

Integrated Care Board

Date of meeting	29 March 2023
Title of paper	ICB's Chair's Action –Accommodation Lease
Presented by	Sam Proffitt, Chief Finance Officer
Author	Debra Atkinson, Company Secretary/Director of Corporate Governance
Agenda item	10a
Confidential	No

Purpose of the paper

The purpose of this paper is to update the Integrated Care Board (ICB) on the arrangements for the signing of the lease agreement for the ICB's accommodation space at County Hall Preston.

Executive summary

Under the ICB's financial scheme of delegation, the value (lifetime of contract) for lease at County Hall, Preston exceeds the approval limit of the Chief Executive Officer and the Chief Finance Officer. In addition, under IFRS 16, the lease requires a Capital Delegated Expenditure Limit (CDEL) budget. NHS England has awarded the ICB a CDEL budget which covers the full cost of the lease.

As the CDEL award must be allocated during 2022/23, the lease agreement must be signed no later than 31 March 2023. To reduce the risk of any delays should this decision be deferred until the board meeting on 29 March 2023, a Chair's action has been taken to approve the signing of the lease prior to the board meeting to allow sufficient time for the processing and sealing of the documents.

This report is to ensure the board are sighted on the value of the lease, the requirement for the CDEL budget to be allocated in-year and the Chair's action taken to approve the signing and sealing of the lease.

Recommendations

The Board is asked to:

- Note the update on the lease agreement
- Note the Chair's action to undertake the signing and sealing of the lease prior to the board meeting on 29 March 2023.

Governance and reporting (list other forums that have discussed this paper)

Meeting	Date	Outcomes

Conflicts of interest identified

Not applicable.

Implications				
(If yes, please provide a brief risk description and reference number)	Yes	No	N/A	Comments
Quality impact assessment completed		X		
Equality impact assessment completed		X		
Data privacy impact assessment completed		X		
Financial impact assessment completed		X		
Associated risks		X		
Are associated risks detailed on the ICB Risk Register?		X		

Report authorised by:	Sam Proffitt Chief Finance Officer
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Integrated Care Board – 29 March 2023

ICB Chair's Action - ICB Accommodation Lease

1.0 Introduction

- 1.1 As part of the review of ICB office accommodation, the ICB will be taking a lease for space at County Hall Preston. The lease for County Hall needs to be signed before the end of the financial year and legal advisors are working together to ensure this is completed before the end of the financial year. Full occupancy is planned for July 2023 once refurbishment work has been completed.
- 1.2 Under the Financial Scheme of Delegation, the ICB Chief Executive Officer (CEO) and Chief Finance Officer (CFO) have a delegated limit of £1m for all non-pay contracts (lifetime value).

2.0 Costs

- 2.1 Under the financial scheme of delegation, the value of the County Hall rental lease (lifetime of contract) exceeds the CEO/CFO approval limit. On 31 January 2023, NHS England gave the ICB approval to sign this lease.
- 2.3 In addition, under IFRS16, this lease will be on the ICB balance sheet and, therefore, required Capital Delegated Expenditure Limit (CDEL budget). NHS England has awarded the ICB a CDEL budget which covers the full cost of the lease.

3.0 Actions Required

- 3.1 This CDEL is only available in 2022/23 and the lease must therefore be signed before 31 March 2023.
- 3.2 The strategic estates team in the ICB has been working with Lancashire County Council on detailing the lease and approval through their own governance structures.
- 3.3 It is important that the ICB Board is sighted on this lease given its value, however, there will be insufficient time between the ICB Board on 29 March 2023 to transact the lease by 31 March 2023, or at least to do so is a higher risk than necessary.
- 3.4 A Chair's' action has been approved to sign the leases earlier in March to allow sufficient time to process and seal them before the required date of 31 March.

4.0 Recommendation

4.1 The Board is asked to:

- Note the update on the lease agreement
- Note the Chair's action to undertake the signing and sealing of the lease prior to the board meeting on 29 March 2023.

Sam Proffitt
Chief Finance Officer