

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:

Cllr Maguire Cabinet Member for Finance and Procurement

REPORT OF:

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

Agenda – Part: 1

KD Number: N/A

Subject: Off-Market Letting Disposals at Orbital Business Park

Wards: Upper Edmonton

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1. EXECUTIVE SUMMARY

- 1.1 The report relates to G2, G3, G4, G5, G6 and Site 4 at Orbital Business Park, which would be let to four different tenants.
- 1.2 The Council's property agent, Glenny have confirmed the rental offers received for the above properties are of market value. **Further details are provided in the Part 2 report.**

2. RECOMMENDATIONS

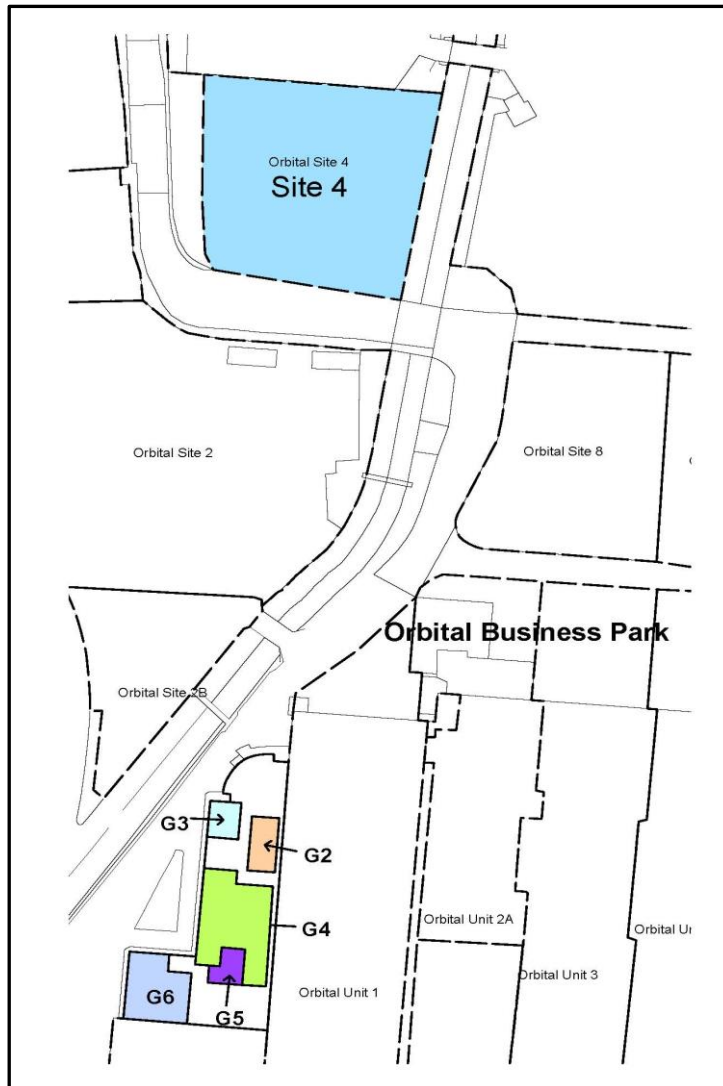
It is recommended that the Cabinet Member for Finance and Procurement:

- 2.1 Delegates approval for the letting of these properties in favour of the various tenants 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 the Council's property 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 Ryans Move International Ltd are currently in occupation of offices G2 & G3 at Orbital Business Park. Ryans Move International run a removal business that operates across London and the surrounding areas, as well as offering international moving services. These offices total 1,050 square feet.
- 3.3 Tradingpolis Ltd trading as Titan Fighter Gym are currently in occupation of offices G4 & G5 Orbital Business Park. Titan Fighter Gym provide training classes for various martial arts and fighting disciplines. It also works closely with a Cognitive Behaviour Therapist to support vulnerable young adults who wish to change their lives through sport and fitness regimes. These offices total 2,879 square feet.
- 3.4 DCI & E Food Ltd are currently in occupation of office G6 at Orbital Business Park. DCI & E Food Ltd operate a oriental food supply business with customers across Europe and the far east. This office is 2,020 square feet. DCI & E Food Ltd also occupy another property at Orbital Business Park (Unit 8).
- 3.5 The above mentioned tenants are well known to the Council (as landlord) and have been in occupation at the aforementioned properties for a number of years.
- 3.6 W H Construction are a new tenant that has been recommended by the Council's Property Agent, Glenny, for Site 4 at Orbital Business Park. They provide a range of highway maintenance, civil engineering, surfacing and construction services across London and the surrounding areas.

All the aforementioned properties are for industrial and storage use.



Further details are provided in the Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not letting these sites. This would result in the Council not receiving any income for this site and it would incur costs related to void services charges and rates for these properties, which could be substantial.
- 4.2 Letting to different tenants. Seeking alternative tenants is not preferable as there are existing tenants on the G2, G3, G4, G5 and G6 offices and these tenants wish to continue their occupation. W H Construction have also been recommended by Glenny for the occupation of Site 4. Seeking alternative tenants would frustrate the Council receiving income for this site and incur further costs if new tenants were to be sought, new terms would also need to be negotiated and established. It could also ultimately result in receiving a lower rental income, if market interest remains low. The respective tenants will pay market value rent, as confirmed by the valuation of these properties 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 these leases for these properties in favour of the respective tenants as off-market disposals would prevent the sites from becoming vacant and therefore avoid prolonged periods of lost income that would result from having to market these properties.
- 5.2 Awarding these leases in favour of the various tenants will enable the Council to secure an increase in rental income, across these properties. The tenants 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 clauses would allow the Council to obtain vacant possession of these sites in time for the commencement of the Housing Infrastructure Fund Works in 2022.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

These are provided in the Part 2 report.

6.2 Legal Implications

These are provided in the Part 2 report.

6.3 Property Implications

These are provided in the Part 2 report.

7. KEY RISKS

These are 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 leases 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 leases 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

The Performance and Data Team have confirmed that they do not have any concerns with the content of this report.

11. PUBLIC HEALTH IMPLICATIONS

There are no Public Health Implications to this proposal.

Background Papers

N/A