

CABINET

DATE OF MEETING: 6 APRIL 2023

TITLE OF REPORT: FARNBOROUGH COLLEGE OF TECHNOLOGY (FCT): 5 YEAR LEASE (WITH ONE YEAR BREAK CLAUSES) FOR THE PROVISION OF HIGHER AND FURTHER EDUCATION SERVICES ON THE FIRST FLOOR OF THE CIVIC OFFICES.

Report of the Chief Executive

Cabinet Portfolio: Corporate Services

Key Decision: Yes

Confidentiality: Non Exempt

PURPOSE

1. The purpose of this report is to seek Cabinet's approval for an adjustment to the agreement reached in July 2022 to grant a lease for Farnborough College of Technology to occupy floorspace in the Civic Offices.

RECOMMENDATION

2. That the Chief Executive be authorised to grant Farnborough College of Technology (FCT) a 5-year lease/license to occupy the 1st floor of the Civic Offices for the purposes of providing a higher/further education facility subject to the terms already agreed by Cabinet in July 2018 and the following:
 - a) A £50k as an upfront "deposit" to be payable on completion of the Agreement for Lease document.
 - b) A 3-year indexed rent review linked to the Consumer Price Index (CPI), with a cap and collar of 1% and 3%.

BACKGROUND

3. In July 2022 Cabinet endorsed the decision to agree to lease the vacant floor space on the 3rd floor of the Civic Offices to Farnborough College of Technology (FCoT) (Urgent decision report attached as Appendix 1).
4. Following further discussions, it has now been agreed that it would be more practical if FCoT took a lease on the 1st floor rather than the 3rd floor. It would essentially be on the same terms as previously agreed but with the inclusion of the following additional clauses:
 - a) A £50k as an upfront "deposit" to be payable on completion of the Agreement for Lease document. The funds to be used to cover the additional cost incurred to move the Council's current 1st floor operations to the 3rd floor.
 - b) A 3-year indexed rent review linked to the Consumer Price Index (CPI), with a cap and collar of 1% and 3% - a new clause which replaces the previously rather vague rent review obligation.

CONSIDERATION

5. There is no operation disadvantages to the proposed change as set out in this report. Staff have been briefed and are eager to welcome FCoT and also to move to the 3rd floor.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED WHEN THIS DECISION WAS MADE

6. The Council has over the years sought to find a suitable commercial partner to occupy the vacant and underutilised floor space. The Council has also experimented with a bespoke business centre on the ground floor. None of the accommodation that the Council can offer is attractive to businesses on a commercial footing. Therefore, other than facilitating the FCT offer there is little alternative other than to leave the vacant floor space unused and still incurring a cost to the Council.

EQUALITIES

7. The proposal raises no equality issues, and the 1st floor is fully accessible by anyone with disabilities.

Contact: Daryl Phillips, Chief Executive

Appendix 1 Urgent Executive Decision Delegated Authority July 2022 Cabinet: Report Title: Farnborough College ff Technology: 5 Year Lease (With One Year Break Clauses) for the Provision of Higher and Further Education Services on the Third Floor of the Civic Offices.