

DELEGATED POWERS REPORT NO.

2034

SUBJECT: Colinhurst House, 168 Station Road, Hendon

Control sheet

**All of the following actions MUST be completed at each stage of the process and the signed and dated report MUST be passed to the Governance Service for publishing**

<b>All reports</b>		
1. Governance Service receive draft report	Name of GSO Date	DPR 28/06/2013
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Ash Tadjrishi 24/07/2013
3. Finance clearance obtained ( <i>report author to complete</i> )	Name of Fin. officer Date	Adela O'Brien 15/07/2013
4. Staff and other resources issues clearance obtained ( <i>report author to complete</i> )	Name of Res. officer Date	Paul Gatrill 01/07/2013
5. Strategic Procurement clearance obtained ( <i>report author to complete</i> )	Name of SPO Date	Kevin Bates 01/07/2013
6. Legal clearance obtained from ( <i>report author to complete</i> )	Name of Legal officer Date	Steven Strange 28/06/2013
7. Policy & Partnerships clearance obtained ( <i>report author to complete</i> )	Name of P&P officer Date	N/A
8. Equalities & Diversity clearance obtained ( <i>report author to complete</i> )	Name of officer Date	N/A
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Lesley Meeks 31/07/2013
10. Signed & dated report, scanned or hard copy received by Governance Service for publishing	Name of GSO Date	Andrew Charlwood 07/08/2013
11. Report published by Governance Service to website	Name of GSO Date	Andrew Charlwood 07/08/2013
12. Head of Service informed report is published	Name of GSO Date	Andrew Charlwood 07/08/2013
<b>Key decisions only:</b>		
13. Expiry of call-in period	Date	N/A
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	

**ACTION TAKEN BY CABINET MEMBER FOR RESOURCES & PERFORMANCE (EXECUTIVE FUNCTION)**

<b>Subject</b>	<b>Grant of a New 20 Year Lease of Ground and First Floors of Colinhurst House, 168 Station Road, Hendon to Middlesex University Higher Education Corporation.</b>
<b>Cabinet Member</b>	<b>Cabinet Member for Resources &amp; Performance</b>
<b>Date of Decision</b>	<b>6 August 2013</b>
<b>Summary</b>	The report seeks approval to the grant of a new 20 year lease in respect of Colinhurst House, Hendon to Middlesex University Higher Education Corporation.
<b>Officer Contributors</b>	Paul Gatrill, Interim Head of Estates
<b>Status (public or exempt)</b>	Public
<b>Wards affected</b>	Hendon
<b>Enclosures</b>	1. Appendix 1 – Location Plan 2. Appendix 2 – Floor Plans 3. Appendix 3 – Heads of Terms
<b>Reason for exemption from call-in (if appropriate)</b>	N/A
<b>Key decision</b>	No

Contact for further information: Paul Gatrill, Interim Head of Estates  
(paul.gatrill@barnet.gov.uk)

Serial No. 2034

## **1. RELEVANT PREVIOUS DECISIONS**

- 1.1 Cabinet Resources Committee, 25<sup>th</sup> March 2008 (Decision Item 9) - resolved that the Council enter into a lease with Middlesex University Higher Education Corporation for the ground and first floors of Colinhurst House.

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

- 2.1 By helping provide higher education facilities, the proposal supports the Community Strategy “Sustainable Community Strategy for Barnet 2010 – 2020”.
- 2.2 The proposal supports the priorities of the Corporate Plan 2013 - 2016. One of these priorities is “to maintain the right environment for a strong and diverse local economy” under which the Council will work with Middlesex University to train and provide a skilled workforce. Leasing a building to the University will provide facilities to help educate and train the Borough’s residents.

## **3. RISK MANAGEMENT ISSUES**

- 3.1 A new 20 year lease, with mutual breaks every 5<sup>th</sup> year of the term provides a potential income to the Council for up to 20 years, and gives Middlesex University Higher Education Corporation (‘the University’), one of the Council’s key stakeholders and partners, continued occupancy of the premises.
- 3.2 Should the transaction not proceed, as the current lease expired on 30<sup>th</sup> April 2013, and is contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954, the University would have to vacate the premises, as they have no protection of tenure. The Council would then have to put the premises to the open market to secure a new tenant, with the resultant void costs and loss of income. In addition there would be a loss of facility to the University.
- 3.3 I have considered whether the issues involved are likely to raise significant levels of public concern or give rise to policy considerations but do not feel that any such concerns will arise should the recommendation to grant a new lease be approved.

## **4. EQUALITIES AND DIVERSITY ISSUES**

- 4.1 Barnet 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. The Lease agreements with the University in Hendon will maintain the provision of education opportunities to all of Barnet’s residents, which will support the overall

aim of Barnet's equalities & diversity policies, and help turn Barnet into a hub of academic excellence.

- 4.2 I have considered whether these proposals will give rise to any issues under the Council's Equalities or Diversity policies and do not consider that there are any such concerns.

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

- 5.1 The financial and property implications are set out in the background information section below and in the accompanying Heads of Terms.
- 5.2 There are no other Procurement, Performance and Value for Money, Staffing or IT issues.
- 5.3 It is proposed that a new lease be granted to run for 20 years from 1<sup>st</sup> May 2013 at an initial rent, subject to 5 yearly reviews, as set out in the heads of terms attached (annexe 3).

## **6. LEGAL ISSUES**

- 6.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 to dispose of land held by them in any manner they wish, including the grant of leases. The only constraint is that, except with the consent of the Secretary of State, a disposal must be for the best consideration reasonably obtainable.
- 6.2 The grant of a new lease will be formally documented on the basis of the terms detailed in this report and the accompanying Heads of Terms.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Council Constitution Part 3, Responsibility for Functions – Section 4 (Responsibility for Executive Functions), paragraph 4.2 details the responsibilities of Cabinet Members. The responsibilities of the Cabinet Member for Resources and Performance include Asset Management. The thresholds for reporting asset transactions are set out in the Management of Assets, Property and Land Rules.

## **8. BACKGROUND INFORMATION**

- 8.1 Colinhurst House is an office building owned by the Council with 3 floors of accommodation located on the corner of Station Road and

Watford Way in Hendon. The ground and first floors became surplus to the Council requirements prior to the grant of the lease to the University in 2008. The University has occupied the premises under a 5 year lease from 1<sup>st</sup> May 2008, expiring on 30<sup>th</sup> April 2013. The second floor is currently occupied by the Council's Community Protection Group.

- 8.2 Following negotiation, terms have been agreed with the University for them to take a new lease, contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954, of the ground and first floors for a term of 20 years from 1st May 2013, at an initial rent, subject to 5 yearly review, as set out in the heads of terms attached (annexe 3). The new lease includes a mutual break clause for both the University as tenant, and the Council as landlord, at the end of the fifth, tenth, and fifteenth years, by giving not less than six months' notice.
- 8.3 The other terms of the proposed new lease are set out in the accompanying Heads of Terms and will remain substantially as in the previous lease, including a right of pre-emption in favour of the University for a lease of the second floor if the Council vacates this accommodation.
- 8.4 The renewal of the lease was requested by the University in order to provide a sufficient term of years to allow them to fully utilise the property for education purposes.

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

- 9.1 None

## **10. DECISION OF CABINET MEMBER FOR RESOURCES & PERFORMANCE**

**I authorise the following action:**

- 10.1 To grant a new 20 year lease of the ground and first floors of Colinhurst House to Middlesex University Higher Education Corporation, on the terms set out in this report and the accompanying Heads of Terms, from 1<sup>st</sup> May 2013.**



**Signed**

---

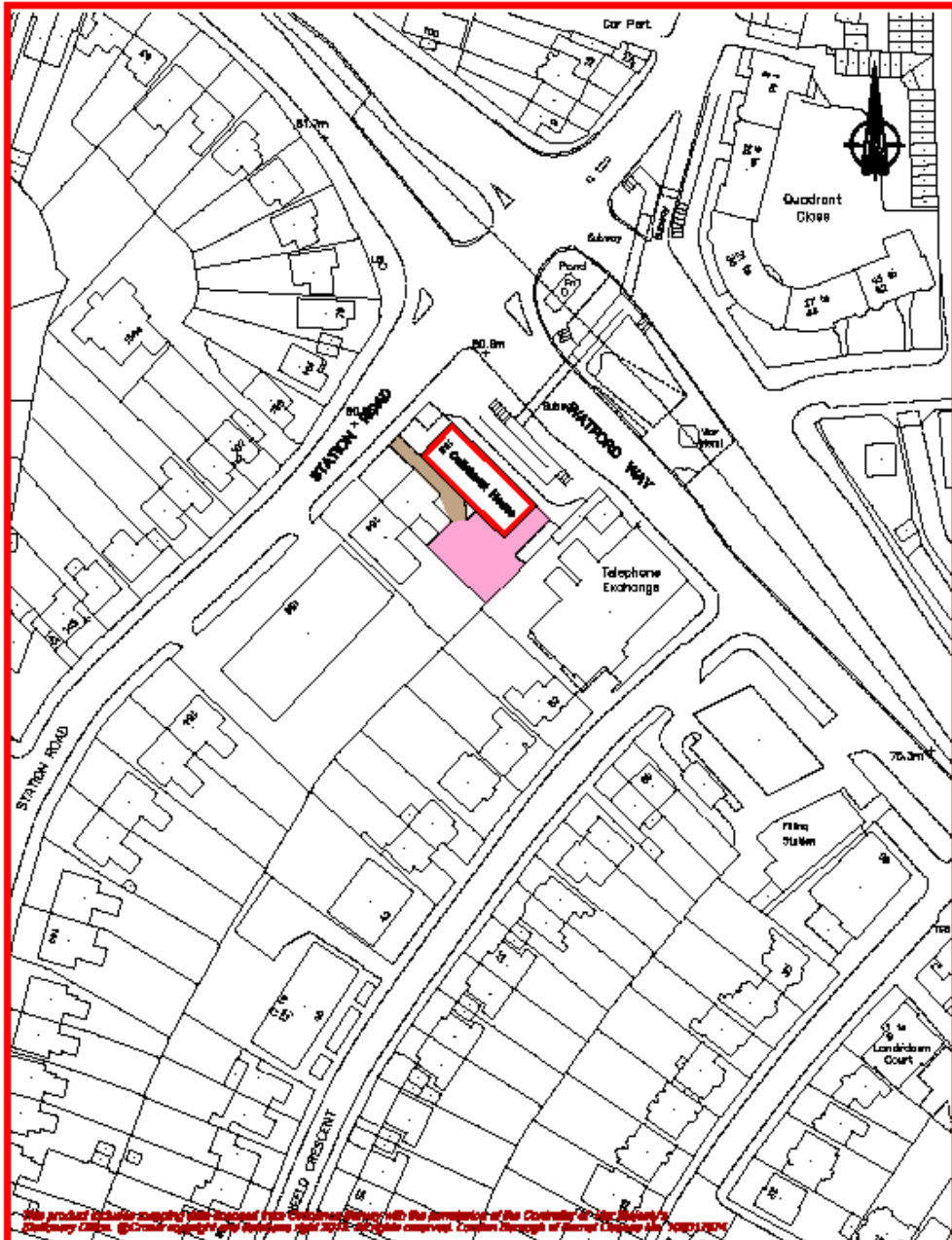
**Cabinet Member for Resources and  
Performance**

**Date**

---

**6 August 2013**

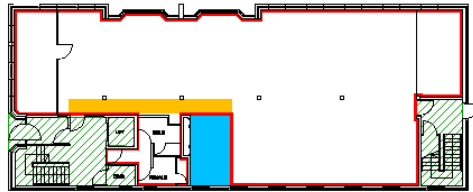
## Appendix 1 – Location Plan



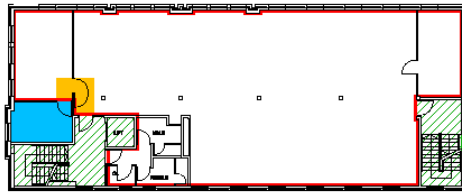
This product (including mapping) was prepared from Ordnance Survey data with the permission of the Controller of Her Majesty's Stationery Office. © Crown copyright and Royal Ordnance Survey. London Borough of Barnet Licence No. 100011924

Initiated by G.C.	<b>SCHEME:</b> <b>COLINHURST HOUSE,</b> <b>STATION ROAD, HENDON, NW4</b>	Marie Christoff, Director of NSCSO.	
Drawn by K.E.B.	<b>TITLE:</b> <b>LOCATION PLAN</b>	London Borough of Barnet, North London Business Park, Dettigh Road South, New Southgate, London, N11 1HP. Tel. 020 5208 2000	<b>DRAWING No.</b>  <b>23881/8</b>
Checked by G.C.	Scale: 1:1800		
Date 08/07/08			

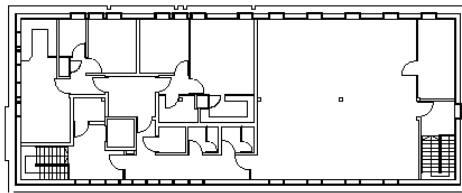
# Appendix 2 – Lease Plan, Floor Plan



GROUND FLOOR PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN

**NOTES:**

This protocol includes necessary data derived from Ordnance Survey with the permission of the Controller of Her Majesty's Stationery Office. © Crown copyright and database right 2014. All rights reserved. Location: Borough of Barnet. License No. 100377824.


Revision and Date	Description	Initials
----------------------	-------------	----------

Maria Christoff,  
Director of NSCSO.

London Borough of Barnet,  
North London Business Park,  
Oxley Road South,  
New Southgate,  
London, N11 1UP  
Tel. 020 8369 2000



**SCHEME:**  
COLINHURST HOUSE  
168 STATION ROAD, HENDON, NW4

**TITLE:**  
LEASE OF GROUND FLOOR  
AND FIRST FLOOR

Scale:	1:200	Date:	18/06/19
Author:	P.J.L.	Drawn:	K.E.R.
		Checked:	P.J.L.

**DRAWING NO:**  
2386/1/5

### **Appendix 3 – Heads of terms**

#### **COLINHURST HOUSE, STATION ROAD, HENDON**

Landlord:	London Borough of Barnet
Tenant:	Middlesex University Higher Education Corporation
Demise:	Ground and First floors of premises known as Colinhurst House, Station Road, Hendon, London
Term:	20 Years from 1 <sup>st</sup> May 2013.
Rent:	Initial rent £73,000 pa exclusive
Rent Reviews:	To be reviewed upwardly at the end of each fifth year of the term. The review at the end of years 5 and 15 in accordance with the Retail Prices Index, and the review at the end of the 10 <sup>th</sup> year to an open market rent.
Insurance:	The Landlord to insure the building and the tenant to pay a fair proportion of costs relating to the premises.
Repairs:	The tenant will be responsible for internal repairs, decorations and cleaning the premises. The tenant is also to contribution of the costs of maintaining and cleaning of the common parts and the structure of the building
Alienation:	Assignment or subletting will not be permitted of the whole or part of the building
Alterations:	Alterations or additions to the premises are not permitted save that The tenant can construct demountable partitions and carry out internal works with the landlords consent
Security of Tenure:	The lease to be contracted out of the Landlord & Tenant Act 1954.
Right of Pre-Emption:	Landlord to grant to the Lessee a right of pre-emption in respect of the 2 <sup>nd</sup> floor accommodation currently occupied by the Landlord . This right is exercisable in the event of the landlord deciding to vacate the 2 <sup>nd</sup> floor accommodation.
Option to Break:	Mutual landlord and tenant break to terminate lease at end of 5 <sup>th</sup> , 10 <sup>th</sup> and 15 <sup>th</sup> years on giving of not less than 6 months' notice in writing