

# MUNICIPAL YEAR 2016/2017 REPORT NO.135

## MEETING TITLE AND DATE:

**CABINET – 16<sup>th</sup> November 2016**

## REPORT OF:

Director of Finance, Resources and Customer Services.

Contact officer and telephone number:

Keith Crocombe Tel: 0208-379-3020

Justin Caslake Tel:0208-379-3130

Email: [Keith.crocombe@enfield.gov.uk](mailto:Keith.crocombe@enfield.gov.uk)

[Justin.caslake@enfield.gov.uk](mailto:Justin.caslake@enfield.gov.uk)

**Agenda - Part: 1**

**Item: 11**

## Subject:

Edmonton Green Lease Restructure

**Ward:** Edmonton Green

KD 4144

## Cabinet Members consulted:

Cllrs Sitkin and Lemonides

## 1. EXECUTIVE SUMMARY

- 1.1. An opportunity has arisen for the Council to restructure the existing lease at Edmonton Green Shopping Centre
- 1.2. The proposed heads of terms are set out in the part 2 report.

## 2. RECOMMENDATIONS

It is recommended that Cabinet approves:

- 2.1 The proposed terms of the restructured lease of Edmonton Green Shopping Centre as detailed in the Part 2 report.
- 2.2 That Cabinet delegates authority to the Director of Finance, Resources and Customer Services in conjunction with the Assistant Director of Strategic Property Services and the Assistant Director of Legal and Governance Services, to agree final terms and enter into appropriate legal agreements for the proposed lease restructure.

## 3. BACKGROUND

- 3.1. Edmonton Green Shopping Centre (EG) is a Council owned asset within the Corporate Investment Property Portfolio and is leased to St Modwen's (SM) by way of a 150 year head lease effective from March 1999.
- 3.2. In addition to the head lease, there are various deeds of variation and supplemental leases which have been completed during the past 10 years, principally in response to development proposals.
- 3.3. This has led to the creation of a complex ownership and management structure for the Centre and there is a shared view by both the Council and St Modwen's that this places constraints and limitations on both parties and is not the most

effective structure for the ownership and management of the centre moving forwards.

- 3.4. The Council's specialist consultant, GL Hearn (GLH), have recommended the proposed terms and have confirmed that these represent best value required by section 123 of the Local Government Act 1972.
- 3.5. The proposed acquisition falls within the criteria of a Key Decision and as such has been placed on the forward plan under Key Decision 4144
- 3.6. See part 2 for the proposed heads of terms.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. See part 2

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1. It will enable the Council to renegotiate the terms of the original lease, create better value for the Authority moving forwards and achieve a more effective structure to the legal relationship with St Modwen's.
- 5.2. See part 2

#### **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

##### **6.1. Financial Implications**

See Part 2

##### **6.2. Legal Implications**

**6.2.1.** The Council has powers under section 123 of the Local Government Act 1972 to dispose of land, which includes the grant of a new lease, subject to this being for the best value reasonably obtainable. In addition the general power of competence under section 1 of the Localism Act 2011 grants the Council the power to do anything that a private individual may generally do.

**6.2.2.** The new lease will be in a form approved by the Assistant Director (Legal and Governance).

##### **6.3. Property Implications**

See part 2

#### **7. KEY RISKS**

See part 2

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1. Fairness for All**

**8.1.1.** Any additional revenue generated will be pooled and help fund spending priorities within the general fund, which in turn will help protect those front line functions and services that are deemed essential.

### **8.2. Growth and Sustainability**

**8.2.1.** The annual rent will help fund priorities within the general fund.

**8.2.2.** It will provide an opportunity for new and local businesses to plan and build for the future.

### **8.3. Strong Communities**

**8.3.1.** The proposal will help the Council build stronger communities within the borough as the Council will remain the freeholder.

## **9. EQUALITIES IMPACT IMPLICATIONS**

**9.1.** An equality impact assessment/analysis is not deemed relevant or proportionate for the proposed lease.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

**10.1.** The lease will have clauses and conditions that will bond the performance of the tenant to the land and the Council will retain oversight as landlord.

## **11. HEALTH AND SAFETY IMPLICATIONS**

Not applicable.

## **12. PUBLIC HEALTH IMPLICATIONS**

**12.1.** There is a greater chance of the creation of job opportunities within the borough as the Centre could be renovated fully providing a clean and safe environment producing a more appealing centre. The additional income from the centre will assist in supporting front line services benefitting the health and wellbeing of the borough.

## **Background Papers**

None