	<p style="text-align: center;">ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</p> <p style="text-align: center;">In consultation with the Chairman of the assets Growth and regeneration Committee</p>
<p style="text-align: center;">Title</p>	<p>Frohweins Factory Ltd Units 14,15,16,20 &21 Claremont Way Industrial Estate, NW2 : Lease Renewal</p>
<p style="text-align: center;">Report of</p>	<p>Director of Resources</p>
<p style="text-align: center;">Wards</p>	<p>Golders Green</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Charles Kornbluth, charles.kornbluth@barnet.gov.uk T. 020 8359 2216</p>

Summary

Claremont Industrial Estate ('the Site') is owned freehold by the Council. The properties fall within the Brent Cross/Cricklewood Regeneration Area and the grant of a new short lease excluded from the Landlord and Tenant Act enables possession to be achieved on expiry in a timely manner for the works.

A plan of the property is included at Appendix 1.

Decisions

To grant a lease renewal of Units 14,15,16, 20 & 21 Claremont Way Industrial Estate, Claremont Way and adjoining yard space to Frohweins Factory Ltd. who are currently running the business of the premises shown on drawing edged red.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is needed to give a measure of security to Frohweins Factory Ltd who has been running the business from this estate since 2002 and to enable them to plan their relocation in a timely manner to provide vacant possession of the site for the Brent Cross South regeneration scheme. The terms have been agreed to renew in principal on the same terms however with a reduction in the passing rent to reflect the need of the tenant to plan their relocation while continuing in occupation to minimise the void period pending the works commencing on site. It is currently envisaged that the site will be required in December 2017; however this is dependent on confirmation of the CPO.

2. REASONS FOR DECISIONS

- 2.1 The reason for the decision is that the Council needs agree the lease renewal and the reduction in the passing rent to enable the occupier to plan their relocation while minimising the void prior to mitigate security costs.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 If the Council does not implement this renewal at a reduced rent the tenant may seek to claim an implied tenancy which has potential to trigger a claim for extinguishment under CPO legislation. If the lease is not renewed and vacant possession is secured at this stage it will increase security costs on a void unit and force the closure of an established family business.

4. POST DECISION IMPLEMENTATION

- 4.1 Once the decision has been approved the lease renewal can be completed by HB Public Law.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 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 taxpayer
- 5.1.2 The lease extension will support the corporate plan by mitigating loss of income pending the requirement of the site for the regeneration works and assist the tenant's long term business plan and aid their relocation to a new site.

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

5.2.1 The previous rent was £92,000 per annum and the proposed rent under the lease renewal is £69,000 per annum exclusive. The reduction equates to £23,000 per annum. This relates to one quarters rental and is agreed to assist the company in their relocation. The value of the waiver has been factored into the annual rent and fairly reflects the very short term and insecure lease. The reduction will be mitigated by savings in security costs and obviating any compensation under CPO legislation.

5.2.2 Legal fees: £2,050 between 1-4 hours and £202 per hour thereafter (Cost code 11359)

5.3 Legal and Constitutional Reference

5.3.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 (as amended) to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a council cannot dispose of land, other than for the grant of a term not exceeding seven years, for a consideration less than the best that can reasonably be obtained. The proposal is very unlikely to have any state aid implication.

5.3.2 The grant of the lease renewal is for a term of 2 years effective from 1 January 2016 with a rolling 3 month mutual break option to enable timely possession for the regeneration scheme.

5.3.3 The new lease will be outside the security of tenure provisions of the Landlord and Tenant Act 1954 and as a consequence the tenant, statutorily, will not be entitled to a another lease at the expiry of the new lease.

5.3.4 Council Constitution, The Management of Asset, Property and Land Rules, Appendix 1 Table A – sets out the authorisation delegated powers thresholds. For Lease out for Rent or Consideration value of £25,000 to £100,000, the decision is delegated to the Director or Deputy Chief Operating Officer in consultation with Chairman of appropriate Committee.

5.4 Risk Management

5.4.1 I have considered whether the issues involved give rise to significant levels of public concern or policy considerations and I am satisfied that there are no concerns.

5.5 Equalities and Diversity

5.5.1 The signing of the lease will not give rise to any issues under the Council's Equality Policy and do not compromise the Council in meeting its statutory equalities duties.

5.6 Consultation and Engagement

5.6.1 None

6 BACKGROUND PAPERS

6.1 None

7 DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8 OFFICER'S DECISION

I authorise the following action

8.1 To grant a lease renewal of Units 14, 15, 16, 20 & 21 Claremont Way Industrial Estate, Claremont Way and adjoining yard space to Frohweins Factory Ltd.

Signed



Name

Anisa Darr

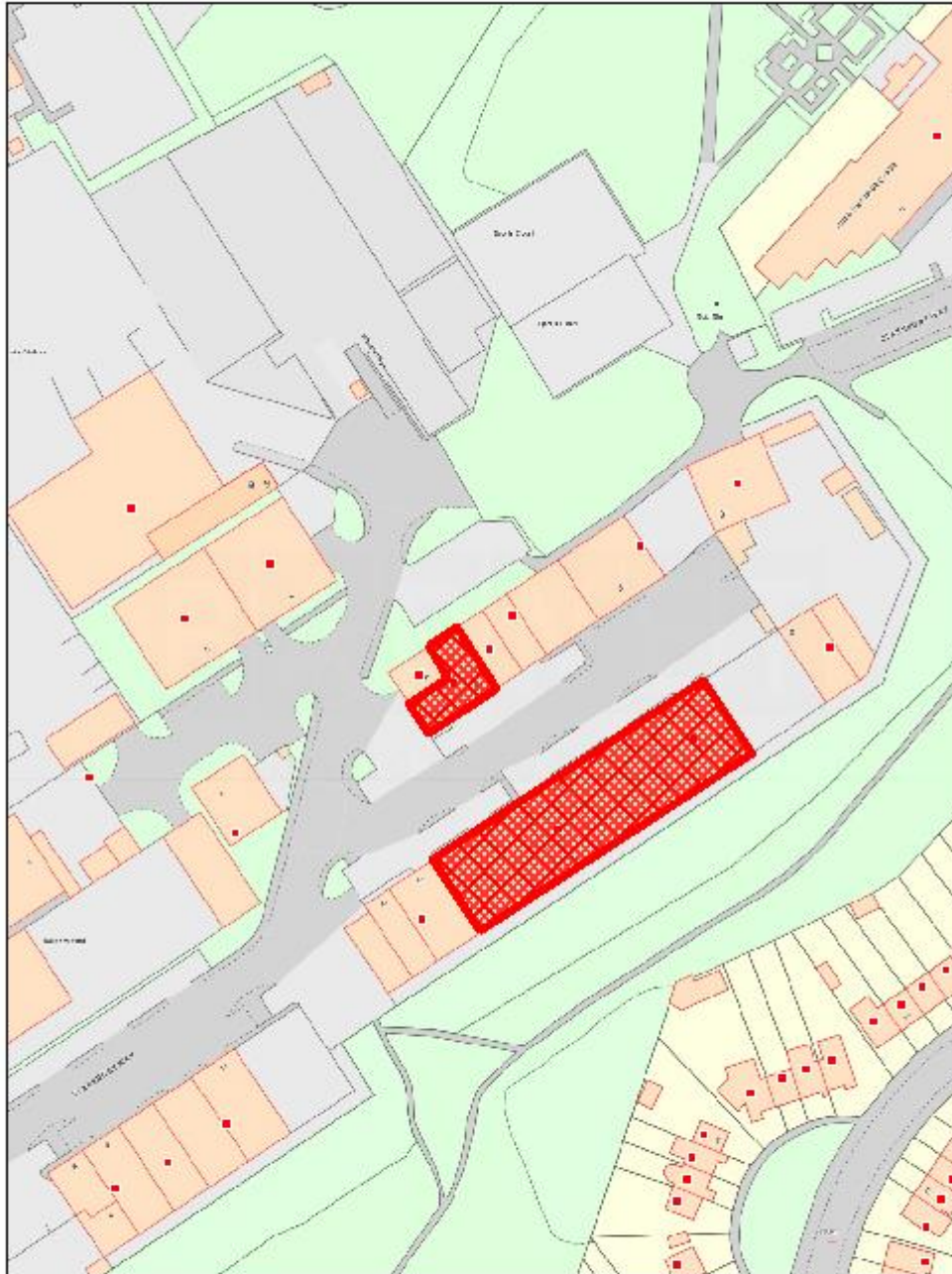
Designation

Resources Director

Date

22/02/2017

Appendix 1:



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Date: 22/03/2016

Scale: 1:1184

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REPORT CLEARANCE CHECKLIST

(Removed prior to publication and retained by Governance Service)

Report authors should engage with their Governance Champion early in the report writing process and record the date below. If the decision/report has been reviewed at an internal board please record the date and name of the meeting (e.g. SCB). Otherwise enter N/A. All reports must be cleared by the appropriate Director/AD, Legal, Finance and Governance as a minimum. **Legal, Finance and Governance require a minimum of 5 working days to provide report clearance. Clearance cannot be guaranteed for reports submitted outside of this time.**

AUTHOR TO COMPLETE TABLE BELOW:

Who	Clearance Date	Name
Director / AD / Lead Commissioner	22.02.2017	Anisa Darr
Regeneration Manager	21.02.2017 by email	Karen Mercer
Enabling Board / Delivery Board		
Commissioning and Policy		
Equalities & Diversity		
HR Business Partner		
Strategic Procurement		
HB Public Law	06.09.2016 by email	Senior Property Lawyer: Louise Middleton HP Public Law
Finance	01.04.2016 by email	Nicholas Ajaegbu – Finance Manager
Governance	31.03.2016 by email	Faith Mwende
Property Services Manager	20.01.2017 by email	Judith Ellis