

Item 6. Office Accommodation

1. Summary

This paper informs members of the Board of the current situation regarding maintenance charges levied by our landlord, and considers the longer term situation.

2. Background

- 2.1. As reported verbally at the Partnership meeting in February, agents for BT (the owners of the Old Post Office) have included in the annual service charge reconciliation a sum of £37,000 for window replacement and roof repairs carried out in 2005. The understanding of staff in the team had been that the full cost of these works would be met by the landlord. Since Christmas there has been a considerable amount of negotiation with BT's agents and with the County Council Estates Department. The terms of the lease are now clear that we as tenants are responsible for 66% of all maintenance charges for the building, and that the landlord has complete discretion as to what works are carried out. The fact that the Estates Department who negotiated the lease with BT had never made this clear to officers within the AONB Team has been accepted.
- 2.2. Provisions are being made to share the cost of the additional bill between the AONB Partnership and the Estates Department and, by agreement with BT, across two Financial Years. At the same time, BT are still being challenged regarding the fairness of the charge and the need for complete replacement of five windows after damage to one. The AONB Partnership's contribution to the charges in 2006-7 amounted to £7,500 (currently held over but not yet paid). This has come from income achieved over and above the amount within the core budget, principally from contributions from the Blue Remembered Hills project. This money would have been used as match funding against external grants for projects in 2007-8. The Partnership's expected contribution of £10,000 towards the maintenance bill within 2007-8 will be met partly from the same source and partly by an increase in the office costs heading of the core budget.
- 2.3. The County Council's Estates Department have recently assessed the condition of the Old Post Office buildings in order to understand the potential scale of maintenance works in the remaining period of the lease (until Dec 2012). The full outcome of this assessment has not yet been received, but it is clear that there are a significant number of other window frames which BT may judge to need replacement, and the condition of the rear outbuildings is also not good. There appears to be nothing to prevent BT from repeating a considerable upgrade of the building largely at our expense, and this must therefore raise the option of considering alternative premises.
- 2.4. Early indications are that alternative office premises are not likely to be in great supply. The availability of good car parking space is one particular feature of the current office, especially in relation to visitors coming for meetings. Moving before the end of the lease would mean either buying out at full rent (£8,000 per year) or assigning the remainder of the lease to a new tenant. It is not known how easy or otherwise this would be.
- 2.5. The end of the Blue Remembered Hills project will result in a loss of c£19,000 pa of contributions towards office costs. While the office is undoubtedly larger than necessary for just the core staff, it would not be obvious at this point how big an alternative office to seek. It would certainly be unwise to hamper the future development of the team (e.g. with regard to future project staff) by taking somewhere too small.

- 2.6. Further work with the Estates Department is necessary to establish better working procedures for dealing with the landlord. The number of different agents used by the landlord and the number of individuals involved from the Estates Department is a significant hindrance in this respect. Guidance will also be needed from the Estates Department regarding either a strategy for managing the future tenancy or for relocating. It is suggested that in the short term an eye be kept open for alternative possibilities rather than seeking these out as a high priority at present.
- 2.7. Carbon footprint. The carbon footprint of the AONB Partnership's activity has recently been completed by Marches Energy Agency. It is estimated that the total carbon footprint of the AONB Partnership is 41 tonnes CO₂ per annum. This includes emissions from the office building, staff commute, business travel by staff, and travel to meetings by Partnership members. The survey provides evidence that the amount we are paying the landlord for electricity may be double that of our actual consumption, and that the levels of gas use are also unexpectedly high. A carbon offset payment of £820 (£20/tCO₂) was paid in 2006-7 towards Marches Energy Agency's Project Carbon. This will be used to fund energy saving measures in businesses and community organisations within the AONB, generating further carbon savings, financial savings and raised awareness. The 'carbon neutral' status of the AONB Partnership and the value of the process will be publicised, and a number of recommendations in the report for reducing emissions can be followed up.

3. RECOMMENDATION:

The Management Board is requested to note the situation and comment on the issues raised.

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