

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	MERIDIANS HOUSE, OCEAN VILLAGE - RENEWAL OF LEASE TO THE COUNCIL
<b>DATE OF DECISION:</b>	25 OCTOBER 2010

**REPORT OF:** CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING

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#### **STATEMENT OF CONFIDENTIALITY**

Confidential Appendix 1 contains information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules - Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

In applying the public interest test it is not considered appropriate to make the agreed lease terms public as, if disclosed prior to entering into a contract, this could put the Council at a commercial disadvantage.

#### **SUMMARY**

The Council's Port Health Team currently occupy offices at Meridians House Ocean Village under a lease that expires on 15 December 2010. Terms have now been agreed for a renewal of this lease for a term of 5 years with break clauses. A Cabinet decision is required as there are no delegated powers for the Council to renew a lease where the rental is over £20,000 per annum.

#### **RECOMMENDATIONS:**

- (i) To approve the renewal of the lease at Meridians House on the terms set out in the confidential appendix to this report; and
- (ii) That the Head of Property and Procurement be given authority to finalise lease terms, any minor revisions and to take all appropriate steps in consultation with the Solicitor to the Council to complete the lease.

#### **REASONS FOR REPORT RECOMMENDATIONS**

1. It is proposed that the Port Health Team be relocated to accommodation at the new City Depot when available. Re-location of the team from their current office for the intervening short period would be expensive for the Council and cause disruption to the Port Health Service. The terms of the lease renewal as detailed below do not increase costs to the council and provide the flexibility to move to the new City Depot without financial penalty. Therefore the renewal of the lease with appropriate break clauses is considered to be the best option for the Council.

#### **CONSULTATION**

2. Consultation has been undertaken with the relevant officers within the Environment Directorate concerning the agreed lease terms.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. Not to renew the lease and temporarily relocate the Port Health Team was considered. However at an early stage the Accommodation Strategy Project Board confirmed that there was no suitable temporary alternative office accommodation available elsewhere within the Council. Also as stated above the service is to be relocated to the new City Depot and the temporary relocation of the service for the intervening period would be expensive for the Council and cause unnecessary disruption to the Port Health Service. For these reasons the temporary relocation of the service was rejected.

## **DETAIL**

4. The Council currently occupies offices at Meridians House, Ocean Village as a base for the Council's Port Health Team.
5. The Council currently holds a 5 year lease of these premises which expires on 15 December 2010. This lease excludes protection for the Council under the Landlord and Tenant Act 1954 which means the Council does not have an automatic right to a renewal of the lease although the landlord is willing to grant a new lease.
6. Terms for a new lease have been negotiated and the following terms have been agreed and are detailed in the confidential appendix.
7. Cabinet Authority is required to sign the new lease as there are no delegated powers for the Council to take new leases of premises, or renew such leases where the rent payable is more than £20,000pa.

## **FINANCIAL/RESOURCE IMPLICATIONS**

### **Capital**

8. There are no capital implications for this transaction

### **Revenue**

9. The agreement will result in no increase in the rent payable by the Council. There is sufficient budget provision for this.

### **Property**

10. The agreed rent reflects the open market value of the premises. The terms are the best achievable under the circumstances.

### **Other**

11. None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

12. Section 120 Local Government Act 1972 gives the Council powers to acquire land (including by lease) by agreement for the purposes of any of their statutory functions.

### **Other Legal Implications:**

13. None.

**POLICY FRAMEWORK IMPLICATIONS**

14. This proposal complies with the Medium Term Plan.

**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

**Appendices**

1.	Confidential Appendix detailing proposed lease terms.
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**Documents In Members' Rooms**

1.	None
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**Background Documents**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None
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**Background documents available for inspection at:**

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	Bargate
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