

## PCC Decision Report

**Please ensure all sections below are completed**

<b>Report reference number:</b> PCC/2017/66
<b>Classification:</b> Not Protectively Marked
<b>Title of report:</b> OPCC Relocation and Lease of Accommodation at Kelvedon Park
<b>Area of County/Stakeholders affected:</b> All
<b>Report by :</b> Treasurer to the PCC <b>Date of report:</b> 19 June 2017 <b>Enquiries to:</b> Charles Garbett; 01245 291612; charles.garbett@essex.pnn.police.uk

### 1. Purpose of report

- 1.1 To agree to relocate the Office of the PCC from Hoffmanns Way to Kelvedon Park.
- 1.2 To agree the Heads of Terms of the lease for accommodation at Kelvedon Park for the Office of the Police and Crime Commissioner (OPCC) for Essex.

### 2. Recommendations

The PCC is recommended to:

- 2.1 Agree to the relocation of the OPCC form Hoffmanns Way to Kelvedon Park.
- 2.2 Agree the Heads of Terms of the lease with Essex Fire and Rescue Authority as shown in the Appendix.

### **3. Benefits of Proposal**

- 3.1 Improved co-ordination and collaboration arrangements between Essex Police and Essex County Fire and Rescue Services (ECFRS) will benefit from the closer proximity of the PCC and his staff to ECFRS through the sharing of office accommodation at Kelvedon Park.
- 3.2 The OPCC moving to Kelvedon Park will enable Hoffmanns Way to be sold thereby realising a much needed capital receipt for reinvestment in the modernisation of the police service.

### **4. Background and proposal**

- 4.1 The Policing and Crime Act 2017 introduces measures which place a statutory obligation on emergency services to collaborate and also enable PCCs to take on responsibilities for fire and rescue services in their area.
- 4.2 The PCC has submitted a Local Business Case (LBC) for joint governance of Police and ECFRS to the Home Secretary. The LBC has the support of partners and public evidenced through the results of a twelve week consultation.
- 4.3 To facilitate closer working arrangements and support collaborative working, regardless of the chosen governance arrangements, there are advantages in moving the OPCC to the EFRS HQ at Kelvedon.
- 4.4 The Heads of Terms of the lease proposed by the Essex Fire Authority are appended following detailed negotiations with the OPCC within the context of having a fair and equitable arrangement, ensuring that separate funding and cost streams for Police and Fire and rescue services are maintained with no cross subsidisation between the two emergency services.

### **5. Police and Crime Plan**

- 5.1 The OPCC moving to Kelvedon supports the delivery of the Police and Crime Plan through the collaboration with Essex County Fire and Rescue Service (see page 20).

### **6. Police Operational Implications**

Not applicable.

### **7. Financial Implications**

- 2.1 The salient features of the Heads of Terms are:

[NOT PROTECTIVELY MARKED]

- i) The term of lease being 10 years but with the ability of the PCC to terminate his occupation at any time. Should this occur the PCC will be liable for any residual cost of capitalised works incurred that are necessary to accommodate the OPCC. These works are estimated to cost £160k.
- ii) The annual rental, including the principal and interest cost of capitalised works and all service charges, is £50k based on 2015/16 costs. The agreed rental will be subject to any increase or decrease in specified costs associated with servicing the building based on 5% occupation of the current building footprint.
- iii) The annual rental includes the EFA cost of car parking and grounds maintenance.

The current cost of accommodation for the 1<sup>st</sup> floor at Hoffmanns Way is approximately £40k but is a property owned by the PCC and does not include any rental element. The total cost for accommodation at Kelvedon Park is an additional £10k per annum and will be accommodated within existing budget provision for property services.

Moving to Kelvedon Park will enable the PCC to realise a substantial capital receipt from the sale of Hoffmanns Way which can then be used to fund investment in front line police services. The avoidance of borrowing charges will outweigh the incremental rental cost.

## **8. Legal Implications**

8.1 The lease will be drawn up by Essex Legal Services.

## **9. Staffing and other resource implications**

9.1 The relocation of the OPCC has been subject to staff consultation.

## **10. Equality and Diversity implications**

10.1 None identified to date.

## **11. Background papers**

11.1 None



**Decision and Final Sign Off**

I agree the recommendations to this report;

Sign:  .....

Print: *R. C. Hirst* .....

**PCC/Deputy PCC**

Date signed: *20/6/17* .....

I do not agree the recommendations to this report because;

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.....

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Sign: .....

Print: .....

**PCC/Deputy PCC**

Date signed: .....



**HEADS OF TERMS****SUBJECT TO CONTRACT****SPACE AT ESSEX COUNTY FIRE & RESCUE HEADQUARTERS, KELVEDON, ESSEX****VERSION 4 – 03.17**

<b>Partners to this Agreement</b>	<p>Essex Fire Authority (the host partner)  Fire Headquarters  Kelvedon  Essex,</p> <p>The Police &amp; Crime Commissioner for Essex (the occupying partner)  3 Hoffmanns Way  Chelmsford  Essex, CM1 1GU</p>
<b>Property Partnership Representatives</b>	<p>Essex Fire Authority  Fire Headquarters  Kelvedon  Essex, CM8 9HB</p> <p>Att: Jon Doherty  Tel: 01376 576000  Fax: 01376 570466  E-mail: <a href="mailto:jon.doherty@essex-fire.gov.uk">jon.doherty@essex-fire.gov.uk</a></p> <p>Estate Services  Kent &amp; Essex Directorate of Support Services  Kent Police Headquarters  Sutton Road  Maidstone  Kent, ME15 9BZ</p> <p>Att: Simon Curling  Tel: 01622 652718  Fax: 01622 652719  E-mail: <a href="mailto:simon.curling@kent.pnn.police.uk">simon.curling@kent.pnn.police.uk</a></p>
<b>Formal Partnership Agreement Date</b>	To be confirmed
<b>Partnership Intention</b>	<p>To provide office accommodation to the OPCC within the following scope</p> <ul style="list-style-type: none"> <li>• Both parties enter into this arrangement with the best intention of partnership working to the best of their respective abilities</li> <li>• Neither partner to suffer any loss compared to their intended situation in the event of change to this arrangement</li> <li>• Any intention to change the proposed arrangement by either party will be openly and clearly planned with appropriate timescales</li> <li>• The accommodation costs are not to include any profit element to the partnership host</li> <li>• The partnership occupier % occupation to be based on the current building footprint and their intended occupation area</li> <li>• The partnership occupier to pay a percentage of all associated costs</li> </ul>

	<p>incurred by the host for the building</p> <ul style="list-style-type: none"> <li>• The % occupied can only be changed by agreement of both parties</li> <li>• Any conflict that cannot be solved at Chief Executive level can be referred to an expert mediator by either party</li> <li>• Any costs associated with mediation will be borne equally by both parties or divided in accordance with any subsequent agreement or ruling</li> <li>• The host partner shall offer all services highlighted on the cost sharing analysis</li> <li>• The cost sharing analysis to be presented annually in advance by the host partner</li> </ul>
<b>Property</b>	Second floor accommodation at Fire Headquarters, Kelvedon, Essex as shown on the attached Drawing Number
<b>Tenure</b>	Partnership intention
<b>Annual Costs</b>	To be paid in arrears to a period to be agreed, no longer than 12 months. For information the costs for the previous financial year would have been
<b>Interest</b>	Interest will be charge on any payment outstanding for 20 working days.
<b>Use</b>	Offices.
<b>Payment basis</b>	Quarterly in arrears
<b>Permitted Hours</b>	07.00 am – 22.00 pm. Out of hours access that give rise to additional costs will be charged at cost
<b>Partnership Term</b>	Open, subject to 6 months notice
<b>Fitting Out</b>	Host partner to fit out to agreed ECFRS standard. Furniture and fittings to be provided at the discretion of the Occupying partner
<b>Occupation percentage</b>	5% - See Appendix 1 for Occupation Calculation
<b>Included Rights</b>	<p>Use of Canteen.  Use of Post Room.  Used of Lavatories.  Use of internal common parts.  Use of external common areas.  Use of Meeting Rooms.  Use of Reception.  Use of other facilities.</p>
<b>Excluded Rights</b>	<p>Host Contractor access.  Host Cleaners.</p>
<b>Repairs</b>	Host partner to provide all repairs, Occupying partner to report all damage and repair requests to Host partner's Property Help Desk
<b>Health &amp; Safety</b>	<p>Occupying partner to</p> <ul style="list-style-type: none"> <li>• supply Risk Assessments to Host.</li> <li>• supply Method Statements to Host.</li> <li>• supply Lone Working policy to Host.</li> <li>• to appoint Fire Marshal(s) and notify to Host to meet with Hosts procedures.</li> <li>• to comply with all the Hosts Health &amp; Safety and building occupiers Policies.</li> <li>• to appoint First Aider.</li> </ul>
<b>Security</b>	Occupying partner to comply with Host partner's Security Policy.
<b>Alienation</b>	Not permitted.
<b>Alterations</b>	Not permitted.
<b>Signed</b>	<p>EFA</p> <p>OPCC</p>



## Appendix 1

### Occupation Calculation

<b>Cost Element</b>	<b>2015 2016 indicative cost</b>
Building Cleaning	66687
Building Maintenance	87679
Cleaning equipment	4893
Electricity	140388
Gas	4300
Grounds Maintenance	41962
Int decs/alterations	7226
Planned works	76628
Fuel Pump maintenance	249
Rates	195596
General Services	9960
Water Meters	4917
Total	640729
@5%	32036 per annum
Plus construction cost say £160k at 2% interest over 10 years	17650 per annum
Expected total annual commitment	£50,000 per annum

