

# Norfolk County Council

## Record of Individual Cabinet Member Decision

**Responsible Cabinet Member: Cllr Peck (Cabinet Member for Commercial Services & Asset Management)**

### **Background and Purpose:**

Norfolk County Council are currently tenants of several rooms at Dereham Breckland Business Centre, St Withburga Ln, Dereham NR19 1FD with the landlord being Breckland District Council. NCC services accommodated in the centre are Childrens, Adults and Registrars.

Breckland Council had been leading on the concept of developing a Health Hub at the Business Centre in Dereham for a number of years. This project was funded by the One Public Estate programme and sought to bring different public sector partners into the property to work together across both local government (including NCC) and health services. After a number of years working on the concept, the health partners were unable to demonstrate an adequate business case for the move and without these partners the project was ceased in 2021. Breckland Council is still keen to work with those health partners and NCC to find further ways to create efficiencies in the public estate and improve service provision. Following the closure of the Health Hub project, Breckland Council will continue to review options for the longevity of the Business Centre as per its Asset Management policy.

On the back of this decision to close the project, the option to move Adults and Childrens Services to Breckland District Council Headquarters at Elizabeth House, Walpole Loke, Dereham NR19 1EE, has been explored with services over the past months and heads of terms have been agreed.

**Decision: To approve the acquisition of a lease from Breckland District Council at Elizabeth House, Dereham for rooms 20 and 34 on the terms agreed.**

**Is it a key decision? No**

**Is it subject to call-in? Yes**

**If Yes – the deadline for call-in is: 4pm Wednesday 6 April 2022**

### **Impact of the Decision:**

The capital cost of alterations, ICT and furniture requirements of Childrens and Adults Services has been estimated as £450,000

The rental revenue cost reduction of moving from the existing accommodation to Elizabeth House is estimated to be £60,000 per annum. delivering a potential saving of up to £90,000 over the length of the lease, factoring in the estimated capital requirement. The full saving will be achieved if the Registrars Services moves to Dereham Library

The new accommodation will provide improved, modern and welcoming accommodation for NCC staff and service users.

Childrens Services have undertaken an equality impact assessment and concluded that based on the evidence available, this proposal is likely to have a positive impact on people with protected characteristics.

**Evidence and reason for the decision:**

As set out in the attached report.

**Alternative options considered and rejected:**

As set out in the attached report.

**Financial, Resource or other implications considered:**

As set out in the attached report.

**Record of any conflict of interest:**

None

**Background documents:**

None

**Date of Decision: 30 March 2022**

**Publication Date of Decision: 30 March 2022**

**Signed by Cabinet Member:**

I confirm that I have made the decision set out above, for the reasons also set out.

**Signed: Cllr Greg Peck**

**Print name: Cllr Greg Peck**

**Date: 25 March 2022**

**Accompanying documents:**

- Report: Acquisition by lease- Elizabeth House Office Rooms No.20 and No.34

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

\\norfolk.gov.uk\nccdfs1\CorporateProperty\CPT ADMIN & MANAGEMENT\Meetings & Groups\Committees\CABINET Member delegation\2021-22\Elizabeth House\Final Reports\22.03.22 Individual Cabinet Member Decision NOTICE lease Elizabeth House (JB) FINAL 1.0.docx

# **Individual Cabinet Member Decision Report**

**Item No:**

**Report Title: Acquisition by lease- Elizabeth House Office Rooms No.20 and No.34**

**Date of Meeting: not applicable**

**Responsible Cabinet Member: Cllr Peck** (Cabinet Member for Commercial Services & Asset Management)

**Responsible Director: Simon George, Executive Director of Finance and Commercial Services**

**Is this a Key Decision? No**

**If this is a Key Decision, date added to the Forward Plan of Key Decisions: n/a**

## **Executive Summary / Introduction from Cabinet Member**

Norfolk County Council (NCC) are currently tenants of several rooms at Dereham Breckland Business Centre, St Withburga Lane, Dereham NR19 1FD with the landlord being Breckland District Council. NCC services accommodated in the centre are Childrens, Adults and Registrars.

Breckland Council had been leading on the concept of developing a Health Hub at the Business Centre in Dereham for a number of years. This project was funded by the One Public Estate programme and sought to bring different public sector partners into the property to work together across both local government (including NCC) and health services. After a number of years working on the concept, the health partners were unable to demonstrate an adequate business case for the move and without these partners the project was ceased in 2021. Breckland Council is still keen to work with those health partners and NCC to find further ways to create efficiencies in the public estate and improve service provision. Following the closure of the Health Hub project, Breckland Council will continue to review options for the longevity of the Business Centre as per its Asset Management policy.

On the back of this decision to close the project, the option to move Adults and Childrens Services to Breckland District Council Headquarters at Elizabeth House, Walpole Loke, Dereham NR19 1EE, has been explored with services over the past months and heads of terms have been agreed.

The move to Elizabeth House is consistent with NCCs' policy of delivering 'One Public Estate' and offers the opportunity to both realise a modest revenue saving and to provide modernised and improved facilities for service users and staff.

The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of a lease from Breckland District Council at Elizabeth House, Dereham for rooms 20 and 34 on the terms agreed.

### **Recommendations:**

- 1. The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of a lease from Breckland District Council at Elizabeth House, Dereham for rooms 20 and 34 on the terms agreed.**

## **1. Background and Purpose**

- 1.1 Norfolk County Councils' Childrens Services, Adult Social Services and Registrars are currently tenants at the Dereham Breckland Business Centre.
- 1.2 Breckland Council had been leading on the concept of developing a Health Hub at the Business Centre in Dereham for a number of years. This project was funded by the One Public Estate programme and sought to bring different public sector partners into the property to work together across both local government (including NCC) and health services. After a number of years working on the concept, the health partners were unable to demonstrate an adequate business case for the move and without these partners the project was ceased in 2021. Breckland Council is still keen to work with those health partners and NCC to find further ways to create efficiencies in the public estate and improve service provision.
- 1.3 All services have indicated they still require accommodation in Dereham. A search was undertaken by Norse consulting for suitable and available office accommodation in Dereham.
- 1.4 Vacant office accommodation is available at Breckland District Council headquarters, Elizabeth House, Elizabeth House, Walpole Loke, Dereham NR19 1EE.
- 1.5 Childrens and Adults have confirmed the accommodation is suitable for their requirements (subject to alterations).
- 1.6 A potential move of the Registrars Service from the business centre to Dereham Library is being explored.

## **2. Proposal**

- 2.1 It is proposed that Norfolk County Council acquire leases for rooms 20 (353.7 sqm / 3,808 sq ft) and 34 (247.8 sqm / 2,624 sq ft). The landlord being Breckland District Council.
- 2.2 The leases will be for a period of 9 years, with a break option at 3rd anniversary (on 6 months' notice) and annually thereafter. The lease will commence on the 1<sup>st</sup> April, with services expected to move into the building in early July following the completion of alterations.

- 2.3 The leases will be excluded from the security of tenure provisions of the 1954 Landlord and Tenant Act and NCC will have no statutory right to renew the lease at expiry.
- 2.4 The proposed annual rent is £ £38,592 per annum exclusive of VAT with an annual service charge of £38,592 pa exclusive of VAT, for 601.5 sqm of accommodation. Norfolk County Council will be responsible for the costs of business rates and insurance and for keeping the property in good condition (subject to a schedule of condition).

### **3. Impact of the Proposal**

- 3.1 The capital cost of alterations, ICT and furniture requirements of Childrens and Adults Services has been estimated as £450,000.
- 3.2 The rental revenue cost reduction of moving from the existing accommodation to Elizabeth House is estimated to be £60,000 per annum. delivering a potential saving of up to £90,000 over the length of the lease, factoring in the estimated capital requirement. The full saving will be achieved if the Registrars Services moves to Dereham Library.
- 3.4 The new accommodation will provide improved, modern and welcoming accommodation for NCC staff and service users.
- 3.5 Childrens Services have undertaken an equality impact assessment and concluded that based on the evidence available, this proposal is likely to have a positive impact on people with protected characteristics.

### **4. Evidence and Reasons for Decision**

- 4.1 The proposed annual rent of £38,592 equates to approximately £6 per square foot, which Norse Consulting have assessed as reasonably in line with market rent levels observed on similar office premises in the locality which have exchanged for between £6.87 per square foot and £10 per square foot in the market.

### **5. Alternative Options**

- 5.1 The move to Elizabeth House offers NCC with an opportunity to modernise the working environment for staff and service users. There is the option to remain at the Breckland Business Centre, but this will not realise an improvement in accommodation. Suitable office accommodation in the Dereham area is restricted, so alternative accommodation would likely not meet service requirements and rental costs are likely to be higher.
- 5.2 Childrens Services could reduce their space requirement, negating the need to lease in two rooms. This has been proposed but rejected as the space is required for a front facing services and separate office accommodation.

## 6. Financial Implications

- 6.1 Capital cost of £450,000 is estimated for Children Service's requirements for alterations, ICT and furniture. A capital bid has been approved.
- 6.2 The proposed annual rent is £ £38,592 per annum exclusive of VAT with an annual service charge of £38,592 pa exclusive of VAT. £1,435 Stamp Duty Land Tax will be payable by NCC on completion of the lease.
- 6.3 The revenue cost reduction of moving from the existing accommodation to Elizabeth House (excluding business rates which require assessment) is estimated to be £60,000 per annum., delivering a potential saving of up to £90,000 over the length of the lease, factoring in the estimated capital requirement. The full revenue saving will be achieved if the Registrars Services to Dereham Library.

## 7. Resource Implications

- 7.1 **Staff:** Childrens and Adults Services have engaged staff in the design and layout of the new accommodation.
- 7.2 **Property:** Delivering 'One Public Estate'.
- 7.3 **IT:** IMT are ensuring full provision of ICT.

## 8. Other Implications

- 8.1 **Legal Implications:** The proposal has no unusual legal implications, but nplaw will be appointed to undertake the usual legal due diligence for lease acquisitions.
- 8.2 **Human Rights Implications:** None.
- 8.3 **Equality Impact Assessment (EqIA):** Childrens Services have concluded that the move to Elizabeth House may have a positive impact on some people with protected characteristics and any minor detrimental impacts are minimised by mitigating factors that are already in place.
- 8.4 **Data Protection Impact Assessments (DPIA):** None.
- 8.5 **Health and Safety implications:** There are no material health, safety and wellbeing impacts as the proposal simply changes the legal basis of occupation for the existing space to allow the existing operation to continue. Health and safety responsibilities of both parties will be reviewed, documented and agreed as part of the lease negotiation process.
- 8.6 **Sustainability implications (where appropriate):** The proposal has no material sustainability impact.

## 8.7 Any Other Implications: None

## 9. Risk Implications / Assessment

9.1 The risk of not taking this lease is that alternative suitable accommodation in the locality will be difficult to secure.

## 10. Recommendations

10.1 The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of a lease from Breckland District Council at Elizabeth House, Dereham for rooms 20 and 34 on the terms agreed.

## 11. Background Papers

11.1 None

### Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

**Officer name: James Belcher**

**Telephone no.: 07919 492266**

**Email: [james.belcher2@norfolk.gov.uk](mailto:james.belcher2@norfolk.gov.uk)**



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.