

RECORD OF DECISION

TITLE: New lease for 54-56 Cranham Drive, Warndon, Worcester, WR4 9PA

Ref: PCC/D/2022/08

EXECUTIVE SUMMARY

Warndon in Worcester has had a physical police estate presence since 1992. It is deemed this resource is still operationally required and is beneficial to the community.

The Police currently use two premises in the area 26 Cranham Drive is used for a Safer Neighbourhood Team office. The lease has lapsed and the PCC is holding over 54 Cranham Drive is used for office accommodation for the Warndon Community Office but there is no lease in place – terms were agreed in the past and are being honoured but without the paperwork being completed.

26 Cranham Drive has had little or no investment since occupation was taken while only the IT provided was upgraded in 54. The premises are both outdated and in need of refurbishment which would attract substantial costs. Due to this, a full feasibility exercise was carried out. It recommends retaining 54 and relocating services from 26 to 56 Cranham Drive.

Platform Housing Group Ltd owns all of these assets property. Suitable Heads of Terms have been agreed for a lease for 54-56 Cranham Drive. Platform have significant ownership of the local residential area and appreciate having regular Police presence. A new lease arrangement for this property will provide the PCC with sufficient security of tenure for the next 5 years.


PROPOSAL

The proposal is to approve the signing of the new lease for 54-56 Cranham Drive, Warndon, Worcester as per the Heads of Terms set out in this report.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

Fortis Housing, now known as Platform Housing Group, took over Worcester City Council's portfolio of council accommodation. This company owns a substantial number of freeholds in the Warndon area, including the freeholds of 26 and 54 Cranham Drive – the two premises currently occupied by West Mercia Police.

26 Cranham Drive is referred to as Warndon SNO and has been used by Warndon SNT, Gorse Hill SNT and the Battenhall/Nunnery SNT for over 15 years. The accommodation is a shop unit at the end of a parade of shops fronting onto Cranham Drive. The lease for the premises has now lapsed. The rent of circa £6,000 is currently being paid together with a service charge of circa £1,000.

The property is at the end of its lifespan and is well overdue a refurbishment. The premises does have potential, as the layout can be altered to make best use out of the space, however, the costs are prohibitive. It is considered that investing substantial amounts of money in a leased premises is not a financially viable option.

54 Cranham Drive, referred to as Warndon Community Office, has been occupied since 2009 and is also in need of refurbishment. The premises consists of first floor office space, separated by a locked and coded door from the rest of the building (56 Cranham Drive). It has its own access and egress to the rear.

West Mercia Police have been occupying the premises since 2012 with permission originally from the owners Worcester City Council and more recently – Platform Housing Group Ltd, previously known as Fortis Living (who took on the Council's residential properties).

The building that was constructed in the 1960s and is coming close to the end of its lifespan. The accommodation is dated but serviceable. The space could be better utilised if the layout is changed and the outdated, oversized furniture is replaced with modern equivalents. Refurbishment works were previously undertaken under a licence for alterations by West Mercia Police. The work was carried out by the PCC. Cabling and internal works were completed but refurbishment works were cancelled as the ICT costs became prohibitive.

The recommendation the options appraisal made is for number 26 to be vacated and surrendered back to the landlord and for the service to relocate to 56 Cranham Drive. 54 Cranham Drive is to be retained. A **new lease for 54-56 Cranham Drive** is to be signed, subject to the agreed Heads of Terms, as discussed below.

56 Cranham Drive was formerly used by Fortis Living and was refurbished approximately two and a half years ago and was used only for 12 months after the refurbishment works completed before becoming vacant. The asset is in a far better state of repair of the internal fabric (flooring, chairs, services and desks) and provides not only sufficient space for the three Safer Neighbourhood Teams to be in once location, but additional space will allow for other West Mercia staff to be relocated in the same premises in the future. The purpose-built front counter facility

already in existence at 56 Cranham Drive provides DDA compliant access to the public.

This space will allow for greater collaboration between the SNTs of Nunnery, Gorse Hill and Warndon. The premises also offers secure outdoor storage, which can be used for bikes and for equipment, as well as a secure parking for up to 6 police vehicles

The landlord has advised that they do have plans to redevelop Cranham Drive in the future (the earliest date for this is 3 years). This will be a large undertaking due to the large amounts of residential and retail premises. However, the landlords have offered the PCC good terms for a new lease of the premises at 54-56 Cranham Drive. The proposal for the new lease is a term of 5 years, mutual break clause in year 3 and a rent of £15,000 per annum. The deposit for the premises will be £3,750 No rent reviews have been agreed. The service charge has been agreed at £1,107 12 per annum.

The landlord will review a fit out plan presented by the PCC and, should it be approved, agree to a licence for alterations All costs associated with this licence are to be paid by the PCC. Having this lease in place will provide the needed security of tenure for the operational police staff in the area for the next 5 years.

However, the mutual break clause in year 3 does put at risk any investment made into the premises. The PCC may lose the premises after three years of signing the lease if the break clause is triggered.

The lease will be excluded from the security of tenure provisions of the Landlord & Tenant Act 1954.

The premises will be held on Full Repair and Insure terms – this means the PCC will be fully responsible to repay the landlord any building insurance premium for the premises and will be fully responsible for the maintenance, compliance (including but not limited to Health and Safety and Fire Safety) and external and internal decoration of the premises All outgoings for utilities and business rates (rateable value is £19,750) will be the responsibility of the PCC The lease will fully prohibit assignment or subletting of a part or the whole of the premises to other parties.

At the end of the five year period (if the break clause is not actioned) then there will be an opportunity potentially for a further 5 year renewal period. The Service Charge is likely to be reviewed on an annual basis.

Refurbishment and supply of new furniture for the premises will be required. A quote for this work was obtained in March 2021 but figures are expected to increase when requoted in the future due to increasing labour costs, rise in materials costs and materials supply issues:

- It is advised that there is a need for access control doors to be installed and the quote received is £18,245.
- The additional furniture required is quoted at £238 90.

- There is a requirement for an R&D survey to be carried out, quoted at £706 65.
- The initially quoted project management costs of £2,076 will no longer be required as the Estates team is now in-house. However, it is recommended for a 5% contingency to be included in the budget for the project.

IT have advised that for £10,000 the service can be switched from the existing locations to 56 Cranham Drive

Thus, the total cost of this refurbishment (as of March 2021) is circa £30,000.

STRATEGIC CONSIDERATIONS

This decision supports the following element(s) of the Safer West Mercia Plan:

- | | |
|--|--|
| <input type="checkbox"/> Putting Victims and Survivors First | <input checked="" type="checkbox"/> Building a More Secure West Mercia |
| <input checked="" type="checkbox"/> Reforming West Mercia | <input checked="" type="checkbox"/> Reassuring West Mercia's Communities |

The decision supports this/ these objective(s) through the following:

- Retaining premises in an area where Police presence is needed, in a manner that achieves best value for the public. Ensuring the Force is visible and accessible in the local community and is engaging with the public and acting on their concerns
- Ensuring the force has fit for purpose premises and contact points which best meet the needs of local communities and the organisation.
- Remaining in locations where IT is already partially provided and set up costs on moving equipment and services are kept to a minimum.

BENEFITS AND THEIR REALISATION

Relocating the 3 SNTs from 26 to 56 Cranham Drive will provide the staff with better working conditions and a more modern workspace as the accommodation refurbished approximately 30 months ago.

The premises 54-56 Cranham Drive also offers more than sufficient space than required. This will allow for other West Mercia staff to be relocated on site in the future. The accommodation offers secure compound for parking up to 6 vehicles and secure external stores.

The existing car parking is actually not approved and have been parking there for a number of years. Once the surrender of 26 occurs the Force would have to vacate the area where the cars have been parked

The proposal with Platform Housing going forward is that if there is a redevelopment of the site then the Police have expressed a desire to continue to have a physical

presence in Warndon going forward over the next 20 years. Platform Housing have been asked that for any redevelopment that appropriate accommodation is provided in the redevelopment for West Mercia Police.

AUTHOR

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Date 15 March 2022

FINANCIAL AND TREASURER COMMENTS

Rental figure has been agreed at £15,000 per annum. This amount is exclusive of service charge (agreed at £1,107.12 per annum), insurance rent and all outgoings (utilities, business rates, etc.) payable in respect of the relevant property. Though this rent is more expensive than the current two rents for 26 and 54 Cranham Drive (£11,400 combined), the area of the premises is substantially larger in comparison.

A deposit will need to be put down for the premises. It has been agreed at £3,750.

Each party is to bear own costs in connection with completing the lease. Legal costs for completion of the new lease has been quoted at £1,500 plus VAT.

The cost of adapting the two offices to meet needs at 54 Cranham Drive (as of March 2021) is estimated to be £30,650.

The annual rental is a reasonable increase on what was previously paid and also provides additional benefits of being one office. The required adaption works can be met from the 2022/23 capital budget allocated for Local Policing Estate Transformation.

Treasurer

Signature



Date

4/4/2022

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes: entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land).

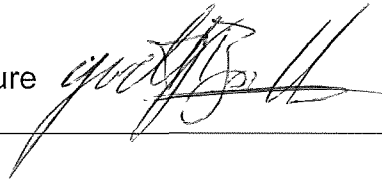
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OFFICER APPROVAL

Chief Executive Officer

Signature



Date

04/04/22