

**Committee: Cabinet**

**Agenda Item**

**Date: 30 March 2017**

**9**

**Title: Office Units at Walpole Farm**

**Portfolio Holder: Cllr Howell**

Item for decision

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## Summary

- 1) As part of the development by Bloor Homes at Walpole Farm, the S106 Agreement allows the Council to take out a 10 year lease, at a peppercorn rent, on full insuring and repairing terms for four office units on the new development.
- 2) The units would form part of the Council's stock of lettable office space.
- 3) This report seeks Cabinet approval to accept the option and take out the 10 year lease once the office units are built.

## Recommendations

- 4) The Cabinet is recommended to approve that the option to take out a 10 year lease, at a peppercorn rent, on full insuring and repairing terms for the office units at Walpole Farm, subject to final terms, is agreed.

## Financial Implications

- 5) It is expected that any financial costs will be offset by the rental income which will be on a fully commercial basis.

## Background Papers

- 6) None

## Impact

Communication/Consultation	Ward Members at Stansted North have been notified of this offer and the intention to accept it.
Community Safety	No specific implications
Equalities	None
Health and Safety	No specific implications
Human Rights/Legal Implications	No specific implications
Sustainability	No specific implications
Ward-specific impacts	Stansted North
Workforce/Workplace	None

## Background

- 7) As part of the S106 Agreement for planning permission UTT/13/1618/OP the developers, Bloor Homes, offered the following option

### Part 10 Office Units

34. The Owners shall grant an option for the grant of a ten (10) year lease of the Office Units to UDC at a peppercorn rent on full insuring and repairing terms
35. Six (6) months after the Implementation Date UDC will inform the Owners whether or not UDC wish to exercise the option of a lease of the Office Units
36. The details of the lease (if taken) to be negotiated between the Owners and UDC

- 8) Bloor Homes implemented the development on 23 January 2017. Accordingly the Council has until 23 July 2017 to decide whether or not to take up this option.
- 9) The offices would be located immediately to the east of the housing development, and would take the form of a freestanding barn with a dedicated vehicle access and shared car parking. The offices would be provided on two floors with net floor space ranging between 95 and 148 sqm per unit, with a communal entrance and toilet facilities
- 10) The Council is keen to strengthen its role in economic development and promoting local businesses. By accepting this lease it will provide additional office units within the portfolio held by the Council.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The units stand empty and costs are therefore not recovered	2 – promotion by the Council should ensure this is mitigated	2 – As the units are new the cost of operation will be low	Promotion by the Economic Development team and the council's Asset Manager
High cost to reinstate to original condition at end of 10 year lease	1 – These are office units not industrial units	1 – Any reinstatement costs will be low as these are office units	Regular monitoring of the building and action taken against tenants if terms are breached

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.