

**WIRRAL COUNCIL**

**PENSIONS COMMITTEE**

**18 JUNE 2009**

**REPORT OF THE DIRECTOR OF FINANCE**

**REFURBISHMENT AT CROMWELL HOUSE, HOOK, HAMPSHIRE**

**1 EXECUTIVE SUMMARY**

The purpose of this report is to advise Members of a comprehensive refurbishment programme at Cromwell House, Hook, Hampshire.

**2. BACKGROUND**

- 2.1 Cromwell House is located on Bartley Wood Business Park and is a self-contained office with 20-25,000 sq.ft. available over three floors. Occupiers in the area include Serco, Virgin Media BMW and Lenovo.
- 2.2 The existing two tenants with three leases due to expire on 24 October 2009 have confirmed they do not intend to renew. Neither tenant is in occupation.
- 2.3 There are however two sub-tenants in occupation, who have indicated that, under the current standards of the building, they would only commit to extend their occupation at a considerably reduced rent.
- 2.4 The building was built in the late 1980's and requires upgrading to current occupier standard to compete with other premises in the local area.
- 2.5 The heating and ventilation system is considered to have reached the end of its useful life and needs to be replaced.
- 2.6 The building is underperforming as an investment due to the imminent lease expiries, and action needs to be taken in order to enhance the letting prospects, and the value of the freehold interest.

### **3. PROPOSED CHANGES**

- 3.1 Undertake a complete refurbishment of the building to include heating, ventilation and air conditioning systems to be stripped out and replaced with new equipment. Refurbishment of the individual floors as well as the internal common parts to include lifts, staircases and WC's. Undertake works to the exterior to modernise the general appearance.
- 3.2 These changes would enable the accommodation to be let on acceptable lease terms to a good quality tenant with minimum delay
- 3.3 Improving the condition of the building will ensure MPF has met environmental and efficiency ratings required which many tenants consider an important feature when considering occupation.
- 3.4 Procurement of the necessary works will comply with Council procedures and tender reports will be brought appropriately to this Committee.

### **4 FINANCIAL IMPLICATIONS**

- 4.1 The estimated refurbishment costs are £1,127,000 plus VAT, which would be met by MPF.
- 4.2 Improving the building to the standard required for tenants requiring long leases increases the valuation of the building.

### **5. STAFFING IMPLICATIONS**

- 5.1. There are none arising directly from this report.

### **6. EQUAL OPPORTUNITY IMPLICATIONS**

- 6.1. There are none arising directly from this report.

### **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1. There are no specific implications arising from this report.

### **8. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 8.1. There are no specific implications for any Member or Ward.

### **9. LOCAL AGENDA 21 IMPLICATIONS**

- 9.1. There are no specific implications arising from this report.

**10. PLANNING IMPLICATIONS**

10.1. There are no specific implications arising from this report.

**11. BACKGROUND PAPERS**

11.1. CBRE Tender Report and Analysis 21 May 2009

**12. RECOMMENDATION**

12.1. That the Pensions Committee agree to the proposed refurbishment of Cromwell House, Hook, Hampshire.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/110/09