

Agenda item:	15
Attachment:	A

HRA Board meeting Cover sheet

16 March 2022

Title of paper:	Estates strategy update – Government Property Agency
Submitted by:	Karen Williams
Summary of paper:	This paper provides an update on the GPA onboarding process for our Manchester office and new Memorandum of Terms of Occupation (MOTO) for our Bristol office and a recommendation to proceed to signature for both properties.
Reason for submission:	For information
Further information:	GPA is on-boarding all, in scope, Department of Health and Social Care properties this year. This affects one of our properties – Manchester (Barlow House). In addition our MOTO with CQC in Bristol has come to an end and we are putting in place a new agreement directly with GPA for Bristol as they manage Temple Quays House. Our other buildings are currently out of scope (Newcastle; Nottingham and Stratford).
Budget / cost implication:	£15,912 + inflation + VAT
Dissemination:	HRA Board papers on website
Time required:	5 mins

Introduction

The Government Estates Strategy 2018 sets out how the government plans to make the most efficient and cost-effective use of its property. It states: *Our estate is at the heart of everything we do. We are transforming the way we operate and collaborate to improve efficiency, deliver the best possible public services, release surplus land for housing, and boost growth across the UK.*

The government hub programme, consolidation of the government estate and places for growth are key elements of this strategy. The government property agency is delivering and enabling many aspects of this strategy in partnership with the public sector.

Government property agency (GPA)

GPA exists to provide a single government general purpose estate managed for the benefit of departments – providing great places to work for the public sector and using their scale and expertise to do this effectively, efficiently and sustainably, helping to support growth in all parts of the UK. Their strategy covers the period 2020-30 and over this timescale their focus will be:

- Improving the experience of the workplace for public sector employees;
- Enabling increased working across departmental boundaries with the public sector;
- Supporting moves from London to the nations and regions of the UK;
- Taking a locality planning approach to optimise the government estate, and working with local authorities to embed our contribution to place-making;
- Responding to the changes in ways of working being accelerated as a result of responses to Covid-19; and
- Improving the sustainability and condition of the estate

GPA is on-boarding all 'in scope' properties within the DHSC portfolio in 2022/23. This includes our Manchester office (which is our only remaining office with a non-public sector landlord). In addition, our Bristol office where previously we have shared space with CQC under a MOTO with CWC is being updated and moving to a Memorandum of Terms of Occupation agreement with GPA, the landlord.

This process will offer the HRA greater resilience and access to services in an easy, value for money way. It simplifies our estates management and demonstrates our commitment to the government's estates' priorities. The GPAs service offers to take away the hassle of dealing with building owners, managing lease issues, ensuring the space is safe for our people, checking and paying bills, and presents the HRA with a single invoice listing each of our occupations. This is their minimum service level. This is particularly helpful in our Manchester office where we also sublet one of our meeting rooms to High Speed Two (HS2). In addition, there is the possibility that we will need to negotiate with our landlord if space in the Manchester government hub doesn't become available in time for the end of our lease term. The GPA are able to support us in both these aspects, providing expert support and advice which we don't have inhouse.

We are also considering adding additional workspace services from GPA for hard and soft facilities management at our Manchester office. We will consider this once the GPA have retendered their FM services which is planned for 2022/23.

Costs for services

The GPA have standard costings for their services.

Location	Building	Size M2	Landlord services
Bristol	Temple Quay House	121	£5,100
Manchester	Barlow House	522	£10.812

Bristol fees are already paid via our Memorandum of Terms of Occupation (MOTO) with CQC (as this building is already managed by GPA).

On-boarding our Manchester office will increase our costs by their standard service charge. This will provide expert support and capacity which we currently don't have in house. Our small estates team (1 FTE) focuses primarily on compliance and delivery. It will also provide additional support for us in managing our relationship with HS2 and future landlord negotiations. Our estates portfolio has substantially changed over recent years improving the quality of the provision and

rationalising our occupancy to support our hybrid working model. Our estates footprint has reduced as a result, from 1740sqm to 1200 sqm together with an associated reduction in costs.

Agreements for approval

The arrangements for each office are different as detailed below. All agreements have been drafted and reviewed by the HRA.

Bristol Office

Our Bristol office, Temple Quay House, is designated a government hub and our agreement will take the form of a Memorandum of Terms of Occupation (MOTO) in line with the civil estate occupancy agreement. This agreement is due to be signed by the end of March 2022 for the period 25th March 2021 to 24th March 2037. It can be ended by either party giving notice under the terms of the agreement. Our annual rental (including service charge) will be £55,353.87/annum.

Manchester Office

Our Manchester office, Barlow House is not a government hub. We have a lease for the third floor of Barlow House to 13th June 2025 with a break date of 13th June 2023. We are not intending to take up the break and are aiming to remain in occupation until that time when a government hub in Manchester is available for health organisations to participate in. The initial rent is simply a pass through of cost from the landlord, £68,104.00 / annum. GPA do not charge an uplift on any of the costs incurred, their landlord services fee covers all their costs. The agreement to be signed for this arrangement is a Terms of Occupation between Crown Bodies for a Department Occupying Property where Agency holds a Lease (with service schedule). This is supplemented with a Managed Services Agreement. Both these agreements have been thoroughly tested across government and offer reasonable terms.

It is proposed that all these agreements are signed in accordance with our scheme of delegation.