

Report to: Lead Member for Resources and Climate Change

Date of meeting: 20 December 2021

By: Chief Operating Officer

Title: Property arrangements for the Records Management Service and Library Information Service

Purpose: To consider the proposed arrangements for alternative premises for the Records Management Service and Library Information Service.

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Delegate authority to the Chief Operating Officer to serve the relevant notices to end the lease at Unit D, Ropemaker Park, Hailsham;**
- 2) Delegate authority to the Chief Operating Officer to agree the terms of the lease for new premises in Hampden Park and to enter into such agreements as may be necessary to secure the lease of the Hampden Park premises;**
- 3) Delegate authority to the Chief Operating Officer to take all actions necessary to give effect to the recommendations set out in this report.**

1 Background

- 1.1 The Library and Information Service (LIS) and the Records Management Service (RMS) occupy warehouse and office accommodation at Unit D, Ropemaker Park, Hailsham. The building has been leased by East Sussex County Council ('the Council') since 2012. The current lease expires in September 2022. Appendix 1 provides a site plan of the building.
- 1.2 The LIS and RMS services have reviewed their service delivery models, ahead of the end of the lease term next year. The review has concluded that significantly less space is needed than currently available at the leased site in Hailsham.
- 1.3 As the existing site is larger than the Council's future needs, a wider review has been commissioned to explore potential alternative locations for the LIS and RMS. The Council's Asset Management Plan 2020-2025 seeks to utilise the Council's existing asset base for operational use whenever possible. Following the review, a Council owned freehold asset in Polegate has been identified as suitable for the LIS. The building identified in Polegate was previously used as one of seven libraries that were closed during the implementation of the Libraries Strategic Commissioning Strategy (LSCS) in 2018. Local community groups did come forward following the closure with proposals to operate a library from that building; however, despite best endeavours by the Council and community groups, these proposals didn't come to fruition. Consequently, this vacant Council asset can now be re-purposed for LIS use.
- 1.4 A planning permission for change of use will need to be granted for the former Polegate library building before it can be used for the LIS (from 'public institution' to 'storage') as well as building works to make it fit for purpose for the LIS. A planning application will be submitted in December 2021 and, if planning consent is granted, refurbishment works to the site are anticipated to commence in early Spring 2022.
- 1.5 Officers have also undertaken work to identify a suitable option for the RMS. Two main options have been considered: (i) Exploring with the landlord of the existing site,

Ropemaker Park, the potential for a lease of part of the building; (ii) Undertaking a property search for alternative accommodation available in the market within the County.

- 1.6 Officers from the Council's Property and Community, Environment and Transport (CET) departments collated a report which presented a shortlist of accommodation solutions for the RMS. Despite best endeavours by the Property team to agree terms for a lease of only part of the existing footprint of the current Ropemaker Park accommodation, the proposal was not viable for the landlord without the Council also retaining the office space (an additional 6,000 sq. ft). Concurrently, the search for suitable properties for RMS looked at those available on the market across the whole County, rather than being focused solely in the Hailsham area, where the accommodation for the RMS is currently based.
- 1.7 A preferred property has been identified for RMS and the Exempt report later in the agenda will outline the proposed heads of terms and more details of the property at Hampden Park. The proposed asset is smaller, more suitable, affordable, and cost-effective to lease for the RMS. The smaller asset will reduce the footprint required by the service and assist in reducing the carbon emissions from the new facility as part of the Climate Change Emergency Plan. The building requires some reconfiguration; feasibility studies for this purpose are being finalised. The scope of works and capital funding has been earmarked as part of the Priority Outcomes and Transformation Reserve.

2 Supporting information

- 2.1 The Council currently leases the whole of Unit D Ropemaker Park which has over 35,000 sq. ft. The proposal looks to reposition the RMS to a new facility which offers circa 15,000 sq. ft.
- 2.2 A consultant has been appointed to finalise the scope of the works to make the unit fit for purpose. Finance colleagues have undertaken an analysis of the proposed costs of occupation compared to the current property running costs of Ropemaker. The proposed ongoing property operating costs for the preferred unit is below the current property operating costs for the whole of Unit D, Ropemaker.
- 2.3 At present, the market for industrial rental space has been particularly buoyant and there is a limited pool of suitable accommodation within the sector. The Council is keen to move quickly to secure this unit for RMS operational use.
- 2.4 It should be noted that the landlord at Hampden Park is currently pursuing planning permission for a wider scheme of additional new industrial spaces, but these will not be available for another 15-18 months. The new units will sit adjacent to the proposed RMS unit. However, the parking and estate facilities will be newly constructed and available at the point of the Council taking occupation.
- 2.5 The legal documentation will be drafted by the landlord and the proposed structure of the property transaction will take the form of three main documents (Agreement for lease, licence, and occupational lease). The Landlord has requested the Council to commit to the property by entering into an Agreement for Lease. The Landlord will be completing some pre-occupation works. Additionally, the Council will need to undertake works to the property to customise the unit's storage capacity. The Council will need a licence from the Landlord to enable it to carry out these works, that offers amenity space for the Council's ongoing operations. The Landlord has proposed a period of 3 months ahead of the lease completing in June / July 2022 for the Council's works to be carried out.
- 2.6 The lease of the site in Hampden Park is proposed to run for a term of 10 years with the Council being responsible for rent, repairs, insurance, and business rates. There is additional financial information on the property running costs contained in an exempt report, later in the agenda.

3. Conclusion and reasons for recommendations

- 3.1 The premises at Ropemaker Park are larger than the Council's future requirements for the LIS and RMS. The lease of the current building is due to expire in September 2022. It is recommended that the Lead Member for Resources and Climate Change delegates authority to the Chief Operating Officer to serve the relevant notices to end the lease at Unit D, Ropemaker Park, at the appropriate time in accordance with the terms of the lease.
- 3.2 It is recommended that the Lead Member for Resources and Climate Change approves the Council entering a lease for the premises in Hampden Park to be used by the RMS. In addition, the Lead Member is recommended to delegate authority to agree the terms of the lease and to take all actions necessary to give effect to the recommendations set out in this report, having regard to the requirements to obtain best value.

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