

## 1. Relocating to the Council Offices, Knowle Green

- 1.1 The preferred option is to offer space to businesses based in the Hub at the Council Offices in Knowle Green. This will allow the Council to support start-ups without the burden of capital or revenue costs. The space offered will have its own access.
- 1.2 This offer will give businesses the opportunity to sign-up to the business support program which will focus on assisting them to grow and prosper. It will not be a space offering cheap office accommodation to any business. This offer is about supporting businesses who need more than cost efficiency assistance.
- 1.3 Office space  
Officers have identified room 101 at the Council Offices which will cater for up to 12 businesses including a 2-3 desk office.
- 1.4 Carparking  
We will offer carparking to a business using the space in the Council carpark.
- 1.5 IT  
It is proposed to offer both wired and wireless internet access that already exists in the building. Separate pathways will need to be designated to the space.
- 1.6 Service charge & business rates  
As the Council is already paying business rates and maintains the area, there wouldn't be any additional cost to the Council.
- 1.7 Rental income  
The space is not of a high standard and therefore rents of around £50 per desk per month would be considered. This would equate to around £500 per month income if an average of 10 businesses were using the space.
- 1.8 S106  
The s106 contribution from Shepperton Studios is to provide an incubator in Staines (was allowed to be in Sunbury). There is £40k remaining to be paid which will off-set costs.
- 1.9 Legal expenses  
Colleagues in Legal will endeavour to include the issuing of agreements to tenants.
- 1.10 Concession contract  
This would not be required as managed in-house.
- 1.11 Additional works  
A scope of works will need to be drawn up for internal alterations to ensure that Council staff are separated from the business tenants. Initially this means secure doors on the ground and first floors will need to be upgraded.

### One-off **revenue** costs

i)	Transfer of office/ white goods	£2,000
ii)	Clear building of all furniture	£3,000
iii)	Modifications to access and security at Knowle Green	£20,000

**Estimated Sub-total**

**£25,000**

**2. Additional budgetary considerations for 2026-27 to 2029-30**

**See Appendix C – Spelthorne Business Hub 5 year estimated forecast**

There are some new revenue line items that are not currently an expense for the Hub at the Summit Centre but would be at Communications House and Elmbrook House – business rates and a service charge.

**2.1 Business rates**

CoTribe, as a Community Interest Company (CIC) receives 100% rate relief for managing the Hub in Sunbury. Due to the new business rate relief policy approved by Corporate Policy & Resources Committee on 24 March 2025, from 1 April 2026 a CIC will no longer receive rate relief at the time of occupation if the rateable value of the space is £24,000 or above.

Link to : [SBC Non-Domestic Rates Section 47 \(LGFA\) Policy](#)

**2.2 Service Charge**

This is charged at £14/ft<sup>2</sup> and has a significant impact on costs that can't be justifiably passed on to tenants.

**3. Relocating to Communications House**

**3.1 Office space**

Officers have identified space on the 4<sup>th</sup> and 5<sup>th</sup> floors of Communications House, Staines-upon-Thames. There will be associated costs - the majority will be one off capital costs (fit-out).

**3.2 ICT communications and internet.**

The space is over 2 floors. There is a comms room on each floor but no connection between each. ICT colleagues will move the existing equipment from Summit House to ensure connectivity. A second mains switch would also need to be installed.

**ICT servers and racks.**

The servers and racks are all in place at the at the Summit Centre with recent license renewals. ICT propose that the best solution for the servers and racks is to move over a Friday and a Monday. The businesses at the Hub will be asked to work from home on those days. ICT colleagues have the capacity to lift the equipment from Sunbury and install it at Communications House over that period. They need 90 days of lead time for the move.

**3.3 Office space configuration plan.**

Curve, an office configuration planning and construction company, and current supplier, have provided a quote for providing an office space configuration plan.

Once the office space configuration plan is approved, the fit-out of the two floors will need to be procured via a tender process. The space in

## Appendix D – Relocation of the Spelthorne Business Hub

Communications House should accommodate approx. 18 offices, 1x meeting room, co-working space for 6-8 users and communal use areas.

The fit out will take approximately 3-5 months to complete.

Moving small items and white goods could be combined with ICT moving costs but is itemised separately.

Legal costs will be incurred for CoTribe Incubator CIC entering a new lease of the new demise at Communications House together with any supporting documentation required, including a new service contract.

### 3.4 Health & safety costs

A new fire risk assessment, security cameras and access controls will need to be installed prior to occupation.

### 3.5 Parking

Tenants will expect parking as part of their lease. They would need 20 approximately parking spaces. Some spaces (number to be confirmed) will be demised with 4<sup>th</sup> and 5<sup>th</sup> floors east. Additional spaces could be obtained at the nearby Tothill Car Park or the Elmsleigh car park.

### 3.6 Utilities.

Cushman and Wakefield have the utilities contract for the common areas at Communications House and Elmbrook House. An apportionment is included in the service charge. It is the tenant responsibility to procure utility services within their demise.

### 3.7 Facilities Management

Cleaning is carried out by a council-wide contract, where the locations are listed. The cleaning at Summit House would be transferred to Communications House and Elmbrook House. YBC Cleaning services will be asked to quote. A contract variation will be required.

### 3.8 Impact of business rates and service charges

#### Business rates

The rateable value of the 4<sup>th</sup> and 5<sup>th</sup> Floor Communications House's is £147,000. This will incur additional costs to the Council (taken from the Hub budget) of approx. £78,800 (£8.75 per sqft) per annum which will have to be paid either by the assets team (if the space is empty) or by the Hub if they occupy the space. Although there is very limited discretion available in the policy, this applies to the criteria in the policy, and it is the view of business rate colleagues is that discretion would not be applied.

#### Service Charge

The Council (through its assets function) is currently paying the service charge while the space is unoccupied. This is a cost to cover public area cleaning, heating, lighting and front desk resource. This is a cost that would be met by the Hub if the Hub relocated (£14/ft<sup>2</sup> or £86,152 per annum). This will also rise year on year, and this has been reflected in **Appendix C** on the estimated 5-year forecast costs.

#### Implications of adding business rates and service charge to tenant's rents.

## Appendix D – Relocation of the Spelthorne Business Hub

If a decision was made to pass the costs of business rates and the service charge to tenants, it would add a further (on average) £7,156 per office. Rents are likely to range from £3,600 to £12,000 pa. Clearly this would not be sustainable for the tenant so rents will be very difficult to achieve.

### 3.9 Estimated relocation costs (**£188,000**)

#### One-off capital costs

i)	Fitout*	£150,000.00
	- Partitioning	
	- Decorating	
	- Carpets	
	- Electrical works	
	- Kitchen equipment	

\*Although we have an approximate estimate from Curve of £75,000 for a basic fit-out, a survey has not taken place, and the Mechanical & Electrical (M&E) equipment has not been assessed. This figure of £150,000 could reduce.

ii)	ICT equipment (capital cost)	£6,000
iii)	Security equipment (capital cost)	£5,000
	<b>Sub-total</b>	<b>£161,000</b>

#### One-off revenue costs

iv)	Office space configuration design	£6,500
v)	Transfer of office/ white goods	£2,000
vi)	Legal costs	£15,000
vii)	Fire risk assessment	£500
viii)	Clear building of all furniture	£3,000
	<b>Sub-total</b>	<b>£27,000</b>

## 4. Relocating to Elmbrook House

### 4.1 Office space

The Council has approximately 2,500ft<sup>2</sup> of unoccupied office space in Elmbrook House, Sunbury-on-Thames.

It is possible to convert the space to a mix of individual or hot-desking space and could accommodate around 14 businesses.

### 4.2 ICT communications and internet.

The space is over 1 floor. There is no comms room. ICT colleagues will move the existing equipment from Summit House to ensure connectivity.

### 4.3 ICT servers and racks.

The servers and racks are all in place at the at the Summit Centre with recent license renewals. ICT propose that the best solution for the servers and racks is to move over a Friday and a Monday. The businesses at the Hub will be

## Appendix D – Relocation of the Spelthorne Business Hub

asked to work from home on those days. ICT colleagues have the capacity to lift the equipment from Sunbury and install it at Elmbrook House over that period. They need 90 days of lead time for the move.

### 4.4 Health & safety costs

A new fire risk assessment, security cameras and access controls will need to be installed prior to occupation.

### 4.5 Parking

Parking is required at Elmbrook House for office and hot-desk customers.

### 4.6 Utilities.

Cushman and Wakefield have the utilities contract for the common areas at Elmbrook House. An apportionment is included in the service charge. It is the tenant responsibility to procure utility services within their demise.

### 4.7 Facilities Management

Cleaning is carried out by a council-wide contract, where the locations are listed. The cleaning at Summit House would be transferred to Communications House and Elmbrook House. YBC Cleaning services will be asked to quote. A contract variation will be required.

### 4.8 Impact of business rates and service charges

Business rates and service charges are applicable and an extra cost to the Council. These equate to approx. £70k pa (£35k business rates and £35k service charge). The average rent would be approx. £10,000 pa and an extra £17,750 added to the rent if tenants are required to pay for these. Clearly, as this is more than double the rent, it is extremely unlikely tenants would pay this, leading to a fall in income.

### 4.9 Estimated relocation costs (£115,500)

#### One-off capital costs

i)	Fitout*	£95,000.00
	- Partitioning	
	- Decorating	
	- Carpets	
	- Electrical works	
	- Kitchen equipment	
ii)	ICT equipment (capital cost)	£6,000
iii)	Security equipment (capital cost)	£5,000
	<b>Sub-total</b>	<b>£106,000</b>

#### One-off revenue costs

iv)	Transfer of office/ white goods	£2,000
v)	Legal costs	£4,000
vi)	Fire risk assessment	£500
vii)	Clear building of all furniture	£3,000

**Sub-total**

**£9,500**

**5. General Operational considerations**

**5.1 Concession contract\***

CoTribe has a concession contract to manage the Business Hub's day-to-day operations including marketing and leasing offices and co-working desks. They are responsible for tenant leases and collection of rents and deposits. The operation contract expires on 3 September 2026. An extension of up to 1 year can be exercised and the notice period is 1 month.

**5.2 Management arrangements**

The 2025-26 service plan and budget assumed the operation would be managed in-house to save costs. A subsequent analysis of external management costs versus managing the operation in-house concluded that it was more cost effective to lease the space to CoTribe and continue the contract with CoTribe to operate the space on the Council's behalf at Communications House.

\* The concession contract would not be required at Elmbrook House or the Council Offices as the operation can be managed in-house.