

**Summary of Site/Property Issues**

**The Podium Lease**

1. The Podium is occupied on a long lease. The permitted uses under the lease are Library and Offices.
2. The Landlord has the ability to end the lease if it wishes to redevelop the shopping centre and provided the required procedures are followed the Council is not able to prevent that termination. There are break clauses every 10 years within the lease; the next break clause date that could be exercised by the landlord is in January 2021 subject to procedures set out within the lease.
3. The Council is obliged to act reasonably and accept either compensation or alternative accommodation which is part of any redevelopment, the costs associated with the alternative accommodation would be met by the landlord.
4. If the landlord elects to break the lease in 2021 – and this has not been established - the Council could expect to receive an interim notice of the landlords intentions between January and December 2018 and a final notice from the landlord at any time between July 2019 and June 2010.
5. Both options 3 and 4 involve the investment in and continued use of the Podium.
6. We are seeking the views of the Landlord on the two proposed options, however formal consent to any works will be subject to the relevant procedures set out within the lease which cannot be implemented until designs have been progressed.
7. The level of investment within the Podium in option 3 (Library moves to Lewis House) is higher than other options as the space will be converted to offices for both Council staff and for letting to a third party.
8. The investment in option 4 (Library and OSS integrate within the Podium) is lower than option 4 as the space will remain largely open plan as a public space with lower building services requirements.

**Lewis House**

1. Lewis House is owned by the Council and currently occupied by the One Stop Shop, office staff and several partner organisations.
2. The Police will remain in Lewis House.
3. Both options 3 and 4 involve the investment in and continued use of Lewis House.
4. The level of investment in option 3 (Library moves to Lewis House) is higher as three floors will be converted for the new Library and OSS, involving the formation of a new external stair and internal reconfigurations associated with the change of use.
5. The level of investment in option 4 (OSS moves to the Podium) is lower, with upper floors remaining as office use requiring only limited works. Costs associated with the refurbishment of the ground floor will be dependent upon decisions as to utilisation.
6. A number of possible uses have been identified for the ground floor of Lewis House in option 4, some of which provide opportunities to release other buildings to the Commercial Estate to generate a capital receipt or rental income. These options will be evaluated further depending upon the decision made as to the location of the library and OSS.

## **Planning**

1. The Podium designation is a Library so any change of use to offices (under option 3) would require planning permission.
2. Similarly under option 3, planning permission would be required to change part of Lewis House to a library.
3. Option 4 will also require a change of use application as the library and OSS within the Podium will constitute a mixed use. In addition, any material external changes to either of the buildings under either option will also need planning permission.
4. Although the design process has not yet started, discussions are ongoing with the planners to ensure their requirements are included in any scheme.

## **Asset of Community Value**

1. The Council has received and approved an application to designate the Podium (the current library) as an asset of community value.
2. This means that an owner of an asset listed in this way must not dispose of the asset without first notifying the Local Authority (which holds the register) and entering into a moratorium period where the Community Group that applied for the designation have an opportunity to express an interest in becoming a bidder for the asset.
3. The Council does not own the Podium and, under both options 3 and 4, it has no intention of surrendering its leasehold interest (which could potentially be considered a disposal) so there should be no impact on the programme to deliver either option outside of any planning considerations.
4. Whether the Podium contains the combined Library/OSS (option 4) or Offices (option 3) at the time any redevelopment plans may be put forward by the landlord, there will be the same delay in the required relocation process (potentially up to 6 months) to allow the provisions of the community right to bid process to complete.

## **Other Properties**

1. The implementation of option 4 (OSS moves to the Podium) creates an opportunity to relocate staff from other buildings in the area into Lewis House, releasing those buildings for disposal, either by rental or sale.
2. Whilst this could realise a level of funding to offset the cost of the programme (either capital receipt or rental income), a separate programme of works to make those properties fit for market would be required.
3. Any additional income has therefore been excluded from this business case until these opportunities can be fully assessed.