	<p><b>Executive</b> <b>15 February 2011</b></p> <p><b>Report from the Director of Regeneration and Major Projects</b></p>
<p>Ward Affected: Kilburn</p>	
<p><b>11-15 Brondesbury Road, London NW6 6BX</b> <b>Letting to Central and North West London NHS Foundation Trust</b></p>	

## **1.0 SUMMARY**

- 1.1 To agree the leasing of the offices known as 11-15 Brondesbury Road, NW6 6BX to the Central and North West London NHS Foundation Trust for a term of 12 years.

## **2.0 RECOMMENDATIONS**

- 2.1 That the Executive Committee agrees to the letting of these offices to this NHS Trust for a term of 12 years, for a total rent of £490,000 per annum. This rent is inclusive of service charges.

## **3.0 DETAIL**

- 3.1 The property to be let is known as 11-15 Brondesbury Road, London NW6 6BX. It is a detached office block comprising four floors with a basement car park. The ground floor consists of a reception area and meeting rooms. The upper floors comprise mostly open plan office accommodation with some partitioned office areas. The offices are fully serviced and managed by Brent Council and the tenant is re-charged for these services and the building's management through a service charge.
- 3.2 The property totals 1200 sq m of office space with approximately 20 basement car parking spaces. It was substantially refurbished and remodelled approximately 4 years ago at a cost of £800,000 to provide substantially improved office accommodation and drop in facilities for mental health clients. This building is situated in a good location for this particular service group and has excellent public transport links. It is also a reasonable modern facility for such a use.

- 3.3 The building is situated on the eastern end of Brondesbury Road, close to its junction with Kilburn High Road and is in close proximity to Kilburn High Road Mainline and Underground Stations.
- 3.4 The tenant, Central and North West London NHS Foundation Trust, (CNWL) currently occupies the building and pays rent and service charges accordingly, but they are not currently occupying under a formal lease.
- 3.5 CNWL is currently relocating its operations from 36 London Road, Wembley to 11-15 Brondesbury Road and Brent Council is also relocating a number of staff to Mahatma Gandhi House, Wembley Hill Road. A total of about 120 staff are being moved. Vacation of 36 London Road will produce substantial revenue savings for both services.
- 3.6 The current annual costs to the tenant are £490,000 which comprises £290,000 rent and £200,000 service charge. There will be rent reviews every 3 years where there is likely to be an increase in rent over the twelve year term.
- 3.7 Brent Council social care occupy 42% of the space and CNWL occupy 58% of the space. The areas are not clearly delineated and therefore it is not possible to split the areas
- 3.8 The tenant has agreed to the proposed terms subject to the following:
- 1) Break clause – This would be operated in the event of Brent Council terminating its funding commitment of the tenant's proportion of costs.
  - 2) Rent review – to be implemented only in the event that Brent Council agree to fund any increase in rent for the 58% of space occupied by its services resulting from an open market review. This is to ensure that CNWL are not exposed to funding the full cost of any increase.

Service charges- This is to be increased annually by the retail prices index. If Brent Council does not increase the amount available to fund the 58% of space it occupies CNWL will not be able to pay an increase on this amount

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 It is a formalisation of an existing occupation; however, it does provide the Council with greater security of an income stream

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The value of this property is in excess of the value of properties which can be leased under the delegated authority of the Head of Property

and Asset Management. As such the Executive needs to agree to this disposal before this can be undertaken.

- 5.2 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtain (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable

## **6.0 DIVERSITY IMPLICATIONS**

- 6.1 The building provides reasonable ground floor access for disabled users. It also has reasonable public transport links making it accessible to service users from a wide area.

## **7.0 STAFFING/ACCOMMODATION IMPLICATIONS**

- 7.1 CNWL are moving their staff and making better use of their accommodation by relocating from 36 London Road Wembley to 11-15 Brondesbury Road. This will enable the Council to surrender its lease for the London Road premises on 29<sup>th</sup> March 2011.

## **8.0 BACKGROUND PAPERS**

Correspondence files.

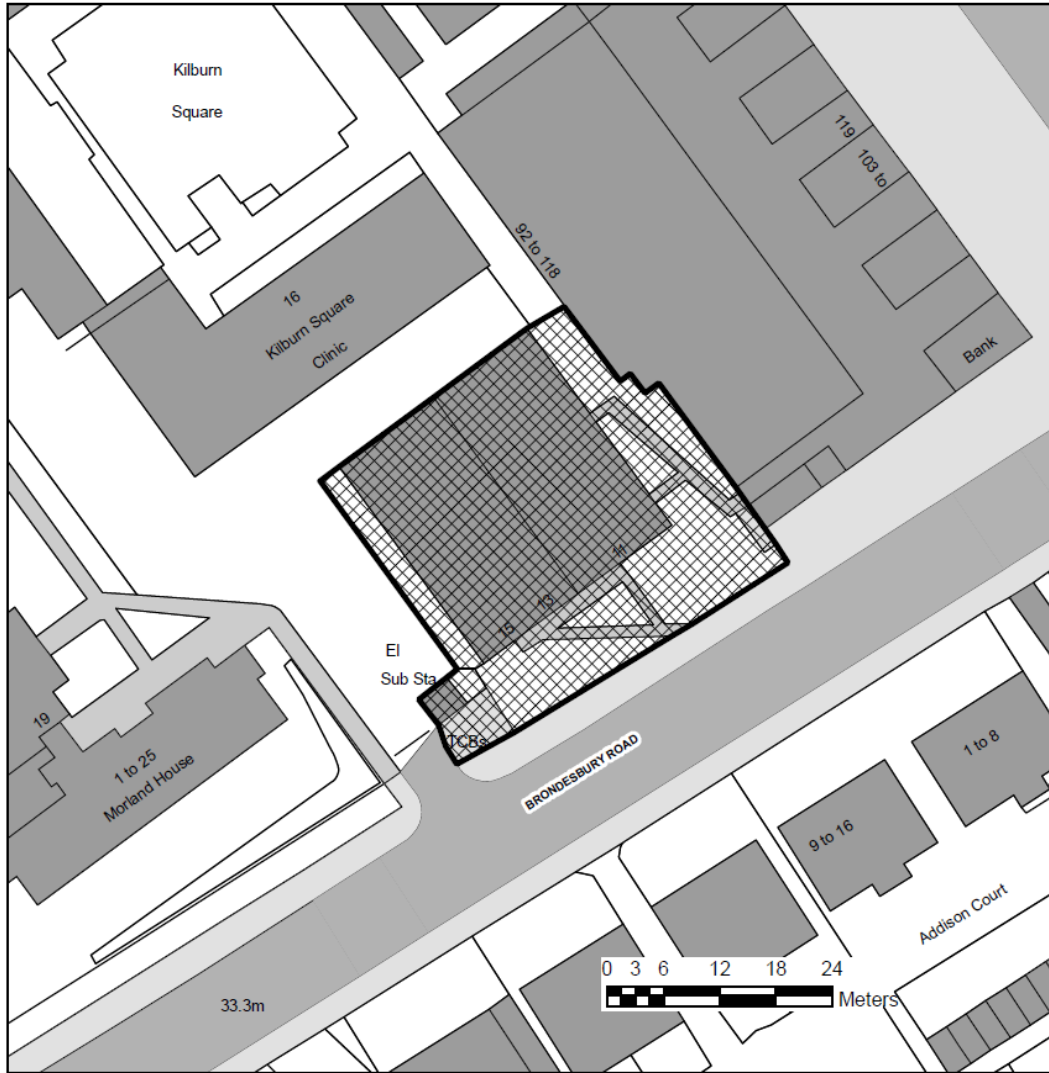
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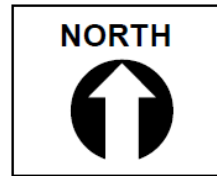
ANDREW DONALD  
Director of Regeneration and Major Projects

# EXECUTIVE COMMITTEE

9-15 Brondesbury Road, London, NW6 6BX



**Premises shown edged  
and cross hatched black.**  
Plan for information purposes only.



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