

Report of Head of Strategy and Investment

Report to Chief Officer Property and Contracts

Date: 09/07/2014

Subject: Request to approve a short term commercial lease to GIPSIL for the provision of office accommodation.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Gipton and Harehills	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4.3	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The purpose of the report is to seek approval to grant a short term commercial lease for 4 Leeds City Council owned miscellaneous properties (listed in the confidential appendix) to GIPSIL supported housing organisation, for use as office accommodation.
2. GIPSIL have occupied the premises since the 1990's without any formal agreement in place. Although they intend to vacate the premises over the next two years, a formal agreement for their current use needs to be in place with immediate effect.

Recommendations

3. It is recommended that the Chief Officer of Property and Contracts:

Gives approval to grant a short term commercial lease to GIPSIL for the use of four one bedroom flats (listed in the confidential appendix) as office accommodation, on terms to be agreed by the Director of City Development.

Purpose of this report

- 1.1 To inform the Chief Officer of Property and Contracts of the background and main issues of this proposal.

2 Background information

The properties listed in the confidential appendix are vested with Environment and Housing and were originally part of the East North East Home Leeds (ENEHL) management portfolio. The properties have been used by GIPSIL since 1993 without any formal agreement in place.

- 2.2 The flats are used by GIPSIL as office accommodation and although GIPSIL have advised they plan to vacate the premises within the next two years and relocate to alternative accommodation, a formal agreement needs to be established for their current use with immediate effect.

3 Main issues

- 3.3 GIPSIL currently occupy the four properties listed in the confidential appendix and use the premises as office accommodation. They have occupied the four properties in this manner since 1993 without any formal agreement in place.

- 3.4 GIPSIL have recently advised they plan to vacate these premises within the next two years as they are relocating to alternative office accommodation.

- 3.5 A formal agreement for GIPSIL's use of the flats needs to be established with immediate effect. Following internal consultation it has been decided the best course of action will be to establish a short term commercial lease and a review can be undertaken once GIPSIL have vacated the premises.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Local Ward Members and Area Management have been consulted on the proposal and no adverse comments were received.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.2 An equality, diversity cohesion and integration screening exercise has been carried out. This has affirmed that equality, diversity, cohesion and integration considerations have been effectively considered in relation to this proposal and that a full impact assessment was not required.

4.3 Council policies and City Priorities

- 4.3.3 There are no adverse implications for Council policy or governance; however, it is necessary to ensure that best value is obtained via the negotiations.

4.4 Resources and value for money

- 4.4.4 The proposal will have a positive financial effect on Council business by bringing in an annual income for the short term lease. Formalising the existing use of the building also ensures maintenance responsibilities are clear and standards are met.

4.5 Legal Implications, Access to Information and Call In

4.5.5 There are no adverse legal implications to the proposal. The terms of the commercial lease will be negotiated and approved by the Director of City Development in line with the Delegated Functions of the Council. The report is not eligible for call in.

4.6 Risk Management

4.6.6 There is a risk that GIPSIL will not accept the proposal as they currently occupy the building without any formal agreement in place and having done so for such a long period of time, they may have acquired rights of access. However through careful negotiation the terms and conditions of the lease will be controlled by City Development. Furthermore during recent discussions GIPSIL have indicated they are willing to accept the proposal outlined in this report.

5 Conclusions

5.7 Following internal consultation it has been decided the best course of action will be to establish a short term commercial lease. An option appraisal can be carried out to consider the best use of this stock once GIPSIL have vacated the premises.

5.8 The terms and conditions of the lease are to be negotiated and approved by the Director of City Development.

6 Recommendations

6.1 The Chief Officer of Property and Contracts is requested to:

Give approval to grant a short term commercial lease to GIPSIL for the use of four one bedroom flats as office accommodation (listed in the confidential appendix), on terms to be agreed by the Director of City Development.

7 Background documents¹

7.2 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.