

EXECUTIVE SUMMARY**REPORT TO THE BOARD OF DIRECTORS****TUESDAY 24TH APRIL 2018**

Subject	Corporate Seal
Supporting TEG Member	Sandi Carman, Assistant Chief Executive
Author	Sarah Hardy, Land and Property Manager/Sue Coulson, Business Manager, Board of Directors
Status¹	A*

PURPOSE OF THE REPORT

Board of Directors' approval is sought to the affixing of the Corporate Common Seal to the following documents:

- Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop in the Chesterman Building at the Northern General Hospital (See Appendix 1)
- Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop on A Floor at the Royal Hallamshire Hospital (See Appendix 2)
- Agreement for Lease, Lease and Licence for Alterations with AMT for a new Coffee Shop on B Floor at the Royal Hallamshire Hospital (see Appendix 3)

KEY POINTS

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IMPLICATIONS²

AIM OF THE STHFT CORPORATE STRATEGY 2012-2017		TICK AS APPROPRIATE
1	Deliver the Best Clinical Outcomes	
2	Provide Patient Centred Services	
3	Employ Caring and Cared for Staff	
4	Spend Public Money Wisely	
5	Deliver Excellent Research, Education & Innovation	

RECOMMENDATIONS

The Board of Directors is asked to sign and approve the affixing of the corporate seal to the above documents.

APPROVAL PROCESS

Meeting	Date	Approved Y/N
TEG	18.4.18	

¹ Status: A = Approval
A* = Approval & Requiring Board Approval
D = Debate
N = Note

² Against the five aims of the STHFT Corporate Strategy 2012-2017

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE SUMMARY
REPORT TO BOARD OF DIRECTORS
HELD ON 24 APRIL 2018

Subject	Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop in the Chesterman Building at the Northern General Hospital
Supporting TEG Member	Mrs Sandi Carman, Assistant Chief Executive
Author	Sarah Hardy, Land & Property Manager
Status¹	A*

PURPOSE OF THE REPORT

To obtain Board approval and the official seal for the Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop in the Chesterman Building at the Northern General Hospital

KEY POINTS

- The lease with RVS for the existing coffee shop in the Chesterman Building ended on March 31st 2018. The Trust took a decision in 2017 to tender the unit and bids were invited via the Trust's retained external chartered surveyor. Although many initial interests of expression were received, only 7 companies submitted bids for the unit. The bids were then evaluated by the Retail Development Group based on the financial offering and the services offered to patients and staff. Having completed the evaluation (which included a meeting with ISS Mediclean Limited), the unit was offered to them.
- The lease will be for a period of 15 years with the option to break by either party on the 5th and 10th anniversaries of the term on giving six months advance notice. The lease will be contracted out of the 1954 Landlord and Tenant Act. ISS Mediclean Limited will pay a base rent and also a turnover rent on a quarterly basis. They will also pay a service charge to cover utility costs, waste disposal, security, the proportionate cost of cleaning, care and maintenance of the common areas as well as the external fabric of the building.
- The tenant will be responsible for full repairs and decoration of the unit (internal only) and also for all rates and outgoings in respect of the property.
- For the purposes of the rent review, the base rent will be reviewed upwards only at the end of every 5th anniversary of the term equivalent to the greater of the following: i) The Rent passing; ii) Market Rental Value as defined by RICS Valuation - Global Standards 2017 (the Red Book) provided that this shall be determined having reference to comparative healthcare outlets; iii) An increase to the "Base Rent" equivalent to any increase in the Retail Price Index from the inception of the lease to the first rent review date and from each rent review date to the next rent review date from the term of the lease.
- ISS Mediclean Limited will adhere to the Trust's policies relating to price promotions of foods high in fat, sugar and salt (HFSS) and will comply with CQUINS requirements.
- The unit will be open and trading 6 days per week (including bank holidays) between the hours of 7:30am – 5:00pm Monday to Friday; 9:00am – 4:00pm on Saturday. The unit will be closed on Sunday. However, opening hours will be subject to annual review to ensure that the needs of patients, visitors and staff are met.
- The Estates directorate will provide ISS Mediclean Limited with a shell unit.
- The Licence for Alterations is to protect the Trust during ISS Mediclean Limited's fit-out process.
- Each party will pay their own legal fees.

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE SUMMARY
REPORT TO BOARD OF DIRECTORS
HELD ON 24 APRIL 2018

Subject	Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop on A Floor at the Royal Hallamshire Hospital
Supporting TEG Member	Mrs Sandi Carman, Assistant Chief Executive
Author	Sarah Hardy, Land & Property Manager
Status¹	A*

PURPOSE OF THE REPORT

To obtain Board approval and the official seal for the Agreement for Lease, Lease and Licence for Alterations with ISS Mediclean Limited for a new Coffee Shop on A floor at the Royal Hallamshire Hospital

KEY POINTS

- The lease with RVS for the existing coffee shop on B floor at RHH ended on March 31st 2018. The Trust took a decision in 2017 to tender the unit and bids were invited via the Trust's retained external chartered surveyor. Although many initial interests of expression were received, only 7 companies submitted bids for the unit. The bids were then evaluated by the Retail Development Group based on the financial offering and the services offered to patients and staff. Having completed the evaluation (which included a meeting with ISS Mediclean Limited), the unit was offered to them.
- The lease will be for a period of 15 years with the option to break by either party on the 5th and 10th anniversaries of the term on giving six months advance notice. The lease will be contracted out of the 1954 Landlord and Tenant Act. ISS Mediclean Limited will pay a base rent and also a turnover rent on a quarterly basis. They will also pay a service charge to cover utility costs, waste disposal, security, the proportionate cost of cleaning, care and maintenance of the common areas as well as the external fabric of the building.
- The tenant will be responsible for full repairs and decoration of the unit (internal only) and also for all rates and outgoings in respect of the property.
- For the purposes of the rent review, the base rent will be reviewed upwards only at the end of every 5th anniversary of the term equivalent to the greater of the following: i) The Rent passing; ii) Market Rental Value as defined by RICS Valuation - Global Standards 2017 (the Red Book) provided that this shall be determined having reference to comparative healthcare outlets; iii) An increase to the "Base Rent" equivalent to any increase in the Retail Price Index from the inception of the lease to the first rent review date and from each rent review date to the next rent review date from the term of the lease.
- ISS Mediclean Limited will adhere to the Trust's policies relating to price promotions of foods high in fat, sugar and salt (HFSS) and will comply with CQUINS requirements.
- The unit will be open and trading 6 days per week (including bank holidays) between the hours of 7:30am – 5:00pm Monday to Friday; 10:00am – 2:00pm on Saturday. The unit will be closed on Sunday. However, opening hours will be subject to annual review to ensure that the needs of patients, visitors and staff are met.
- The Estates directorate will provide ISS Mediclean Limited with a shell unit.
- The Licence for Alterations is to protect the Trust during ISS Mediclean Limited's fit-out process.
- Each party will pay their own legal fees.

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE SUMMARY
REPORT TO BOARD OF DIRECTORS
HELD ON 24TH APRIL 2018

Subject	Agreement for Lease, Lease and Licence for Alterations with AMT for a new Coffee Shop on B Floor at the Royal Hallamshire Hospital
Supporting TEG Member	Mrs Sandi Carman, Assistant Chief Executive
Author	Sarah Hardy Land & Property Manager
Status¹	A*

PURPOSE OF THE REPORT

To obtain Board approval and the official seal for the Agreement for Lease, Lease and Licence for Alterations with AMT Coffee for a new Coffee Shop on B floor at the Royal Hallamshire Hospital

KEY POINTS

- The lease with RVS for the existing coffee shop on B floor at RHH ends on March 31st 2018. The Trust took a decision in 2017 to tender the unit and bids were invited via the Trust's retained external chartered surveyor. Although many initial interests of expression were received, only 7 companies submitted bids for the unit. The bids were then evaluated by the Retail Development Group based on the financial offering and the services offered to patients and staff. Having completed the evaluation (which included a meeting with AMT), the unit was offered to them.
- The lease will be for a period of 15 years with the option to break by either party on the 5th and 10th anniversaries of the commencement date. The lease will be contracted out of the 1954 Landlord and Tenant Act. AMT will pay a base rent and also a turnover rent on a quarterly basis. They will also pay a service charge to cover the proportionate cost of cleaning, care and maintenance of the common areas as well as the external fabric of the building.
- As with their existing coffee shop at NGH, AMT will make an annual donation of £10k to the Trust to be used by a charity of the Trust's choice. They will also offer a 10% staff discount on the advertised price of their core range of drinks.
- For the purposes of the rent review, the base rent will be reviewed upwards only at the end of every 5th anniversary of the term to the greater of Open Market Rental or by reference to an increase equivalent to the increase in the RPI for the preceding 5 year period.
- AMT will adhere to the Trust's policies relating to price promotions of foods high in fat, sugar and salt (HFSS) and will comply with CQUINS requirements.
- The unit will be open and trading 7 days per week (with the exception of Christmas Day but including bank holidays) between the hours of 7:30am – 8:30pm Monday to Friday; 8:30am – 5:30pm Saturday and Sunday.
- The Estates directorate will provide AMT with a shell unit which will incorporate the old WH Smith card shop thus increasing the size of the café.
- The Licence for Alterations is to protect the Trust during AMT's fit-out process.
- Each party will pay their own legal fees.