

	<p style="text-align: center;"><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</b>                  In consultation with the Chairman of the Assets Growth and Regeneration Committee</p>
<p style="text-align: center;"><b>Title</b></p>	<p><b>McGovern Haulage Limited, Unit 4, McGovern’s Yard (Waste Transfer Station), NW2: New Lease</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Director of Resources</p>
<p style="text-align: center;"><b>Ward</b></p>	<p>Golders Green</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Charles Kornbluth, <a href="mailto:charles.kornbluth@barnet.gov.uk">charles.kornbluth@barnet.gov.uk</a>                  T. 020 8359 2216</p>

<b>Summary</b>
<p>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 term lease, excluded from the Landlord and Tenant Act 1954, enables possession to be achieved on expiry in a timely manner.</p> <p>A plan of the demise is included in Appendix 1.</p>

<b>Decisions</b>
<p><b>To grant a new lease of Unit 4, McGovern’s Yard (known as the Waste Transfer Station), NW2, to McGovern Haulage Limited, the demise being shown on the plan edged red at Appendix 1.</b></p>

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

- 1.1 The Management of Assets Land and Property rules dictate that a long form Delegated Powers Report is required for transactions with a value above £25,000.
- 1.2 The parcel of land known as the “Waste Transfer Station” or “Unit 4, McGovern’s Yard” was purchased by the Council from McGovern Brothers (Haulage) Ltd (MGBH) as part of a settlement in 2016 and was subject to a tenancy held by McGovern (Haulage) Ltd (MGH) for a term of years from and including 22 January 2010 to 31 December 2021. Termination of the MGH lease of the Waste Transfer Station was by mutual consent of MGH and MGBH and a new contracted out tenancy was granted to MGH by the Council for a term of years from and including 5 January 2016 to 30 June 2017.
- 1.3 It is proposed that MGH would continue to operate their business from the site until the land is required for development, at which point they would vacate the site at no further cost to LBB. A new lease is to be granted on similar terms as the previous lease, expiring on 29 June 2018 and with a rolling 3 month mutual break option to enable timely possession for the regeneration scheme.

## **2. REASONS FOR DECISIONS**

- 2.1 To ensure that the properties continue to be occupied under a formal legal agreement until possession is required for redevelopment.
- 2.2 To ensure that McGovern Haulage Limited’s leases all expire on the same date, for consistency, and the possession can be gained smoothly (MGH has a further three leases that expire on 30 June 2017 and they are all being renewed on similar terms).

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

None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Once the decision has been approved the new lease 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 new lease will support the corporate plan by mitigating loss of income pending the requirement of the site for the regeneration works.

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

5.3 A rental income of £118,725.00 pa exc.

5.4 The rent of £118,725 p.a. will not be increased due to the short term nature of the lease and with consideration to the settlement agreed upon in 2016 with McGovern Bros (Haulage) Ltd.

5.5 Legal Fees: Each party to bear their own costs.

## 5.6 **Legal and Constitutional Reference**

5.6.1 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. The proposed rent represents best consideration.

5.6.2 The grant of the lease, excluded from the provisions of The Landlord and Tenant Act 1954, is for a term effective from the date of completion until 29 June 2018 with a rolling 3 month mutual break option to enable timely possession for the regeneration scheme.

5.6.3 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. The Chairman of Assets Regeneration and Growth Committee has been consulted.

## 5.7 **Risk Management**

5.7.1 This decision allows to mitigate against the risk of squatters and loss of income.

## 5.8 **Equalities and Diversity**

5.8.1 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.

**5.9 Consultation and Engagement**

5.9.1 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 of Unit 4, McGovern's Yard (Waste Transfer Station), NW2, to McGovern Haulage Ltd.

**Signed**



**Name**

**Anisa Darr**

**Designation**

**Director of Resources**

**Date**

**07<sup>th</sup> August 2017**

# Appendix 1 - PLAN



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Initiated by K,M, Drawn by K,E,B, Checked by K,M, Date 10/08/15	<b>SCHEME:</b> <b>WASTE TRANSFER STATION          CLAREMONT WAY, NW2</b>	Steve Dunevsh, Director of Estates.	 <b>DRAWING No.</b> 24608
	<b>TITLE:</b> <b>LEASE PLAN</b>	London Borough of Barnet, Barnet House, 1255 High Road, Whetstone, London, N20 0EJ Tel. 020 8359 2000	