



ADVANCED PUBLICATION OF REPORTS

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members and operational key decision makers.

Once signed all decisions will be published on the Council's Publication of Decisions List.

- 1. LEASES IN FAVOUR OF NSL LTD (Pages 1 - 12)**

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MUNICIPAL YEAR 2019/2020 REPORT NO.**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY****PORTFOLIO DECISION OF:**

Leader of the Council

REPORT OF:

Programme Director
Meridian Water (in
consultation with the
Director of Property and
Economy)

Agenda – Part: 1**Item: KD 5030****Subject: Leases in favour of NSL Ltd****Wards: Upper Edmonton**

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1. EXECUTIVE SUMMARY

- 1.1 The report relates to Sites 2-3, 3a, 5, 6, 7 and Site 8a Orbital Business Park, Argon Road, which is located in the Council's Meridian Water Regeneration Scheme.
- 1.2 The Council's Property Agents, Glenny, have confirmed the rental value for the above sites. ***Further details are provided in the Part 2 report.***

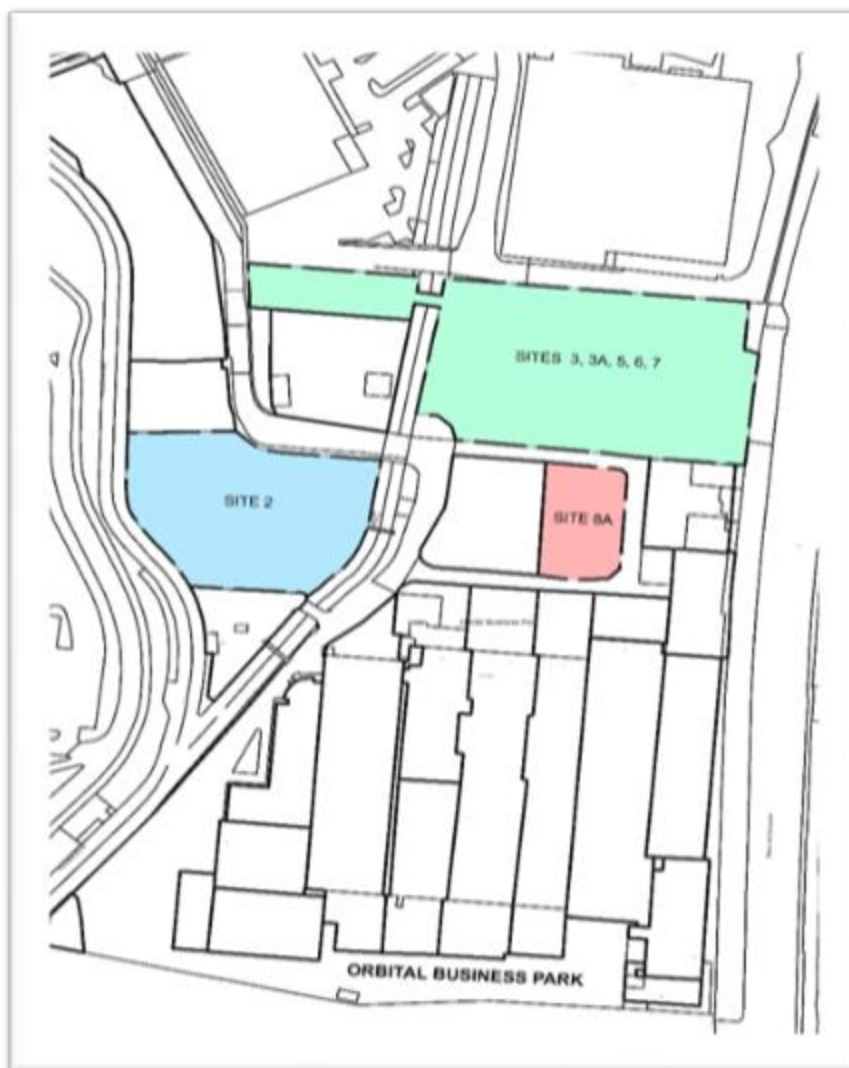
2. RECOMMENDATIONS

It is recommended that the Leader of the Council:

- 2.1 Delegates approval for the letting of these sites in favour of NSL Ltd to the Programme Director of Meridian Water (in consultation with the Director of Property and Economy and Director of Law and Governance) based upon the terms negotiated by our land agent, Glenny.

3. BACKGROUND

- 3.1 Meridian Water is Enfield's largest regeneration scheme which will establish a neighbourhood delivering at least 10,000 homes, thousands of jobs, a new train station, work space opportunities, shops, eateries and leisure facilities.
- 3.2 NSL Ltd are currently in occupation of the sites, are well known to the Council (as landlord) and have been in occupation of these sites for in excess of six years.
- 3.2 The sites in question are industrial and storage land located at Orbital Business Park. The total size of these sites is 141,334 square foot.



- 3.3 The new leases will end on or before 15 January 2022.
- 3.4 The sites have not been marketed and therefore the leases are to be considered as “off-market disposals” for the purposes of the Council’s Property Procedure Rules. It is considered that such a disposal is in the best interests of the Council as it would secure a significant increase in rental income and would also allow for the Council to retain an existing tenant with a proven track record of rent payment. Glenny have also confirmed that the agreed rent represents market value in respect of these sites.

Further details are provided in the Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not letting the sites. This would result in the Council not receiving any income for this site and it would incur costs involved in securing the site.
- 4.2 Letting to a different tenant. Seeking an alternative tenant is not preferable as there is an existing tenant on these sites and this tenant wishes to continue their occupation. Seeking an alternative tenant would frustrate the Council receiving income for this site and incur further costs if a new tenant was to be sought, new terms needed to be negotiated and established. It could also ultimately result in receiving a lower rental income, if market interest remains low. NSL Ltd will pay market value rent, as confirmed by the valuation of the sites carried out by Glenny LLP.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The Meridian Water Team has been set a £1.1m meanwhile income target for 2019/2020. Awarding the leases for these sites in favour of NSL Ltd as an off-market disposal would prevent the sites from becoming vacant and therefore avoiding a prolonged period of lost income that would result from having to market the sites.

- 5.2 Awarding the leases for these sites in favour of NSL Ltd will enable the Council to secure a significant increase in rental income. The tenant will pay market value rent, as confirmed by the valuation of the sites carried out by Glenny LLP.

Further details provided in the Part 2 report.

- 5.3 The stipulated break clause would allow the Council to obtain vacant possession of these sites in time for the commencement of the Housing Infrastructure Fund Works.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

These have been provided in the Part 2 report.

6.2 Legal Implications

- 6.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to public law principles. The grant of leases is consistent with this power.

- 6.2.2 In granting the proposed leases, the Council must comply with its Constitution including its Property Procedure Rules which set out mandatory procedures regarding (amongst other matters) the disposal of property assets. It is noted that the proposed grant of leases will be an off-market disposal. Accordingly, this report contains justification for the disposals as being in the best interest of the Council and written advice, including confirmation as to open market values from the Council's property agent is appended to this report.

- 6.2.3 The anticipated rental value for the term of the proposed leases exceeds £250,000. The Council's Key Decision procedure must therefore be followed.

- 6.2.4 The leases and any ancillary documents arising from the matters described in this report must be approved in advance of commencement by Legal Services on behalf of the Director of Law and Governance.

6.3 Property Implications

These have been provided in the Part 2 report.

6.4 Procurement Implications

6.4.1 No procurement implications are required as the letting of these sites in favour of NSL Ltd are subject to the Property Procedure Rules and do not fall within the scope of the Contract Procedure Rules

7. KEY RISKS

These have been provided in the Part 2 report.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The new lease will have a positive impact on this objective. Securing significant rental income will contribute to the programme to establish a neighbourhood delivering at least 10, 000 homes and new transport infrastructure.

8.2 Sustain strong and healthy communities

The new lease will have a positive impact on this object. Securing significant rental income to contribute to the programme to establish a neighbourhood with best possible health outcomes within the Meridian Water Estate. This supports the Council's Health in All Policies (HIAP) approach.

8.3 Build our local economy to create a thriving place

The implementation of this project has a highly positive impact on this objective by facilitating the growth of skilled creative industries and boosting employment opportunities at Meridian Water and the borough.

9. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equality impact assessment is neither relevant nor proportionate for the approval of this report.

10. PERFORMANCE AND DATA IMPLICATIONS

This report has been seen by the Performance and Data team who have confirmed that they have no concerns with the contents of this report.

11. PUBLIC HEALTH IMPLICATIONS

There are no Public Health implications inherent to the Leader of the Council delegating authority to an officer

Background Papers

N/A

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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