

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 7 December 2015

Portfolio:	Policy and Resources
Subject:	Lease of Part of the Civic Offices to Hampshire and Isle of Wight Community Rehabilitation Company
Report of:	Director of Finance and Resources
Strategy/Policy:	Asset Management Plan
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

To obtain the Executive's approval to the heads of terms provisionally agreed with Hampshire and Isle of Wight Community Rehabilitation Company to occupy part of a floor within the Civic Offices.

Executive summary:

The Council has been in discussions with Hampshire and Isle of Wight Community Rehabilitation Company to occupy vacant space in the Civic Offices as a base for services within Fareham. This will have advantages to the Council as it will build on the leases granted to the Wessex Youth Offending team and Hampshire Constabulary and will secure an additional public sector organisation to occupy space in the Civic Offices. The rent and service charge paid by Hampshire and Isle of Wight Community Rehabilitation Company will help offset the running costs of the building. Confidential Appendix A to this report sets out the heads of terms provisionally agreed with Hampshire and Isle of Wight Community Rehabilitation Company for the approval of the Executive.

Recommendations:

That the Executive:

- (a) approves the heads of terms provisionally agreed with Hampshire and Isle of Wight Community Rehabilitation Company; and
- (b) delegates authority to the Director of Finance and Resources, in consultation with the Executive Leader, to agree final terms, if required.

Reason:

To obtain approval to the heads of terms provisionally agreed with Hampshire and Isle of Wight Community Rehabilitation Company for the lease of accommodation within the Civic Offices.

Cost of proposals:

The Council is estimated to receive rent and service charge, from Hampshire and Isle of Wight Community Rehabilitation Company, as set out in Appendix A.

Appendix A: Confidential Executive Briefing Paper Detailing Heads of Terms provisionally agreed with the Community Rehabilitation Company (Exempt by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

Background papers: None

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Executive Briefing Paper

Date: 7 December 2015

Subject: Lease of Part of the Civic Offices to Hampshire and Isle of Wight
Community Rehabilitation Company

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Council has been in discussions with Hampshire and Isle of Wight Community Rehabilitation Company (CRC) who expressed interest in leasing accommodation in the Civic Offices as a base for their services in Fareham.
2. Following the changes to the Probation Service the CRC has the role of rehabilitating those individuals who have been convicted of low level offences. The CRC have requested office space within the Civic Offices as well as a small amount of space for meeting people on the ground floor. The CRC have provided details of the anticipated numbers of visitors, which suggests a volume of approximately 10 people a day. This volume represents only a marginal shift in the volume of people visiting the Civic Offices.
3. As part of the discussions with the CRC assurances have been provided to the Council that individuals who have been convicted of serious crimes are handled separately by the Probation Service and will not be coming into the Civic Offices.
4. The proposed lease will have advantages to the Council as it will secure another public sector organisation to occupy space in the Civic Offices alongside the Wessex Youth Offending Team and Hampshire Constabulary. This will generate an additional income stream to offset the running costs of the building and will make a significant contribution to the Council's Efficiency Plans. The CRC occupying space within the building will also achieve the objective included in the Council's Asset Management Plan to efficiently use the Council's operational property in terms of running costs. It will also facilitate collaboration between public bodies in order that public assets can be used more effectively by co-location.
5. The CRC are aiming to move into the Civic Offices in January 2016, which means that there is limited time available to allow this deadline to be achieved.

INTEGRATED OFFENDER MANAGEMENT TEAM

6. The current lease with the Integrated Offender Management (IOM) team is due to end on 1 April 2016. IOM do not intend to re-new the lease, but will instead work with the CRC and occupy some of the space that they are proposing the lease.
7. The Council current receives nearly £24,000 per annum in rent and service charge from IOM. The arrangements with the CRC will allow the Council to lease a larger space within the Civic Offices and provide a source of income for a longer period of time.

PROVISIONAL HEADS OF TERMS AGREED WITH COMMUNITY REHABILITATION COMPANY

8. Confidential Appendix A sets out for the approval of the Executive, the provisional heads of terms for the lease agreed with CRC. Appendix A also includes the rent and service charge to be paid. The floor area to be leased is approximately 1,728 sq. ft. (160m²) as shown for identification purposes on the drawing attached as Appendix B. An additional 215 sq. ft. (20m²) of space will also be made available on the ground floor. 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.
9. As part of their requirements, the CRC, have requested space on the ground floor. Discussions are on-going, as to the most suitable location, but it is likely to be alongside the existing meeting rooms. The CRC has also requested the facility to work some evenings, until 1830. This service would only be for 3 days a week and it has been agreed that only prearranged appointments would be permitted after 1715, due to the closure of normal Council services.

FINANCIAL IMPLICATIONS

10. Appendix A sets out the estimated rent and service charge that the Council is expected to receive from the CRC. Over the period of the lease, subject to the break clauses not being exercised and increases in the rent and service charge, the letting of this space to CRC could give rise to income in excess of £186,000, which will offset the running costs of the Civic Offices and make a significant contribution to the Council's Efficiency Plans. This income will also make up for the money that would have been lost had the IOM team left the Civic Offices.

RISK ASSESSMENT

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

CONCLUSION

12. Terms have been provisionally agreed with CRC for the lease of accommodation within the Civic Offices. This will have advantages to the Council as it will secure another public sector organisation to occupy space in the Civic Offices and obtain a rent and service charge, which will offset the running costs of the building.
13. The Executive is recommended to approve the provisional heads of terms set out in the confidential Appendix A and grant delegated authority to the Director of Finance and Resources in consultation with the Executive Leader to agree the final terms.