

Ref PHD:

REPORT FOR: Decision by Leader of the Council

Subject: To grant a Lease to Central and North West London NHS Foundation Trust of surplus ground, first and second floor accommodation at Milman's, Grove Avenue, Pinner

Responsible Officer: Paul Walker, Corporate Director, Community Directorate and Paul Hewitt, Corporate Director, People Services Directorate.

Portfolio Holder: Leader of the Council

Key Decision: **Yes**
Authorisation sought for the Corporate Director of Community to grant a lease of Milman's Building, Grove Avenue, Pinner at rent of £128,000 for a term expiring 30 June 2025.

Power to be exercised: Refer to Appendix to Executive Procedure Rules

Exempt: No

Urgent/Non Urgent: **Yes**
The decision is urgent because the lease has to be completed by 29 May 2018 before the next Cabinet meeting

Wards affected: Pinner South

Enclosures: None

Section 1 – Summary and Recommendations

To grant a Lease to Central and North West London NHS Foundation Trust of surplus ground, first and second floor accommodation at Milman's, Grove Avenue, Pinner.

Recommendations:

The Leader of the Council is requested to:

Authorise the Corporate Director of Community to grant a lease of Milman's Building, Grove Avenue, Pinner at rent of £128,000 for a term expiring 30 June 2025. The decision is urgent because the lease has to be completed by 29 May 2018.

Reason: The recommendation complies with overall objectives to improve the Council's financial position and to support the delivery of Peoples Directorate MTFs savings of £184k at Milman's Building.

Section 2 – Report

Introduction

It is proposed to decant existing council staff from the first floor of Milman's Building to occupy surplus accommodation (including hot-desking) at the Civic Centre. Terms are agreed to grant a lease to Central and North West London NHS Foundation Trust, which is also contracted to deliver services to the council. The Trust will occupy part of the ground floor to provide clinical services together with the entire first and second floor accommodation to be occupied as administrative support. The Trust has agreed a lease expiring 30 June 2025 at a commencing rent of £128k p.a, subject to annual rent review to the higher of open market value or by reference to RPI.

Options considered

1. Do not grant the lease to the NHS Trust
2. Approve the proposed leasehold disposal.

Option 1 is recommended as it will mitigate on-going costs at Milman's Building, contribute to the Council's overall financial position and to the delivery of Adults MTFs savings of £184k at the Building.

Background

Surplus accommodation has been identified at the Civic Centre to accommodate existing administrative council staff, who are currently based on the first floor of Milman's.

It is proposed to decant the existing staff irrespective of the proposed letting to the NHS Trust.

Following the decant of council staff to the Civic Centre, the accommodation would remain vacant and the council would remain liable for repair maintenance and operational costs. The opportunity to grant a lease to the NHS Trust provides an opportunity not only to mitigate on-going costs but contribute to council's overall financial position and to the delivery of Adults MTFS savings of £184k at Milman's.

Allowing the NHS Trust to occupy the subject accommodation will enable the delivery of the SLA between the council and the NHS Trust commencing on 1 July 2018.

Staffing/workforce

Existing staff will be relocated to the Civic Centre and otherwise unaffected by the proposal.

Environmental Impact

Officers consider there to be no environmental impact issues associated with this proposal.

Data Protection Implications

Officers consider there to be no Data Protection issues associated with this proposal.

Risk Management Implications

There is no unmitigated risk associated with this proposal.

Procurement Implications

N/A

Legal Implications

Section 123(1) of the Local Government Act 1972, provides the Council with the power to dispose of land and property, provided such disposition is made

for the best consideration reasonably obtainable. Officers confirm that this disposal is made at the best consideration reasonably obtainable. The Secretary of State's consent is not required where the Council obtains such consideration.

Financial Implications

The MTFS 2017-18 approved by Cabinet in February 2017 agreed budget reductions totalling £359k (2017-18 £175k and £184k in 2018-19) arising from the anticipated community tender mode at Milman's.

The initial community model proposal at Kenmore was unsuccessful requiring the Adults Directorate to identify alternative savings to mitigate the shortfall in relation to the proposed Milmans community tender.

In 2017-18 the proposed saving was mitigated within various budget heads across the directorate. The proposed lease arrangements with Harrow CCG, generating rental income of £128k (in a full year) will assist the mitigation required to be identified in 2018-19. Further mitigation is anticipated in relation to the contribution towards utility costs repair and maintenance and Business Rates. This aims to reduce the cost of day care services to the Council by increasing the capacity provided by internal services.

To secure the rental income at this level, the Council is planning on making a number of improvements to the premises at Milmans. These works include flooring and works to the roof, will be netted off the rental income where the costs are deemed to be revenue costs or where capital in nature funded within the Adults capital programme.

The rental income in 2018-19 of £96k (representing the part year rent with effect from 1st July 2018) will be offset by one-off costs which are anticipated in relation to relocation costs (including IT) representing the costs of moving existing Council staff into the civic centre to free up the space for rental purposes.

Equalities implications / Public Sector Equality Duty

None.

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

Please identify how the report incorporates the administration's priorities.

- Making a difference for the vulnerable
- Making a difference for communities

- Making a difference for local businesses
- Making a difference for families.

Section 3 - Statutory Officer Clearance

Signature:	
Name: Donna Edwards	<input checked="" type="checkbox"/> on behalf of the Chief Financial Officer
Date: 17 May 2018	
Signature:	
Name: Matthew Dineen	<input checked="" type="checkbox"/> on behalf of the Monitoring Officer
Date: 17 May 2018	

Section 3 - Procurement Officer Clearance

Signature:	
Name: Nimesh Mehta	<input checked="" type="checkbox"/> Head of Procurement
Date: 21 May 2018	

Ward Councillors notified:	YES
EqIA carried out:	NO
EqIA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact:

Colin Rawcliffe
Strategic Asset Surveyor,
Corporate Estate
0208 424 1278

colin.rawcliffe@harrow.gov.uk

Background Papers: None.

Signature:

Position: Corporate Director of Community

Name: (print) Paul Walker

Date: 18 May 2018

For Leader

* I do agree to the decision proposed

* I do not agree to the decision proposed

* *Please delete as appropriate*

Notification of disclosable non-pecuniary and pecuniary interests (if any):

Additional comments made by and/or options considered by the Portfolio Holder

Signature:

Leader

Date:

**Call-In Waived by the
Chair of Overview and
Scrutiny Committee**

YES

[Call-in does not apply]