

Committee(s)	Dated:
Port Health & Environmental Services Committee – For decision	21 November 2017
Corporate Asset Sub (Finance) – For decision	22 November 2017
Subject: Operational Property Review - Tilbury Dock Office	Public
Report of: Director of Markets & Consumer Protection	For Decision
Report author: Jon Averbs, Port Health & Public Protection Director	

Summary

The Port Health Service leases an office at the Port of Tilbury, but due to a decrease in the trade in which the Service has an interest, the accommodation is currently surplus to operational requirements.

However, given that the port is expanding, and the uncertainties of the UK exit from the European Union, it is possible that the office may be needed in the future, so a short-term sub-letting arrangement is proposed.

Recommendations

Members are asked to:

- Declare the Tilbury Dock Office surplus to the Port Health Service requirements for the time being and that it be presented to the Corporate Asset Sub Committee.
- Subject to the Port Health and Environmental Services Committee's agreement to declaring it surplus, the Corporate Asset Sub Committee declare it surplus to the City Corporation's requirements for the time-being, and agree to sub-let the property on a short term of up to 5 years.

Main Report

Background

1. The Port Health Service has traditionally occupied premises in the main docks and ports where it has had a significant operational interest. In the past, this has included the upper River Thames enclosed docks, Sheerness and Thamesport (Isle of Grain), but as trade patterns changed, these have been vacated.

2. The Tilbury Dock Office, which is immediately adjacent to the main gate to the port, was purpose built for the Port Health Service and was opened on 9 June 1984.
3. The current lease is for 60 years from June 1983 (25 ½ years unexpired) and the landlord is the Port of London Authority, which is the owner of the Port of Tilbury.
4. In addition to the Dock Office, the port is obliged to provide office accommodation as part of the Border Inspection Post (BIP) facility where examination of imported food and animal feed is carried out as part of the Port Health Service's statutory responsibilities.

Current Position

5. The main responsibility of the Port Health Service at the Port of Tilbury is to monitor and control food and animal feed imported from third countries, i.e. those outside the European Union. There has been a significant decrease in this trade, such that there is no longer any need for staff to be based at Tilbury on a full-time basis. The accommodation at the BIP is quite adequate for the Service to maintain an appropriate presence at the port, provided that there is sufficient IT capacity and capability which is currently being pursued.
6. Whilst the current level of trade does not require a full-time occupation of the office, the port is expanding and is due to take over the former Tilbury power station site soon. The position regarding the Port Health Service requirements post UK exit from the EU is far from clear, so there may be a need to re-occupy the premises in future.
7. Many of the former shipping lines that called at Tilbury now use London Gateway port. The main back-office administration for both Tilbury and London Gateway is conducted from Manorway House near the latter, which is now the main hub for the Port Health Service.

Options

8. Realistically, there are two options:
 - The lease could be surrendered, subject to negotiations with the landlord, but if the Service does need an office at the port in future, a new premises would need to be identified.
 - The property could be sub-let until such time as the need for Port Health to have a permanent presence at Tilbury is determined.

Proposals

9. Where a site is declared surplus to operational requirements, to achieve alternative use, the Corporate Asset Sub Committee is to be asked to consider other uses by the City Corporation. No other Corporate requirements have been identified for the use of the offices.

10. Whilst the current level of trade at Tilbury does not require a full-time occupation of the office, the port is expanding. The position regarding the Port Health Service requirements post UK exit from the EU is far from clear, so there may be a need to re-occupy the Dock office in future. The disposal of the remainder of the lease of the Dock office is not therefore recommended but disposal by way of short term letting of up to 5 years on normal commercial terms. This would remove the maintenance and financial cost of repairs and place this upon the commercial tenant.
11. The marketability and rental terms would be established by way of an open market letting campaign.
12. The City Surveyor has confirmed that no other Corporate requirements have been identified for the use of the offices.
13. Any holding costs together with the marketing and letting costs will remain the responsibility of the Department of Markets and Consumer Protection.

Corporate & Strategic Implications

14. The Port Health Service has statutory responsibilities at the ports under its jurisdiction which includes the Port of Tilbury. The office accommodation at the Tilbury BIP is currently sufficient for it to fulfil these obligations.

Implications

15. The aim of the Operational Property Review is to encourage the more effective use of operational property and where reasonably practical to identify sites as surplus to operational requirements so that alternate uses can be found for them which reduce the cost of the City's portfolio.

Conclusion

16. The Port Health Service office at Tilbury is surplus to current operational requirements, although this could change in the future. Consequently, a short-term sub-let of the office is recommended.

Jon Averbs

Port Health & Public Protection Director

T: 020 7332 1603

E: jon.averns@cityoflondon.gov.uk