

CABINET

17 January 2023

Title: Urgent Action - Approval of Head Lease and Loan for Shared Ownership Properties at Challingsworth House (formerly Crown House), Linton Road, Barking	
Report of the Acting Chief Executive	
Open Report	For Information
Wards Affected: Northbury	Key Decision: No
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Accountable Director: Alison Stuart, Chief Legal Officer	
Accountable Strategic Leadership Director: Fiona Taylor, Acting Chief Executive	
Summary: <p>By Minutes 26 (21 July 2015) and 25 (19 July 2016), the Cabinet approved proposals relating to the comprehensive redevelopment of the Crown House site, Linton Road, Barking.</p> <p>Since that time, various reports on the project had been considered at the Investment Panel (IP), the officer group set up to oversee and advise on the implementation of projects within the Council's Investment and Acquisition Strategy and Be First Business Plans. IP approved the awarding of the construction contract and the development finance required in January 2020. The development, now known as Challingsworth House, consists of two separate blocks - Block A which comprises of 113 submarket rented homes and Block B of 56 Shared Ownership homes. Both blocks completed during the latter part of 2022. A site plan is attached at Appendix 1a and Challingsworth House is shown edged in red in that plan.</p> <p>It became apparent that whilst the original Cabinet approvals covered all aspects relating to the development of the project, an issue remained outstanding regarding the disposal of the Shared Ownership properties to Barking and Dagenham Homes Ltd (part of the Reside structure) that would allow B&D Homes to enter into the necessary Shared Ownership agreements with tenants.</p> <p>In order for the first set of sales of Shared Ownership properties to be progressed without further delay and for agreements to begin being signed during 2022, the Acting Chief Executive agreed that it would be in the Council's best interests to dispose of Block B, Challingsworth House via a Head Lease and provide a loan to Barking and Dagenham Homes Ltd to enable the acquisition, in accordance with the Urgent Action procedure set out in Part 2, Chapter 16, paragraph 4 of the Constitution. The proposed terms of the disposal of the Head Lease to B&D Homes were entirely consistent with the Council's approved arrangements for Shared Ownership properties and were endorsed by the IP.</p>	

It was also necessary to apply the Special Urgency arrangements as set out in Part 2, Chapter 17, paragraph 15 of the Constitution as the matter qualified as a 'key decision' and had not been publicised in advance on the Council's Forward Plan in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Accordingly, the Chair of the Cabinet and the Chair of the Overview and Scrutiny Committee were consulted and gave their approval to the proposals prior to the Acting Chief Executive taking the action on 16 December 2022.

The detailed report which formed the basis of the Acting Chief Executive's decision is set out at Appendix 1 to this report. The matter is being reported to this meeting for information in accordance with the Urgent Action procedure.

Recommendation(s)

The Cabinet is asked to note the action taken by the Acting Chief Executive, in accordance with the Urgent Action procedure under Part 2, Chapter 16, paragraph 4 and the Special Urgency provision under Part 2, Chapter 17, paragraph 15 of the Council Constitution, in relation to:

- (i) Approving the disposal by way of long lease of Block B, Challingsworth House, comprising 56 Shared Ownership homes, to Barking and Dagenham Homes Ltd (part of the Reside structure) on the terms set out in the report;
- (ii) Approving a loan of £18,582,399 to Barking and Dagenham Homes Ltd to enable the acquisition on the terms set out in the report;
- (iii) Authorising the Chief Legal Officer to execute all the legal agreements, contracts, and other documents on behalf of the Council in order to implement the arrangements; and
- (iv) Authorising the Strategic Director, Finance and Investment, in consultation with the Chief Legal Officer, to finalise the terms of the loan and any other associated financial documents.

Reasons

To accord with the requirements of the urgency procedures contained within the Council Constitution.

Public Background Papers Used in the Preparation of the Report:

- Acting Chief Executive's signed letter of 16 December 2022 entitled "Urgent Action under Part 2, Chapter 16, paragraph 4 of the Constitution – Approval of Head Lease and Loan for Shared Ownership Properties at Challingsworth House (formerly Crown House), Linton Road, Barking"
(<https://modgov.lbbd.gov.uk/Internet/ecCatDisplay.aspx?sch=doc&cat=14765&path=0>)

List of appendices:

- **Appendix 1** - Report entitled "Approval of Head Lease and Loan for Shared Ownership Properties at Challingsworth House (formerly Crown House), Linton Road, Barking"
- **Appendix 1a** – Site Plan