

NON KEY DECISION: REPORT TO CABINET MEMBER

DECISION TO BE TAKEN BY: Councillor Kelham Cooke
The Deputy Leader of the Council

REPORT AUTHOR: Neil Cucksey, Assistant Director for Property
Delivery

REPORT NO.PD 0059

DATE: 02 October 2017

SUBJECT OF NON KEY DECISION:	To enter into a 2 year lease of the second Floor, The Maltings, Wharf Road, Grantham, NG31 6BH

PRIORITYTHEME:	Business Transformation and Commissioning	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	None	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not applicable	Full impact assessment required? Not applicable
BACKGROUND PAPERS:	None	

(1) PURPOSE OF REPORT

- 1.1 As part of the Council's overall plans for the St Peter's Hill redevelopment Project in Grantham, the Council needs to secure suitable and well located office space to decant staff from parts of the existing office accommodation to allow for remodeling and refurbishment. The Maltings, Wharf Road, Grantham has been identified for this purpose. It is located close to existing staff parking on the adjacent Morrisons site and is close to the bus and train stations.
- 1.2 The building will also be used to establish, support and promote the identity of the Invest SK team as part of the Council's focus on economic development and regeneration priorities.

(2) RECOMMENDATION

To authorise the Strategic Director, Development and Growth, to enter into a lease of the Second Floor, The Maltings, Wharf Road, Grantham, NG31 6BH on the terms set out in the report for a maximum of 2 years with the ability to terminate the lease on the first anniversary of the term upon giving 3 months written notice.

(3) REASONS FOR RECOMMENDATION

- 3.1 The Leader of the Council recognised in his speech to Council on 20th April 2017 that if we truly want to retain and recruit the very best staff then we need to ensure we provide them with the environment and the equipment to support them in their roles.
- 3.2 The Leader also confirmed to Full Council his intention that the Council offices would remain in the centre of Grantham supporting the local economy, and it was requested that an "urgent review of the type of IT support provided" was undertaken, and that plans for a "major overhaul of the Council building" were started.
- 3.3 A report will be taken to Cabinet on 12 October 2017 setting out the principles for the remodelling of the St Peter's Hill Council Offices as part of the overall St Peter's Hill Redevelopment Programme.
- 3.4 On 9th October 2017 Councillor Matthew Lee, Leader of the Council, is holding an economic summit at which the Council will outline the scope and scale of its ambition for the district. The Invest SK team and brand will be a key part of delivering this ambition.
- 3.5 Securing a short term lease of these premises will therefore support the Council in the aims set out in 3.1 to 3.4 above.
- 3.6 The terms of the lease are:

Lease: A new Internal Repairing & Insuring lease

Term: 2 Years

Rent: £37,325 per annum (£9.50 per ft²)

Option To Break: The tenant may determine the lease on the first anniversary of the term upon giving 3 months written notice.

User: Offices

Service Charges: The tenant will pay, as rent, a fair and reasonable proportion of the costs incurred by the Landlord in providing common services. These are 26.755% of the costs incurred which amounted to £1,578.86 for year to 30.06.17. No extraordinary expenses are planned or anticipated for the current year.

Commencement Date: As soon as practically possible

Insurance Premium: The apportioned annual premium attributable to this suite for the current year is £513.22 (annual renewal each January).

Costs: Each party to be responsible for their own legal and other professional costs incurred in creating the lease.

VAT: All sums quotes are exclusive of VAT which is payable at the prevailing rate.

- 3.7 An existing revenue budget allocated within the current financial year has been identified to cover costs associated with leasing these premises. This includes set up costs of establishing IT and telephony connectivity and fixtures of approximately £20k.

(4) COMMENTS OF FINANCIAL SERVICES

Although not budgeted in the 2017/18 budget framework, it has been identified that uncommitted budgets in the Economic development cost centre can be used to enable this opportunity to proceed. As the costs will also be incurred in the 2018/19 and 2019/20 financial years, then the full year implication of the costs will need to be included in the budget proposals for those years.

(5) COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

Unless the relevant provision of the Landlord and Tenant Act 1954 are excluded, the proposed lease will constitute a business tenancy for which security of tenure will apply. This will allow the Council the opportunity to extend the lease should it be required for a period longer than the two year term proposed.

A full internal repairing lease will require an agreed detailed schedule of condition before the commencement of the lease to ensure that the tenant is not held liable for repairs which existed prior to commencement.

(6) OFFICER CONTACT

Neil Cucksey

Assistant Director for Property Delivery

01476 40 62 24 e-mail n.cucksey@southkesteven.gov.uk

(7) DATE DECISION EFFECTIVE:

If the decision is made on Monday 9 October 2017, the decision will be effective from Wednesday 18 October 2017 (subject to the decision not being called-in)