

	<p style="text-align: center;"><b>Assets Regeneration and Growth Committee</b> <b>12<sup>th</sup> December 2016</b></p>
<p style="text-align: center;"><b>Title</b></p>	<p style="text-align: center;"><b>Rent Review at Hendon Town Hall, The Burroughs, NW4 4AX</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Director of Resources</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>Hendon</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: center;"><b>Key</b></p>	<p>No</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Chris Smith – Head of Estates <a href="mailto:Chris.smith@barnet.gov.uk">Chris.smith@barnet.gov.uk</a> 0208 359 2987</p> <p>Melanie Chiknagi <a href="mailto:melanie.chiknagi@barnet.gov.uk">melanie.chiknagi@barnet.gov.uk</a> 0208 359 6058</p>

## Summary

This report sets out the details of a Rent Review of the head lease and the Underlease of land and buildings at Hendon Town Hall, which has an effective date of 31<sup>st</sup> March 2015.

The Head lease is between the London Borough of Barnet, as Landlord and Middlesex University, as the Tenant, with the Under Lease between Middlesex University as Head Lessee and the London Borough of Barnet as Under Lessee.

## Recommendation

1. That the committee approve the proposed Head Lease rent review agreement between the parties at £498,000 per annum.

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| <p>2. That the committee approve the proposed Under lease rent review agreement between the parties at £124,500 per annum.</p> |
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## **1. WHY THIS REPORT IS NEEDED**

1.1 The London Borough of Barnet are the Landlords for Hendon Town Hall, Middlesex University are the Tenants and LB Barnet are then under Lessees for a proportion of the property.

1.2 Details of the Head Lease are as follows:

1.2.1 Lease Commencement date	31 March 2010
1.2.2 Term	20 Years
1.2.3 Repairing Terms	Full Repairing and Insuring
1.2.4 Current rent payable	£422,000
1.2.5 Proposed Agreement	£498,000

1.3 The underlease rent is calculated by way of a ratio of 25% of the Head Lease rent.

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1.4 Details of the Underlease are as follows:

1.4.1 Lease Commencement Date	31 <sup>st</sup> March 2010
1.4.2 Term	20 Years less 3 days
1.4.3 Repairing Terms	Internal Repairing and Insuring
1.4.4 Current rent payable	£105,500
1.4.5 Proposed Agreement	£124,500

## **2. REASONS FOR DECISIONS**

2.1 The reason for this decision is to bring the outstanding rent review to a conclusion.

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

3.1 Do nothing: Would result in a substantial Council property not generating a market rent. Further, should the rent review not be implemented, this could possibly set a precedent which might go on to have a significant impact on rest of the estate and subsequent rent reviews elsewhere.

## **4. POST DECISION IMPLEMENTATION**

4.1 A rent review memorandum will be issued to the tenant enabling collection of the backdated rent as of 31 March 2015.

## **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 is in line with the lease terms, which sets out that the review is to be calculated on an open market rent basis.

5.3 Details of the Head Lease are as follows:

5.3.1 Lease Commencement date	31 March 2010
5.3.2 Term	20 Years
5.3.3 Repairing Terms	Full Repairing and Insuring
5.3.4 Current rent payable	£422,000
5.3.5 Proposed Agreement	£498,000

5.4 Details of the Underlease are as follows:

5.4.1 Lease Commencement Date	31 <sup>st</sup> March 2010
5.4.2 Term	20 Years less 3 days
5.4.3 Repairing Terms	Internal Repairing and Insuring
5.4.4 Current rent payable	£105,500
5.4.5 Proposed Agreement	£124,500

5.5 **Legal and Constitutional References**

5.5.1 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.

5.5.2 The rent review has been carried out in accordance with the terms Page 29 Schedule 4 of the headlease and the underlease.

5.6 **Risk Management**

5.6.1 If the rent review is not implemented, this could set a precedent and could have a significant impact on the future use of Council owned land.

5.6.2 Should we not agree to the proposal the matter would be referred to an Arbitrator and as such, we would be at risk to incurring costs following the award.

## **5.7 Equalities and Diversity**

5.7.1 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.

5.7.2 The signing of the rent review will not give rise to any issues under the Council's Equality Policy and does not compromise the Council in meeting its statutory equality duties.

## **5.8 Consultation and Engagement**

5.8.1 A series of meetings and full negotiations have been undertaken with the University of Middlesex Estates Team.

## **6. BACKGROUND PAPERS**

6.1 Copy of page 29 Schedule 4 of the Head Lease.

6.2 Copy of page 30 Schedule 3 of the Underlease.

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