

# Property Occupation and Commissioning Webinar

Your questions answered

2021



## Introduction

In August 2021, the Department of Health and Social Care and NHS England & Improvement published a letter ([read here](#)), which laid out the importance of all occupiers of NHS Property Services (NHSPS) buildings signing a formal occupancy agreement.

In October 2021, in partnership with the Department of Health and Social Care and NHS England & Improvement, we ran a customer webinar to explore documenting occupation of NHS Property Services (NHSPS) estates and our Property Commissioning Pack.

We were delighted to welcome so many customers, partners, and colleagues to the session, and due to the level of engagement were unable to answer all the questions asked in our Q&A. We want to equip our customers with as much information as possible, and so have prepared responses to all questions asked throughout the session.

## Resources

You can also watch a recording of the webinar, view the slides used, and access other supporting materials such as our main FAQs, brochure, and templates of the occupancy agreements themselves. This can all be found on our [webinar summary page here](#).

For any outstanding queries or concerns, or if you would like to discuss your occupancy agreement further, please get in touch with your Property Manager, or our Customer Service team on [customer.service@property.nhs.uk](mailto:customer.service@property.nhs.uk) or 0800 085 3015.

**Can there be flexibility on the length of MOTO term? For services that are commissioned on an annual basis, flexibility is needed, and can't commit to ten-year MOTO or lease terms.**

Yes, there is. We would ideally like the longest term possible for our documents, so that we do not have to return to them annually and renew them. The MOTO is flexible and was designed to reflect the changes in commissioned services allowing the occupier to break the agreement should their service contract be terminated giving the correct notice to do so.

**Are NHSPS rental rates and charging model set nationally? Or are they negotiable?**

The rental rates are set by the District Valuer and are set depending on the property, its location, size, and other factors in line with the Premises Cost Directions. Once the valuation is applied it is then known as Market Rent and charged accordingly. The PCD determine how and what can be charged in line with the policy so that there is a transparent and open model for all to use.

**How does an FRI lease work for part-occupiers of a property?**

A true FRI lease/MOTO is only used for solely occupied buildings. The tenant is responsible for undertaking all repairing and insuring provisions. Most of our buildings are multi-occupied, so the leases/MOTOs therein are eFRI leases/MOTOs (often erroneously referred to as FRI leases).

Whilst the various tenants are all responsible for repairing and insuring, it's impractical for them to agree a consensus and undertake any repairs/insuring (imagine 120 different tenants in a shopping centre trying to arrange for a small roof leak to be repaired!). Therefore, the landlord undertakes repairs and insures, the tenants are recharged on a proportioned basis (Service Charge and FM Charges).

**How can we get a better understanding of NHSPS Capital / Revenue maintenance & improvement programme, and how NHSPS expenditure this will affect future costs?**

NHSPS work closely with our customers, CCGs and ICSs to ensure we understand the priorities in terms of repairing, refurbishing and where necessary re-building local healthcare facilities. Our Healthy Places programme, which is reviewed each year in consultation with local systems, sets out the work we doing to improve our facilities and currently includes around 300 projects. Learn more at: <https://www.property.nhs.uk/news-insight/news/healthy-places/>

In relation to ongoing building maintenance and how our charges are apportioned, this is set out on our internet page NHS Property Services | Property Billing Support which includes our Customer Guide to Charges: [https://www.property.nhs.uk/media/2780/nhspcs-customer-guide\\_sep2021\\_v01pdf.pdf](https://www.property.nhs.uk/media/2780/nhspcs-customer-guide_sep2021_v01pdf.pdf)

**Do NHSPS carry out the entire fire risk assessment for the building including tenant areas or just the communal areas?**

It is just communal areas that NHSPS do and escape routes through any demise - it is the tenant who has responsibility to complete in their own demise. The Occupier Handbook tells them to complete their own assessments: <https://www.property.nhs.uk/occupier-hub/occupier-handbook/>

**Who is responsible for the security of the property and the site?**

NHSPS would be responsible for any multi-let site. If the site is occupied in its entirety by one user then they would be responsible for the security of that site.