

# Cabinet Background documents



**14. Investing in our Borough (Pages 3 - 32)**

Officer: Jacqueline Harris Baker

Key decision: No

JACQUELINE HARRIS BAKER  
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London Borough of Croydon  
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<b>DELEGATED DECISION REPORT TO:</b>	<b>Cllr Simon Hall Cabinet Member for Finance and Resources</b>
<b>SUBJECT:</b>	<b>Renewal of the lease for Part 2<sup>nd</sup> floor at Bernard Weatherill House</b>
<b>LEAD OFFICER:</b>	<b>Jacqueline Harris Baker Executive Director Resources</b>
<b>CABINET MEMBER:</b>	<b>Cllr Simon Hall Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>Fairfield</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>This report builds on the Council’s Corporate Plan (2018) and helps deal with the impacts of austerity through the delivery of income through the letting of corporate assets as well as encouraging businesses to move to Croydon and invest in the borough and for existing businesses to grow.</p>	

<b>FINANCIAL IMPACT</b>
The letting will secure a significant revenue receipt through the rent and the rate and service charge contributions
<b>FORWARD PLAN KEY DECISION REFERENCE NO.: 3919FR</b>
This is a Key Decision as defined in the council’s constitution. The decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee by the requisite number of councillors.

<p>The Leader of the Council has delegated to the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below</p>	
<b>1. RECOMMENDATIONS</b>	
1.1	That the Cabinet agree that the Council renew the lease for a further 5 years subject to tenant break for part second floor (annexe) of Bernard Weatherill House (BWH) to NHS Property Services and to the subsequent subletting to the CCG on the terms detailed in the associated Part B report.
1.2	Agree that, for the reasons detailed in paragraph 3.5 of the report, the Executive Director Resources be given delegated authority, in consultation with the Cabinet Member for Finance and Resources to make any minor amendments to the terms of the lease for part 2 <sup>nd</sup> floor of BWH considered necessary after the decision has been made.

<p>1.3 Note that where any amendments are made under this delegation, the amended terms for the lease for the part 2<sup>nd</sup> floor of BWH will be published on the Council's website within 1 month of completion of the lease.</p>
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## **2. EXECUTIVE SUMMARY**

- 2.1 As part of the Council's Asset Strategy a review of the occupational office portfolio has been undertaken to maximise its use and revenue generating potential. Through this work the top 4 floors as well as parts of the ground, first and second floors of Bernard Weatherill House have been let out to third parties.
- 2.2 This report is seeking approval for the Council to renew the lease part of the 2<sup>nd</sup> floor of BWH (the accommodation) to NHS Property Services and for the subsequent underletting to the CCG for a further term of up to 5 years.
- 2.3 The lease will produce a significant income to the Council through the rent and in addition significant revenue saving through the recovery of rates and service charge payments.

## **3. DETAIL**

- 3.1 With the current financial pressures on the Council it is even more important that the use of the property assets are optimised and used to generate income or a reduction in running costs wherever possible. As part of the Council's Asset Strategy, the Council's occupational portfolio has been reviewed to identify opportunities to release space.
- 3.2 Through adopting a more flexible approach to working and adopting an average 10:6 desk ratio it has been identified that between 50-60,000 sq ft of space could be released within BWH. The initial letting of the 9<sup>th</sup> and 10<sup>th</sup> floors was part of this process and terms have now been agreed to renew the lease for a further term of 5 years subject to break options.
- 3.3 The lease to the Tenant is for 6,500sq ft located in the 2<sup>nd</sup> floor annexe of BWH
- 3.4 The new lease will run from the expiry of the existing term and the terms of the letting are detailed in the Part B report as they are commercially sensitive.
- 3.5 Although the terms have been agreed in principle it may be necessary to make minor amendments during the drafting of the lease. A delegated authority has therefore been requested as part of the approval so that these can be dealt with swiftly. Any such amendments will not have a material impact on the overall financial benefits or contractual obligations to the Council
- 3.6 Whilst this space has not been marketed, other lettable space within BWH has been marketed and tested through negotiating with external agents. The terms for the letting have therefore been market tested. The market evidence for lettings of other modern office space within Croydon has been fully analysed

and the terms agreed for the proposed letting are considered to fairly represent the current market terms.

#### **4. CONSULTATION**

- 4.1 No consultation outside of the Council has taken place but consultation has been undertaken with the Workers Disability Group in connection with the proposed access control changes.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

##### **5.1 Risks**

Once the letting has been completed the Council will not be able to take the space back potentially until October 2023 as the lease does not contain a landlord's break option. At the end of the lease the Council would, however, be able to terminate the lease if they required it for their own occupation or some form of redevelopment.

##### **5.2 Options**

This proposal is being put forward as an opportunity to contribute towards the budget savings targets. The only other options would be to look towards other tenants as the need to let space has been identified.

The covenant strength of the proposed tenant is very good and the terms agreed are a fair reflection of the market terms for offices in Croydon. The letting will also help retain jobs to Croydon and help strengthen the relationship with a key partner organisation.

The space could be retained by the Council and not let but this would not meet the requirements to make best use of the Council's assets and it has been demonstrated through the staff engagement that the current numbers and work styles of staff allow the release of some space within the building.

##### **5.3 Future savings/efficiencies**

Although this is only a medium term letting, this will make a significant contribution towards the budget income targets and will continue to generate an annual income stream to the Council in the short term as there is no rent free period.

Approved by: Lisa Taylor, Director, Finance, Investment and s151 Officer

#### **6. LEGAL CONSIDERATIONS**

- 6.1 Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land. The main caveat to this power is that the Council must not do so for "*a consideration less than the best that can be reasonably obtained*". This is interpreted as being the best price achievable in the open market, and in agreeing the basis of the disposal, the Council must be satisfied that it is receiving the best price for the lease.

Approved by Gillian Jeffery, Solicitor, on behalf of Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 The opportunity to release space within BWH has been possible as a result of the review of staff work styles that has been undertaken and the Council's requirement to move towards a more flexible working environment which allows 3:2 desk ratios to be adopted. The letting of this space as outlined will compliment these changes.

## **8. EQUALITIES IMPACT**

- 8.1 An equality impact assessment for the move into BWH was updated as part of the overall Enabling our Workforce project. This fully considered the impact both as a result of the changes to work styles and occupational space within the Council's corporate office accommodation.
- 8.2 Consultation has taken place with the Workers Disability Group to ensure that the proposed changes, including the installation of access control arrangements for each floor will take into account the needs of all employees and will not impede access to any areas.
- 8.3 The proposal to release the accommodation through entering into a lease was considered as part of this work but due to the mitigation works it was not considered to have any additional impact.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 The increase in the number of people within the building is in compliance with all statutory requirements. The continued use of this space is not likely to have any environmental impacts and is more sustainable than providing new building to create the necessary space for the tenant to occupy

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There will be no impact on crime and disorder as a result of the letting.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 The renewal of the lease for the accommodation will generate a significant financial contribution for the Council and help reduce its revenue costs for the building.

## **12. ALTERNATIVE OPTIONS CONSIDERED**

- 12.1 The only alternative option would be to reject the agreed terms on the grounds that they did not represent value for money, the tenant was unsuitable or the Council require the space for their own purposes. The detail provided in the body of the report demonstrates this is not the case.

## **13. DATA PROTECTION IMPLICATIONS**

### **13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF PERSONAL DATA?**

No

### **13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

As no personal data was used to prepare this report a DPIA has not been completed. All references in the report are to a company rather than an individual.

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#### **CONTACT OFFICER:**

Steve Wingrave Head of Asset Management  
and Estates ext 61512

#### **BACKGROUND PAPERS:**

None

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Part A

<b>DELEGATED DECISION REPORT TO:</b>	<b>Cllr Simon Hall Cabinet Member for Finance and Resources</b>
<b>SUBJECT:</b>	<b>Surrender of Existing Lease and Letting of Unit 7c Colonnades Retail and Leisure Park</b>
<b>LEAD OFFICER:</b>	<b>Jacqueline Harris Baker, Executive Director Resources Steve Wingrave Head of Asset Management and Estates</b>
<b>CABINET MEMBER:</b>	<b>Cllr Simon Hall Cabinet member for Finance and Treasury</b>
<b>WARDS:</b>	<b>Waddon</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>A new Corporate Plan and Medium Term Financial Strategy (MTFS) were agreed by Cabinet in September. The MTFS included an Asset Investment Strategy. The securing of additional net revenue through acquisitions of this type are critical to ensuring that resources are available to deliver the priorities in the Corporate Plan.</p>	

<b>FINANCIAL IMPACT</b>
<p>The letting will secure an increased net revenue receipt through the increased rental for Unit 7c compared to the rent from the currently occupied Unit 2 within the Colonnades Development.</p>
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A

<p>The Cabinet Member for Finance and Resources, in consultation with the Leader, is asked to approve the following recommendations:</p>
<p><b>1. RECOMMENDATIONS</b></p>
<p>1.1 That the Cabinet Member for Finance and Resources agrees that pursuant to the Asset Investment Strategy contained within Medium Term Financial Strategy approved by Full Council on the 8<sup>th</sup> of October the Council approves:</p>
<p>1.1.1 The grant a new lease to K&amp;Z South London Limited (KFC franchisee) in the Colonnades Retail and Leisure Park on the terms detailed in the Part B report.</p>
<p>1.1.2 Accept a surrender of the lease to Kentucky Fried Chicken (Great Britain) Ltd (KFC) for unit 2 in the Colonnades on the terms detailed in the Part B report</p>
<p>1.2 Agrees that, for the reasons detailed in paragraph 3.3 of the Part B report, the Executive Director (Resources) be given delegated authority, acting in consultation with the Cabinet Member for Finance and Resources, to make any amendments to the terms of the Lease surrender and grant considered</p>

necessary after the decision has been made.

## **2. EXECUTIVE SUMMARY**

- 2.1 As part of the Council's Financial Strategy presented to Cabinet on 24<sup>th</sup> September and Full Council on 8<sup>th</sup> October 2018, the proposal to adopt a full Investment Strategy to generate income to help delivery the financial strategy of the council was formally adopted. This provided authority for the property investment portfolio to be subject to separate management requirements from the Council's own property portfolio. The proper management of these assets , including the grant of new leases or other documentation to help maintain and improve their performance, can therefore be considered under delegated authority from the Cabinet member for Finance and Resources in consultation with the Leader.
- 2.2 The Investment Strategy reflects the Council's aspiration to secure medium to long term revenue returns from sound property investment within Borough. It is important to acknowledge that to maximise the benefits from property investments. Following the purchase of Phase 2 of the Colonnades, terms have now been agreed with Kentucky Fried Chicken (Great Britain) Ltd (KFC) to surrender their existing lease and for a new one to be granted to K&Z South London Limited the current franchisee for the new unit 7C at an improved rent for a period of 20 years
- 2.3 This report seeks approval for the surrender of the existing lease and grant of a new 20 year lease to K&Z South London Ltd (The Tenant)

## **3. DETAIL**

- 3.1 Following the initial purchase of the Colonnades it was proposed that the restaurant chain Smith and Western would take unit 7C but unfortunately negotiations failed to complete and they pulled out due to current economic conditions. The existing franchisees for the KFC unit had previously expressed an interest in this space and therefore negotiations were initiated with them. Despite having only recently taken up occupation, the unit was too small due to the increase in trade at the site.
- 3.2 Terms have now been agreed for the surrender of the existing unit (lease is with KFC rather than the franchisee) and the grant of a new 20 year lease for the larger premises at unit 7C. The new premises are larger and the agreed rent offers an additional income of £20,000pa
- 3.3 The unit is approximately 3,500sqft and will be handed over on the basis of a shell unit with a glazed frontage and therefore the Tenant will be undertaking a considerable level of fit out work. This is being part funded through a rent free period that was allowed for as part of the original purchase price and therefore the the Council will effectively benefit from the rental income from the start of the lease.

- 3.4 The agents have undertaken due diligence on the covenant strength of the Tenant and although not as strong as that of KFC it is considered to be good and they have a number of other units from which they trade successfully. The agents have also advised that in the current market there is no other real interest in this size unit whereas they have received several enquiries from smaller units and therefore the prospects of reletting the vacated unit is likely to be much quicker. The letting of the new unit is also likely to have a positive impact on the Park as the new development is clearly visible from the road and therefore being fully let to 3 recognised national companies is likely to improve footfall into the centre.
- 3.5 The lease being surrendered is 2,800sq ft and is immediately next to the Nuffield Health unit where discussions are ongoing to take back part of their unit. Having unit 2 available will allow more flexible options to be considered and increase the marketability as we could either create two small units or a larger one and interest has previously been shown by Sainsbury Local and Greggs as well as more local companies in this location
- 3.6 The terms for the new lease and surrender are detailed in the part B paper.

#### **4. CONSULTATION**

- 4.1 No consultation has been undertaken outside of the Council

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

##### **5.1 Risks**

By taking the surrender of the lease from KFC we are accepting a lesser covenant from the franchisee and therefore there is an element of risk. However, the financial standing of the Tenant has been investigated and is considered to be acceptable and they have a proven track record as a franchisee with several other outlets.

The letting of the larger unit has reduced the financial exposure in the longer term and is also considered to offer wider benefits to the Park as a whole as the new units are more visible from the road and having all three occupied by nationally recognised brands will help increase footfall.

##### **5.2 Options**

The existing lease could be retained with KFC but the premises are too small for the current operation. The agents have also indicated that there has been no other demand for the larger unit as there are currently fewer restaurant users looking to acquire units due to the current economic climate and that we have already secured Nandos and McDonalds.

##### **5.3 Future savings/efficiencies**

The long term letting will make an increased contribution towards the investment income to contribute towards the MTFS.

Approved by: Lisa Taylor, Director, Finance Risk and Insurance and s151 Officer

## **6. LEGAL CONSIDERATIONS**

- 6.1 In agreeing the basis of the disposal, the Council must be satisfied that it is receiving a fair market value for the lease. The best consideration test and requirements are set out in section 123 of the Local Government Act

Approved by: Sean Murphy, Director of Governance & Law and Deputy Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no human resources impacts from this proposal

## **8. EQUALITIES IMPACT**

- 8.1 The new unit has been constructed in line with current building regulation requirements and is therefore fully accessible and the internal design is more wheelchair friendly. The letting is to the existing franchisee and therefore staffing policies will be the same and still come within the umbrella requirements of KFC. It is therefore not considered that there will be a negative impact as a result of this letting and surrender.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 The new building has been constructed in line with current building regulation requirements

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no crime or disorder impacts as a result of this letting

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 A new 20 year lease for the accommodation will generate an financial contribution for the Council and help improve the strength of the Leisure Park overall.

## **12. ALTERNATIVE OPTIONS CONSIDERED**

- 12.1 The only real option is to retain the existing lease to KFC and look for an alternative tenant for the new unit 7C. Having considered this option with the Council's external advisors, this is not considered to offer the best opportunities as there is currently a lack of demand for the larger unit size and retaining this as a vacant unit although this is not considered

**13. DATA PROTECTION IMPLICATIONS**

**13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF PERSONAL DATA?**

No

**13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

As no personal data was used to prepare this report a DPIA has not been completed. All references in the report are to a company rather than an individual.

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**CONTACT OFFICER:** Steve Wingrave Head of Asset Management and Estates ext 61512

**BACKGROUND PAPERS:** None

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<b>DELEGATED DECISION REPORT TO:</b>	<b>Cllr Simon Hall Cabinet Member for Finance and Resources</b>
<b>SUBJECT:</b>	<b>Renewal of the lease for the 9<sup>th</sup> and 10<sup>th</sup> floors at Bernard Weatherill House</b>
<b>LEAD OFFICER:</b>	<b>Jacqueline Harris Baker Executive Director Resources</b>
<b>CABINET MEMBER:</b>	<b>Cllr Simon Hall Cabinet member for Finance and Resources</b>
<b>WARDS:</b>	<b>Fairfield</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>This report builds on the Council's Corporate Plan (2018) and helps deal with the impacts of austerity through the delivery of income through the letting of corporate assets as well as encouraging businesses to move to Croydon and invest in the borough and for existing businesses to grow.</p>	

<b>FINANCIAL IMPACT:</b>
The letting will secure a significant revenue receipt through the rent and the rate and service charge contributions
<b>FORWARD PLAN KEY DECISION REFERENCE NO.: 4219LR</b>
This is a Key Decision as defined in the council's constitution. The decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee by the requisite number of councilors.

<p>The Leader of the Council has delegated to the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below</p> <p><b>1. RECOMMENDATIONS</b></p> <p>1.1 That the Cabinet agree that the Council renew the lease for a further term to expire on 31 March 2025 for the letting of the 9<sup>th</sup> and 10<sup>th</sup> floors of Bernard Weatherill House (BWH) to the Secretary of State for Housing, Communities and Local Government and on the terms detailed in the associated Part B report.</p> <p>1.2 Agree that, for the reasons detailed in paragraph 3.5 of the report, the Executive Director Resources be given delegated authority, in consultation with the Cabinet Member for Finance and Resources to make any minor amendments to the terms of the lease for the 9<sup>th</sup> and 10<sup>th</sup> floors of BWH considered necessary after the decision has been made.</p> <p>1.3 Note that where any amendments are made under this delegation, the amended</p>
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terms for the lease for the 9<sup>th</sup> and 10<sup>th</sup> floors of BWH will be published on the Council's website within 1 month of completion of the lease.

## **2. EXECUTIVE SUMMARY**

- 2.1 As part of the Council's Asset Strategy a review of the occupational office portfolio has been undertaken to maximise its use and revenue generating potential. Through this work the top 4 floors as well as parts of the ground, first and second floors of Bernard Weatherill House have been let out to third parties.
- 2.2 This report is seeking approval for the Council to renew the lease of the 9<sup>th</sup> and 10<sup>th</sup> floors of BWH (the accommodation) to the Secretary of State for Housing, Communities and Local Government with the Home Office as the occupier (the Tenant) for a further term to expire on 31<sup>st</sup> March 2025 subject to tenant break options.
- 2.3 The lease will produce a significant income to the Council through the rent and in addition significant revenue saving through the recovery of rates and service charge payments.
- 2.4 The letting was previously signed off for an extension for a period of 19 months under a delegated authority signed by the Leader dated 22 August 2019 but following further negotiations the tenant has requested a longer term which has required other alterations to the lease which amount to more than minor changes and therefore further approval is being requested.

## **3. DETAIL**

- 3.1 With the current financial pressures on the Council it is even more important that the use of the property assets are optimised and used to generate income or a reduction in running costs wherever possible. As part of the Council's Asset Strategy, the Council's occupational portfolio has been reviewed to identify opportunities to release space.
- 3.2 Through adopting a more flexible approach to working and adopting an average 10:6 desk ratio it has been identified that between 50-60,000 sq ft of space could be released within BWH. The initial letting of the 9<sup>th</sup> and 10<sup>th</sup> floors was part of this process and terms have now been agreed to renew the lease for a term to expire 31 March 2025 subject to break options.
- 3.3 The lease to the Tenant is for 17,900 sq ft located on the 9<sup>th</sup> and 10<sup>th</sup> floors.
- 3.4 The new lease will run from the expiry of the existing term on 23 August 2019. The terms of the letting are detailed in the Part B report as they are commercially sensitive.

- 3.5 Although the terms have been agreed in principle it may be necessary to make minor amendments during the drafting of the lease. A delegated authority has therefore been requested as part of the approval so that these can be dealt with swiftly. Any such amendments will not have a material impact on the overall financial benefits or contractual obligations to the Council
- 3.6 The lettable space within BWH has been marketed and tested through negotiating with external agents. The terms for the letting have therefore been market tested. The market evidence for lettings of other modern office space within Croydon has been fully analysed and the terms agreed for the proposed letting are considered to fairly represent the current market terms.

#### **4. CONSULTATION**

- 4.1 No consultation outside of the Council has taken place but consultation has been undertaken with the Workers Disability Group in connection with the proposed access control changes.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

##### **5.1 Risks**

Once the letting has been completed the Council will not be able to take the space back potentially until March 2025 as the lease does not contain a landlord's break option. At the end of the lease the Council would, however, be able to terminate the lease if they required it for their own occupation or some form of redevelopment.

##### **5.2 Options**

This proposal is being put forward as an opportunity to contribute towards the budget savings targets. The only other options would be to look towards other tenants as the need to let space has been identified.

The covenant strength of the proposed tenant is very good and the terms agreed are a fair reflection of the market terms for offices in Croydon. The letting will also help retain jobs to Croydon.

The space could be retained by the Council and not let but this would not meet the requirements to make best use of the Council's assets and it has been demonstrated through the staff engagement that the current numbers and work styles of staff allow the release of some space within the building.

##### **5.3 Future savings/efficiencies**

Although this is only a medium term letting, this will make a significant contribution towards the budget income targets and will continue to generate an annual income stream to the Council in the short term as there is no rent free period.

Approved by: Lisa Taylor, Director, Finance, Investment and s151 Officer

## **6. LEGAL CONSIDERATIONS**

- 6.1 Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land. The main caveat to this power is that the Council must not do so for “*a consideration less than the best that can be reasonably obtained*”. This is interpreted as being the best price achievable in the open market, and in agreeing the basis of the disposal, the Council must be satisfied that it is receiving the best price for the lease.

Approved by Gillian Jeffery, Solicitor, on behalf of Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 The opportunity to release space within BWH has been possible as a result of the review of staff work styles that has been undertaken and the Councils requirement to move towards a more flexible working environment which allows 3:2 desk ratios to be adopted. The letting of this space as outlined will compliment these changes.

## **8. EQUALITIES IMPACT**

- 8.1 An equality impact assessment for the move into BWH was updated as part of the overall Enabling our Workforce project. This fully considered the impact both as a result of the changes to work styles and occupational space within the Council's corporate office accommodation.
- 8.2 Consultation has taken place with the Workers Disability Group to ensure that the proposed changes, including the installation of access control arrangements for each floor will take into account the needs of all employees and will not impede access to any areas.
- 8.3 The proposal to release the accommodation through entering into a lease was considered as part of this work but due to the mitigation works it was not considered to have any additional impact.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 The increase in the number of people within the building is in compliance with all statutory requirements. The continued use of this space is not likely to have any environmental impacts and is more sustainable than providing new building to create the necessary space for the tenant to occupy

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There will be no impact on crime and disorder as a result of the letting.

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- 11.1 The renewal of the lease for the accommodation will generate a significant financial contribution for the Council and help reduce its revenue costs for the building.

## **12. ALTERNATIVE OPTIONS CONSIDERED**

- 12.1 The only alternative option would be to reject the agreed terms on the grounds that they did not represent value for money, the tenant was unsuitable or the Council require the space for their own purposes. The detail provided in the body of the report demonstrates this is not the case.

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**CONTACT OFFICER:** Steve Wingrave Head of Asset Management and Estates ext 61512

**BACKGROUND PAPERS:** none

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