

Officer Delegated Decision Report

DECISION UNDER DELEGATED POWERS

DECISION CANNOT BE TAKEN BEFORE 29.02.2024

Title **TENANCY AT WILL, COLUMBINE BUILDING, EAST COWES**
Report of **DIRECTOR OF COPORATE SERVICES**

EXECUTIVE SUMMARY

1. The decision is to grant a Tenancy at Will to Wight Shipyard of a small room within the Columbine Building, Castle Street, East Cowes for use as a server room, in conjunction with their business operated from that building.
2. There is no direct impact on residents, however, the ICT link which will be facilitated will benefit Wight Shipyard by making its business more resilient and will enable business expansion, thereby assisting the potential creation of new jobs.

RECOMMENDATION

3. To grant a Tenancy at Will to Wight Shipyard of a small room within the Columbine Building, Castle Street, East Cowes for use as a server room, in conjunction with their business operated from that building.

CONFIDENTIAL / EXEMPT ITEMS

4. There are no exempt or confidential matters.

BACKGROUND

5. Wight Shipyard occupies a major part of The IWC's Columbine Building in East Cowes, comprising the main hanger space, front and southern elevation ground floor workshop/offices, the Prom building, and the external apron. They are in expansion mode and are currently in discussions with IWC regarding additional space within the building (first and second floors in the southern elevation plus, potentially, other space).

6. Wight Shipyard is a subsidiary of a French shipbuilding company, and they work closely together, with one assisting the other in fulfilling urgent orders. This raises an important requirement in terms of secure communications and the companies have identified a need to create a server room with direct fibre access. The need is considered urgent, and the company wishes to install the server equipment at the earliest opportunity.
7. For ease of installation, the server room ideally needs to be on the ground floor, to the front of the Columbine Building, and as close as possible to accommodation currently demised to Wight Shipyard. In reality, there is only one such space, being a small, windowless, room (or large storage cupboard) which sits adjacent to the Wight Shipyard demise and is accessible from Castle Street via a short corridor.
8. The only other ground floor space that might be made available is a former electricity substation, which has no internal access, and is not adjacent to the area demised to Wight Shipyard, so has been discounted for this reason.
9. Terms have been agreed, in principle, with Wight Shipyard for a Tenancy at Will at a rent of £300.00 per annum exclusive. A Tenancy at Will is a legal document which will enable occupation by the tenant within a short period of time, thus facilitating the much-needed improved ICT connectivity.

STRATEGIC CONTEXT

10. The provision of the server room by Wight Shipyard is designed to improve the company's ICT connectivity with its parent company in France, thereby supporting the expansion plans for the East Cowes facility. From site meetings with the management team at Wight Shipyard, it is understood that there are plans to roughly double production on the Island which will lead to recruitment of more staff, including apprentices.

Responding to climate change and enhancing the biosphere

11. Letting the server room to the tenant is likely to have limited environmental impacts. That part of the building already exists, so no new environmental footprint is being constructed. It will remain unheated as it is at present. The only discernible positive impact is that the improved connectivity with the French parent company may reduce the need for travel between the facilities.

Economic Recovery and Reducing Poverty

12. The server room is within the Columbine Building, which forms part of the Council's Venture Quays regeneration project. This is centred around 4 principal sites in East Cowes, these being the Columbine Building, Victoria Barracks, Albany Works, and Maresfield Road car park. The Council's purchase of this opportunity was to safeguard marine related, and other, jobs, and to facilitate physical regeneration with new housing.
13. Safeguarding of marine related jobs is focussed upon the Columbine Building, and assisting the expansion of Wight Shipyard through improving its ICT

connectivity comprises part of this and will also assist its future expansion plans which will lead to new, relatively well paid, jobs and apprenticeships.

Impact on Young People and Future Generations

14. A significant expansion of job numbers at the Columbine Building is likely to lead to apprenticeships for semi-skilled and skilled roles which will benefit young people and future generations.

Corporate Aims

15. The provision of the server room by Wight Shipyard is designed to improve the company's ICT connectivity with its parent company in France, thereby supporting the expansion plans for the East Cowes facility. From site meetings with the management team at Wight Shipyard, it is understood that there are plans to roughly double production on the Island which will lead to recruitment of more staff, including apprentices.

CONSULTATION AND ENGAGEMENT

16. As this letting relates to a small room within the Columbine Building which is of limited use to other parties no consultation has taken place, save for consideration given at both the Venture Quays LUF Programme Board and the Venture Quays Asset Management Board.

SCRUTINY COMMITTEE

17. This is not a Forward Plan matter, and nor has it been considered at the Scrutiny Committee or any other of the Scrutiny panels.

FINANCIAL / BUDGET IMPLICATIONS

18. The letting will generate an additional income to the Venture Quays revenue budget. The tenant will, in addition to the rent, contribute toward the revenue outgoings of the common parts, including the structure of the building, by means of a service charge.

LEGAL IMPLICATIONS

19. Legal Services have drafted a Tenancy at Will ready for signing by both parties. As part of the agreement reached with the tenant they will pay the Council's legal costs incurred in the preparation of this tenancy agreement. Other than this, there are no direct legal implications relating to this matter.

EQUALITY AND DIVERSITY

20. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age,

disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

21. The decision to grant a Tenancy at Will of this small, windowless, room to Wight Shipyard is unlikely to have any adverse impact on any of the protected groups and is likely to be impact neutral overall.

PROPERTY IMPLICATIONS

22. This report directly involves a property matter and all the property implications are, therefore, covered within the report.

SECTION 17 CRIME AND DISORDER ACT 1998

23. Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006) provides that: ‘...it shall be the duty of each authority ... to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can to prevent, crime, disorder, antisocial behaviour adversely affecting the environment, and substance misuse in its area’.
24. S17 implications were discussed and considered by the Venture Quays Programme Manager and the Senior Surveyor dealing with this matter and there are considered to be no direct s17 issues, given this is a letting of an internal room within a larger building. Indirectly, however, the direct fibre link may benefit Wight Shipyard by providing more secure communications with the parent company in France.

OPTIONS

25. 1 - To grant a Tenancy at Will to Wight Shipyard of a small room within the Columbine Building, Castle Street, East Cowes for use as a server room, in conjunction with their business operated from that building.

2 - To grant a Lease to Wight Shipyard of a small room within the Columbine Building, Castle Street, East Cowes for use as a server room, in conjunction with their business operated from that building.

3 - To grant a Tenancy at Will to Wight Shipyard of alternative space within the Columbine Building, Castle Street, East Cowes for use as a server room, in conjunction with their business operated from that building.

4 - To let the identified small room to another party.

5 - Do nothing

RISK MANAGEMENT

26. Wight Shipyard has identified an urgent need to install sever equipment with a direct fibre link with its parent company in France and Option 1, the granting of a Tenancy at Will of a currently unused small room at the front of the Columbine Building, meets this need. If no agreement is granted to Wight Shipyard and it cannot improve its ICT connectivity with France there is a possibility that it might consider a relocation to alternative premises where such a link is possible.
27. The granting of a lease, as per Option 2, was also considered, however, this will take much longer to achieve, which does not fit with the Wight Shipyard timetable, and the granting of a Tenancy at Will mitigates this risk. In the medium term, however, it is probable that IWC will agree terms for a lease of additional space within the Columbine Building and it is envisaged that the server room would be included within that demise, causing this Tenancy at Will to terminate when that lease commences.
28. Alternative space within the Columbine Building for a server room has been considered by the Venture Quays Project Team and by Wight Shipyard, as per Option 3. Only one other space was believed to be of potential interest, however, that space has no current internal access within the building, and does not sit alongside the current demise of Wight Shipyard so was discounted for this reason.
29. The Venture Quays Project Team is aware of a small number of potentially interested parties for parts of the Columbine Building, but none of that interest is for a small windowless room, such as this. If IWC was to seek to let this room to an alternative party, as per Option 4, there is a possibility that Wight Shipyard might consider a relocation to alternative premises where such a link is possible.
30. Option 5, to do nothing, makes little sense as it would not facilitate the much needed Wight Shipyard server room, nor would any income be generated. This would give rise to the possibility that Wight Shipyard might consider a relocation to alternative premises where such a link is possible.

EVALUATION

31. The purpose of IWC purchasing the Venture Quays properties a few years ago included the safeguarding of marine related jobs, particularly within the Columbine Building. Granting a Tenancy at Will of this small room falls firmly within that purpose as it meets the urgent need of Wight Shipyard to achieve more secure ICT links with France. Therefore, Option 1 is considered the only sensible option as it achieves the required result in the shortest possible time.
32. Option 2 will not achieve the speed required for installation of the ICT server equipment, however, in the medium term a lease may well be possible.
33. Option 3 may have been possible, if that was the only space available, but it is less favoured for the reasons stated.

34. Options 4 and 5 would not result in the objective of installing a server room and are, therefore, discounted.

APPENDICES

Appendix 1 - Plan showing the room in question.

Appendix 2 – Further plan showing the room in question

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