



Hinckley & Bosworth
Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

EXECUTIVE 11 APRIL 2018

WARDS AFFECTED: HINCKLEY DE MONTFORT

ATKINS BUSINESS CENTRE OFFICES

Report of the Director (Corporate Services)

1. PURPOSE OF REPORT

1.1 To inform the Executive of the proposed refurbishment of the Atkins Business Centre and advise on the associated costs.

2. RECOMMENDATION

2.1 That Executive approves a supplementary budget of £49,000 for investing in the proposed second floor refurbishment as outlined in the business case below (Funded from the Building Maintenance reserve)

2.2 That Executive approves a revenue income budget of £32,000 for 2018/19 and £38,400 from 2019/20 onwards for rental income from the schemes.

2.3 That Executive notes the relocation of the reception and Hansom Cab into the area formerly let as a café.

3. BACKGROUND TO THE REPORT

3.1 A company (and anchor tenant) that has been occupying a large office on the 2nd floor of the building has given notice to leave. It has been decided to split the area occupied by them in to three smaller units, this presents less risk when voids occur due to the smaller rental loss incurred at any one time. The Business Centre also has an agreed Heads of Terms to let one of the units and expressions of interest from other Business Centre tenants for the remaining accommodation. High demand exists from new small businesses looking for smaller offices within the Atkins Building to replace any existing tenants choosing to relocate into the new accommodation.

3.2 Following the loss of Café Espanol from the building another project being evaluated is to relocate the existing reception area currently located in the centre of the building to the gallery room. Since Café Espanol vacated it has proven difficult to attract a new café operator without significant and expensive alterations to the building. Use of the gallery has also been affected due to a large reduction in footfall since the café left. It is proposed that a new management office is created along with a new reception desk, a new waiting area and a meeting pod for Business Centre tenants to meet clients. These works will also include the relocation of the Hansom Cab as

focal point in the gallery. The Cab will be displayed in a prominent location and have a history story wall for gallery visitors to view.

3.3 Relocating the reception area will free up space currently used as the reception. A further two offices can be created to fill the space; again these should prove easy lets, particularly with their easy access and central location within the building.

3.4 The above works are also part of a wider project of updating and light refurbishment of the Atkins Business Centre. These works include redecorating communal areas and meeting rooms, they will also include a more prominent use of the Atkins logo to promote it as brand. Other works include a review of the Atkins conferencing business. Income has been steadily increasing year on year, a recent investment in new IT equipment will be supported by a further investment in new furniture along with a review of the existing meeting rooms within the building to increase their utilisation and income.

4. FINANCIAL IMPLICATIONS (IB)

Capital Cost - Creation of New Office Spaces

4.1 The creation of the three new office units on the 2nd floor of the building a new budget will be required. The cost is estimated at £49,000. The total annual rental value of the proposed new units based on the square foot costs currently being achieved is approximately £32,000. There is firm interest in one of the spaces and an interest has also been received for the other two units. Assuming quick lets are achieved, the return on the investment will be recouped in less than 24 months. It is proposed that HBBC's In-House housing maintenance service carry out the capital works. A market tested competitive quote has already been received.

4.2 The cost can be funded from the building maintenance reserve which will have a balance of £588,120 at the end of 31/3/2018.

4.3 The Executive will also be requested to approve a revenue income budget of £32,000 for 2018/19 and £38,400 from 2019/20 onwards.

5. LEGAL IMPLICATIONS

5.1 No legal implications have been sought at this time

6. CORPORATE PLAN IMPLICATIONS

6.1 Our Vision - A PLACE OF OPPORTUNITY Our corporate plan for 2017 to 2021 seeks to deliver our vision in creating great places to live, work and relax in. To have great places to go and shop, visit and be entertained and to provide opportunities to help our communities stay safe, healthy and active. It also seeks to promote places to invest in to improve the range and quality of local job opportunities

7. CONSULTATION

7.1 No consultation has been necessary in the production of this report.

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 No significant risks have been identified specific with this report other than the general business risk of running a managed office space centre. The actions recommended in this report will reduce the risk of being exposed to one tenant leaving a large void space within the building and provide a close link with the reception facility and Gallery

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 No implications have been raised at this time.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: None

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