

Cabinet

11 February 2025

Kingsley House Office Lease Renewal

Portfolio Holder: Councillor Zoë Van Dyke, Portfolio Holder for Business Management

Report from: Sunny Ee, Assistant Director, Regeneration

Author: David England, Head of Valuation and Asset Management

Summary

This report requests Cabinet delegate authority to complete the lease renewal for the Kingsley House office as the agreed rent is in excess of £20,000 per annum which is outside the employees delegated scheme.

1. Recommendation

- 1.1. It is recommended that Cabinet agrees to delegate authority to the Director of Place, in consultation with the Portfolio Holder for Business Management, to sign and execute a new lease on the best terms reasonably obtainable as set out in the Exempt Appendix A to the report.

2. Suggested reasons for decision

- 2.1. To ensure the provision of suitable office accommodation for the Housing Services in conjunction with Customer and Business Support (CABS), after the expiry of the existing lease on 19 March 2025.

3. Budget and policy framework

- 3.1. The value of the proposed lease is in excess of £20,000 per annum and therefore is beyond officer and Portfolio Holder delegated limits contained in the Employee Delegation Scheme. Therefore, the delegation of authority to take a lease is a matter for Cabinet.
- 3.2. The current lease expires on 19 March so the new lease will need to be in place before this date.

4. Background

- 4.1. The Housing Service/CABS are the tenant of the ground and first floor office in the South Block of Kingsley House by way of a lease which would have expired on 19 March 2030. It was considered that the Housing

Services/CABS would not require the accommodation for the full term of the lease and the lease contained a tenant break which was operated to bring the lease to an end on the 19 March 2025. Discussions were held with the Landlords who indicated flexibility for the Council to remain on a shorter-term lease which will allow time to secure long term accommodation within the integrated hubs programme.

4.2. Subsequent negotiations were undertaken to obtain the best terms which are now agreed, and the new lease will need to be concluded before the 19 March 2025.

4.3. The attached exempt annex contains commercially sensitive information on the terms agreed.

5. Options

5.1. Option 1 – Authorise officers to instruct the Council’s legal department to complete the new lease in excess of the permitted delegated threshold of £20,000 per annum. This option will secure the continued use of Kingsley House. **This is the recommended option.**

5.2. Option 2 – Refuse to authorise officers to instruct the Council’s legal department to complete the new lease. This option will result in the loss of Kingsley House, the displacement of Housing Services and Customer and Business Support into fragmented locations and the discontinuance of face to face appointments for housing need residents.

6. Advice and analysis

6.1. As above, the agreed terms are considered commercially sensitive so are included within the exempt report.

6.2. Sustainability – this will maintain the continuance of face to face appointments for housing need residents which has good public transport links including the adjacent Gillingham railway station.

6.3. Diversity – not required as there will be no policy/service change.

7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
The new lease not being completed prior to the existing lease expiring.	The Council's occupation is not protected by the Landlord and Tenant Act 1954.	The Council's legal department will complete the new lease prior to the 19 March.	CII
Loss of face to face appointments for residents in housing need.	Residents and staff reacting negatively to the service being transferred to telephone appointments only.	Ensure the new lease is completed as above.	CII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

8. Consultation

- 8.1. The relevant service department and the Portfolio Holder for Housing and Property have been consulted and have no objections to the completion of a short-term lease.

9. Climate change implications

- 9.1. As this is an existing occupational property, there is no climate implication directly arising from this report.

10. Financial implications

- 10.1. The renewal of the lease will represent a modest increase in costs of around £6,000pa, however this can be funded via a realignment from favourable budget variances in other areas of the service. Please see further financial implications set out in the Exempt Appendix A.

11. Legal implications

- 11.1. The Council has the ability to enter into lease arrangements to ensure that it has sufficient premises available to enable the delivery of services. The terms negotiated with the Landlord introduces the flexibility required to implement the integrated hubs program in the future.

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Appendices

Exempt Appendix A: Exempt lease information

Background papers

None