

## **COUNCIL – 25 OCTOBER 2011**

### **REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)** **RE: HINCKLEY HUB FINAL DEVELOPER INCENTIVE**

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#### **1. PURPOSE OF REPORT**

- 1.1 Members note previously agreed reports on the relocation of the Council Offices to the Hinckley Hub development including the co-location of partners to provide a public service hub.
- 1.2 To seek Members approval for the council to commit to the revised head lease term of 35yrs in return for which the freehold of the development (building and land) will transfer to Hinckley & Bosworth Borough Council on completion of the extended term.

#### **2. RECOMMENDATIONS**

- 2.1 That Members note the previously agreed reports.
- 2.2 That Members approve the revised head lease term of 35yrs in return for which the freehold of the development to transfer to Hinckley & Bosworth Borough Council on completion of the extended term.

#### **3. BACKGROUND**

- 3.1 Positive progress has been made over the past 6 months in bringing forward the Hinckley Hub project and the initiative to co-locate with other public partners to the proposed new Masterplan development.
- 3.2 June 2010 – Members were provided with an options appraisal report to consider the future location for the Council Offices. This report effectively gave the Members the choice of development options providing a solution for relocating the council offices along with the associated risks and likely timescales for delivery. It was agreed that the Deputy Chief Executive (Corporate Direction) and the Estates and Asset Manager be given delegated responsibility for agreeing with MRP Developments Ltd the office development specification and BREEAM rating and contractual terms of the lease in conjunction with the Chief Officer for Corporate Resources.
- 3.3 April 2011 - Executive Members agreed with the concept of co-location with other public partners to the Hinckley Hub whilst acknowledging the associated risks and mitigating developer incentives. At this time Executive Members also confirmed support for signing of the head lease of the Hinckley Hub building allowing the project to be developed within the agreed timescales.
- 3.4 August 2011 – Report to update Council on the final position with regard to partner organisations co-locating their services within the Hinckley Hub development on the corner of Hawley Road and Rugby Road in Hinckley. It was agreed at this time for the Council to enter into the Head Lease for 41,042 sq/ft.

#### **4. ADDITIONAL FINANCIAL INCENTIVE PROPOSED BY THE DEVELOPER**

- 4.1 Recent negotiations with MRP Developments Ltd and change in funding provider for the project have lead to an additional developer incentive over and above those already agreed at Full Council. In return for extending the 30 year lease term for the Hinckley Hub development to 35 years it has been offered that the freehold of the development can be transferred to Hinckley and Bosworth Borough Council for the

consideration of £1.00 on completion of the extended lease term. The freehold will include the Hinckley Hub building and the land on which it is developed as identified in the agreed contract documentation.

## **5. FINANCIAL IMPLICATIONS (IB)**

- 5.1 Since this report seeks a revision to the head lease term and a change in title to the development there are no additional financial implications other than those already as reported to Council in August 2011.

## **6. LEGAL IMPLICATIONS (AB)**

- 6.1 The freehold transfer will be dealt with by insertion in the lease of options in favour of both the Council and the Landlord to require to the other party to either transfer or accept the transfer of the property as the case may be. As stated above the consideration for the transfer will be one pound

## **7. CORPORATE PLAN IMPLICATIONS**

None identified arising directly from the report.

## **8. CONSULTATION**

- 8.1 Consultation with all partner organisations and the Council staff will need to be undertaken and has begun and will continue to be undertaken throughout the life of the project.

## **9. RISK IMPLICATIONS**

- 9.1 Risks have been considered and stated within the project management of this development.

## **10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

- 10.1 Equality and rural implications with all partner organisations and the Council staff will need to be undertaken and has begun and will continue to be undertaken throughout the life of the project.

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