

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 04 September 2017

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Lease of office space in Civic Offices to the West Hampshire NHS Clinical Commissioning Group</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Asset Management Plan
<b>Corporate Objective:</b>	A dynamic, prudent, progressive and best practice Council

**Purpose:**

To obtain the Executive's approval to the heads of terms provisionally agreed with the West Hampshire NHS Clinical Commissioning Group (CCG) for the lease of office space in the Civic Offices.

**Executive summary:**

The Council has been in discussion with the CCG to occupy floor 5 in the Civic Offices. This will have advantages to the Council as it will build on the leases granted to Public Health England, Community Rehabilitation Company, Hampshire County Council and Motiv8. The lease will secure an additional public sector organisation to occupy space in the Civic Offices.

The rent and service charge paid by the CCG will offset the running costs of the building. The confidential Appendix A sets out the heads of terms provisionally agreed with the CCG for the approval of the Executive.

**Recommendation:**

It is recommended that the Executive approves:

- (a) the heads of terms, as provisionally agreed with the West Hampshire NHS Clinical Commissioning Group as shown on the Confidential Appendix A; and
- (b) that delegated authority be given to the Director of Finance and Resources, following consultation with the Executive Leader to agree the final terms.

**Reason:**

To obtain approval to the heads of terms provisionally agreed with the CCG for the lease of accommodation within the Civic Offices.

**Cost of proposals:**

The Council will receive from the CCG the rent and service charge set out in the confidential Appendix A.

**Appendices:**

**Appendix A:** Confidential Executive Briefing Paper detailing Heads of Terms provisionally agreed with the West Hampshire NHS Clinical Commissioning Group (Exempt By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

**Appendix B:** Drawing of Floor 5

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### Executive Briefing Paper

<b>Date:</b>	04 September 2017
<b>Subject:</b>	Lease of office space in the Civic Offices to the West Hampshire NHS Clinical Commissioning Group
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. The Council has been in discussion with the West Hampshire NHS Clinical Commissioning Group (CCG) who expressed interest in the lease of office space on floor 5 of the Civic Offices. A drawing showing the space on floor 5 is attached as Appendix B. The following information regarding the interest in relocating to the Civic Offices has been provided by the CCG.
2. The Continuing Healthcare Team covers five Clinical Commissioning Groups (CCGs) in Hampshire and has its base in Fareham. The Team has received investment for transformation and the way that they deliver their service. As a result, a hub and locality model has been developed, with the hub remaining in Fareham. All the management and administrative staff are based in Fareham as well as the locality teams for South East Hampshire and Fareham & Gosport CCGs.
3. As a result of the transformation, the size of the team has increased and CCG no longer has enough space in Fareham Health Centre with no room for expansion. They have rented temporary office space in Segensworth to accommodate the remainder of the team. The plan is to have the whole team in one office location. Having searched for office space in and around the Fareham area, the decision was taken to move their staff to the Civic Offices.
4. All the administrative work for the Continuing Healthcare team will be undertaken from the Civic Offices. CCG will also have meetings with external agencies and patients and their carers.
5. The leasing of additional space will build on the leases already granted.
  - a. Public Health England - half of floor 2
  - b. Community Rehabilitation Company (Probation) - floor 3

c. Hampshire County Council and Motiv8 - floor 4

6. The lease will secure an additional public sector organisation to occupy space in the Civic Offices, helping to facilitate collaboration between public bodies and effective use of public assets by co-location. Furthermore, the lease will generate another income stream to offset the running costs of the building as well as making a significant contribution to the Council's efficiency plans. The lease will help to achieve the objective, included in the Council's Asset Management Plan, to efficiently use the Council's operational property in terms of running costs.

## **HEADS OF TERMS AGREED WITH THE HAMPSHIRE NHS CLINICAL COMMISSIONING GROUP**

7. The confidential Appendix A sets out, for the approval of the Executive, the lease heads of terms provisionally agreed with the CCG. The terms at this stage are still provisional and could be amended before the lease is completed. Therefore the Executive is requested, if it proves necessary, to delegate approval of the final terms to the Director of Finance and Resources in consultation with the Executive Leader.
8. To facilitate the occupation of the CCG it is anticipated that works will be required to adapt floor 5 for their use. The cost of these works will be met by the CCG.

## **FINANCIAL IMPLICATIONS**

9. The Council will receive the rent and service charge as set out in the confidential Appendix A from the CCG. Over the period of the lease, subject to the break clause not being exercised and increases in the rent and service charge, the letting of this space will provide the Council with income in excess of £1m, which will offset the running costs of the Civic Offices and make a significant contribution to the Council's efficiency plans.

## **RISK ASSESSMENT**

10. The risks arising from the occupation of the accommodation in the Civic Offices by the CCG e.g. health and safety will be covered in the lease to be granted.

## **CONCLUSION**

11. Terms have been provisionally agreed for the lease of accommodation in the Civic Offices to the CCG. This will have advantages for the Council as it will secure another public sector organisation to occupy space in the Civic Offices. The rent and service charge, received from the CCG, will offset the running costs of the building.
12. The Executive is recommended to approve the provisional heads of terms set out in the confidential Appendix A and, if required, the final terms be delegated to the Director of Finance and Resources in consultation with the Executive Leader.