

DELEGATED POWERS REPORT NO.

1961

SUBJECT: Ravensfield House, The Burroughs, Hendon NW4

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

All reports		
1. Governance Service receive draft report	Name of GSO Date	DPR 15.3.13
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Andrew Charlwood 18.03.13
3. Finance clearance obtained (<i>report author to complete</i>)	Name of Fin. officer Date	Catherine Peters 26.3.13
4. Staff and other resources issues clearance obtained (<i>report author to complete</i>)	Name of Res. officer Date	Judith Ellis 15.03.13
5. Strategic Procurement clearance obtained (<i>report author to complete</i>)	Name of SPO Date	Kevin Bates 26.3.13
6. Legal clearance obtained from (<i>report author to complete</i>)	Name of Legal officer Date	Steven Strange 18.3.13
7. Policy & Partnerships clearance obtained (<i>report author to complete</i>)	Name of P&P officer Date	Andrew Nathan 15.3.13
8. Equalities & Diversity clearance obtained (<i>report author to complete</i>)	Name of officer Date	Andrew Nathan 15.3.13
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Lesley Meeks 27.3.13
10. Signed & dated report, scanned or hard copy received by Governance Service for publishing	Name of GSO Date	Andrew Charlwood 2.4.13
11. Report published by Governance Service to website	Name of GSO Date	Andrew Charlwood 3.4.13
12. Head of Service informed report is published	Name of GSO Date	Andrew Charlwood 3.4.13
Key decisions only:		
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 THE CABINET MEMBER (EXECUTIVE FUNCTION)

Subject	Surrender of Current Lease, and Grant of a New 20 Year Lease of Ravensfield House, The Burroughs, Hendon to Middlesex University Higher Education Corporation
Cabinet Member	Leader of the Council
Date of Decision	28 March 2013

Summary	The report seeks approval to the surrender by Middlesex University Higher Education Authority of their current lease dated 22 nd May 2008, and the grant of a new 20 year lease, in respect of Ravensfield House, Hendon.
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Officer Contributors	Judith Ellis - Head of Estates
Status (public or exempt)	Public
Wards affected	Hendon
Enclosures	1. Appendix 1 - Plan No.23727/2 2. Heads of Terms
Reason for exemption from call-in (if appropriate)	N/A
Key decision	No

Contact for further information: Judith Ellis – Head of Estates (judith.ellis@barnet.gov.uk)

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1. RELEVANT PREVIOUS DECISIONS

- 1.1 Cabinet Resources Committee, 6 December 2006 (Decision Item 6) - resolved that the Council enter into leases with Middlesex University Higher Education Corporation including at Ravensfield House.
- 1.2 Delegated Powers Report 378 dated 8 October 2007 which detailed the decision of the Leader of the Council and Cabinet Member for Resources to authorise variations in lease terms negotiated with Middlesex University Higher Education Corporation.

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 By helping provide higher education facilities, the proposal supports the Community Strategy "One Barnet, A Sustainable Community Strategy for Barnet 2010 – 2020".
- 2.2 The proposal supports the priorities of the Corporate Plan 2012-13. One of these priorities is "A Successful London Suburb" under which the Council will "provide excellent educational opportunities". Leasing a building to the University will help provide education and training facilities to the Borough's residents.

3. RISK MANAGEMENT ISSUES

- 3.1 A new 20 year lease provides security of income to the Council over the 20 year term, and gives Middlesex University Higher Education Corporation ('the University'), one of the Council's key stakeholders and partners, security of tenure. If the transaction does not proceed, then the current lease will expire on 31st January 2014 (although there is an option to renew for a further 2 years under that lease), and a fresh set of negotiations will be required to secure the Council's income and asset and protect the University's security of tenure.
- 3.2 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.

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 at the Town Hall complex will increase 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 a date to be agreed at an initial rent of £79,800 per annum, subject to review. The rents on the new lease will be reviewed at five year intervals.

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. It is the view of the Valuation Manager that the proposed surrender by the University of their current lease of Ravensfield House, and the grant to them of a new 20 year lease of this property will achieve this.
- 6.2 The surrender and 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 3 (Responsibility for Executive Functions), paragraph 3.2 details the responsibilities of Cabinet Members and provides that the Leader may discharge any function of the Executive.

8. BACKGROUND INFORMATION

- 8.1 A seven year lease of Ravensfield House was granted on 22nd May 2008 to Middlesex University Higher Education Authority, at the initial and current rent of £70,000 per annum (without review). The lease commenced on 1st February 2007. Following negotiation, it is proposed

that the University surrenders that lease and that a new lease be granted to them, to run for 20 years from a date to be agreed, at an initial rent of £79,800 per annum, subject to review. The new lease will therefore run until 2033, and includes 5 yearly rent reviews.

- 8.2 The other terms of the proposed new lease are set out in the accompanying Heads of Terms and will remain substantially as before.
- 8.3 The surrender and renewal was requested by the University in order to provide a sufficient term of years to allow them to carry out refurbishment of the building. This will enhance the value of the council's asset, and allow the University to fully utilise the property for education purposes.

9. LIST OF BACKGROUND PAPERS

- 9.1 None

10. DECISION OF THE LEADER OF THE COUNCIL

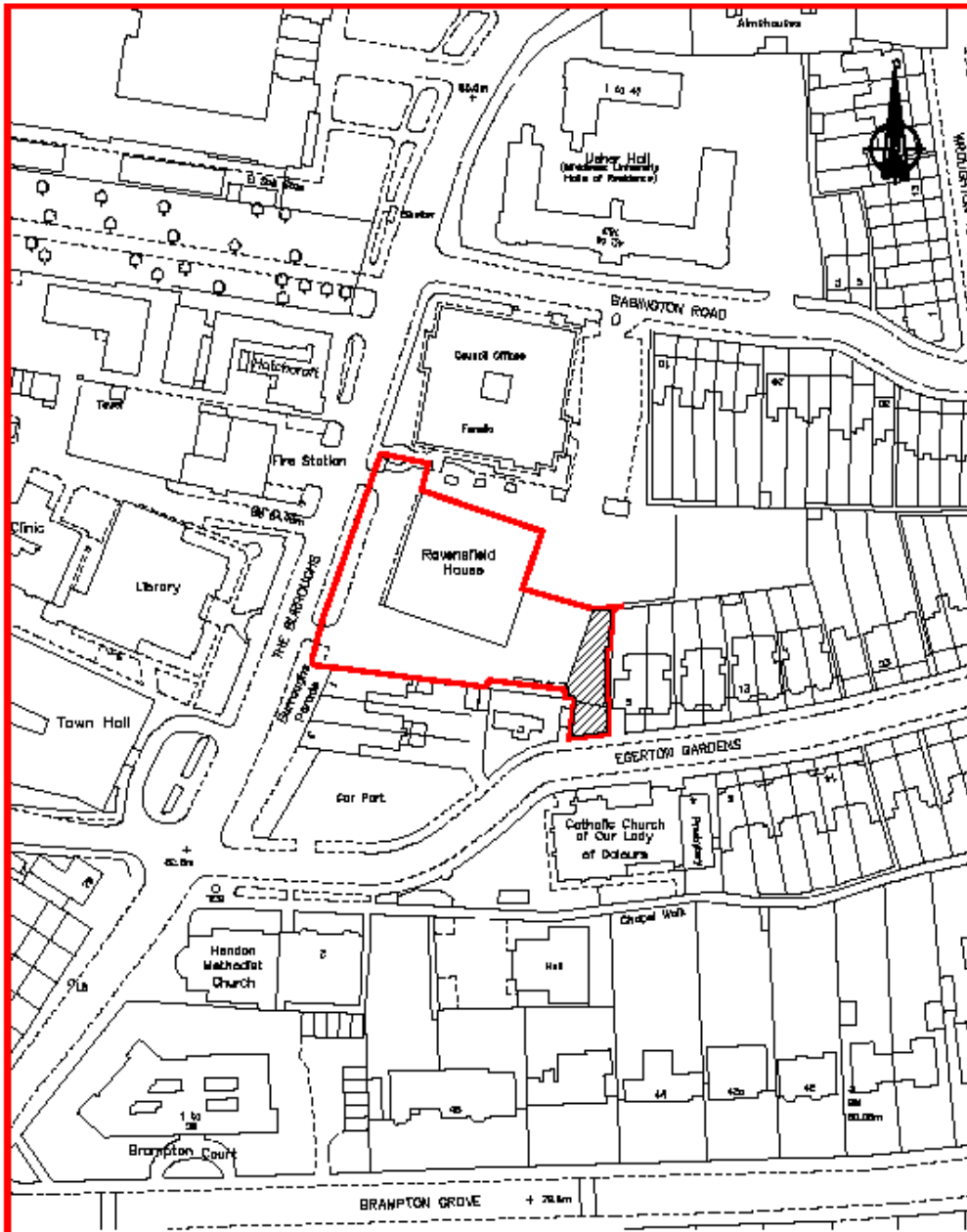
I authorise the following action:

- 10.1 To accept a surrender from Middlesex University Higher Education Authority of the lease of Ravensfield House dated 22nd May 2008.**
- 10.2 To grant a new 20 year lease of Ravensfield House to Middlesex University Higher Education Authority, on the terms set out in the accompanying Heads of Terms, from a date to be agreed.**

Signed **Councillor Richard Cornelius**
 Leader of the Council

Date **28 March 2013**

Appendix 1 – Plan No. 23727/2



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Prepared by G.C. Drawn by KERNAP Checked by P.C. Date 27/07/07	SCHEME RAVENSFIELD HOUSE, THE BURROUGHS, HENDON, NW4.	Nick Walkley, Executive Director of Resources.	
	TITLE: PROPOSED LEASE	London Borough of Barnet, North London Business Park, Datchin Road South, New Southgate, London, N11 1NP. Tel. 020 8368 2300	DRAWING No. 23727/2
	Copies 1:250		

HEADS OF TERMS

1. **LANDLORD:** The Mayor and Burgesses of the London Borough of Barnet.
2. **TENANT:** Middlesex University Higher Education Authority.
3. **PREMISES:** Ravensfield House, The Burroughs, Hendon, London NW4.
4. **TERM:** 20 Years from a date to be agreed
5. **RENT:** Initial rent to be £79,800 per annum exclusive, subject to review.
6. **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 10th year to an open market rent.
7. **INSURANCE:** The Landlord to insure the building. The tenant to pay to the Landlord on demand a fair proportion of the costs incurred by the Landlord in effecting insurance in respect of the building.
8. **REPAIRS:** The Tenant is to keep the Premises in a good and substantial state of repair.
9. **ALIENATION:** The Tenant will be permitted to assign and underlet the Premises with the Landlord's prior written approval (such approval not to be unreasonably withheld or delayed) and may also share occupation (without the need for formal consent) with persons, bodies and organisations connected to Middlesex University.
10. **ACCESS:** To allow the Landlord access to the Premises whenever the Landlord asks in order to do anything in connection with the Landlord's ownership of the premises subject to the Landlord giving reasonable notice.
11. **ALTERATIONS:** The Tenant may carry out non-structural alterations subject to the Landlord's prior written approval.
12. **STATUTORY OF TENURE-** The lease will be contracted out of sections 24 – 28 of the Landlord and Tenant Act 1954.
13. **STATUTORY REQUIREMENTS:** The tenant will comply with all Statutory Requirements.
14. **RIGHT OF PRE-EMPTION:** During the Term and before the Expiration Date the Landlord

grants to the Lessee a right of pre-emption as per the relevant clauses in lease dated 25th May 2008.