



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For PCC approval.

Title: Proposal to purchase a Property

Executive Summary:

In September 2018 the PCC made the decision not to extend, beyond its 10 year term, the contract to provide services to Cleveland Police by SopraSteria.

Upon the return of these services in October 2020 there will be a need to accommodate circa 100 staff, who do not currently work from a building that is owned by the PCC. The current estate does not however have sufficient capacity to accommodate these staff and therefore work has been on-going over the last year to look at various options, with appraisals done on a number of potential purchases.

In addition to the space needed to accommodate these staff there is also a likely increase in space that will result from increases in staff to support the expected Uplift in Police Officers – that have been announced at a national level. It would be expected that the proportional increase in Police Officers locally will also see a proportional increase in Police staff – initial indications are that these posts could total 60-80 FTEs for Cleveland Police and are expected to be funded in line with the additional funding for additional Police Officers.

A market search and subsequent assessment identified that St Marks House had the potential to not only provide the space to accommodate the return of SopraSteria staff but also provide much needed flexibility of space to meet future growth and/or provide higher quality accommodation for existing operational teams.

The market for a property of the size required, for the known and expected needs of the organisation, is however limited and some of the properties that were looked at and considered weren't openly marketed as being for sale.

Around 10 properties were considered throughout the search, they were considered in terms of whether they met the needs of the organisation in terms of floor space, location, parking, amenities for staff and whether the purchase and running costs would be affordable to the PCC and provide value for money.

The proposal to purchase St Marks House has the following benefits:

- The scope to accommodate around 180 desks across the 1st and 2nd floors of this building.
- Scope to use the ground floor of the building for a number of potential options, depending on the future estates strategy of the organisation.
- The building is located only a very short distance (around 200yds) from the building that the SopraSteria staff currently work from and therefore it will have no additional costs for all parties to travel to work.
- There is parking on site but also available in the surrounding areas where many of the transferring staff will already park.

In terms of Value for money, the agreed purchase price for the building will be £800k excluding VAT, given that the building is around 16,000 square feet this equates to £50 per square foot. In assessing whether this delivers value for money it has been compared against the other buildings that were looked at as part of this process and also compared against 7 known sales that have taken place over the last few years within the area, of similar sized buildings. These 7 sales were used by a professional valuer for comparison purposes in valuing all of the buildings owned by the PCC as at the 31st March 2019. At £50 the purchase of this building, on a per-square foot basis, represents better value than all of these other similar properties.

Decision:

The PCC is asked to approve the purchase of St Marks House for £800k, excluding VAT, on the basis that it has been assessed as providing value for money for the organisation, that it meets the current needs of the organisation and its likely future needs and will provide the staff who use the building little disruption in terms of their current travel plans.

OPCC Lead Officer: Michael Porter

Contractor Details (if applicable):

Implications:

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes please provide further details below)

Decision Required – Supporting Information

Financial implications: (Must include comments of the PCC’s Chief Finance Officer where the decision has financial implications)

The 2019/20 capital budget includes £1,750k for the purchase and fit out of a building to accommodate the staff transferring from the employment of Sopra Steria on the 1st October 2020. The purchase price and proposed fit out is expected to be contained within these financial parameters and therefore is affordable to the PCC within the current financial plans.

As part of the proposal to transfer back the staff employed by SopraSteria the project that was set up to develop the business case included within their assumptions a budget for the running costs for accommodation. The budget was set at £100k per year. It is expected that the costs to run this building will be affordable within this budget.

In overall terms I assess that this proposal provides value for money accommodation for the organisation. It also provides scope for grow in staffing numbers or to change the configuration of the current estate, in the future, in line with the changing needs of the organisation.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Having read this report and having considered such information as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this report does not ask the PCC to make a decision which would (or would be likely to) give rise to a contravention of the law.

Equality and Diversity Implications

None arise from this decision.

Human Rights Implications

None arise from this decision.

Sustainability Implications

The organisation doesn't have sufficient capacity to accommodate the staff who will return to the employment of the Force from October 2020 within the current estate. Therefore additional estate is needed. If this purchase is not concluded further short term, and therefore likely to be more expensive, options will need to be progressed with.

Risk Management Implications

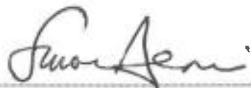
The proposal to purchase the building and not seek to look to lease has been determined on the basis that the organisation has a long term need for additional estate. The purchase is therefore better in terms of value for money, provides a sustainable location for staff to work from and also for the organisation to manage increases in staff numbers and the changing estates needs that might materialise in future years.

OFFICER APPROVAL

Monitoring Officer

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed



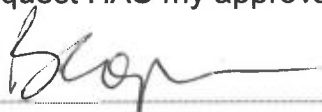
Date

20/12/19

Police and Crime Commissioner:

The above request HAS my approval.

Signed



Date

20/12/19