


Individual Commissioner Decision Decision Log No: 061	 TOWER HAMLETS
Report of: Corporate Director, Development & Renewal	Classification: Unrestricted
Osmani Centre Lease	

Is this a Key Decision?	No
Decision Notice Publication Date:	N/A
General Exception or Urgency Notice published?	Not required
Restrictions:	None

EXECUTIVE SUMMARY

This report seeks Commissioners' approval to the Council's proposal to conclude a lease of the site known as the Osmani Centre, 58 Underwood Road, London, E1 5AW to the Osmani Trust. The lease was considered by the Mayor in Cabinet on 26 July 2016.

Cabinet first considered a report in April 2010 and authorised officers to negotiate terms and conditions for a 25-year lease. The Cabinet resolution stipulated that the rent should be the market rent for community use but with a four-year rent-free period, followed by a reduced rent in the fifth year, in recognition of the intended tenant's contribution to the fit-out of the building.

The report to Cabinet on 26 July 2016 set out the proposed terms and conditions for that 25-year lease and sought Cabinet authority to enter into that lease. The proposals in the report were agreed. More detail is set out in the attached Cabinet report.

It should be noted that the Osmani Trust were awarded Mainstream Grant allocations as part of the 2015-18 programme. Those payments remain on hold pending conclusion of this lease. This report does not relate to their grant and if Commissioners' consent is required following conclusion of the lease, this will be the subject of a separate report from the council's Third Sector Team.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; **and other relevant matters are set out in the attached report.**

DECISION

The Commissioners are recommended to:

1. Provide their prior written agreement that the council may enter into a 25-year lease for the site known as the Osmani Centre, 58 Underwood Road, London, E1 5AW to the Osmani Trust;
2. Note that the lease will be for a 25-year term, commencing 1st August 2011;
3. Note that the lease will incorporate a four-year rent free period from commencement and the rent in the fifth year will be £46,000;
4. Note that the rent from 1st August 2016 will be the open market rental value for community use;
5. Note that the lease will incorporate a landlord's (and tenant's, if requested) option to break by giving to the tenant (or landlord) not less than 12 months' notice in writing;
6. Note that the lease will be excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 at the end of the 25-year term;
7. Note that in the event of failure to conclude the lease on the above terms by 31st August 2016, Cabinet authorised the Corporate Director, Development & Renewal, to seek to recover possession of the property on behalf of the Council.

APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Commissioners.

*
Signed MLL Date 16/8/16
* This authorisation is for Decision Log 061 - Osmani Centre
LMS

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed [Signature] Date 17/08/16

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only — delete as applicable)
~~I confirm that this decision:-
(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.~~

Signed [Signature] Date 22/08/16

4. Commissioner

I agree the decision proposed in paragraph above for the reasons set out in paragraph 1 in the attached Cabinet report.

Name MAX CALLER Signed [Signature]
Date 23/8/16

Name Signed

Date

Name Signed

Date

Name Signed

Date