

CHESHIRE EAST COUNCIL

Cabinet Member for Procurement, Assets and Shared Services

Date of Meeting: 22 March 2010
Report of: Asset Manager
Subject/Title: Office G33-G37, Market Square, Congleton – Proposed Letting to The Disability Information Bureau
Portfolio Holder: Councillor Peter Mason

1.0 Report Summary

- 1.1 To consider a request made by 'The Disability Information Bureau' ("DIB") to take a lease of offices G33-G37 within the former Council office at Market Square, Congleton, at a peppercorn rent. However a payment would be made in respect of the service charge costs, which would cover the holding costs of G33-37. The DIB would also be responsible for the payment of the business rates for the office.
- 1.2 The office was formerly occupied by Congleton Borough Council, following the relocation to Westfields in Sandbach as part of an office centralisation. The Market Square office in Congleton now forms part of a proposed PCT Super Surgery site. For this reason the Council is not in a position to offer any long-term lease agreements. The lease with the DIB would therefore be for a term of 12 months; however the Council would reserve the right to terminate the lease upon the serving of 3 months written notice.

2.0 Decision Requested

- 2.1 To approve the letting of G33-G37 to the Disability Information Bureau for a 12 month term, subject to a service charge payment in respect of the service charge payment. All other terms and conditions are to be determined by the Assets Manager and the Borough Solicitor.

3.0 Reasons for Recommendations

When the office was initially vacated by Congleton Borough Council, advice was sought from the two main agents in Congleton, Timothy A Brown and Whittaker Biggs. Whittaker Biggs advised that there was no shortage of available office accommodation in Congleton, and accordingly advised a marketing/void period of 6 to 24 months. It was also noted that concessionary rents would potentially be required to achieve this. Neither agent has been able to offer an introduction in terms of a successful market letting to date. In addition the site was being considered as a PCT site, and as such the Council was therefore only in a position to offer short-term lets, which further limited the

potential market. The office is also currently in need of some refurbishment, with the toilets in particular requiring attention.

In light of the above, together with the holding costs that were to be incurred, the Council began to discuss occupation of space on a rent free-basis with charitable organisations in the area following an approach from Visyon Ltd. Terms were subsequently agreed with Visyon, who took occupation of the first floor only of the office on a rent-free basis, with the lease subject to a termination clause in favour of the Council on 3 months notice. This was approved via a Portfolio Holder decision by Cllr David Brown dated 20th November 2007.

The DIB are prepared to take occupation of the office on a short-term basis, with a 3 month termination clause. This provides the flexibility that the Council requires, due to the proposed PCT scheme. In terms of a market letting it is considered unlikely that an occupier would be prepared to consider such a short-term lease, other than if they were looking for very short-term space, and in this respect there has been no interest through Timothy A Brown or Whitaker Biggs.

As the background information provided by the DIB indicates, their occupation would also provide social benefits within the area of Congleton.

It is therefore recommended that the office be let to the DIB on a short-term basis, until such time as the PCT scheme takes effect.

4.0 Wards Affected

- 4.1 Congleton Town West

5.0 Local Ward Members

Cllr Gordon Baxendale
Cllr Roland Domleo
Cllr David Topping

6.0 Policy Implications including - Climate change - Health

- 6.1 N/A

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 A review of the rental income generated by properties is currently underway in the Assets service as a shortfall is anticipated against income targets for this service in 2009/10. It is critical that agreements are only short term in nature, whilst this review is taking place, so that opportunities are not overlooked.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

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9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 The Council will be entering into a short-term lease that will -exclude the security of tenure provisions of the Landlord and Tenant Act 1954, with a landlord's termination clause upon the serving of 3 months notice in writing by the Council.

10.0 Risk Management

- 10.1 The lease agreement with the DIB will be short-term, with the Council able to terminate the lease on 3 months notice. It is considered that this will therefore not prejudice the timing of the PCT scheme whilst covering the holding costs of the office.
- 10.2 The Asset Manager is satisfied that the premises may be let at a peppercorn rent rather than market rent due to the economic benefits afforded by the premises being occupied and the social benefits afforded by the nature of the use by the DIB as outlined in paragraph 11.

11.0 Background and Options

Congleton Borough Council vacated the Market Square Office as part of its office centralisation to Westfields, Sandbach in October 2007. At that time office G33-G37 was occupied by the South East Cheshire Enterprise, who were part funded by the Council. SECE subsequently vacated the office, and it was taken on by Learn Direct, who were part of SECE. Learn Direct then vacated the office in June 2009. The office has since remained vacant.

The DIB have provided the following as a background to who they are and the social benefits/wellbeing that they provide to the community: -

"The Disability Information Bureau was set up as a registered charity in 1996. In the early part of its history, its focus was on delivering an information and advice service on all aspects of disability and providing support for people claiming benefits. Originally run by volunteers a successful funding bid was made to the Lottery Community Fund in 2001 for a paid manager to support the development of the organisation. Since that time the Bureau has greatly extended the range of services it provides (please see leaflet enclosed for a brief overview) with the intention of becoming a resource centre where disabled people in particular, carers, families and friends can access information, support and services which enhance their social, educational and economic services. Volunteers are still heavily involved in the delivery of a wide range of

services and they work alongside full and part time members of staff funding for who has resulted from the Bureau's constant search for grants, funding which will allow its existence to continue.

We have been successful in establishing a well resourced centre in Macclesfield and are working now to extend our services across Cheshire East. The Congleton base that we have identified will allow us to offer a similar range of services more accessible to communities in Congleton as access to local services is extremely important for disabled people. We aim to establish provision for advice, information, benefit support and accessible learning opportunities equipped with adaptive technology to suit the needs of disabled people.

We are an independent relatively small organisation with no link to any national organisation. Hence we are reliant on continually making applications for funding which can sometimes be granted for only one year. We have looked at various premises in Congleton which have been out of our reach due to rent costs so we were therefore very grateful to have found premises which we can afford in Congleton which will enable us to provide a very valuable and worthwhile service."

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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