

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE
DECISION RECORD**

Decision Record Number: **04/2021**

Title: ██████████ - **Surrender of Lease,** ██████████ **Executive Summary:**

The ██████████ initially leased two classrooms and office at the ██████████ building to deliver ██████████

The lease for the areas of building operated by the ██████████ was initially signed 10th May 2017 and was between Humberside Police as tenants and the ██████████

The lease detail consists of a term of 9 years to conclude on 26th April 2026.

The cost of the lease is currently £23,000 per annum which will rise to £26,000 in April 2023. There is a current service charge of £4,400 operable within the lease conditions. Other costs incurred through this lease are the cost of cleaning the ██████████ areas at £4,500 per annum and an annual rate charge of £9,950.

The lease carries two break dates at 3 years and 6 years (April 2020 and April 2023).

Since the commencement of the Covid 19 pandemic in late March 2020 there has been no usage of the building. Most ██████████ have been run virtually on line and it is anticipated that this will be the main process that the ██████████ will continue to employ after the Covid 19 pandemic has concluded. Although a limited number of classroom courses will take place in the future, these will be greatly reduced from previous times and insufficient to justify continued revenue costs of maintaining this facility. As such the ██████████ building has been declared surplus to the needs of the ██████████ and work has taken place to agree a settlement to surrender the lease back to ██████████.

The Force Property Consultant Mr. Carl Bradley was asked to negotiate a surrender value with ██████████. The outcome of the negotiation was that a surrender fee of £64,000 plus VAT has been agreed with ██████████. The VAT element is recoverable to the Force.

The costs of remaining in the ██████████ until the next break date in the lease has been calculated at

Rental - April 2021 to April 2023 (2 years at £23,000 per annum) £46,000

Rating - April 2021 to April 2023 (2 years at £10,000 per annum) £20,000

Service Charge - April 2021 to April 2023 (2 years at £4,400 per annum) £8,800

Cleaning Costs – April 2021 to April 2023 (2 years at £4,500 per annum) £9,000

Utility Costs – April 2021 to April 2023 (2 years at £900.00 per annum) £1800.00

Remaining costs if the building was to be operated (held) until next break date of April 2023 – Anticipated Costs £85,600

Savings made by surrendering lease in May 2021 based on £64,000 surrender value - £21,600

(All Costs Calculated up to 31st March 2021)

The Force have also negotiated a saving of £1000.00 for costs paid from March 31st 2021 (rating refund from ██████████).

There are no costs for dilapidation works incurred in the surrender of this lease.

██████████ hold an emergency exit fund for such eventualities and the amount put aside for the

████████ is more than sufficient to cover the settlement figure.

Having settled the account, ██████████ will then make a year on year revenue saving of £42,000 per annum.

This course of action has been discussed and agreed by the ██████████, and meeting minutes of the discussions are attached.

Decision:

- a) To surrender the existing lease for the ██████████ operated by the ██████████ back to ██████████.
- b) This is required in order to save current budget provision due to the lack of need for the use of the premises through the operating different processes to deliver ██████████

Background Report: Open/Closed (with FOI exemption(s) stated)

The report contains commercially sensitive information relating to contracts. Reference is also made to operational policing functions and includes layout plans within a secure building.

Police and Crime Commissioner for Humberside

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct.

Any such interests are recorded below.

The above decision has my approval.

Signature



Date May 2021