



**Chief Executive
Civic Offices
Harlington Way
Fleet
Hampshire
GU51 4AE**

PROPOSED URGENT EXECUTIVE DECISION BY DELEGATED AUTHORITY

REPORT TITLE: FARNBOROUGH COLLEGE OF TECHNOLOGY (FCT): 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.

PORTFOLIO: COPORATE SERVICE/COMMERCIALISATION

DELEGATED POWER: All Cabinet members for matters within their terms of reference: To take action to deal with urgent business that arises between meetings of the Cabinet when it is not appropriate to call a special meeting of the Cabinet. Decisions taken under this power will be reported to the next Cabinet meeting.

KEY DECISION: No (it does not result in the Council spending or saving either £30,000 or 25% (whichever is higher) of the budget for the service or function the decision relates to).

PROPOSED DECISION: That the Chief Executive be authorised to grant Farnborough College of Technology (FCT) a 5-year lease/license to occupy the third floor of the Civic Offices for the purposes of providing a higher/further education facility and, authorise the Chief Executive, to implement any necessary security enhancement works to facilitate use of the third floor by FCT to be funded from the August 2018 Cabinet approved £500k 'invest to grow' budget reserve that is allocated to the Chief Executives.

PAPER ATTACHED: No (Heads of Terms only)

REASON FOR DECISION

The Council's Commercialisation Strategy has three stands one of which is to reduce costs through better utilisation of the civic offices.

The Council has rationalised its floorspace needs and this proposal seeks to use the vacant and unused floorspace on the third floor to provide a much needed further and higher education faculty within Hart District. The current annual cost of maintaining the vacant third floor is approximately £175k.

FCT propose at its own cost to fully refurbish the third floor in its entirety including painting and decorating and enhancing the WC facilities. The intention is to create a self-contained functional unit that would have minimal impact upon the operation of the Council's core business.

The rent proposed is £230k/annum (inclusive of services charges) but this will be reviewed at the end of the first year to reflect actual cost recovery. For the District Council there will need to be some minor (one-off) works on the second floor to provide a degree of door entry security to control access around the central core. This can be funded from the £500k 'invest to grow' budget reserve that is allocated to the Chief Executive.

It is also anticipated that there will be a form of limited concierge facility provided at ground floor albeit it will be low key as FCT do not envisage the need for a bespoke service. The annual cost to the Council for providing these services is estimated to be around £20k/annum.

The proposed lease is for an initial 5 years although it could be extended. This is because FCT still have ambitions to find a more permanent location within Hart District. FCT are also mindful of the potential of the Civic Quarter regeneration and therefore has agreed for one year break clauses (running from September to September) to coincide with the annual year term.

There would also be no obligation on the Council to reprovide the facility in the event of a successful regeneration project coming forward. This arrangement will ensure the FCT facility would not conflict with the Council's wider regeneration ambitions.

The draft Heads of Terms is attached.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED WHEN THIS DECISION WAS MADE

The Council has over the years sought to find a suitable commercial partner to occupy the vacant and underutilised third 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.

WHO HAS BEEN CONSULTED? The ultimate decision lies with the Portfolio Holder, but this paper is being shared with:

- The Chairman of Overview & Scrutiny Committee
- The Portfolio Holder for Finance.

RESOURCE/ RISK/ CRIME AND DISORDER IMPLICATIONS: None Identified

EQUALITIES: The proposal raises no equality issues, and the third floor is fully accessible by anyone with disabilities.

BACKGROUND PAPERS: Heads of Terms Attached

	Date:	Signed:
CABINET MEMBER:		
CHIEF EXECUTIVE		
S 151 OFFICER (Head of Finance)		