



Reference No:

THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For PCC Approval.

Title: Sale of Ladgate Lane and Building of a New Community Safety Hub in Hemlington

Executive Summary:

History of Estate Development in Cleveland

The Office of the PCC (PCC), and formerly the Cleveland Police Authority (CPA), has planned for and overseen significant change in the estate infrastructure that operational policing in Cleveland uses. In 1999, CPA and Durham Police Authority entered into one of the first collaboration agreements in policing for the development of new training facilities under a PFI agreement. This was the start of a major series of infrastructure projects for CPA.

The development programme continued by the sale and development of neighbourhood policing properties in Guisborough and Loftus early in the new millennium. These developments were then quickly followed by the Action Stations Project for the development of the new Middlesbrough HQ in the Middlehaven area, the new Redcar and Cleveland HQ in Kirkleatham, and the two new neighbourhood offices in South Bank and Redcar. These four buildings replace aged owned and leased estate of the Middlesbrough Police Station at Dunning Road, Redcar Administration building at Dawson House, the old Redcar Police Station and old South Bank Police Station.

CPA then continued with development in Hartlepool in 2007/08, by commissioning a full refurbishment of the building to make it legally compliant as a custody and operational police facility. CPA in 2009, commissioned the development of the Roads Policing Unit at Wynyard that replaced the facility at Canon Park (which was again in much need of development). The outsourcing agreement with Steria added a new Service Centre to Three Acres in Stockton, and the PCC still retains the Stockton HQ building at Thistle Green, which is in need of attention.

The Police Headquarters at Ladgate Lane was planned for review as early as 2007/08, but the infrastructure projects needed to be phased in series due to the level of management, funding and operational impacts of change.

Ladgate Lane

In 2009/10 proposals were developed for the sale of Ladgate Lane and a move to a new operationally fit for purpose police HQ. The Ladgate Lane facility is over 40 years old, it is too large for current operational policing and support requirements, and occupies a huge 60 acre site. The operational police lead and CPA all agreed in 2010, that there was a need to review options for moving from Ladgate Lane to meet the financial and operational needs of policing in Cleveland. This would be the last of the series of major developments in the estates infrastructure of Cleveland Police. The caveat was that the review must ensure that the options were affordable and represented value for money for the tax payer of Cleveland and the budget of the then Police Authority.

Stakeholder engagement has taken place with local authorities, partner organisations and local communities affected by the potential re-location from Ladgate Lane.

Community Safety Hub

The Police & Crime Commissioner and the Chief Constable seek to deliver upon their shared strategic aim of ensuring better links between agencies to make the best use of resources, demonstrating their clear commitment to enhancing community safety services throughout Teesside and to innovation in the provision of public services. The Community Safety Hub will facilitate collaboration across the public sector, in order to support and foster such innovation, meet demand and drive out efficiencies, as part of meeting the challenge of funding constraint

With that in mind, the concept of the Community Safety Hub, with the flexibility to accommodate a diverse range of community safety and criminal justice services, underpins this project.

Strategic negotiations are already underway between the PCCs and Chief Constables for both Cleveland and North Yorkshire to plan for the potential co-location of facilities and infrastructure within the Community Safety Hub to be based at Hemlington Grange in Middlesbrough.

Conclusions

The operational case for a new 5,000sqm is agreed and supported by the Chief Constable and the Deputy Chief Constable. It meets the vision of the PCC and Police Force around the operational principles of a Community Safety Hub and the proposed location meets the needs and constraints of the organisation.

The financial case has been provided, reviewed by DTZ, and agreed and supported by the PCC's CFO and has concluded that the preferred option will reduce the running cost of the organisation, once built, and will be fully funded from the sale proceeds from the sale of the current site.

The project for relocating from Ladgate Lane has been fully reviewed independently and a business case for the 5,000sqm has been proposed. The case for a new 5,000sqm building is fully supported by operational policing leads, financial leads, independent scrutiny and assessment, and associated stakeholders. The communities of Cleveland will benefit from this investment directly into regeneration areas and creating jobs in both the construction of the new facility and the housing development at Ladgate Lane.

Cleveland Police's financial management and planning arrangements (which includes the Community Safety Hub) have been examined by Her Majesty's Inspectorate of Constabulary (HMIC), who described them as 'outstanding' in their recent 'Valuing the Police 4' report for Cleveland Police in July 2014.

Further Information

The Commissioner and the Chief Constable have adopted a Publication Scheme which sets out the conditions and timing for the publication of specific documentation and details during and after the project. For example, it would not be commercially sensible to publish details of the full budget for the project before finalising the selection process for providers. The aim is to deliver to the public the maximum degree of openness and transparency whilst respecting the financial, operational and legal sensitivity of specific information and documentation.

The following specific documents are provided to the PCC for Cleveland to support this Decision Note, but are subject to that Publication Scheme: -

- Community Safety Hub – Outline Business Case
- Community Safety Hub - Site Selection Report
- Community Safety Hub - User Defined Requirements
- Decision to Dispose of Ladgate Lane Site

Decision:

The PCC is asked to agree to agree the following:

Following the approval of the Business Case for the proposed sale of the land at Ladgate Lane (subject to contract and final agreement) by the PCC on the 22nd January 2014 (see Decision Reference 05-2014). The PCC is asked to approve that Officers conclude the process and contract for the sale of the site at Ladgate Lane and bring forward the finalised contract for approval by the PCC.

Given the recommendations contained within the Outline Business Case, and taking into account the operational needs of the Police Force and the location constraints, the PCC is asked to approve the preferred option which is to:

- Build a New Community Safety Hub
- That the new building is approximately 5,000 sq metres in size
- That the new building is located at the site in Hemlington for which the PCC has planning permission to build such a building

One of the underlying principles of this project has been that the costs of relocating from Ladgate Lane could not exceed the proceeds from the sale of the land at Ladgate Lane and that there should be a reduction in revenue costs from any new option. Subject to ensuring that this principle is always maintained the PCC is asked to approve that Officers progress the following items:

1. That Officers progress with and conclude the contract for the purchase of the land at Hemlington, on which the Community Safety Hub would be built. The final contract and decision will be subject to PCC signature and approval.
2. That Officers conclude the final designs of the Community Safety Hub, tender for a builder to construct the building and finalise contracts to enable this to proceed. The final contract and decision will be subject to PCC signature and approval.
3. That Officers pull together all aspects of the preferred option into a Final Business Case for PCC approval.

To progress all of the recommendations within this report moves the overall project beyond its current scope and therefore beyond the current budget for the project. It is forecast that to move the project through these new phases requires the overall budget for the project to be increased from £1,338k to £1,880k. The PCC is asked to approve increasing the budget available for this project to £1,880k.

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 CFO where the decision has financial implications)

The PCC is re-assured that increasing the budget at this stage is primarily to move the project beyond the stage that it was previously funded to proceed to. The project as currently envisaged, based on the preferred option, will still be delivered within the overall budget available to it which will be capped at the level received from the sale of Ladgate Lane.

The increase in budget does however increase the amount 'at risk' if the project does not proceed. If the sale of Ladgate Lane does not go ahead and the build of a new Community Safety Hub at Hemlington does not go ahead then the majority of the expenditure to date, and all of this additional funding requested, would need to be written off and would need to be funded from reserves and/or underspends. The risk of this occurring is however viewed as low.

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

The PCC will be aware that until the contract for the sale of Ladgate Lane is signed the PCC is not legally committed to the sale of Ladgate Lane and the preferred bidder is not legally committed to its purchase.

Throughout the process of considering options beyond the sale of Ladgate Lane it is important that it is recognised that it would be illegal for the PCC to sell the land at Ladgate Lane and spend the money on Police Officers, Police Staff, PCSO's, and in fact on anything that is not deemed Capital Expenditure. This option therefore cannot be considered and is not a legally allowable option for the PCC to consider.

The PCC will be aware that until the contract for the construction of the Community Safety Hub is signed, the PCC is not legally committed to the construction contract and the construction company is not legally committed to its construction.

If contractual arrangements are required to support negotiations with the Office of the PCC for North Yorkshire, then these will be managed and reported separately in accordance with both organisations governance arrangements.

Equality and Diversity Implications

The Community Safety Hub will comply with all legislation and building regulations pertaining to equality and diversity. All elements of the legislation have been considered and the most appropriate solutions built into the current designs of the Community Safety Hub.

A design review has considered the implications on design relating to gender, race, disability, sexual orientation, religion or belief, age and transgender. The detailed designs will continue to review its appropriateness to the equality agenda.

Human Rights Implications

The principles of human rights are inherent in policing in the UK. The construction of the Community Safety Hub is about bringing communities together across Cleveland and ensuring a shared vision for the future of the Cleveland area, and improving services to all.

The Your Force Your Voice initiative fundamentally supports the principles of human rights and the Community Safety Hub will be a focal point for all.

Sustainability Implications

Ladgate Lane as it stands at present is highly inefficient and does not meet the sustainability standards of a modern building. A new purpose built facility is required to comply with building regulations that imposes significant environmental and sustainable solutions, and it is the desire of the PCC to achieve BREEAM Excellence. The new facility will take advantage of modern technological advancements in energy efficiency and self-generation. Full details will be provided when the detailed designs are completed and published.

The HQ at Ladgate Lane is now nearly 40 years old. As with all organisations over such a large timeframe, working practices, operational policing, staff numbers and finances have significantly changed. The facility is in need of significant development to meet the recommendations of the most recent condition surveys. Over £7.6m of investment has been identified as required over the next 10 years to bring the facility up to date and meet operational policing needs. The running costs of the facility are in excess of £1m per year. The facility is over 11,000sqm and is in a site of nearly 60 acres. The building is currently under occupied as the PCC continues with the estate rationalisation project and ensures that the utilisation of the newer elements of the PCC estate are maximised.

The option recommended is to build a new 5,000sqm facility at Hemlington Grange. After construction and commissioning, this new facility will have a very small requirement in the first 10 years for capital expenditure in comparison to the £7.6m that needs to be spent on Ladgate Lane over the same period. In addition, the running costs of a facility half the size and in more modest grounds will give rise to an annual saving of at least £200,000 per year.

The costs of a new facility will be fully funded, including project management, planning, construction, fit out and commissioning, financing charges and any other associated costs will all be recovered from the sale of Ladgate Lane. In addition, the planning permissions for Ladgate Lane seek additional funding for affordable housing development and significant infrastructure developments of the local area.

Risk Management Implications

Until the contract for the sale of Ladgate Lane is finalised and signed by both parties there remains an element of risk in relation to both the on-going project and its affordability. It is not believed that this risk is significant and the preferred bidder is keen to conclude the contractual process as soon as possible.

A full risk register has been developed and is being updated and monitored as part of the project that is overseeing the Community Safety Hub project.

OFFICER APPROVAL

Chief Executive

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: 30/7/14

Police and Crime Commissioner:

The above request HAS / DOES NOT HAVE my approval.

Signed:  Date: 30/7/14