

Report of Head of Legal Services

7. Joint Property Vehicle – Provision of Accommodation

Purpose of report

1. To seek approval to let accommodation on the ground floor of the Service Headquarters to the Joint Property Vehicle.
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Recommendation

It is recommended that:

- (1) the offer of accommodation to the Worcester Hospital NHS Trust be withdrawn; and*
- (2) the Chief Fire Officer be authorised to enter into a lease of office accommodation at Service Headquarters to the Joint Property Vehicle on terms to be agreed by Head of Legal Services and Director of Finance*

Introduction and Background

2. In September 2013 this Committee approved a proposal to lease office accommodation on the ground floor of the Service Headquarters (SHQ) to West Mercia Police in order to make more efficient use of the space within the building and as part of our commitment to work with partners to make better use of the 'public estate'; work which has since evolved into the proposals for the creation of the Joint Property Vehicle (JPV).
3. The lease to the Police did not subsequently come to fruition because Police requirements changed. Officers have since been in negotiation with the Worcestershire Acute Hospitals NHS Trust for the lease of the accommodation to them but although heads of terms were agreed subject to contract in September 2014, negotiations have been protracted and the lease has not yet been concluded.
4. Members will recall that the final business case for the JPV, which was approved at the Fire Authority meeting on 10th December 2014, identified the need to find suitable office accommodation for the JPV and highlighted SHQ as one possible location for this. The Shadow Shareholder Group (SSG) which is leading the JPV project and of which the Chief Fire Officer is a member have investigated several options, including the possibility of the JPV going to Hindlip but that is not considered feasible at the present time. The most suitable accommodation in terms of both the space available and achieving the required timescales is on the ground floor of SHQ, including the area that was to have been let to the NHS Trust.

5. Heads of terms for a lease to the JPV have not yet been finalised but will:
 - be on commercial terms at a market rent; and
 - include a break clause allowing for vacant possession of the building when Headquarters moves to Hindlip, should we so require.
6. In order to accommodate the JPV staff it would also be necessary to implement a planning permission, obtained in 2013, to provide an additional 22 car parking spaces at SHQ. The funding for these works would be part of the negotiation for the proposed lease but ultimately the works will benefit the Fire Authority and enhance the value of our building.
7. The Authority is committed to the creation of the JPV and in your Officers' view, locating the JPV at SHQ will be in the best interests of both the JPV, the Fire Service and our own staff who will be transferring to the JPV.

Conclusion/Summary

8. SHQ is the most suitable location currently available for the JPV and your Officers are satisfied that we can accommodate their requirements. It fits with our own property strategy and will generate income for the Fire Authority as a result of more effective utilisation of the space in the building.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The Authority will derive a rental income from the lease of the accommodation
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The proposal accord with our own future property requirements and supports the Authority's commitment to the provision of appropriate 'Buildings and Infrastructure'
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None identified
Consultation (identify any public or other consultation that has been carried out on this matter)	There are regular staff briefings on the progress of the JPV.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Not applicable

Supporting Information

Background papers:

Policy and Resources Committee – 4th September 2013 (proposed lease to West Mercia Police)

Fire Authority – 10th December 2014 (approval of JPV final business case)

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