

**Purchase of the freehold interest in a currently leased-in property in
Plymouth
Executive Decision Briefing Report**

Executive Summary

This Executive Decision seeks approval to purchase the freehold interest in a property in Plymouth for the purpose of providing a long-term and secure solution for the Council's storage and management of corporate records, libraries storage requirements and for other Council services as necessary.

The overall cost of the project, including stamp duty land tax, fees and site separation costs, condition works, fit out and contingency is set out in the Part 2 confidential business case and will be funded by service borrowing.

The cost of purchasing and running the building will be offset by savings made within the core corporate estate.

This proposal is considered to be the most viable, cost-effective solution that addresses the Council's needs, following extensive consideration of other options. The libraries service is already based on one floor of the building, which has been leased in to the Council since 2016. The building was originally constructed for the Land Registry and is a bespoke storage facility.

Proposal

A number of options have been considered for the Council's storage and library requirements over recent months and years. A search of third party available freehold or rental properties has not yielded any practical solution. In regards to the Council's estate, an option was progressed to the design stage to refurbish the former Camels Head Skills Centre to create a bespoke storage facility. However, capital costs for this project and associated risks have increased significantly for a number of reasons and the project is now considered uneconomic.

The Council has been leasing in the building since 2016 to cater for libraries and museums storage (including the Schools Library Service) since these were displaced from the former Central Library and Museum on North Hill, to make way for The Box.

Since completion and opening of The Box, the Museums materials have been moved to bespoke storage at The Box as planned, leaving this space in the building available for alternative uses.

In connection with the above and given its requirements for records and libraries storage, the possibility was identified of the Council acquiring the freehold of the building. The Council approached the landlord and agreed a purchase price.

As part of the Council's due diligence process, the purchase price has been confirmed by external surveyors as representing market value.

Advantages of occupying the whole building include the following:

- Libraries storage and the schools library service could remain where they are, with no disruption to service delivery or relocation costs;
- All of the Council's corporate records could be moved to one floor of the building, improving information management;
- The building, which is a former Land Registry purpose-built storage facility, provides a compliant records storage environment with specialist racking already in situ.

There are additional benefits to the purchase of the building which include:

- No ongoing rental payments once purchase concluded;
- Long-term solution for storage and management of the Council's records and library materials;
- There is additional space on the lower ground floor which can be used for other Council functions needing alternative accommodation in the future.
- This option is considerably cheaper than the only other viable solution which is to refurbish and extend the site at Camels Head. However, this latter option would not allow for accommodation of other Council functions.

It is therefore recommended that the Council proceeds with the freehold acquisition of this building, with a target date for completion by the end of financial year 2021/22.