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**AGENDA ITEM: 6**

Page Nos. 9 - 13

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 September 2011
<b>Subject</b>	<b>Purchase of leasehold interest in land at Grahame Park Way NW7</b>
<b>Report of</b>	Cabinet Member for Resources and Performance
<b>Summary</b>	The purchase of the tenant's leasehold interest in this property, the freehold of which is owned by the Council.

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Officer Contributors	George Church, Principal Valuer, Property Services
Status (public or exempt)	Public (with separate exempt report)
Wards affected	Mill Hill
Enclosures	Drawing number 23840/1
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: George Church Principal Valuer, Property Services 0208 359 7366, [george.church@barnet.gov.uk](mailto:george.church@barnet.gov.uk)

## **1. RECOMMENDATIONS**

- 1.1 To accept a surrender of the lease of the premises from RFL Mill Limited or any other company in whom the subject property may be vested, on the terms set out in the accompanying exempt report.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 To 'Ensure every school is a good school for every child and sufficient school places are available' is a strategic objective in the Corporate Plan 2011 - 2013, under the corporate priority 'a successful London suburb'. This reflects our partnership priorities set out in Barnet's Children and Young People Plan 2010/11-12/13 to provide high quality educational provision for children, young people and for the benefit of the wider community. at the heart of local communities.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 There is a risk that the land may be occupied by squatters after it is vacated by the tenant, RFL Mill Limited (RFLMH). This risk can be addressed by a secure vehicular gate being provided on the only road elevation to the property, from Grahame Park Way and repairs being carried out to the fencing on the Grahame Park Way elevation. There is also a maisonette in the on-site club house and this risk could be addressed by letting the clubhouse to a property guarding organisation. Furthermore, it is envisaged that temporary classrooms will be placed on site at the earliest opportunity.
- 4.2 At present, this site is under utilised in terms of its provision of facilities for the community. Its use as a site for a school will correct this. There is a risk that Sport England may require that part of the site continue to be used for sports purposes. Dependant on the site area of the school to be built, this requirement may be able to be satisfied on site. Failing that, an alternative site for sport use will need to be identified from the Council's property portfolio.
- 4.3 It is understood that prior to surrendering the lease RFLMH may seek to assign its interest in the property to another company. In the event that RFLMH does seek to assign the lease, the proposed surrender could be delayed.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough.
- 5.2 It is not considered that the proposal will give rise to any issues under the Council's Equalities policies and does not compromise the Council in meeting its statutory equalities duties.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### **Finance**

6.1 The Cabinet (6 September 2010) allocated resources within the medium term financial strategy to provide both permanent and temporary primary school places. The cost of buying in the RFLMH lease and the securing of the premises following completion of the surrender can be contained within these resources. Surrender of the lease will result in a loss of £2k per annum rental income to the Property Services budget within the Council's Commercial Directorate.

### **6.2 Procurement, Performance & Value for Money, Staffing, IT and Sustainability**

There are no procurement, performance and value for money, staffing, IT or sustainability issues arising out of the action proposed.

### **6.3 Property**

As set out in section 9 below and in the accompanying exempt report.

## **7. LEGAL ISSUES**

7.1 The surrender of the lease will be formally documented on the basis of the terms detailed in the accompanying exempt report.

## **8. CONSTITUTIONAL POWERS**

8.1 The Council's Constitution in part 3, Responsibility for Functions, states in paragraph 3.6 "the functions delegated to the Cabinet Resources Committee including all matters relating to land and buildings owned, rented, or proposed to be acquired or disposed of by the Council".

## **9. BACKGROUND INFORMATION**

9.1 A Children's Service report to Cabinet Resources Committee dealing with the permanent expansion of primary school education in the Colindale area which refers to the relocation and expansion of the Orion school will be considered at the same meeting as the subject report. The expansion is required because Barnet Council has a statutory duty under section 14 of the Education Act 1996 to ensure that sufficient schools for providing primary (and secondary) education are available in the area. The lease of the subject land is being bought in to enable the provision of a new four form entry school for the relocation and expansion of the Orion School, currently located on Lanacre Avenue, Grahame Park.

- 9.2 The premises comprise a site of approximately 7 acres (2.8 hectares) which fronts Grahame Park Way and adjoins Woodcroft Park. See drawing number 23840/1 It therefore has main road frontage and it has a good shape, slightly more rectangular than square. It is reasonably level. The land originally formed part of the Hendon aerodrome site. On the site there is a large, (approx 750 sq.m.) brick built sports pavilion which is about 30 years old. It comprises 3 squash courts, changing rooms, a small gym, a large meeting area with a small bar and kitchen off, and a 2 bedroom manager's maisonette. Externally there are several garages.
- 9.3 The premises are in use as a sports club, but the premises are not well maintained and it would appear that there has been little money spent on maintaining the grass playing fields.
- 9.4 The original tenant of the property, the Mill Hill Cricket Hockey and Squash Club, had the sports pavilion built and they laid out the cricket square in the 1970's. The current lease is for a term of 30 years from May 1993. In July 2008 the lease was assigned to RFL Mill Hill Limited (RFLMH). Originally RFLMH wished to purchase a long lease of the site from the Council to enable it build a commercial sports centre. It was not possible to agree terms. Discussions have been ongoing with RFLMH for the Council to buy in their lease since last year. It was hoped that a deal had been agreed earlier this year, but instead, the company was sold to the current directors. Negotiations with the new directors have taken place and the terms provisionally agreed are set out in the accompanying exempt report.
- 9.5 It is understood that prior to surrendering the lease RFLMH may seek to assign its interest in the property to another company. Under the terms of the lease any such assignment would require the Council's previous consent. In the event of any application for consent being received prior to surrender, this will be dealt with under delegated powers. The Recommendation section of this report therefore seeks authority to enable the surrender to take place if the lease is assigned.

## **10. LIST OF BACKGROUND PAPERS**

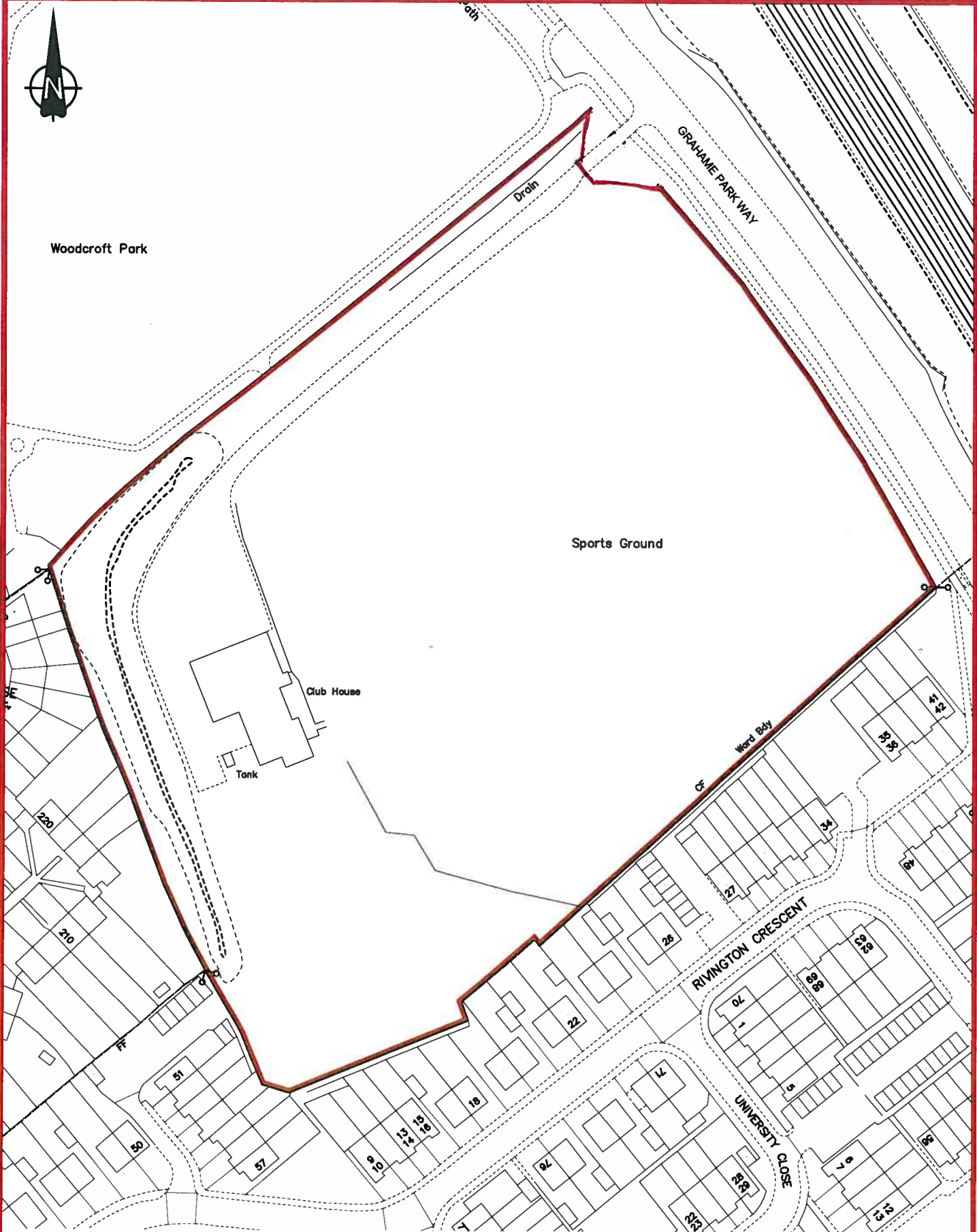
- 10.1 None.

Legal – SWS


Finance – JF



Woodcroft Park



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Initiated by G.C.	<b>SCHEME:</b> REALLY FINE LEISURE MILL HILL LTD. GRAHAME PARK WAY, MILL HILL NW7	Craig Cooper, Commercial Director.	
Drawn by K.E.B.	<b>TITLE:</b>  LOCATION PLAN	London Borough of Barnet, North London Business Park, Oakleigh Road South, New Southgate, London, N11 1NP. Tel. 020 8359 2000	
Checked by G.C.			<b>DRAWING No.</b>
Date 06/09/11	Scales 1:1250		23840/1