

## MUNICIPAL YEAR 2018/2019 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:  
Executive Director Place

Agenda – Part: 1

KD Num: 4775

Subject:

Approval to Award a Lease for the Former Squash Courts on Bramley Road, N14

Wards: Cockfosters

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### 1. EXECUTIVE SUMMARY

- 1.1 A tender exercise using Property Procedure Rules (PPR's) has been undertaken to award a lease for the former squash courts on Bramley Road. N14.
- 1.2 This report requests the approval to award a 20-year lease to the highest bidder for use as a soft play.
- 1.3 Rent reviews will take place every 5 years for the term of the lease.
- 1.4 The tender evaluation and financial details are contained within Part 2 of this report.
- 1.5 – 1.7 see Part 2

### 2. RECOMMENDATIONS

- 2.1 To approve the award of a 20 year lease to Bidder A, named in Part 2.
  - 2.1.1 That the Lease and any associated legal documentation is in a form approved by the Director of Law and Governance.

### **3. BACKGROUND**

- 3.1 The building previously housed 2 squash courts and viewing gallery but has been out of use for approximately 15 years. This attracted trespassers and anti-social behaviour. The building has been vandalised inside and out and requires a large amount of works to bring it back into use.
- 3.2 The aim is to generate more income for the Council but to also find a new sustainable use which will not only reduce Council maintenance and repair responsibility but reduce the risk of vandalism and other anti-social behaviour.
- 3.3 The opportunity was tendered using a two-stage process: expressions of interest and then a formal bidding process, a lease for up to 20 years was offered under Property Procedure Rules (PPR's).
- 3.4 To ensure best value the tender was uploaded and advertised on the Council website and emailed out to all parties that have previously shown an interest in Parks Assets.
- 3.5 Bidders were advised that the building will need major internal and external works to accommodate their use and that the Council would consider a rent-free period to help accommodate this. All bidders were given the opportunity to view the building on specified viewing days.
- 3.6 Bidders were provided with an information letter, Site Particulars, Offer of Rent Form, Heads of Terms, electrical testing documents, Survey of Conditions and building layout drawings.
- 3.7 Eight bids were received and evaluated against the evaluation criteria designed to attract the highest rental income.
- 3.8 A business plan and credit checks were undertaken to ensure suitability for the lease.
- 3.9 Bidder (A) offered the highest rental income and met all the tender requirements – details shown in part 2 report.
- 3.10 Bidder (A) proposes to provide a soft play for children aged 0-10 years old serving the surrounding areas.
- 3.11 Bidder (A)'s vision is "to build an amusement centre (Soft Play) between the Boroughs of Enfield and Barnet which will provide a safe and fun environment for children from surrounding areas to attend. To create a business which will be rewarding to the local community by providing local jobs and opportunities whilst making major improvements to the Council's asset."

- 3.12 Bidder (A) will not need to apply for a change of use via the Planning department as the building already falls under category D2.

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

- 4.1 Not to award the lease will render the building vacant and subject to decline and vandalism.
- 4.2 Not to award the lease will result in loss of revenue and investment in the building.
- 4.3 Not to award the lease will create a burden on Parks revenue budget to maintain.

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

- 5.1 The recommended bidder met both the evaluation criteria and provided the highest rent offer for the building.
- 5.2 Will provide a facility for the local families to use.
- 5.3 Will return a derelict building back to full working order which will be a great asset to the park and surrounding area.

#### **6. COMMENTS FROM OTHER DEPARTMENTS**

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

Please refer to Part 2 Report

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

- 6.2.1 Pursuant to section 123 of the Local Government Act 1972 when granting a lease of more than 7 years a Local Authority needs to demonstrate that he has obtained the best consideration reasonably obtainable. The tendering exercise carried out by the Parks Department in respect of the proposed lease demonstrates that this has been achieved.
- 6.2.2 The tendering exercise has been carried out in accordance with the Council's Property Procedure Rules.
- 6.2.3 The formal granting of the lease shall be in a form approved by the Council's Director of Law and Governance.
- 6.2.4 In accordance with the Council's Property Procedure Rules, given the terms and the cumulative value of the lease, approval of the award of the

Lease will be required from the Council's Director of Finance, Resources and Customer.

- 6.2.5 The recommendations contained within this report are within the Council's powers and duties.

### **6.3 Property Implications**

6.3.1 The tender process has been carried out in accordance with the Property Procedure Rules and the selected tender represents best value for the Council in terms of the rent offered and in addition is proposing to invest in the property. It is expected that any investment will lead to an improvement in this Council owned asset.

6.3.2 The successful tenderer is proposing to invest in the property and carry out improvement works, and these need to be approved by the Council and "signed-off" when completed and in addition there will be a requirement to monitor to ensure that all works are undertaken to an acceptable level and if applicable meet building control standards.

6.3.3 A lease will be put in place between the Council and the tenant which will contain appropriate clauses in order to protect the Council's position. The landlord will maintain buildings insurance and the cost recharged to the tenant. In addition, a rent deposit will be held by the Council.

## **7. KEY RISKS**

7.1 Key risks include the tenant going bust, leaving the council liable for completing any works carried out.

## **8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION**

8.1 None

## **9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **9.1 Good homes in well-connected neighbourhoods**

To create a safe and enjoyable meeting point for adults and children, whilst providing all year-round leisure activity in the local neighbourhood.

## **9.2 Sustain strong and healthy communities**

Supporting front line services such as public health, adult social care, and children's services enabling them to deliver services that sustain strong and healthy communities

## **9.3 Build our local economy to create a thriving place**

The lessee supports and promotes the use of local employees and job seekers along with the attendance of adults and children from both inside and out of the local wards to develop the local economy.

## **10. EQUALITY IMPACT IMPLICATIONS**

- 10.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to select and approval the award of a Lease for the Squash Courts.

## **11 PERFORMANCE AND DATA IMPLICATIONS**

- 11.1 The new lease will significantly improve the Council's asset.
- 11.2 The rent will be reviewed at year five, ten and fifteen for the term of the lease on an upwards only basis to market rent.

## **12 HEALTH & SAFETY IMPLICATIONS**

- 12.1 It is important that the repairs and maintenance will govern the extent to which parties are liable for repairs and maintenance, it needs to be clear in the contract that the tenant would be responsible for any repairs that arise during the term.

## **13 HR IMPLICATIONS**

- 13.1 This report outlines an external contract tender process with no plans to onboard the employees of the successful bidder. Currently this is not a TUPE situation.
- 13.2 There are no posts being created or deleted as part of this restructure.
- 13.3 There are no employees at risk as a result of this tender process.

## **14. PUBLIC HEALTH IMPLICATIONS**

- 14.1 The creation of a soft play area will help to increase levels of physical activity and will provide a space where residents can come together. However, the impact of this will depend upon future take-up.

### **Background Papers**

None