

Office of the Police and Crime Commissioner for Durham

October 2015

**Report on Lease to Graham Asset Management of part of
Framwellgate Moor section office**



Purpose

To seek approval to the grant of a lease to Graham Asset Management (GFM) of part of Framwellgate Moor section office.

Background

In the recent review of section offices, Framwellgate Moor was considered to be too large for current operational requirements. The running costs for the facility are £12,000 per annum and there is a reasonable amount of backlog maintenance required.

Alternative accommodation in the area was sought however given the small area and largely residential location, there were very limited options available, none of which were cost effective.

GFM are the current repairs and maintenance contractor to the PCC having been re-awarded the contract in April 2015 after an OJEU tendering exercise. The team who deliver the contract are currently based at Doxford Park in serviced office accommodation.

GFM are aware that the condition of many section offices is poor and that a review of the portfolio was in place. They therefore approached the Constabulary with a proposal to take a lease of part of Framwellgate Moor office.

Current Position

Terms for a lease have provisionally been agreed as follows:

- Landlord: The Police and Crime Commissioner for Durham
- Tenant: Graham Asset Management Ltd t/a Graham Facilities Management, 5, Ballygowan Road, Hillsborough, County Down, BT26 6HX
- Term: From a date to be agreed to expire on 31 March 2019
- Use: For office purposes

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- Premises: Premises outlined green in appendix 1, totalling 39.2 sqm at Framwellgate Moor Police Office, Pit Lane, Framwellgate Moor, DH1 5HJ.
- Rent: £3,150 per annum payable quarterly in advance whether formally demanded or not
- Repairs: Tenant responsible for the cleaning, repairing, and maintenance of the interior of the premises to include wall, floor and ceiling finishes, internal non load bearing walls, internal doors and door frames, conduits serving the office. Tenant responsible for cleaning inside of windows. The Landlord carries out all other repairs and maintenance which are recharged through the service charge.
- Service Charge: Tenant to be responsible for a fair proportion of the costs (48% based on floor area apportionment) of cleaning, maintenance, rates, insurance, water, heating, lighting and security of the main building, externals and common areas. This also includes any outgoings in respect of the premises where not separately assessed. The amount is assessed annually and collected by the LL in arrears.
- Outgoings: Tenant to be responsible for all outgoings associated with occupation of the premises
- Assignment/subletting: Tenant cannot assign or sublet the lease.
- Consents: Tenant to be responsible for obtaining any necessary consents in respect of their use and occupation.
- Insurance: Landlord to insure main structure for fire and recharge under service provisions. Tenant to be responsible for obtaining all other insurances associated with occupation of the premises.
- Legal costs: Each party to bear own legal costs
- Security of tenure: Lease is to be excluded from the security of tenure provisions of the Landlord and Tenant Act 1954

In addition to the above terms, GFM have agreed to conduct the minor enabling works required at cost value. In addition they have also agreed to carry out a number of backlog maintenance works to the wider property also at cost value. The backlog improvements include replacement of the main entrance door and windows, refitting of sanitaryware and kitchen units, modifications to the heating controls to provide greater efficiency and upgrading to energy efficient lighting with detection sensors. Legislative improvements will also be carried out to include an upgrade to emergency lighting to meet current building regulations in relation to fire safety. Fixtures and fittings from the former HQ are being recycled in the process to further minimise cost implications.

Local operational staff and related senior management were consulted at an early stage of negotiations. They are happy with the proposal and do not consider that there are any insurmountable security risks to site sharing with GFM.

Financial Position

The cost of conducting the enabling works and the agreed backlog maintenance improvements is £32,000. This will be funded from the 2015/16 Accommodation Improvements Capital budget.

The proposal will provide a rental income of approximately £10,000 over the course of the term which is based on current open market values. The proposal will also

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enable sharing of running costs. Based on current figures, this reduction would be in the region of £6,000 per annum however the cost of running the whole building will naturally increase due to the associated intensification of space utilisation which will arise from site sharing. This will be controlled as far as possible through the provision of energy efficiency improvements to include works proposed to heating controls and general lighting. This will therefore enable some reduction in the costs to the PCC.

Proposal

The grant of a lease to enable site sharing with GFM at the existing Framwellgate Moor section office will provide a number of benefits as follows:

- Local operational continuity and reassurance to the public as there will be no change to the current policing presence at Framwellgate Moor
- Rental income
- Sharing of running costs
- Cost effective means of delivering property improvements and a better working environment for local staff
- Partnering with an important supplier organisation

It is therefore proposed that the lease is granted based on the terms above.

Recommendations

It is recommended that the lease terms provisionally agreed with Graham Asset Management in relation to part of Framwellgate Section Office as set out above are approved.

Michael Barton
Chief Constable

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Appendix 1: Risks and Implications

Finance The Assistant Chief Officer confirms that the enabling works and agreed backlog maintenance improvements will be funded from the 2015/16 Accommodation Improvements Capital budget.

Staffing Nil

Equality and Diversity Nil

Accommodation The proposal provides improvements to property condition and the working environment for staff.

Crime and Disorder Nil

Children's Act 2004 Nil

Stakeholder/Community Engagement The proposal provides continuity of a base for community engagement in Framwellgate Moor.

Environment Nil

Collaboration and Partnerships The proposal will benefit collaborative working with Graham Facilities Management who are an important supplier organisation

Value for Money and Productivity The proposal provides a cost effective means to deliver property improvement, rental income and cost sharing.

Potential Impact on Police and Crime Plan Priorities Nil

Commissioning Nil

Other risks Nil

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