

CABINET MEMBER DECISION RECORD

This form should be used to record Executive decisions taken by Cabinet Members

Decision Ref. No:
Responsible Officer: Sam Hoida, Graduate Valuer
Subject: Lease of part of 1st Floor Office - Telecomm House
Decision taken: To enter into a five year lease of part of the 1st floor office at Telecomm House, 35 Holdenhurst Road, Lansdowne, Bournemouth.
Reasons for the decision: To support the Council priority <i>A Thriving Economy</i> , by facilitating the growth of digital and creative businesses in the Lansdowne area.
Call-in and Urgency: Subject to call-in.
Background: The Lansdowne business district has been identified by the Council as a future employment growth area for the digital and creative industries. The Economic Development Team have had ongoing conversations with creative and digital businesses from the local area and from further afield that highlight their need for high quality, well located office space in Bournemouth, to enable them to grow or relocate to the town. It is therefore proposed to acquire office space in Lansdowne by entering into a 5 year lease of part of the 1 st floor of Telecomm House. The Council will then sublet this flexible and affordable office space, preferably to one or more creative and digital businesses as identified above, which in turn will generate high-skilled employment opportunities. 3 fast growing companies from the local area have been to visit the property recently. Each company has expressed an interest in the space because they need more space in which to expand and are considering their options. They are all in the digital/creative space and are well established and are working with global clients. The fact the council is potentially providing this space makes it easier and less risky for businesses of this size (between 10-20 staff) to make the investment, and have confirmed that the terms offered which are at market rate, are acceptable. The future vision, strategy and delivery plan for Lansdowne is an added attraction. A key facet of the creative and digital sector is collaboration. Redweb, a leading digital agency, already occupies Telecomm House on the ground and part of the 1 st floor. Potential co-location benefits include the opportunity for collaboration with the agency which in turn could bring new innovation and further job opportunities. Without this space, Bournemouth runs the risk of losing these companies (and others) to other locations.
Options - and reasons for rejection: None - a property search has failed to identify any suitable and affordable alternative premises. Other buildings in the Lansdowne area are in need of more work to be ready for occupation.

Consultations undertaken:

None

Finance/Resource Implications:

The terms offered are at market rate, there is no subsidy to enable a sub-market rent, nor is the council seeking to make a surplus.

The rent will be £20,586 in year one of the lease term and £41,173 in years 2 to 5. It is expected that break-even will occur in years 2-5. These net costs anticipate a take-up of space by one or more businesses in the first year and make appropriate allowance for anticipated void periods.

The Council has a break option exercisable on 01 February 2018. This means that the Council's maximum exposure, assuming no sublettings, is limited to approximately £165,000 inclusive of rent, insurance, business rates, service charge, utilities and professional fees. This exposure is reducing as the break option date comes closer.

All costs will be met from Development General budgets and from service savings.

Name: [REDACTED]

Signature: (of Chief Finance Officer)

Date:

17-8-15

Legal implications:

Legal Services will be engaged in the preparation of the legal documentation to ensure that detailed lease terms are acceptable to the Council.

Name: [REDACTED]

Signature: (of Monitoring Officer)

Date:

18/8/15

Risk assessment:

An Initial Risk Assessment indicates this to be a medium risk project.

Name: [REDACTED]

Signature: (of Officer completing assessment)

Date:

17/8/15

Impact Assessments:

An Equalities Impact Needs Assessment has been completed and published this can be viewed at the following web page:

<http://www.bournemouth.gov.uk/CouncilDemocratic/EqualityDiversity/EqualityImpactNeedsAssessments.aspx>

This indicates that there are potential negative impacts for physically disabled users. This is because the building does not meet the latest access standards contained in Part M of the Building Regulations and therefore will not be fully accessible by some wheelchair users and others with a severe physical disability. It is not cost-effective to bring this building up to the latest standard, given the short lease length. Therefore, alternative premises will be offered in a similar facility at the Old School House in Boscombe to anyone who is not able to fully access this building.

An Environmental Impact Assessment indicates a balance of negative and positive impacts on the environment.

Information for/not for publication:

For publication

Background papers:

- Initial Risk Assessment
- Environmental Impact Assessment

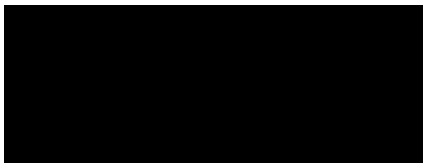
Any conflict of interest declared by a Cabinet Member who is consulted by the Member taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
Yes/No* (*Delete as appropriate)			

Decision taken by:

Councillor John Beesley

Cabinet Portfolio: Resources

Signed:



Date of decision: 18 August 2015

Date of publication of record of decision:

Date decision effective:

Note - See separate guidance on recording decisions at Appendix 1.

Equality Impact Needs Assessment

The Diversity Promise - *Better for all*



1. Title of Policy/Service/Project	Lease of part of 1st Floor Office - Telecomm House
2. Service Unit	Environment & Regeneration Services
3. Lead Responsible Officer and Job Title	Sam Hoida - Graduate Valuer, Property Services Chris Shephard - Head of Economic Development and Sustainability
4. Members of the Assessment Team:	Sam Hoida - Graduate Valuer Chris Shephard - Head of Economic Development and Sustainability Beccy Brookwell - FM Client Manager Martin Wilkins - Policy & Support Manager (Property)
5. Date assessment started:	22 October 2014
6. Date assessment completed:	3 July 2015

About the Policy/Service/Project:

7. What type of policy/service/project is this? (delete as appropriate)	New/
8. What are the aims/objectives of the policy/service/project? (please include here all expected outcomes)	<p>This involves the Council entering into a 5 year lease of part of the 1st floor office at Telecomm House, 35 Holdenhurst Road, Lansdowne, Bournemouth.</p> <p>The Council will then run a new business/start-up accelerator programme through subletting this office space, which in turn will generate high-skilled employment opportunities for the local area.</p> <p>It is hoped that this provision of business incubator space for new/start-up digital and creative enterprises will act as a</p>

catalyst for similar businesses to relocate to the area, drawing inward investment into the Town.

This activity will support the Council priority *A Thriving Economy*, by facilitating the growth of digital and creative businesses in the Lansdowne area.

9. Are there any associated services, policies or procedures?

Yes

Corporate Plan 2015/16

<http://www.bournemouth.gov.uk/CouncilDemocratic/AboutYourCouncil/PlansandPerformance/CorporatePlan.aspx>

Capital Strategy & Corporate Asset Management Plan

<http://www.bournemouth.gov.uk/CouncilDemocratic/AboutYourCouncil/PlansandPerformance/CapitalStrategyandCorporateAssetManagementPlan.aspx>

Equality & Diversity - The Equality Act 2010 and Codes of Practice (Service Codes)

<http://biz/BusinessUnits/Commercial/EqualDivers/ED%20Pages/Equality%20Act%202010.aspx>

10. List the main people, or groups of people, that this policy/service/project is designed to benefit and any other stakeholders involved?

New and start-up digital and creative businesses.

This project is looking to help people with business ideas, including young people, to provide them with affordable space to develop their businesses, earn a living and potentially employ more local people.

A key part of the decision to choose Telecomm House is that Redweb a leading digital agency is occupying the property on the ground and part of the 1st floor. By the Council taking the lease for the other half of the 1st floor there are potential co-location benefits, including the opportunity for start-ups to collaborate with the agency, which in turn could bring new innovation and further job opportunities. It is hoped that this project will act as a catalyst for similar businesses to relocate to the area.

One of the Council's key priorities is to build *A Thriving Economy* which includes TE3 *Growing a vibrant digital and*

creative business sector. Outcome targets include:

- TE3a Increase the number of digital and creative industries in Bournemouth
- TE3b Increase the percentage of graduates that found work locally
- TE3d Increase the number of participants coming to digital/creative events in Bournemouth

This scheme will directly contribute towards the Council achieving these targets.

11. Will this policy/service/impact on any other organisation, statutory, voluntary or community and their clients/service users?

It will impact on the businesses taking-up space in the building and on their staff and customers.

It is anticipated that this will help contribute to the wider economic regeneration of the area as these businesses will spend money and inward investment should follow.

One of the Council's Equality Objectives is to improve the life chances of young people in Bournemouth. This scheme aims to help young people directly if they are leading the start up business, or indirectly if they are an employee of the new business.

Bournemouth and Poole has been identified as currently having the fastest growing digital economy in the Country according to a report by the Cluster Alliance at Tech City UK.

http://www.bournemouthcho.co.uk/news/13320262. Bournemouth_is_really_exciting_expert_impressed_by_area_s_booming_digital_economy/

This scheme should help more people take advantage of this momentum.

Consultation, Monitoring and Research

Where there is still insufficient information to properly assess the policy, appropriate and proportionate measures will be needed to fill the data gaps. Examples include one-off studies or surveys, or holding informal consultation exercises to supplement the available statistical and qualitative data.

If there is insufficient time before the implementation of the policy to inform the EINA, specific action points will be need to be clearly set out in the action plan. Steps must include monitoring arrangements which measure the actual impact and a date for a policy review.

Consultation:

12. What involvement/consultation has been done in relation to this (or a similar) policy/service/project and what are the results?

Property Services carried out an 'access audit' with the FM Client Manager (former access surveyor for Bournemouth Borough Council), as part of the EINA screening process. A few components were identified at the building as being non-compliant with the current Part M (Approved Document M) of schedule 1 of the Building Regulations, which covers access to and use of buildings and is used as a good practice for standards of accessibility today.

There are ramps to access the building, lifts and wheelchair accessible toilets, however these are not fully compliant with the very latest access standards. So some building users may find it difficult to fully access all parts of the building. . .

Telecomm House is of late 1980's construction, therefore non-conformity with today's new build standards is to be expected. The Council will not have an active role in the day-to-day use of the building as it will be immediately sub-let to the business start-ups. Therefore, the occupying tenant will be made aware of the potential issues for access and would normally be required to make any reasonable adjustment should this have an impact on any employee.

To mitigate this the Council would endeavour to assist in resolving the issue dependent upon cost, however, due to the short period of occupation, the alternative would be to offer fully, accessible space at a different location i.e. The Old School House, Boscombe.

<http://by-the-sea.co/old-school-house/>

E mail correspondence has been sent out to Dots Disability highlighting the issues but no comments have been received to date.

13. If you have not carried out any consultation, or if you need to carry out further consultation, who will you be consulting with and by what methods?

The Council will consult the incoming tenants on a case by case basis to consider any accessibility issues.

Monitoring and Research:

14. What data, research and other evidence or information is available which is relevant to this EINA?

The Ward Profile for Central Bournemouth highlights that the Lansdowne area is the 25th most deprived LSOA (Lower Super Output Area) in Bournemouth, and one of 5 that fall within the 50% most deprived nationally.

<http://www.bournemouth.gov.uk/CouncilDemocratic/Statistics/WardProfiles/WardProfilesForBournemouth.aspx>

Also noted in the Central ward profile was:

- as at February 2015, ward unemployment claimant rates stood at 1.9% which is higher than the 1.7% for Bournemouth overall;
- as at mid-2013 approximately 8,700 residents were of working age representing nearly 78% of the population and the highest ward proportion in Bournemouth;
- Central ward is the most ethnically diverse ward with significant numbers of White other (13.9%), British Indian (3.5%), British Chinese (2.1%) and Other British Asian (2.9%)
- Day to day activities are not limited by a disability in the age group 16-64 for 91% of the population, this is 87.2% for the whole of Bournemouth.
- It is unclear what long term health problem or disability relates to the 9%, but only 3.7% of the population in central ward have day to day activities 'limited a lot' (7.2% for the whole of Bournemouth)

<p>15. Is there any service user/employee monitoring data available and relevant to this policy/service/project? What does it show in relation to equality groups?</p> <p>None</p>
<p>16. If there is a lack of information, what further information do you need to carry out the assessment and how are you going to gather this?</p> <p>None required at this stage but further information to be acquired by the Council on a case by case basis with the sub tenant.</p>

Assessing the Impact

	Actual or potential positive benefit	Actual or potential negative outcome
<p>17. Age</p>	<p>This scheme will provide opportunities for young people with regards to setting up their own businesses and employment. This is particularly relevant with the economy locally and nationally recovering from years of austerity.</p>	
<p>18. Disability</p>		<p>As Telecomm House is not currently fully compliant to latest standards with regards to some areas of accessibility it might lead on occasions to some users encountering difficulties.</p>

	Actual or potential positive benefit	Actual or potential negative outcome
19. Gender		
20. Gender reassignment		
21. Pregnancy and Maternity		
22. Marriage and Civil Partnership		
23. Race	<p>This scheme will create business start up opportunities in a ward that is the most ethnically diverse in Bournemouth</p> <p>See section 14 for data/evidence</p>	
24. Religion or Belief		
25. Sexual Orientation		
26. Any other factor/ groups e.g. socio-economic	<p>This scheme will help the economic regeneration of a deprived part of Bournemouth, and hopefully lead to more inward investment in the area to benefit more people</p>	

	Actual or potential positive benefit	Actual or potential negative outcome
status/carers etc	<p>This scheme will help to deliver the Bournemouth Borough Council Equality Objective 6 - we will improve the life chances of young people in Bournemouth</p> <p>Supporting the regeneration of the area it will also contribute to Objective 3 - we will improve people's feeling of safety and reduce the fear of anti-social behaviour</p>	
27. Human Rights		

Stop - Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.

28. If impacts have been identified include in the action plan what will be done to reduce these impacts, this could include a range of options from making adjustments to the policy to stopping and removing the policy altogether. If no change is to be made, explain your decision:

The Access Audit identified a list of recommended improvements, mostly falling outside of the Council's demise. The Landlord has indicated an unwillingness to undertake these improvements because the building is earmarked for redevelopment in the near future. Given the short length of the lease and the potential for the landlord to break the lease early, it is not cost-effective for the Council to use significant sums of public money to complete these physical improvements to the fabric of the building.

This assessment acknowledges that there is the potential for a negative outcome for a sub tenant or their employee with regards accessibility. However, this will be mitigated by the Council using the following steps:

- The Council would discuss issues of accessibility at an early stage with the potential sub tenant;
- The Council would endeavour to negotiate with the landlord and the sub tenant who would be responsible for making the reasonable adjustment;
- The Council would consider using its resources to resolve the issue; or if financially unviable
- Offer the sub tenant / individual some alternative, accessible space at a different location nearby i.e. The Old School House, Boscombe.

On balance the recommendation is to proceed, subject to the Action Plan below. Despite a possible negative outcome for a small percentage of the population, there are other actual, significant positive outcomes for a much larger proportion of the population. These are highlighted above across the diversity strands of:

- Socio-economic improvements i.e. economic regeneration of a deprived area and job creation;
- Age;
- Race.

This scheme also supports the creation of *A Thriving Economy* which is a key council priority. The flexible terms agreed by the landlord make it viable for the Council to set up this business incubator in this particular building. There is also the added benefit of having Redweb located within the same building which will benefit any new sub tenants as they develop their new businesses.

Action Plan

Include:

- What has/will be done to reduce the negative impacts on groups as identified above.
- Detail of positive impacts and outcomes
- The arrangements for monitoring the actual impact of the policy/service/project

29. Issue identified	Action required to reduce impact	Timescale	Responsible officer	Which Business Plan does this action link to e.g. Service Equality Action Plan/Team Plan
It is discovered that the sub tenant or one of their staff members has an access issue with the building	<p>The Council would discuss issues of accessibility at an early stage with the potential sub tenant</p> <p>The Council would endeavour to negotiate with the landlord and the sub tenant who would be responsible for making the reasonable adjustment</p> <p>The Council could also speak to Redweb regarding availability of desk space on the ground floor</p> <p>The Council would consider using its resources to resolve the issue</p> <p>Offer the sub tenant / individual some alternative, accessible space at a different location nearby i.e. The Old School House, Boscombe</p> <p>Annual Review to check sub tenants and their employees are not being disadvantaged</p>	<p>Prior to sub lease agreed</p> <p>Triggered on request for a reasonable adjustment</p> <p>Triggered on negotiation</p> <p>Triggered on negotiation</p> <p>Triggered on negotiation</p> <p>July 2016 and each July thereafter</p>	<p>Head of ED & S</p> <p>Graduate Valuer</p> <p>Graduate Valuer</p> <p>Corporate Property Officer</p> <p>Head of ED&S</p> <p>Head of ED&S</p>	<p>Environment & Regeneration Services</p>



ENVIRONMENTAL IMPACT ASSESSMENT

Lease Acquisition - Telecomm House

Accountable Manager:

Roger Ball

Impact Assessor:

Sam Hoida, 01202 451253, sam.hoida@bournemouth.gov.uk

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
Natural resources impact on use of natural resources - for example energy, water, raw materials	-	The demise is currently vacant, occupation will increase the consumption of energy and water.
Quality of environment contribution to safe and supportive environments for living, recreation and working	+	The demise is currently vacant, occupation will ensure that existing space is brought back into beneficial use, improving the quality of the environment.
Bio-diversity protects and improves wildlife and habitats	n/a	No impact identified
Waste and pollution effects on air, land and water from waste and emissions	-	The demise is currently vacant, occupation will increase waste and emissions.
Council Priority and Objectives for Improving our Environment: <ul style="list-style-type: none"> • Reduce traffic congestion • Improve streetscene • Improve recycling & energy management • Respond to climate change • Improve quality of existing space 	?	The demise is currently vacant, occupation will improve the quality of the existing space but will impact traffic.

Please complete and save your checklist, and email a copy to Lee Green, Environment Strategy & Sustainability Manager @ lee.green@bournemouth.gov.uk

If you would like help in completing this checklist or would like to request a change, again contact Lee Green by email or call on 01202 451144.



G2 Initial Risk Assessment

PROJECT NAME:

Lease of Part of first floor of Telecomm House, Lansdowne

PROJECT NUMBER: *To be obtained from PMO*

PROJECT RISK LEVEL:

MEDIUM *

Table 1 - Suggested criteria on which to score the type of project (please tick appropriate category)					
CRITERIA				Score	
1) Duration of Project	0-6 months <input type="radio"/>	7-12 months <input type="radio"/>	Above 1 year <input checked="" type="radio"/>	6	
2) Effort	1-4 people (FTE) <input checked="" type="radio"/>	5-10 people (FTE) <input type="radio"/>	11+ people (FTE) <input type="radio"/>	1	
3) Business Impact	Service Unit/Service <input type="radio"/>	More than 1 SU <input type="radio"/>	Council/External <input checked="" type="radio"/>	10	
4) Priority	Desirable <input type="radio"/>	Highly Desirable <input checked="" type="radio"/>	Essential <input type="radio"/>	3	
5) Costs &/or Savings	Up to £250k <input checked="" type="radio"/>	£251k-£500k <input type="radio"/>	Over £501k or if project is to be funded through prudential borrowing <input type="radio"/>	2	
6) Risk Impact	Low Impact - Minor service disruption/inconvenience, minor injury, small financial loss, isolated service user complaint. <input checked="" type="radio"/>	Medium Impact - Service disruption, More serious injury or financial loss, adverse media coverage, numerous service user complaints <input type="radio"/>	High Impact - Significant or total service disruption, major disabling injury or fatality, high or catastrophic financial loss, adverse national media coverage, ministerial intervention in service running. <input type="radio"/>	1	
				Risk Score	23

A numerical rating is applied to each cell (see Table 1) For example a 'Priority' of 'Highly Desirable' is worth 3 points and a 'Cost' of '£501-£1m' is worth 5 points. Totalling the points scored for each 'criteria' gives a project score. This score is then mapped against a project-risk status in Table 1 below:

Table 1 - Risk Status	
Project Risk Rating	Points Total
Low	Between 10-18
Medium	Between 19-35
High	36+