

CBI in talks to sub-let parts of London headquarters

The CBI, the struggling business lobbying group, is in talks to sub-let parts of its vast London headquarters as it continues to seek cost-cutting opportunities in the wake of last year's near-collapse.

Sky News has learnt that the CBI has approached some of its trade association members to gauge their appetite to lease parts of the 25,000sq ft Cannon Place office it moved into in 2014.

Sources said the discussions were at an early stage, and the outcome was uncertain.

Since its brush with insolvency last year, triggered by an exodus of corporate members which were horrified by a sexual misconduct scandal, the CBI has closed most of its overseas offices and made a significant chunk of its workforce redundant.

The self-styled "voice of business", which was initially frozen out of engagement with government ministers and officials, has begun to regain its influence in recent months.

Sky News revealed this month that members including KPMG and NatWest Group had resumed their membership of the organisation.

However, its finances remain in a fragile state, with the CBI reliant on a multimillion pound overdraft from a number of high street banks.

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Its 15-year lease on Cannon Place is not thought to include a break clause, with one source saying the CBI was paying several million pounds a year in rent.

One insider said a relocation from its current HQ at the end of the lease was likely.

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In a statement, the CBI said: “Office real estate in the City can command a certain price level for its great location close to lots of big-name FTSE companies and the headquarters of many well-known market leading brands, many of which are in CBI membership.

“Like many businesses, at the CBI we offer hybrid working to our hardworking staff across the UK, which means our Cannon Place office has some extra capacity.

“Conscious of doing everything we can to reduce our overheads we are exploring a range of options that could see us make better use of the space to offset our costs such as making space available to some of the many fantastic firms and trade associations we are proud to represent who do not have access to a central London base for their own staff.

“We note that other large business representative bodies such as Ibec in Ireland have very successfully offered their trade association members the opportunity to work under one roof.

“As any responsible business owner would, when leases come up for renewal on any of our office spaces we will consider carefully what makes best sense for our organisation, how we work and how we best meet with and convene our members.”

Later this month, the CBI will hold its annual meeting, which will provide members with further insight into the current state of its finances.

It briefly entertained talks last year about a merger with Make UK, the manufacturers’ body, but these were abandoned.