

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Cabinet Member Decision

**Date:** 11/11/2022

**Subject:** Lease on Caxton Gate

**Report of:** Cabinet Member for Public Realm - Cllr Sharon Holder

**Report author:** John Galsworthy, Assistant Director Parking Services

**Responsible Director:** Bram Kainth, Strategic Director of Environment

## SUMMARY

This report is seeking approval to enter a 10-year lease tenancy agreement of Caxton Gate, Caxton Road London W12 8AJ with Mayfair Commercial Incorporated (MCI). This small Office complex fulfils the requirements for a property located in the north of the borough for an additional parking enforcement base. One of the main challenges facing the Parking Enforcement Service has been the lack of a local base in the north.

With the acquisition of the lease of this property, we will be able to improve our operational efficiency through better deployment of staff, reduce the time wasted in travel to and from base to enforcement area, resulting in greater productivity. It will help reduce the number of our enforcement vehicles and create an opportunity for the installation of electric charging points for all our electric enforcement mopeds and vehicles, thereby supporting the Council's initiative to reduce carbon emissions to net zero in the borough by 2030.

Any surplus space available after catering to Parking needs, to be used by other Public Realm services, to act as the hub for Parking and Transport based in the borough, giving increased access to work in the north of the borough to get the best out of the staff and provide a drop-in point to increase working efficiently for other Environment on-street staff.

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## RECOMMENDATIONS

That approval is given:

1. For the acquisition of the lease on Caxton Gate, for a period of 10 years.
2. To a budget comprised of annual expenditure of Rental at £145,000, Rates at £45,000, Maintenance at £10,000, Rental for corporate internet services at £10,000 and fit out estimate circa £124,500.
3. To delegate authority to the Strategic Director of Environment in consultation with the Strategic Director for Economy and Assistant Director of Legal Services to finalise and complete negotiations and legal lease with MCI to give effect to the decision 1 above.

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**Wards Affected:** Shepherds Bush

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	There will be a reduction in non-productive travel time and fleet which will provide where appropriate social, economic, and environmental benefits to the community within Hammersmith & Fulham.
Creating a compassionate council	The new premises will improve the operational base for our enforcement officers, allowing them to have a base that is less crowded with up-to-date facilities.
Being ruthlessly financially efficient	The new base will provide opportunities for the parking service to create a more effective and efficient parking enforcement operation in the north of the borough and a drop-in point for other Public Realm of a similar nature.
Rising to the challenge of the climate and ecological emergency	The new base will allow the Council to reduce the number of our enforcement vehicles and has the space for electric charging points for all our electric enforcement mopeds and vehicles, thereby supporting the Council's initiative to reduce carbon emissions to net zero in the borough by 2030.

## **Financial Impact**

The total revenue cost over the 10 year lease is estimated to be £2,032,500. The costs are broken down below:

- The annual rental of the lease is £145,000, subject to a rent review at year 5;
- The estimated rates are £45,000 per annum;
- A provision of £10,000 will also be set aside for annual planned and reactive maintenance works and dilapidation costs.
- Early estimates indicate that fit out costs will be in the region of £32,500 which will be spread over the term of the lease.

All costs relating to the lease, rates, fit out costs, maintenance and dilapidations will be met from the Controlled Parking Account.

The new site will reduce travel and non-productive time creating the opportunity for a more effective and efficient parking operation in the north of the borough. These cost savings will form a significant contribution to the annual costs as set out in the paragraph above.

Gary Hannaway, Head of Parking Finance, 07/11/2022.  
Verified by Sukvinder Kalsi, 10/11/2022.

## **Legal Implications**

Section 1(1) the Localism Act 2011 (The General Power of Competence) confer power to the Council (as local authority) to do anything which individuals generally do even if:

- It is unlike anything else the authority may do
- It is unlike anything that other public bodies may do
- It is carried out in any whatever, including:
  - anywhere in the UK or elsewhere;
  - for a commercial purpose or otherwise for a charge, or without charge;
- and
- for, or otherwise that for, the benefit of the Authority, its area or persons resident or present in its area

Fortune Adebiji, Chief Planning and Property Lawyer, 10/11/2022.

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## **Background Papers Used in Preparing This Report**

**None**

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. Parking Services approached Property Services several months ago to look at options to create a hub in the North of the Borough near Shepherds Bush Green. An external Agent was appointed to identify suitable properties within the locality, however no suitable premises could be found. 32 Caxton Gate property has recently come onto the market and meets all of Parking Services requirements. The landlord was marketing the premises as serviced offices to achieve a higher rent, but has agreed to reduce the rent, as well as grant a rent-free period, to the Council. This therefore represent best value for the Council in leasing in this property. The property itself is also self-contained which offers several advantages over leasing accommodation in a multi-let property.

## Reasons for Decision

### 1. Operational efficiency

With the acquisition of the lease of this property, we will be able to improve our operational efficiency through better deployment of staff, reduce the time wasted dropping and picking up officers, and greater productivity. It will help reduce the number of our enforcement vehicles and create room for the installation of electric charging points for all our electric enforcement mopeds and vehicles, thereby supporting the Council's initiative to reduce carbon emissions to net zero in the borough by 2030.

### 2. Service requirements

The Parking Service requires a base in the north of the borough from which to carry out enforcement operations between the hours of 7am and 11pm Monday to Friday and at weekends. The need is for a base for 26-30 Officers who will on duty, working to a shift pattern. At the start of each shift, a larger space is needed to hold face-to-face briefing meetings, where all Officers can hear and be tasked with the same messages. Throughout the day, the Officers need a base to return to for welfare facilities and rest breaks. As a uniformed service that is often subject to hostility from members of the public, on-street coffee shops etc do not provide a suitable, safe alternative to the office for taking breaks. Up to 15 Officers at any one time, will be using the base for breaks. Caxton Grove is ideally located for short walks to and from the areas deployed for enforcement work around Westfield W12, helping to reduce the number of enforcement vehicles needed.

As well as the on-street Civil Enforcement Officers, the need is for office space from 7am to 7 pm, Monday to Friday for Back Office Parking staff, working on a hybrid model, 80 per cent of time from home, with occasional 'Team' office reconnect days. In addition, the intention is to locate 4 on-street suspension officers at the base. Workstations will be needed for an hour in the morning/an hour in the afternoon for inputting by the Suspension team and as a base for their manager.

Parking Enforcement Officers have specific needs for charging handheld devices, shower and changing rooms, lockers for Uniform, Personal Protective Equipment, seasonal outdoor clothing and drying facilities, all of which can be catered for on the Ground Floor, Caxton Gate.

The parking service are moving to an electric vehicle fleet. The need is for enough parking space for creating charging points so that all electrical enforcement mopeds and vehicles can be plugged in after the working day is finished. Also, there is the need for cycle access and storage.

The Service can perform better when not cramped, leading to improved performance through a sense of being valued and increased morale.

Any surplus space available after catering to Parking needs, could be utilised by other Public Realm services of a similar nature, better served in accommodation

that is separate to the Civic Campus, sometimes known as the 'Muddy Boot' services and where teams can better perform joined up working and share information. Space is required for Highways - Engineers and Surveyors (currently based at the First Floor, Clockwork) who have storage needs for their Land Survey equipment, car, large plotter, Personal Protective Equipment/ hard hats, outdoor clothing and drying facilities, storage needs that are difficult to align with the look and feel of the Civic Campus and better located at Caxton Grove.

Other surplus space could allow ad hoc, touch-down use by:

The Law Enforcement Team (LET), based at the White City Area Housing Office,

Other teams in Environment (Noise & Nuisance, Parks Projects and Building Control). This is not an exhaustive list.

The base for the Highways Teams, with touch-down for Environment Teams optimises the use of space at Caxton Gate and will have tangible benefits for reducing the councils' uptake of office space in the Civic Campus and for productivity savings in travel times to and from bases that are further from their field-based duties. There are benefits that are more intangible for joined up working and information sharing, leading to performance benefits across all Teams. In this way Caxton Gate can act as the hub for Parking and Transport based in the borough, giving increased access to work in the north of the borough to get the best out of the staff and provides a drop-in point to increase working effectively for other Environment on-street staff.

3. For details of the draft space plans please see Appendix 1.

## **Equality Implications**

The Council has considered its obligations under the Equality Act 2010 ("the Act") and it is not anticipated that there will be any direct negative impact on groups that share protected characteristics, as defined by the Act, from the recommendations in this report.

Yvonne Okiyo, Strategic Lead Equity, Diversity and Inclusion, 09/11/2022.

## **Risk Management Implications**

The break clause also allows the Council to re-evaluate its position in the fifth year and exit the lease if premises are no longer required or meet the services operational requirements.

The decision is compellingly supported by analysis and reference to values.  
Ray Chitty, Head of Insurance, 8/11/2022.

## **Climate and Ecological Emergency Implications**

The council will collaborate with the Landlord to ensure collectively plans are built to meet the council objective of net zero emissions by 2030. The new base will allow the Council to reduce the number of our enforcement vehicles and create room for the installation of electric charging points for all our electric enforcement mopeds and vehicles, thereby supporting the Council's initiative to reduce carbon emissions to net zero in the borough by 2030.

Hinesh Mehta, Head of Climate Change, 08/11/2022

## **Property**

The property is a self-contained building having an area of 3,637 square feet with ancillary parking within the forecourt. It is located within proximity to Shepherds Bush Green. The Council will be entering into a 10-year lease at an initial annual rent of £145,000 per annum exclusive with a four-month rent free period which will allow the Council to carry out any fitout works required. Fitout works will be paid for from the parking revenue account. The rent is subject to review in the fifth year and tenants only break in year five.

The annual rent payable is favourable as there is a lack of properties of this nature on the market. Additionally, the landlord has reduced the rent they were initially seeking. As part of the property negotiations, the landlord has agreed to allow the council to undertake a survey and have the results appended to the lease as a schedule of condition. This will help mitigate the Council's dilapidations liability at lease end. Dilapidation costs will be paid for from the parking revenue account.

The break clause also allows the Council to re-evaluate its position in the fifth year and exit the lease, should the premises no longer be required, because more cost-effective options then exist or if the Council's operational requirements have changed.

Jonathan Skaife, Head of Commercial Property, 08/11/2022.

## **ICT**

Digital Services support this initiative based on the benefits outlined above. Key ICT areas to consider for a new office building are network installation, internal comms room build and associated switch equipment, structured data cabling, power requirements, network security and wi-fi provisions, audio -visual services, telecoms requirements, print services and desktop IT facilities.

Digital Services recommend making budget allocations for one-off and annual charges related to the commissioning and running of the new building. Corporate hybrid and future ways of working practices are also recommended for this new building.

There are installation and hardware delivery lead times to be aware of with the main network link and equipment potentially taking up to 6 - 9 months to deliver before an

internet service can be commissioned. This risk should be considered when planning building fitout and commissioning activities.

Digital Services also recommend where appropriate, re-using existing IT hardware instead of purchasing new. IT hardware decommissioned from other council buildings and floors can be redeployed to the new building to save on costs and benefit the environment.

Digital Services currently have limited capacity to take on new work of this scale and complexity with the existing PM and engineering resources available. Additional resource may need to be funded if the timeline impacts other major council programmes.

Verified by Ramanand Ladva, Digital Services Programme Manager, 10/11/2022.

## **LIST OF APPENDICES**

Appendix 1 - 32 Caxton Road Sketch-Model