

AGENDA ITEM: 8

Page nos. 21 – 23

Meeting	Cabinet Resources Committee
Date	23 September 2004
Subject	Former fire station rear of former Friern Barnet Town Hall, Friern Barnet Lane – lease surrender
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships and Best Value
Summary	This report recommends terms agreed for the surrender of the lease of part of the former fire station held by Friern Barnet Voluntary Care for the Elderly.

Officer Contributors	Dave Stephens, Chief Valuer and Development Manager
Status (public or exempt)	Public – with a separate exempt report
Wards affected	Coppetts
Enclosures	None
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

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1. RECOMMENDATIONS

- 1.1 That, subject to the concurrence of the Charity Commission, it be agreed to accept a surrender of the lease of part of the former fire station at Friern Barnet Lane held by Friern Barnet Voluntary Care for the Elderly upon the terms set out in the report and the Borough Solicitor be instructed to complete the matter in a form to his approval.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 14.10.02 – approved the freehold and leasehold sale of various Council buildings surplus to requirements.
- 2.2 Cabinet Resources 20.3.03 - subject to the satisfactory relocation of Age Concern, approved the acceptance of the offer from Barratt North London for the freehold acquisition of the former Town Hall and the adjacent former fire station.
- 2.3 Cabinet Resources Committee 8.7.04 – agreed to accept the revised offer from Barratts for the purchase of the former Friern Barnet Town Hall and adjacent buildings and to the sale of the former fire station being deferred pending its vacation by Friern Barnet Voluntary Care for the Elderly and Age Concern.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the Council to “plan and manage land use and development in Barnet to enhance the quality of life and provide tangible benefits for the community. The proposals in this report will achieve this by ensuring that the sale of this final part of the Friern Barnet Town Hall complex can be sold to Barratts and the outstanding capital sum received, which can be used to assist in funding the Council’s capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1 If the surrender is not implemented at this stage by Friern Barnet Voluntary Care for the Elderly (FBVCE) then it may be some time before the sale to Barratts can be concluded. This will mean that the outstanding amount of the capital receipt will not be received for some time, although the contract with Barratts provides for the sum to be index linked.
- 4.2 The surrender of the FBVCE lease will not mean that the sale to Barratts can be completed immediately. This will have to wait for Age Concern Barnet to be relocated to Friary House.
- 4.3 The surrender of their lease by FBVCE is reliant upon the concurrence of the Charity Commission. If the Charity Commission does not agree the proposal then there may have to be further discussions with both organisations. The worst case scenario is that nothing can happen until the lease expires in 2008.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The financial implications are set out in the exempt report.
- 5.3 There are no staffing or ICT issues. The property implications are set out below.

6. COMMENTS, IF ANY, OF THE COUNCIL’S STATUTORY OFFICERS (HEAD OF PAID SERVICE, CHIEF FINANCE OFFICER, MONITORING OFFICER)

6.1 None

7. BACKGROUND INFORMATION

- 7.1 The sale of the former Friern Barnet Town Hall to Barratts has been completed. This excluded for the time being the former fire station, part of which is occupied by Friern Barnet Voluntary Care for the Elderly (FBVCE) and Age Concern Barnet. Until this building can be transferred with vacant possession, Barratts are holding on to part of the originally agreed purchase price (as set out in the exempt report).
- 7.2 It has previously been agreed that Age Concern Barnet should move into Friary House along with the Citizens Advice Bureau. Lease terms are continuing to be negotiated. However, for a variety of reasons, including the fact that the Council is grant funding Age Concern Barnet instead of FBVCE, FBVCE has chosen to sever its links with Age Concern Barnet and will not be moving to Friary House.
- 7.3 FBVCE holds a lease of the ground floor of the former fire station and two attached stores until 2008. It could thus significantly delay the vacation of this building and the payment of the remaining sum due from Barratts to the Council.
- 7.4 FBVCE is, for technical reasons, in debt to the Council in the sum referred to in the exempt report in respect of rent, insurance and other charges. This situation arose because of confusion over the implementation of the rent reviews (they are still capable of being implemented) and collection of costs and charges. An invoice for this money has been sent and FBVCE has agreed to make payment.
- 7.5 FBVCE has said that it is prepared to surrender its lease but, as it is a charity it can only do so if it receives a 'compensation' payment which will satisfy the Charity Commission that it is acting properly. It has been suggested that the Council may be prepared to make a payment in the sum set out in the exempt report plus payment of FBVCE's reasonable legal costs. FBVCE has indicated that, subject to the approval of the Charity Commission, it will accept this payment in consideration for the surrender of its lease.
- 7.6 This arrangement has the advantages that it will assist in achieving early payment of the remaining money due from Barratts. Depending upon the timing of the surrender of the lease and the implementation of the works to Friary House, Age Concern Barnet will probably have to be granted a short-term letting of the former Fire Station accommodation. Any such letting will be on a temporary basis only, excluding any rights to renewal or compensation and will be for the purpose only of allowing Age Concern Barnet to have premises to operate in pending completion of the Friary House works. The grant of such a tenancy will be dealt with under Delegated Powers.

8. LIST OF BACKGROUND PAPERS

8.1 None

MO: SS

BT: JO