

9 July 2012**Agenda Item: 7a****REPORT OF SERVICE DIRECTOR - TRANSPORT, PROPERTY &
ENVIRONMENT****PROPOSED LEASE IN – UNIT 6-8 CALVERTON BUSINESS PARK
(COUNTY SUPPLIES RELOCATION)****Purpose of the Report**

1. To seek approval to the terms of the proposed Lease in of Unit 6-8 Calverton Business Park, which will be occupied by the County Supplies service (relocation).

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. The Service Director – Transport, Property and Environment reported to the Finance and Property Committee on 18 June 2012, concerning the future of the County Supplies function and seeking approval to the relocation of this function from its current base at Rolleston Drive, Arnold to proposed new premises at Calverton Business Park. This Report details the full terms of the proposed new lease in at Calverton.
4. County Supplies are the internal ordering, warehousing and distribution service for consumable items within the County Council, schools and other external customers. The service employs 43 FTE staff, has a turnover of £5.8 million (70% of this is external) and continues to trade strongly contributing an annual surplus of £76,000. The warehouse holds some 6,000 lines of stock at any one time as part of a total portfolio of 12,000 items. The average stock turnover for the service is 8 times per annum.
5. County Supplies are currently located at the Rolleston Drive campus and are the only remaining user on that site. It is the intention of the County Council for all users to vacate the campus, which totals almost 10 acres, so that it can then be placed upon the market for sale to allow redevelopment, most probably for residential development, subject to planning consent.

6. Relocation of County Supplies would allow the whole of the Rolleston Drive site to be sold for redevelopment, which should improve the prospects for a successful sale.
7. An extensive search has taken place to secure a vacant leasehold warehouse property for a relocation of County Supplies. Terms have been agreed, subject to Council approval for a new lease on Units 6-8, Calverton Business Park at Hoyle Road, Calverton. Of the various properties reviewed, this property is considered the one most suitable for use by the County Supplies operation, having regard to size, location and available lease deal.
8. The principal terms for the proposed letting of Units 6-8 are detailed in the exempt appendix.
9. The Unit comprises approx 21300 sq ft of warehouse space, together with a secure yard area. The space is newly constructed and has not previously been let, so is in good condition, but is a bare shell which the County Council will need to fit out.
10. All the costs associated with the proposed relocation are detailed in the aforementioned Report to the Finance and Property Committee meeting on 18 June 2012, which is a background paper to this Report.
11. It is anticipated that contracts will be exchanged on the letting, if approved, in time to allow access for fitting out works to commence in October 2012 which, in turn, would allow County Supplies to be operational from the new unit during Spring 2013.

Other Options Considered

12. Retain County Supplies at Rolleston Drive: the cost of modernisation to make this property fit for purpose would be £1.2M. Furthermore, the proceeds from the sale of Rolleston Drive would be reduced.
13. To close the facility – estimated redundancy and other costs of £520,000 plus estimated stock loss of £300,000.

Reason/s for Recommendation/s

14. To secure a new operational base for the County Supplies operation and to allow vacant possession of a larger redevelopment site for disposal at Rolleston Drive.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1. That the terms of the proposed lease in of Units 6-8 Calverton Business Park are approved.

Jas Hundal

Service Director - Transport, Property & Environment

For any enquiries about this report please contact: Patrick Robinson

Constitutional Comments (CEH 12.06.12)

16. The decision falls within the remit of the Finance and Property Committee.

Financial Comments (CDS 1/6/2012)

17. The proposed lease and associated premises costs would be met from the County Supplies Revenue budget.

Background Papers

18. County Supplies, Rolleston Drive – Revised Latest Estimated Cost - Finance & Property Committee 18 June 2012

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Electoral Division(s) and Member(s) Affected

19. Ward(s): Calverton
Member(s): Cllr Mark Spencer

File ref.: /IB/SB/

SP: 2246

Properties affected: 07764 - Calverton Business Park - Units 6-8