

Notice of Non-key Executive Decision

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to the financial or business affairs of any particular person, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	River Chambers – west office suite 36 High Street Romford RM1 1HR Lease of Part to Wates Group Ltd
Cabinet Member:	Cllr. Damian White, Leader of the Council
SLT Lead:	Dave McNamara – Interim s.151 Officer
Report Author and contact details:	Dale Wilkins, Principal Estate Surveyor Email: Dale.Wilkins@onesource.co.uk
Policy context:	LBH Corporate Asset Management Plan
Financial summary:	The proposed lease generates an initial income of £24,000p.a. from 1 st February 2022, rising to £56,000 p.a. from May 2022
Relevant OSC:	Overview and Scrutiny Committee - Value
Is this decision exempt from being called-in?	Yes, this is a Non-Key decision.

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To approve the grant of a 5 year lease to Wates Group Ltd relating to serviced office accommodation within River Chambers, High Street, Romford.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.9.3 of the Constitution,

Asset Management

- (i) Property Strategy Functions
 - (i) To conduct preliminary negotiations, negotiate, agree and conclude all property matters including the making and settling of rating appeals on council property and property valuations for all purposes.
- (ix) To be the Council's designated corporate property officer, responsible for the strategic management of the Council's property portfolio, including corporate strategy and asset management, procurement of property and property services, planned and preventative maintenance programmes, property allocation and use, reviews, acquisitions and disposals, and commercial estate management.

(i)

STATEMENT OF THE REASONS FOR THE DECISION

In January 2021, Havering's Cabinet agreed the rationalisation of the Council's office accommodation, recognising the revised operating model adopted by the Council in response to the Covid pandemic and the opportunity to deliver efficiencies as a result of longer term hybrid/remote working by a number of Council services.

River Chambers is one of four assets identified as surplus to Havering's medium/long term accommodation requirements having been vacated in part by the Asset Management function. The premises are located within the NW Romford Regeneration zone and it is accordingly envisaged that this asset and adjoining ownerships will in due course be subsumed into the wider regeneration proposal for the area.

In the meantime, it is proposed to let part of the vacant space to the Council's regeneration partner, Wates Group Limited, as serviced offices on a fully inclusive rent based on a rate of £2,000 per workstation p.a. Initial occupation from 1st Feb 2022 is based upon 12 workstations, increasing to 28 workstations from 9th May 2022, requiring flexibility to the level of rent passing under the agreement.

The lease is proposed for a term of 5 years, contracted out of the security provisions of Landlord & Tenant Act 1954 and subject to a 'rolling' break provision exercisable by either party upon the service of 3 months' notice.

Non – Key Executive Decision

The Council will retain responsibility for repairs and insurance, letting the accommodation as managed workspace.

OTHER OPTIONS CONSIDERED AND REJECTED

Not grant a lease:

Income from the letting is desirable as a means of defraying the Council's holding costs pending longer term regeneration of the wider area, added to which the occupier is a partner organisation, working with the Council's Regeneration team on the nearby Waterloo estate and other regeneration projects.

PRE-DECISION CONSULTATION

Consultation has taken place with the Lead Member and internally via the Asset Management Sub Steering Group, part of the Prouder Theme Group.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Dale Wilkins

Designation: Principal Estate Surveyor



Signature:

Date: Monday 7th May 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power, pursuant to section 123 of the Local Government 1972, to dispose of land at best consideration.

The Council also has a wide “general power of competence” under Part 1, Chapter 1 of the Localism Act 2011, which gives it the same power to act as that of an individual subject to other statutory provisions limiting or restricting its use.

Consequently, the proposals in this report, to the extent that they relate to the disposal of the site, is compliant with the aforementioned powers.

The proposed letting is for managed workspace to a partner organisation within one of the Council’s existing office premises.

The proposed lease is subject to a rolling break provision, exercisable by either party upon the service of three months’ notice and the lease itself is excluded from s.24-S28 of the Landlord & Tenant Act 1954, meaning that the tenant has no security of tenure. These measures ensure that the Council will be able to gain vacant possession at a future date to fulfil its longer-term regeneration ambitions.

FINANCIAL IMPLICATIONS AND RISKS

The proposed letting will provide an initial income stream of £24k p.a. rising to £56k p.a. from May 2022 – with it being fully inclusive rent the net income will depend upon the cost of services provided from year to year.

The ‘desk rate’ is similar to that applied to recent managed space lettings within other corporate buildings and represents market rental rates.

For the time being, the Council remains in occupation of the remainder of River Chambers to the letting of part serves to defray existing overheads.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications associated with this decision

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have ‘due regard’ to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a current or planned service/policy/activity is likely to affect staff, service users, or other residents. It is acknowledged that in emergency or urgent situations it will not always be possible to carry out an EqHIA in advance of a relevant activity; however, managers will undertake the required EqHIAs at the earliest opportunity. Where managers are already clear that protected groups/users will be impacted negatively by the intended activity, then this will be noted in the next paragraph and/or put into EqHIAs. Where the negative impact of the intended activity can be mitigated, this too should be set out in this report and/or the EqHIA.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

The lack of lift access to the first floor offices has been highlighted to the proposed tenant

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There are no specific Health & Wellbeing implications or risks identified as a result of this proposal

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no adverse environmental or climate change implications as a result of this decision. The opportunity to offer office accommodation to Wates has arisen as a result of the Council's own asset rationalisation measures, aimed at reducing its carbon footprint in addition to occupation costs.

BACKGROUND PAPERS

None

APPENDICES

Non – Key Executive Decision

Report to Asset Management Sub Group – January 2022

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed: 

Name: Mark Butler, Director of Asset Management

Date: 20th May 2022

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____