

	<p><b>Assets Regeneration and Growth Committee</b>  <b>12<sup>th</sup> December 2016</b></p>
<b>Title</b>	<p><b>Lease Renewal Fenella, The Burroughs, NW4 4AX</b></p>
<b>Report of</b>	<p>Director of Resources</p>
<b>Wards</b>	<p>Hendon</p>
<b>Status</b>	<p>Public</p>
<b>Urgent</b>	<p>No</p>
<b>Key</b>	<p>No</p>
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<h2>Summary</h2>
<p>This report sets out the details of a Lease Renewal between the London Borough of Barnet, as Landlord and Middlesex University, as Tenant of the premises known as the land and buildings at Fenella, The Burroughs, Hendon (the “Property”) with a commencement date of 1<sup>st</sup> August 2014</p>

<h2>Recommendation</h2>
<p>1. That the committee approve the proposed new lease of the Property for 20 years commencing on 1 August 2014 between the London Borough of Barnet and Middlesex University at a new commencing rent of £248,000 p.a.</p>

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The London Borough of Barnet are the Landlords for the Fenella Building and land with Middlesex University being the Tenants. The previous lease expired in July 2014.
- 1.2 The previous lease was drawn upon standard terms with the exclusion of sections 24 to 28 of the Landlord and Tenant Act 1954 part 2.
- 1.3 The new lease has been drawn up to reflect the same terms and conditions of the previous lease and again sections 24 to 28 have been excluded from the lease.
- 1.4 Details of the proposed new Lease are as follows:
  - 1.4.1 Lease Commencement date 1 August 2014
  - 1.4.2 Term 20 Years
  - 1.4.3 Repairing Terms Full Repairing and Insuring
  - 1.4.4 Rent reviews 5 yearly, upwards only direction.
  - 1.4.5 Previous rent payable £200,000
  - 1.4.6 Proposed new rental £248,000
- 1.5 There has been interest from some local residents in purchasing the L shaped parcel of land to the rear of the Fenella parking lot. In order to be able to easily facilitate a sale, should agreement with residents be reached, LBB have agreed with Middlesex University that the land will be shown as hatched in the lease plan, and the lease will contain a specific clause that states 'the land hatched on the plan can be removed from Fenella's demise by LB Barnet providing three months' written notice to Middlesex University'.

## **2. REASONS FOR DECISIONS**

- 2.1 The reason for this decision is to regularise the current situation between the parties and allow for the recovery of the backdated market rent.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 3.1 Do nothing: Would result in a substantial Council property not generating a market rent.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 A new lease will be issued to the tenant enabling collection of the backdated market rent for the period starting on 1<sup>st</sup> August 2014.

## **5. IMPLICATIONS OF DECISION**

- 5.1 **Corporate Priorities and Performance**

The Corporate Plan 2013-16 has a strategic objective to responsible Growth, Development and Success across the Borough.

5.2 The Council's Corporate Plan 2015-20 states that the Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

- of opportunity, where people can further their quality of life.
- where people are helped to help themselves, recognising that prevention is better than cure.
- where responsibility is shared, fairly.
- where services are delivered efficiently to get value for money for the tax payer

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The proposed agreement produces an increase in rent as follows:

5.2.2 Previous rent payable £200,000

5.2.3 Proposed new rent £248,000

5.2.4 The above rent has been calculated on an open market basis.

## 5.3 **Legal and Constitutional References**

5.3.1 The Council Constitution, The Management of Asset, Property and Land Rules, Appendix 2, Table B sets out the acceptance thresholds which provides authority for the action. Financial arrangements in excess of £100,000 must be approved by Asset, Regeneration and Growth Committee.

5.3.2 The Council has the power to dispose of leasehold and freehold interests in land by agreement pursuant to section 123 of the Local Government Act 1972 for the best consideration reasonably obtainable.

## 5.4 **Risk Management**

5.4.1 If the Lease renewal is not implemented, this could set a precedent and could have a significant impact on the future use of Council owned land.

## 5.5 **Equalities and Diversity**

5.5.1 under the 2010 Equality Act, the Council must have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between those with a protected characteristic and those without;
- c) promote good relations between those with a protected characteristic and those without.

The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion and belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.5.2 The proposal does not raise any issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation. No immediate equality impacts are anticipated as a result of this proposal.

**5.6 Consultation and Engagement**

5.6.1 A series of meetings and full negotiations have been undertaken with the University of Middlesex Estates Team. No other parties are directly affected by the Proposed new lease.

**6. BACKGROUND PAPERS**

6.1 None

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