

REPORT FOR: **CABINET**

Date of Meeting:	7 April 2011
Subject:	Extension of the Lease of Garden House, St John's Road, Harrow.
Key Decision:	Yes
Responsible Officer:	Andrew Trehern, Corporate Director Place Shaping
Portfolio Holder:	Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Projects
Exempt:	No , except for the Appendix which is exempt by virtue of paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
Decision subject to Call-in:	Yes
Enclosures:	Appendix – Part II (Exempt)

Section 1 – Summary and Recommendations

This report sets out the terms agreed for the proposed extension of the lease of Garden House where Gayton Library is located.

Recommendations:

Cabinet is recommended to:

1. approve the extension of the Garden House lease on the following principal Heads of Terms set out in paragraph 3. of the report; and authorise the Corporate Director Place Shaping to agree such additional terms as are required to conclude the lease acting in consultation with the Portfolio Holder for Property and Major Projects.

Reason: (For recommendation)

To allow Gayton Library to remain at Garden House and to deliver substantial revenue savings over the term of the proposed lease.

Section 2 – Report

Introductory paragraph

1. Gayton Library is located in Garden House, 5 St John's Road, Harrow which the Council holds leasehold. The lease is due to expire in September 2012. This report sets out proposals for the surrender and renewal of the lease of Garden House.

Background

2. The Council hold Garden House under a 5 year full repairing and insuring lease from 29 September 2007. The financial aspects of this lease are set out in the Part II agenda under Extension of the Lease of Garden House, St John's Road, Harrow - Appendix 1.
3. The lease was entered into when Gayton Library in Gayton Road, Harrow was closed and the library moved into Garden House. The lease expires in September 2012 and the Council has the right to renew the lease under the Landlord and Tenant Act 1954.
4. The Council has negotiated a surrender and renewal of the lease on the principal Heads of Terms which are set out in the Part II agenda under Extension of the Lease of Garden House, St John's Road, Harrow - Appendix 1. These terms reflect current market conditions and include a rent free period.

Options considered

5. The Council has three options in respect of this property.
6. **Option 1** – The Council could remain in the property until the end of the term in September 2012 and continue to pay the current rent. At the end of the lease term the Council could vacate the property either moving or closing the library. The Council would be liable for the full dilapidation costs.
7. **Option 2** – The Council could continue to occupy the building at the current rental and at the end of the lease in September 2012 the Council could negotiate a renewal as its security of tenure rights are protected. At this point in time it is not possible to predict market conditions but it could be that the Council would not be offered a rent free period.
8. **Option 3** – The Council could enter into an extension of the lease. This is in effect an extension of the lease of eight and a half years but would deliver revenue savings. Details of this are set out in the Part II agenda under Extension of the Lease of Garden House, St John's Road, Harrow - Appendix 1.

Financial Implications

9. The Council will continue to be responsible for the rent, rates, insurance premium and any repairs during the course of the lease.
10. The financial implications of the revised lease are set out in the Part II agenda under Extension of the Lease of Garden House, St John's Road, Harrow - Appendix 1
11. As part of the Council priorities to improve our town centre, should a new town centre location be found for the library, then The Council will need to reassess its corporate properties and any financial impact at that time.

Legal Implications

12. The Council has the power to acquire property by agreement, including leasehold interests, pursuant to s120 of the Local Government Act 1972.

Performance Issues

13. Council at its meeting in March adopted new Council Priorities. Of relevance to this report are:
 - Supporting our Town Centre, our Local Shopping Centres and Businesses.

By extending the lease of Garden House the Council will be able to retain a library in Harrow town Centre which as well as retaining a valuable local service will support Harrow's main shopping centre making it a more attractive place to visit.

14. Gayton Library which is based at Garden House is Harrow's Central Library and as such is the busiest library in the borough. In 2019/10 the library loaned a total of 309,720 items. There are currently 21.9 FTE staff based there although this will reduce after the borough wide-introduction of self-service technology which is scheduled to be implemented at Gayton Library in May 2011.
15. The cost per issue in 2009/10 was £3.44 compared to the borough average of £1.97. The proposed saving on the lease costs will positively impact on this cost, as will the planned staffing reductions.

Environmental Impact

16. There are no specific environmental impacts in the extension and renewal of this lease. The management of Garden House will be in accordance with the Council's energy management guidelines.

Risk Management Implications

17. Risk included on Directorate risk register? ~~Yes~~/No
18. Separate risk register in place? ~~Yes~~/No
19. The key risk is that the Council will continue to hold a liability associated with being the lessee of Garden House. However the property is flexible and should the Council no longer have a requirement to use the property as a library then it could revert back to its previous use of offices.

Equalities implications

20. No Equalities Impact Assessment has been undertaken as approval of this report's recommendations results in a continuation of the library service at Garden House and as such there is no alteration to the service.

Corporate Priorities

21. The renewal of this lease to allow a library in Harrow to remain for a further 10 years will contribute to the Council's priority of supporting the Borough's town centres.

Section 3 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 16 March 2011		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 7 March 2011		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Partnership, Development and Performance
Date: 16 March 2011		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 4 February 201		

Section 6 - Contact Details and Background Papers

Contact: Belinda Prichard SP Estate Management, Corporate Estate Ext 5330. Ext 0208 420 9330

Background Papers: None

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-In applies]</i>
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