
**PALACE GREEN HOMES (ECTC) – OFFICE ACCOMMODATION REVIEW
(INTERIM REPORT)**

Committee: Finance and Assets Committee

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1.0 ISSUE

1.1 The future office accommodation requirements of Palace Green Homes (ECTC).

2.0 RECOMMENDATIONS

2.1 Members are requested to note the interim conclusions detailed in paragraphs 4.2-4.5 and instruct officers to provide a further and final report to Finance and Assets Committee by 31 May 2021.

3.0 BACKGROUND

3.1 The Asset Development Committee in December 2018 (ref: Agenda Item 11) approved the relocation of Palace Green Homes (ECTC) to offices at Fordham House Estate. The Committee further agreed that this be subject to a review by 31 December 2020.

3.2 The current six-year full repairing and insuring lease to occupy the 1600 sq.ft office at Fordham has an option to break the lease in December 2021. This is subject to six months' notice prior to the break date ie. June 2021.

3.3 In considering the future office accommodation requirements of Palace Green Homes, Members should consider the following issues, specifically:

- is there evidence of need for Palace Green Homes to make any changes to its current requirements and arrangements based on an evaluation of future operations and potential alternatives;
- if there is a case for change, there should be evidence that the sequential test has been followed based on the presumption that preference should be given to Council owned assets before considering alternatives;
- consideration of the asset management and financial implications for the Council.

4.0 OPTIONS/ARGUMENT

4.1 The Fordham office is well designed, modern, accessible, energy efficient building that provides meeting space for clients and staff. As an operational location, Fordham works well for the company, considering the location of its development sites and the home addresses of its staff. Prior to COVID 19 restrictions, it

accommodates up to 15 staff, and on occasions up to 20 people were working from there at any one time. Under COVID 19 secure arrangements specifying no more than 13 staff can be accommodated.

4.2 The future office accommodation requirements of PGH will be dependent on a number of factors, specifically:-

- evaluation of the effectiveness and demand for home working in the light of recent working practices and the impact on spatial requirements;
- the future business plans of the company and its impact on medium and long term office accommodation requirements.

Initial analysis indicates that PGH can work effectively with 50% of the current accommodation, although there is a case for revisiting this next year, when and if there is more clarification of COVID 19 requirements and further development of implementation options for the Business Plan.

4.3 Dependent on the analysis of the above, there may be options for either sub letting existing offices, renegotiating existing lease to coincide with the break date and consideration of alternatives.

4.4 If the requirement for alternative options is established and agreed by members, the presumption is to initially consider ECDC owned assets. Current opportunities to relocate PGH to Council owned assets in December 2021 (based on current availability) are very limited, specifically:-

- The Grange is currently subject to COVID 19 restrictions, the extent to which surplus space may be available will be dependent on an evaluation of agile and home working and any ongoing restrictions on social distancing;
- other potential ECDC owned assets will be dependent on the outcome of the market exercise at 70 Market Street, Ely and opportunities at e-Spaces North and South.

4.5 Given the current uncertainties inherent in paragraphs 4.2 – 4.4 and given that PGH cannot give notice to break the existing lease at Fordham until June 2021, making recommendations for the future office accommodation of PGH would be premature.

4.6 It is therefore recommended to provide a further and final report to Finance and Assets Committee by the end of May 2021.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 At this point, there are no financial implications for the Council arising from this report.

5.2 The cost of the current lease (including service charges) at Fordham is £6,468 per quarter and this cost is borne entirely by ECTC. Relocation to Council owned property would provide ECDC a rental income dependent on agreed terms.

6.0 APPENDICES

6.1 None

Background Documents	Location	Contact Officer:
Asset Development	Room 103	Emma Grima
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