

**Committee:** Environment

**Agenda Item**

**Date:** 18 November 2008

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**Title:** **GOLD ENTERPRISE ZONE, ELSENHAM**

**Information Only**

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## Summary

- 1 This report advises the Committee of the current situation regarding the industrial units at the Gold Enterprise Zone, Elsenham.

## Recommendations

- 2 That members note the current situation.

## Background Papers

- 4 Legal and operational files relating to the Gold Enterprise Zone.

## Impact

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Communication/Consultation	N/A
Community Safety	Site has CCTV coverage
Equalities	N/A
Finance	Reserves have been approved to cover revenue shortfall
Human Rights	N/A
Legal implications	Council is legally bound until November 2009
Ward-specific impacts	Elsenham
Workforce/Workplace	No new resources required

## Situation

- 6 The Council entered into a 25 year lease for the 18 units at the Gold Enterprise Zone in Elsenham in the 1980s for the purpose of providing starter units for small businesses. The lease expires in November 2009 when the site

reverts back to the owners. The Council at the time was anxious to help small local businesses and help find local people jobs.

- 7 Over the years it has proved difficult to let the units. However, there have been considerable improvements made to the external environment over the last few years and it is encouraging to see that occupancy levels have increased.
- 8 The Council is obliged to keep the property in good and substantial repair during the lease term. It must also hand the property back to the Landlord in that condition at the end of the lease. If the Council does not comply with these obligations the Landlord can carry out any necessary work and recover the cost from the Council.
- 9 Ongoing works are in hand to deal with any dilapidations prior to handing back the units. Some remedial works identified will be attended to and addressed via the service charge provisions for the units of the estate. This aspect is being managed by the Council's managing Agent Mullucks Wells. These works include such items as inspection and pruning of trees as required, clearing of gutters, applying new mastic to the cracks in the estate roads, painting the cladding with suitable cladding treatment, and repairing and redecorating all personnel doors. Estimates for these items are being sought and it is intended that these works will be completed before the end of the current service charge year in March 2009, in order to avoid disputes about payment prior to the end of the Council's lease in November 2009.
- 10 In addition tenants have been invited to consider their own dilapidation liabilities and voluntarily attend to matters.
- 11 Officers are continuing to work with the Managing Agent, Mullucks, to maximise lettings. The commercial market is generally quiet at present and although January usually brings an upturn in interest, this is not guaranteed in the current climate. However, there is currently only one vacant unit plus the unit that is occupied by Felsted Aid for Deprived Children (Unit 24).

## Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Tenants will vacate units	2	4	Council manages revenue shortfall by use of reserves (if necessary)
Tenants will be unwilling to carry	2	4	Serve tenants with more formal dilapidations actions and

out internal dilapidations that they are responsible for			schedule preparation
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