purchase Order ("CPO") in respect of this one shed was considered prohibitive, although this is now being considered as a back stop position given the difficulties experienced in negotiating with the leaseholders. However CPO is a lengthy process and dealing with the remaining storage shed in this way could lead to further delays in the redevelopment of the site.

It is therefore proposed that financial consideration is paid to the leaseholders of 52 Eastwick Row to acquire the shed. The financial consideration to acquire the shed recognises its monetary value to the Council over and above its market value given, (i) its strategic location within the overall scheme, (ii) the cost of redesigning the scheme to leave the shed in situ, and (iii) the cost of obtaining a compulsory purchase order.

### **Deputy S151 Officers Comments:**

The proposed purchase price exceeds the independent valuation received by the Council for the outdoor storage unit. As the purchase will enable the development to progress and so avoid further delays and additional costs, this decision represents best value for money compared to alternatives. The proposed purchased will be delivered within the total approved financial envelope for this development.

### **Financial:**

### **Options considered and reasons for rejection:**

If the outdoor storage is not purchased, then DBC will have to alter the design including roadway which will incur additional cost and delay the project. Failure to agree the purchase of the shed now (at the £15k cost) would result in the combination of delays and redesign that could greatly exceed the £15k costs.

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**Officer Signature:**