

# RUSHMOOR BOROUGH COUNCIL RECORD OF EXECUTIVE DECISION



Decision taken by individual Cabinet Member/Officer (delete as appropriate)

*(All sections must be completed (mark "N/A" as applicable))*

**DECISION MAKER** *(Name and designation)*

Paul Brooks, Executive Head of Regeneration and Property

**DECISION AND THE REASON(S) FOR IT**

Authority to:

Enter into an agreement for lease and a lease of The Old Town Hall, Aldershot with the Rock and Pop Foundation for a period of 5 years (contracted out of the Landlord and Tenant Act), at a rent of £60,000 per year (with a two year rent free period) and a break clause operable after 2 years 3 months on nine month's notice

Enter into a contract with the M3 Local Enterprise partnership to receive grant of £867,000 to cover the cost of bringing the property to the standard required to locate the games hub in the building

The reasons for taking this decision are outlined in the attached report.

**DATE DECISION TAKEN**

13 February 2019

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

*(Those examined by officers and generated by consultation, etc)*

Alternative options for delivery were considered and rejected were covered in the Cabinet report on the Games/Digital Hub dated 21 August 2018. These remain the same.

**ANY CONFLICTS OF INTERESTS DECLARED**

*(conflict of interests of any executive member who is consulted by the officer which relates to the decision. A note of dispensation should be attached).*

Signed \_\_\_\_\_  
(Decision Maker)

Signed \_\_\_\_\_  
(Cabinet Member consulted where applicable)

Designation LEADER

Please send completed form to Chris Todd, Democratic and Customer Services



## THE PROPOSED GAMES/DIGITAL HUB, ALDERSHOT

### **SUMMARY:**

This report provides an update on the games/digital hub project in particular the property arrangements to enable the project to move forward.

It supports the decision taken to authorise the Corporate Manager - Legal Services to

(1) complete an agreement for lease and a lease between the Borough Council and the Rock and Pop Foundation (CISStd), on the terms set out in the report, to secure the Old Town Hall for use as a games / digital hub.

(2) To complete the M3 Local Enterprise Partnership funding agreement to secure funding for the games/digital hub.

### **1. INTRODUCTION**

- 1.1 This report provides an update on the Games Hub project and supports the decision to enter into agreements to facilitate the use of the Old Town Hall, Aldershot
- 1.2 This is not a key decision.

### **2. BACKGROUND**

- 2.1 The Games/Digital Hub is a project to produce a 60 place collaborative workspace for existing and aspiring entrepreneurs; micro; small and developing businesses working in the gaming/ digital sector. The desired outcomes from this project are: growth of the digital economy including; job creation; jobs safeguarded; office floorspace refurbishment.
- 2.2 The Council has been developing this proposal for a number of years with the support of Hampshire County Council and the Local Enterprise Partnership. It is a key project in the Regenerating Rushmoor programme, it also aligns closely with the Council's digital strategy and supports the priority around engaging with young people, creating a digital community and improving skills
- 2.3 As previously reported there is evidence to suggest that the development of a digital games hub as part of the strong and growing digital economy in the Guildford/Aldershot axis will contribute to the growth of this sector and boost economic activity in the borough.

- 2.4 A building in which to base the games/digital hub has been sourced that can provide the space required with the possibility some extra space for letting to other digital businesses or complimentary businesses.
- 2.5 The building " The Old Town Hall", Aldershot is currently owned by Hampshire County Council. It is surplus to their requirements and they are proposing to sell the building to the Rock and Pop Foundation (CISS Ltd) on condition that they lease the building to Rushmoor Borough Council for a period of 5 years for use as a games / digital hub. The County had anticipated that the property would be sold this financial year, however, due to the possible presence of bats, the project has been delayed. Consequently, the County want to achieve an early exchange of contracts with a delayed completion to give them comfort that they will achieve a sale and cease paying holding costs. The exchange of contracts needs to be achieved by end February 2019. This is before the next available Cabinet meeting.

### **3. DETAILS OF THE PROPOSAL**

#### **General**

- 3.1 The report Cabinet considered on 21 August 2019 described "next steps" and this report provides an update on progress.

#### **Lease proposals**

- 3.2 Hampshire County Council and Rock and Pop Foundation have agreed terms for the sale of the building. An exchange of contracts has been scheduled for end February 2018/19 with completion to take place in June/ July 2019.
- 3.3 A condition of the sale is that Rock and Pop Foundation grant to RBC an agreement for lease to be followed by a five year lease.

#### **Agreement for Lease**

- 3.4 An agreement for lease to be entered into at the same time as contracts are exchanged for the sale of the building. This agreement will provide comfort to HCC that the scheme will proceed and allow them to delay completion until a detailed schedule of works is prepared and planning permission obtained. The agreement for lease will include the form of lease to be granted by Rock and Pop Foundation on completion of their purchase and a high level specification for the works to be carried out.

#### **Lease**

- 3.5 The terms of the lease are:

- A term of 5 years from June/July 2019 (this is the expected date but is subject to the completion of the sale from HCC to Rock and Pop Foundation), excluded from the landlord and tenant act
  - Rent of £60,000pa
  - A rent free period of two years from commencement
  - A break clause in favour of RBC at any time, on nine months notice, after two years and three months.
  - RBC to carry out refurbishment works within 30 months of commencement of the lease
- 3.6 In view of the value of the rent payment, authority is required to enter into the lease.
- 3.7 The lease will not be completed unless the Council is able to secure planning permission for the project.
- 3.8 Normally the entering into a lease of this nature is a Cabinet decision. However, the report of the 21<sup>st</sup> August 2018 was clear in its intent for the Council to enter a lease (para 3.6 and 3.26) It is therefore considered appropriate to make this decision by delegation (as agreed by the Leader)

### **Funding**

- 3.9 The scheme is supported by the Local Enterprise Partnership. It is proposing to provide a grant of £867,000 to cover the refurbishment costs and installation of Broadband. This will be covered by a grant agreement in the LEP standard form. This has now been received and is being reviewed by the Council's Corporate Manager - Legal Services. The involvement of the LEP was covered in the 21<sup>st</sup> August 2018 report (paras 3.8 and 3.9).

### **The Works**

- 3.10 The Council is being supported on this project by RegenCo. They have commissioned OSP Architects to draw up plans and specifications for the refurbishment works; they are also commissioning the technical team. Detailed design is expected to be completed by end March 2019, with a planning submission made in May 2019.
- 3.11 The aim is to tender works in June 2019 and enter into a build contract soon afterwards. Completion of the works is currently scheduled for December 2019.

### **The Games Hub Operator**

3.12 Rocket Desk, who operate a similar games/digital hub in Guildford have been selected through the Council's procurement process as the operator of the Aldershot Hub.

3.13 The arrangements covering their occupation of the Old Town Hall are yet to be agreed but it is anticipated that they will have a management agreement with the Council, or a sub-lease, and they will be responsible for managing the Hub. They will pay a rent based on turnover.

#### **4. ALTERNATIVE OPTIONS**

4.1 Alternative options for delivery that were considered and rejected were covered in the Cabinet report considered on 21 August 2019. These remain the same.

4.2

#### **CONSULTATION**

4.3 The games/digital hub has been included in plans for the regeneration of Aldershot for a number of years. Most recently it is included in the Regenerating Rushmoor delivery plan which has been approved by Cabinet.

#### **5. IMPLICATIONS**

##### **Risks**

5.1 The risks that are principally around demand not being realised and increased costs of refurbishment were covered in the report to Cabinet on 21 August 2019.

5.2 There is further risk around this Council's ability to respond quickly enough to satisfy Hampshire County Council's aspirations to exchange contracts with Rock and Pop Foundation by end of February 2019, and

##### **Legal Implications**

5.3 None

##### **Financial and Resource Implications**

5.4 Capital for the scheme is funded through the LEP. This Council is contributing finance to cover any shortfall between the rent it pays to Rock and Pop Foundation and the income it receives from Rocket Desk. This is currently estimated at £102,000 over the life of the project and has been included in the Council's budgets.

## **Equalities Impact Implications**

5.5 None

### **Other**

5.6 None

## **6. CONCLUSIONS**

6.1 To move this project to the next stage, and meet the deadlines agreed with the County Council, approval is required to

- Enter into an agreement for lease and lease with Rock and Pop Foundation (CISS Ltd).
- Enter into the LEP grant funding contract

6.2 To keep momentum on this project and achieve completion by the end of December 2019 it is recommended that these decisions are made under urgency powers. It is important to keep the project moving forward to retain the borough's competitiveness with other districts providing similar facilities

### **CONTACT DETAILS:**

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