

Report To:	EXTRAORDINARY CABINET	Date:	27 FEBRUARY 2017
Heading:	COUNCIL OFFICES KIRKBY – LETTING OF PART OF THE GROUND FLOOR		
Portfolio Holder:	CLLR KEIR MORRISON – HOUSING AND ASSET MANAGEMENT		
Ward/s:	SUMMIT		
Key Decision:	YES		
Subject To Call-In:	NO		

Purpose Of Report

To seek Cabinet approval for the revised terms for the leasing of part of the ground floor of the Council Offices to the Secretary of State for Work and Pensions. This is to enable them to deliver the Job Centre and associated functions for the Sutton, Kirkby and surrounding area from the Council Offices in Kirkby.

Recommendation(s)

- 1) To approve the leasing of part of the ground floor of the Council Offices to the Secretary of State for Communities and Local Government of the Department for Work and Pensions.**
- 2) To delegate to the Service Director – Environment to conclude the negotiations relating to the final lease terms in conjunction with the portfolio holder.**
- 3) To instruct the Assistant Chief Executive (Governance) to draw up the necessary documentation in consultation with the Estates Manager.**

Reasons For Recommendation(s)

Cabinet previously agreed to lease part of the ground floor to the Secretary of State for Work and Pensions; the lessee's solicitor has recently requested that the Council agree to change the lessee to the Secretary of State for Communities and Local Government of the Department for Work and Pensions as this is the holding department for Central Government.

The letting will provide the Council with an annual income which will reduce the building running costs of the Council Offices.

Also the re-location of the Job Centre function in the Council Offices will allow it to be located adjacent to other service providers, including Ashfield District Council services and the Police.

This will enable local residents to access a wider range of services from one location.

Alternative Options Considered (With Reasons Why Not Adopted)

The only alternative would be to not lease the ground floor space to the Secretary of State for Communities and Local Government of the Department for Work and Pensions but this is not recommended as this would result in the loss of additional income for the Council and prevent additional services being provided from the Council Offices.

Detailed Information

The principle of the Job Centre moving into the Council Offices was approved by Cabinet on 7th January 2015.

The solicitors acting for the Secretary of State for Work and Pensions have now agreed the main terms with the Council, with regard to relocating the Sutton Job Centre into the Kirkby Council Offices. This is part of a larger initiative to reduce their running costs and improve service delivery by leasing space in council offices around the country.

It is anticipated that the facilitating alterations to the Council Offices will commence as soon as possible to enable the Department of Work and Pensions taking occupation around July / August 2017.

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Implications

Corporate Plan:

This report supports the Corporate Plan priorities of Place and Communities and Organisational Improvement

Legal:

The legal team will provide advice and assistance as part of the negotiations and will ensure the lease is drafted and completed in line with the recommendations of the Cabinet. It is essential that the legal documentation is drafted for the correct party to ensure responsibilities and liabilities rest with the appropriate department.

Finance:

This arrangement shall be effective from the date outlined in the lease agreement – this is likely to be during the financial year 2017/18.

Budget Area	Implication
General Fund – Revenue Budget	£81k additional income per annum plus service charge still to be determined
General Fund – Capital Programme	£689k has been included in the Capital Programme
Housing Revenue Account – Revenue Budget	No Implications
Housing Revenue Account – Capital Programme	No Implications

Human Resources / Equality and Diversity:

There are no Human Resources / Equality and Diversity implications as a direct result of the recommendations contained in the report.

Other Implications:

None.

Reason(s) for Urgency (if applicable):

To revise the terms and conditions detailed in the previous Cabinet Report of 24 November 2016 following further negotiations. This will enable the works to the Council Offices to proceed to accommodate the DWP and enable the lease to be completed for their subsequent occupation in accordance with the agreed timeframes. Failing to deal with the matter urgently would jeopardise the agreed timeframes for the project as accommodation alternations cannot commence until the agreements are all in place. The change is minor in that it simply replaces one Government Department as lessee with another.

Background Papers

None.

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