

**AGENDA ITEM: 6**

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 July 2006
<b>Subject</b>	Former Southgate & Barnet Sea Cadets, Osidge Lane, Southgate
<b>Report of</b>	The Leader and Cabinet Member for Resources
<b>Summary</b>	To approve the terms agreed for a short-term Lease to the Association for Veterans of Foreign Wars.

Officer Contributors	Siobhan O'Donoghue, Principal Valuer, Property Services & Valuation
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Brunswick Park
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Siobhan O'Donoghue, Principal Valuer, Property Services & Valuation. Tel: 0208 359 7360

## **1. RECOMMENDATIONS**

- 1.1 That the Committee agrees to a short-term letting to the Former Barnet and Southgate Sea Cadet's building at Osidge Lane to the Association for Veterans of Foreign Wars for a rent-free period for 18 months.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

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

- 3.1 The Corporate Plan commits the Council to deliver consistently high performing internal and transactional support services. The proposal in this report does this by securing continued occupation of the property.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Since the property was vacated by the Sea Cadets on 16 June 2006, the Association for Veterans of Foreign Wars (the 'Association') have taken up occupation of the building. The Council has agreed Heads of Terms for a new lease of the property to be executed with the Association. However, until the tenancy is formalised with an executed lease, the Council are in a vulnerable position which could cause a problem in securing the site for the Primary School's Renewals programme. Therefore, formalising the tenancy with an executed lease for the letting of this property is fundamental.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The proposed rent is set out in the exempt report, together with the Council's Legal fees and Surveyors fees which the Association for Veterans of Foreign Wars have agreed to pay.
- 5.2 There are no staffing or ICT implications and the property issues are as set out below.

## **6. LEGAL ISSUES**

- 6.1 The granting and execution of a new lease will provide legal protection to the Council as the Associations occupation of the property is currently without any written lease.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property
- 7.2 Constitution – Part 3 - Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

- 8.1 A Lease was granted to the National Association of Boys' Club (NABC) on the 30<sup>th</sup> June 1970 for a term of 28 years. In September 1997, the Council received notification from the NABC that they were closing the Club and the new users of the building would be Southgate and Barnet Sea Cadets. No formal assignment of the lease from NABC to the Southgate and Barnet Sea Cadets were received at this stage.
- 8.2 Since the lease expired in June 1998, no new lease terms were agreed.
- 8.3 During their occupation the Sea Cadets failed to pay any rent for the property and in March 2006, notified the Council that there was no longer a need for the unit in the area and gave up possession.
- 8.4 The site is intended to be used as part of the Primary School's Renewals programme and will be required for this purpose in 4 – 5 years time. Therefore, the property is only available for short-term letting on an unsecured basis. This is not very attractive to potential tenants, especially as the property is in poor condition and would require some works to bring it up to a reasonable standard.
- 8.5 Due to the intended future of the building, the Council would not be able to realise full benefit from the building if extensive works were undertaken. However, the Council would still be required to maintain the property until the site was required for the Primary School's Renewal Programme.
- 8.6 A short-term letting to the Association of Veterans of Foreign Wars has been agreed on the terms as set out below:
- The term is 5 years from date of occupation. The rent is as set out in the exempt report.
  - A rent free period of 18 months from the date of occupation has been agreed upon the condition that a Schedule of Works are produced, details of which are set out in the Exempt Report.
  - The Security of Tenure Provisions under the Landlord and Tenant Act 1954 will not apply to this Lease.
  - A Landlord's only break option will apply at any giving 6 months notice in writing
  - Any other lease terms as advised by the Borough Solicitor.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None.

Legal: PG  
CFO: JB