

Report to: Lead Member for Resources and Climate Change

Date of meeting: 26 July 2021

By: Chief Operating Officer

Title: Hastings office premises – New accommodation solution

Purpose: To agree to take leases of office accommodation in Hastings to replace Ocean House, Hastings

RECOMMENDATIONS

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

- 1) approve the proposed lease terms of Cavendish House and Muriel Matters House, Hastings (the Properties), contained in the Exempt report at a later agenda item;**
 - 2) delegate authority to the Chief Operating Officer to approve the final lease negotiations and the signing and completion by the Council of the leases to the Properties and any related licences and other documents and take any other actions considered appropriate to give effect to the above recommendation, and to secure best value in accordance with the Local Government Act 1999.**
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1 Background

- 1.1 East Sussex County Council (ESCC) has been reviewing its office requirements based on business needs for frontline services in key localities. One of the key offices is Ocean House, St Leonards, Hastings. The Council leases several floors within this building and the current lease expires in March 2023.
- 1.2 The landlord has confirmed they will be re-developing the site as they have secured permitted development rights to convert the building into residential accommodation. This has resulted in the Council reviewing its accommodation needs in Hastings; reflecting on new work practices and increased hybrid working for the teams that are currently based in Ocean House.
- 1.3 The Council has undertaken searches for office accommodation and this report outlines two office premises in central Hastings. Both office solutions, are located adjacent to each other. Property Heads of Terms have been provisionally agreed and these are attached in Appendix 1 of the Exempt report later on in the agenda.

2 Supporting information

- 2.1 The Council's Asset Management Plan 2020-2025 outlines how efficient use of assets is a key priority and therefore the new office accommodation will occupy 39% less floor area to meet current office needs. In addition, the proposed offices are more energy efficient and will help the Council with its goals to drive down carbon emissions.
- 2.2 The property search for office accommodation revealed there was a lack of suitable accommodation that meets the Council's requirements, but a solution has been found. In respect of Cavendish House, the other floors are occupied by NHS and its partners and there is currently joint service commissioning delivery from this building. The teams that will move into this building will be located on the 6th and 7th floors. The accommodation will provide frontline services for children and adult social services clients.
- 2.3 As outlined above, the Council works closely with other public partners and to identify accommodation needs and to see solutions within the wider public estate. The Council has worked proactively with Hastings Borough Council (HBC), and it will take one floor

within Muriel Matters House, next to Cavendish House. This office will be used by back-office staff currently based in Hastings, where there is less client interaction.

- 2.4 A financial summary is shown on the proposed lettings at both properties in the Exempt report later in the agenda which supports the recommendations set out in this report. The property cost of these offices can be met within existing budgets. The Council has agreed break clauses for its leases so it can regularly consider its office accommodation needs and reduce its office requirements in Hastings in future years, if needed.
- 2.5 It is intended to enter into the leases in September/October 2022, to allow some minor adaptation works to be undertaken.

3. Conclusion and reasons for recommendations

- 3.1 As the landlord of Ocean House seeks to re-develop the site, alternative office accommodation needs to be found in Hastings. The proposed alternatives provide the required floor space, within current budgets, whilst reducing ESCC's carbon footprint.
- 3.2 The Lead Member Resources and Climate Change is recommended to:
- i. approve the provisional heads of terms as outlined in the Exempt report later on in the agenda;
 - ii. approve the delegation of authority to the Chief Operating Officer to approve the final lease negotiations and ensure the legal documents are in place that represent best value in accordance with the Local Government Act 1999.

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