

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET MEMBER FOR CORPORATE SERVICES

Decision Made: 07 January 2011

LEASE FOR KENT SAVERS

Issue for Decision

To consider a sub-lease of an area of office space within Maidstone House to Kent Savers.

Decision Made

1. That a sub-lease of an area on the first floor of Maidstone House be granted to Kent Savers.
2. That the Property & Procurement Manager prepares draft Heads of Terms for a sub-lease to include the following clauses, be agreed:
 - That the term of the sub-lease does not exceed the length of the lease between the Council and its landlord;
 - That there will be no rent payable up to and including 31st March 2012, or until the Credit Union is fully established, whichever is the earlier;
 - That the rent free period is granted in consideration of services to be provided by Kent Savers under a Service Level Agreement;
 - That the rent payable from 1st April 2012 will be consistent with the occupational cost of Maidstone House to the Council
 - That the sub-lease includes a break clause at the end of the first year, every two years thereafter and one to coincide with the break clause in the lease between the Council and its landlord;
 - That the break clause at the end of the first year will be triggered by the Council if Kent Savers do not fulfil their obligations under the Service level Agreement;
 - That the sub-lease is contracted out of the Landlord and Tenant Act 1954.
3. That the Head of Legal Services be instructed to prepare the sub-lease based upon the Heads of Terms prepared by the Property & Procurement Manager.

Reasons for Decision

Kent Savers is a Credit Union regulated by the Financial Services Authority who run on a not for profit basis and provide safer and cheaper loans than other money lending sources and promote saving. They currently occupy office space within Gravesend, but have recently been given notice to quit by their landlord and are now looking for alternative, more centrally located accommodation.

An ideal opportunity has arisen to relocate Kent Savers to an area on the first floor of Maidstone House created by more efficient working practices and use of office accommodation by parking services and the contact centre.

Relocation to offices in Maidstone House will enable Kent Savers to promote their operation to a wider Kent audience from a centrally based location in Kent and through the Maidstone Gateway and enable a certain amount of growth that is expected to follow. It also enables the Council to make more efficient use of its office accommodation

Alternatives considered and why rejected

The Council could charge a full rent from the commencement of the lease, however, this would be unaffordable for Kent Savers in the first year and is not thought appropriate. A Service Level Agreement requiring certain specified services in return for the accommodation for the initial period is considered more appropriate.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 14 January 2011
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