
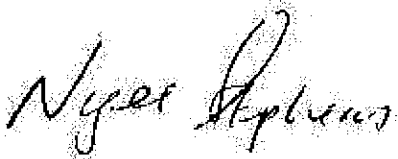


<b>DECISION NO: PCCG-2016-013</b>	
<b><u>OFFICE OF POLICE &amp; CRIME COMMISSIONER</u></b>	
<b>LEAD CHIEF OFFICER:</b>	<b>Nigel Stephens, Assistant Chief Officer Resources</b>
<b>TITLE:</b>	<b>Alway Police Station, Newport – Rent Review</b>
<b>DATE:</b>	<b>21 January 2016</b>
<b>TIMING:</b>	<b>Routine</b>
<b>PURPOSE:</b>	<b>For Approval</b>
<b>1.</b>	<b><u>RECOMMENDATION</u></b>
1.1	It is recommended that new rent for Alway Police Station is approved. The new rental sum has been agreed with the Landlord and approved by the District Valuer. The new rent will be £11,750.00 per annum.
<b>2.</b>	<b><u>INTRODUCTION &amp; BACKGROUND</u></b>
2.1	Alway Police Station is owned by Newport City Council and Gwent Police has a 25 year lease from 2009.  This report is to advise the Police and Crime Commissioner (PCC) that a rent review has been undertaken at Alway Police Station in accordance with the terms of the lease and that a new rental charge has been agreed for the 5 year period from 20/07/14 to 19/07/19. The new rental charge is £11,750. The previous rent was £6000.00 per annum and this was a discounted sum to reflect a capital contribution made in 2009. The rent continues to be discounted and the new rent of £11,750 is approximately 50% of the market rent.
<b>3.</b>	<b><u>ISSUES FOR CONSIDERATION</u></b>
3.1	The new Alway Police Station was constructed in 2009 by Newport City Council who were undertaking Regeneration work in the Alway area. Newport City Council is the Landlord.
3.2	The former Police Station was a 2352sq/ft of Local Authority premises in a mixed use building that has been demolished. The rent was £6000.00 per annum.
3.3	The new Police Station is 4258 sq.ft of accommodation in a mixed use building. The lease is for 25 years with 5 year break clauses. The rent was £6000.00 per annum for the first five years, up to the first review date of 20/07/14. The new rent has been agreed at £11,750.00 and this has been approved by the District Valuer.
3.4	The former Gwent Police Authority and the Landlord agreed that Gwent Police would only be charged rent for 2352 sq/ft of accommodation because the Police Authority made a financial contribution of £118,000.00 to the build costs

	for the additional space to reduce future revenue costs. The new rent is £5.00 sq/ft.
3.5	The current market rent for 4258sq/ft of accommodation should be £21,290.00.
<b>4.</b>	<b><u>NEXT STEPS</u></b>
4.1	This report is to be sent to the Office of the Police and Crime Commissioner for approval as the Estate is the responsibility of the PCC.
<b>5.</b>	<b><u>FINANCIAL CONSIDERATIONS</u></b>
5.1	There will be an additional £5750.00 required for rent for Alway Police Station per annum until the next review in 2019.
<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
6.1	There are no personnel considerations in relation to this report.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.1	Gwent Police are committed to this lease for 25 years from 2009 with 5 year break clauses.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
<b>9.</b>	<b><u>RISK</u></b>
9.1	There are no risks arising as a result of this report.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This report can be made available to the public.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Head of Estate and Facilities.
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	The report from the District Valuer on Alway Police Station Rent Review is attached.

**Public Access to Information**

Information in this submission is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. This submission will be made available on the OPCC website following consideration by the Police and Crime Commissioner.

<p>Are you satisfied that the contents and observations made are necessary and suitable for the public domain?</p>	
<p>In producing this submission, has consideration been given to 'public confidence'?</p>	
<p>If you consider that this submission should be exempt from the public domain, please state the reasons.</p>	

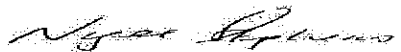
For OPCC use only

**Office of the Chief Constable**

I confirm that **Alway Police Station, Newport – Rent Review** report has been discussed and approved.

It is now forwarded to the OPCC for **approval**.

**Signature:**



**Date: 4 February 2016**

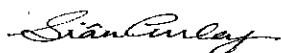
	<b>Tick to confirm (if applicable)</b>
<b>Financial</b> The Chief Finance Officer has been consulted on this proposal.	✓
<b>OPCC</b> The Chief of Staff has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
<b>Legal</b> The legal team have been consulted on this proposal.	N/A
<b>Equalities</b> The Equalities Officer has been consulted on this proposal.	N/A

**Chief of Staff/Chief Finance Officer:**

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

**Signature:**



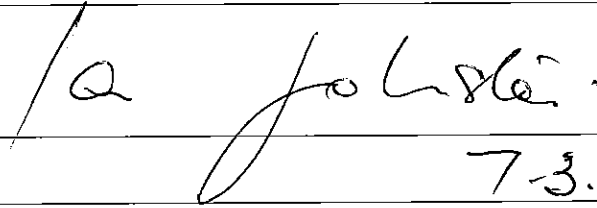
**Date: 02/03/16**

**Police and Crime Commissioner for Gwent**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

**Signature:**



**Date:**

7-3-16.



Valuation Report for  
Alway Police Station  
Unit D & First Floor  
Accommodation above  
Units C, D & E  
Alway Shopping Centre  
Newport  
NP19 9PT



Report for:  
Kieran McHugh  
Head of Estates & Facilities  
Police HQ, Croesyceiliog,  
Cwmbran, NP44 2XJ

Prepared by:  
Carole MacDougall  
Senior Surveyor  
RICS Registered Valuer, DVS  
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Case Number: 1534126 CM/JS

Client Reference: PO120717

Date: 26 June 2015

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## **Executive Summary**

### **1.1 Description**

Alway Police Station is as described in the lease dated 6 August 2012 and comprises a new purpose built police station with first floor office accommodation in a parade of local shops.

### **1.2 Location**

The subject property is situated to the south of Ladyhill Road between Penkin Hill and Aberthaw Road and Avenue, Alway, Newport which is a large former local authority housing development situated to the south east of Newport City Centre with good road links to the M4 Motorway.

### **1.3 Tenure and Heads of Term**

Gwent Police hold a lease for a term of 25 years from and including 20 July 2009.

### **1.4 Valuation Date**

The rent review date is 20 July 2014 and the frequency of review is every five years.

### **1.5 Special Assumptions**

- A premium of £225,000 was paid by Gwent Police in relation to the surrender of the old lease and the granting of the new lease.
- The tenant is responsible for internal repairs only.
- The revised rent shall be the open market rent of 2,352ft<sup>2</sup> only of the premises but which will incorporate (inter alia) the ground floor of the premises for a term equal to the term of this lease on the presumption as at the relevant date that the premises available to let on the open market without a fine or premium with vacant possession by a willing landlord to a willing tenant for a term equal to the term of this lease and commencing on the relevant review date.

### **1.6 Market Rent**

The basis of value is based on the terms of the lease which reflects the surrender and renewal of an original lease.

### **1.7 Remarks**

The parties to the lease are Newport City Council (the landlord) and Gwent Police Authority (the tenant). The instruction is to determine the rent at review which reflects the surrender of the original lease and the grant of a new lease covering the new police station at Alway.

## **1. Introduction**

I refer to your instructions dated 3 February 2015 and my terms of engagement dated 4 February 2015 and confirm I have inspected Alway Police Station and agreed the rental value of the property at review as follows.

## **2. Valuation Parameters**

### **2.1 Identification of Client**

This instruction will be undertaken for Gwent Police.

### **2.2 Purpose of Valuation**

A rental value is required for the rent review as at 20 July 2014 having regard to the lease terms.

### **2.3 Subject of the Valuation**

Alway Police Station as described in the lease stated August 2012.

### **2.4 Date of Valuation**

The date of valuation is the date of the rent review effective as at 20 July 2014.

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

### **2.5 Confirmation of Standards**

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards 2014 UK Edition, commonly known as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

### **2.6 Agreed Departures from the RICS Professional Standards**

I have had regard to the lease terms in respect of establishing the current rent at review.

### **2.7 Basis of Value**

The basis of value for the revised rent shall be the open market rent of 2,352ft<sup>2</sup> only of the premises having regard to the rent review provisions.

### **2.8 Special Assumptions**

The special assumptions are to have regard to the terms of the existing lease, the presumptions in relation to the rent review and the background to the surrender and renewal of the original lease.

**2.9 Nature and Source of Information Relied Upon**

I have assumed that all information provided by, or on behalf of you, in connection with this instruction is correct without further verification – for example, details of tenure, tenancies, planning consents, etc.

My advice is dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of my valuation may be affected.

**2.10 Date of Inspection**

The property was inspected on 10 February 2015.

**2.11 Extent of Investigations, Survey Restrictions and Assumptions**

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer considered professionally adequate and possible in the particular circumstance was undertaken. This comprised undertaking an internal inspection of the property.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property was undertaken. The Valuer has had regard to the apparent state of repair and condition, and assumed that inspection of those parts not inspected would neither reveal defects nor cause material alteration to the valuation, unless aware of indication to the contrary. The building services have not been tested and it is assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection.
- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- Valuations include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations), but exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.
- It has been assumed that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated.

However where an inspection was made and obvious signs of such materials or techniques were observed, this will be drawn to your attention and captured in this report.

- No access audit has been undertaken to ascertain compliance with the Equality Act 2010 and it has been assumed that the premises are compliant unless stated otherwise in this report.
- No environmental assessment of the property (including its site) and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous substances. No search of contaminated land registers has been made. However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report.

Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.

### **3. Property Information**

#### **3.1 Situation**

The subject property is situated to the south of Ladyhill Road between Penkin Hill and Aberthaw Road and Avenue, Alway Newport which is a large former local authority housing development situated to the south east of Newport City Centre with good road links to the M4 Motorway.

#### **3.2 Description**

The Police Station is part of a parade of shops within a two storey development built in 2009 with brick and part render/clad elevations under a monopitched roof. Internally there is a lift and a good standard of office accommodation with gated yard and car park to the rear.

#### **3.3 Tenure**

Leasehold interest.

#### **3.4 Lease Provisions**

Gwent Police hold a lease for a term of 25 years from and including 20 July 2009 with five yearly rent reviews. In arriving at my valuation I have had regard to the lease terms and the background to the surrender and renewal.

3.5 Easements & Restrictions

None as far as I am aware other than restrictions within the lease.

3.6 Floor Area

The floor area specified within the lease in respect of the rent review is 2,352ft<sup>2</sup> which has been identified within an earlier report as being the gross internal area of the original accommodation before the earlier lease was surrendered and the new Police Station built with the associated grant of a new lease. The actual accommodation comprises 4,258ft<sup>2</sup>, however, the rents for the new lease have been restricted to reflect the original area/accommodation and the surrender, renewal and premium paid by Gwent Police.

3.7 Accommodation

The accommodation is as follows:

Ground floor – public reception and waiting area, disabled toilet, enquiry desk and office with lift to the first floor offices above, canteen and toilets.

3.8 Services

All mains services are available and connected to the property.

3.9 Access and Highways

There is access to the property from an adopted highway maintainable at public expense.

3.10 Energy Performance Certificate

The Energy Performance Asset Rating is 'B' with a score of 41.

3.11 Planning

I have assumed that planning permission is available for the existing use of the demised premises.

I have made no enquiries of the Planning Authority and no information has been received on the property's planning status and potential.

I have assumed as agreed with you, that there are no planning proposals that adversely affect the property.

3.12 Equality Act 2010

Whilst I have had regard to the provisions of the Equality Act 2010 in making this report, I have not undertaken an access audit nor been provided with such a report. It is recommended that you commission an access audit to be undertaken by an appropriate specialist in order to determine the likely extent and cost of any alterations that might be required to be made to the premises or to your working practices in relation to the premises in order to comply with the Act.

3.13 Mineral Stability

The property is not in an underground mining area and a Mining Subsidence Report has not been obtained.

3.14 Environmental Factors Observed or Identified

No problems observed.

3.15 Rateable Value

The Rateable Value of the property is £25,750.

**4. Valuation**

4.1 Valuation Methodology/Approach and Reasoning

In arriving at my valuation I have had regard to the lease terms and considered other rented property with similar locations and offices and made appropriate adjustments to arrive at a rent at review.

4.2 Comparable Evidence

Address	NIA (m <sup>2</sup> )	Date	Rent pa	RV	Remarks
5/6 Waterside Court	386.97	3.12.2013	£25,000	£30,000	New 5 year FRI lease with 4 months rent free period. If rent free period ignored for fit out £64.60/m <sup>2</sup> but if factored in £55.85/m <sup>2</sup> .
8 Waterside Court	198	22.8.2014	£13,000	£16,250	New 4 year lease equating to £65/m <sup>2</sup> .

4.3 Agreed Opinion of Value

I am of the opinion that the Market Rent at review is **£11,750 (eleven thousand, seven hundred and fifty pounds)** per annum exclusive of VAT as at 20 July 2014.

The landlord and tenant hereby record that the rent reserved by the lease mentioned above has been reviewed in accordance with the provisions therein contained and is now agreed at £11,750 per annum with effect from 20 July 2014.

4.4 Currency

All prices or values are stated in pounds sterling.

4.5 VAT

I understand that VAT does not apply to this transaction and my opinion of value reflects this. In the event that my understanding is found to be inaccurate, my valuation should be referred back for reconsideration.

4.6 Costs of Sale or Acquisition and Taxation

I have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation, whether actual or notional, that may arise on disposal.

**5. General Information**

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by Carole MacDougall a RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no previous material involvement with the property.

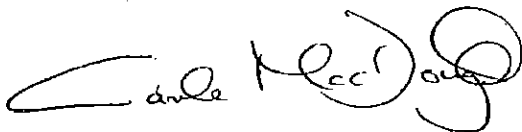
5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

5.4 Limits or Exclusions of Liability

The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.



Carole MacDougall MA MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS

