

# NORTHERN JOINT POLICE BOARD

14 SEPTEMBER 2007

Agenda Item	
Report No	

## ESTATE MANAGEMENT PROGRAMME

### Report by the Chief Constable

#### **SUMMARY**

This report will aim to present a comprehensive progress report on Northern Constabulary's Housing Management Review initiated by the Chief Constable in 2004/05, along with a summary on progress of Capital Projects.

#### **INTRODUCTION**

The purpose of the Housing Review is to critically examine the current management of the Police Housing Stock and consider options for change, especially in the area of housing provision and management. The objective is to establish a modern, efficient housing provision and management regime to support business continuity in Community Policing throughout the Force area. Access to housing for Officers deployed throughout the Force is dependent on private market turnover and availability in public housing. There are constraints and limitations in both the public and private market, which can restrict availability to Police Officers especially in the smaller communities and the remoter areas of the Force. To sustain community policing it is important for Police Officers to have access to housing in their locality of work within a reasonable period of time.

#### **HOUSING MANAGEMENT**

Serving Officers currently occupy residential properties owned by the Police Authority, Housing Associations; Private Sector lets and privately owned homes. Officers joining the Service prior to September 1994 are entitled to Housing Allowance or the allocation of a Police Authority house. These benefits are not extended to Officers who joined the Service after September 1994 and they are expected to make their own housing arrangements without financial assistance from the Police Authority, other than the standard relocation costs. Neither the Police Authority nor the Chief Constable have Landlord status and there is no rental received from occupiers of Police residential property regardless of status in entitlement. The eight Area Commanders currently undertake the allocation and local management of the Housing Stock.

Although the arrangement broadly supports community policing, it is not sustainable for the Police Authority, as the housing stock requires a substantial capital investment to bring residences up to a modern standard. Central Government will not approve or support this investment, as there are constraints in legislation and regulation governing Police Authority residential property holding. Therefore a new housing provision and management regime is required.

#### **Drivers for Change**

- Changes in legislation and regulation relative to allocation of houses to Police Officers.

- The current Housing Stock will not meet the Scottish Quality Housing Standard without considerable investment.
- Any investment in Housing is an opportunity cost to Police Service delivery and consecutive Central Governments are not supportive of investment in Police Housing
- Northern Constabulary are not adequately resourced in property holding and qualified management to continue in the provision of housing.
- A diminishing demand for Police Authority houses as serving Officers are opting to buy private property.
- Market conditions, increasing property values and changing interest rates are influencing the availability of residential property and the choices available to Officers deployed to different parts of the Force area.

## **Process**

A review team composed of all stakeholders was set up in 2005 to consider options and progress appraisal to the conclusion of identifying one feasible best option. The Board and the Scottish Police Federation were both represented on the review team. The best option selected for development was the transfer of the Police Housing Stock to Local Registered Social Landlords (RSLs) with an understanding with the RSLs for future provision of housing for Police Officers.

The development of the selected option is substantially complete. The rate of progress is largely determined by the process of gateway approvals to comply with the legislation governing Police Authorities and the legislation governing RSLs. As there is no current model in Scotland for a similar transaction in the public sector, each aspect of development needs to be carefully considered against the relevant legislation

To maintain progress on the project and comply with the various parts of legislation governing the transaction, the transfer of assets will be restricted to residential only assets. All police houses attached to police stations will be maintained in the ownership of the Northern Joint Police Board. The management of allocation and collection of rent will be devolved to the local Housing Associations with nomination rights being managed by the Force Estate Office. It should be noted that these houses would be used exclusively for Police Officers.

## **Progress**

Having completed the review, options appraisal and testing the feasibility of the selected option the project is now moving to implementation phase two. The Housing Management Team for Phase One included Elected Members. Given the strategic importance of this project it is recommended that the Convener and Vice-Convener be invited to join the Housing Management Team. In so doing they will be in a position to represent the interests of Western Isles and Highland respectively. It is also recommended that an additional two members be appointed to the Team to cover the interests of Orkney and Shetland.

The project demands considerable resource from the Estate Office and the Review Team took the view that the development should be taken in two stages. The first stage of transfer would include the three Island Authorities and the second stage the Mainland Highland Area.

Following a procurement exercise, five expressions of interest were received and the successful bidders to enter into this arrangement with the Board are Hebridean Housing Partnership for the Western Isles, Orkney Housing Association Ltd and Hjalmland Housing Association for Shetland.

The model for the transaction will determine asset values, the term of the service, the allocation policy and the ongoing review criteria. Defining the service requirement and scheduling the agreements between the Board and the housing provider will require consultation with the constituent authorities of the Board, Scottish Ministers, Police Division of the Scottish Government, Communities Scotland, the District Valuer and the RSLs.

It is understood that the open market value of each asset will be discounted to take account of the condition, occupancy status, multiple unit transfer and future allocation policy. The level of discount is not yet known and this will be presented for approval to the Board and Scottish Executive at a later time. The basis for discount and the valuation of assets will need to be approved and agreed as it is the platform for setting the rentals and continued access to residential accommodation.

### **Outline Programme**

The following is the outline programme for the three Island transfers. These are subject to variation depending on RSL funding, the security of title of Police Authority property and the necessary available resource to complete all transactions. The Board will be kept informed of progress throughout.

February 2008      Transfer Western Isles houses

March 2008        Transfer Orkney houses

April 2008        Transfer Shetland houses

### **Communicatons**

The second phase of the project also involves addressing the relevant interest of all current occupiers in Police Authority Housing and future requirement for access to rental accommodation. Accordingly it is proposed to write to all relevant Officers to inform them of the proposals and to further convey information on available current and future options for housing in the Northern Constabulary area.

### **Consultancy**

There are two major areas of Management to be addressed in the proposed changes in Housing Management, people and property. To progress and conclude the project to a competent and compliant standard, it will be necessary to import specialist consultants in Housing Management and Legal Services. The Housing Management Consultant will provide technical and specialist management resource and the Legal Consultant will give specialist advice to the Chief Constable in the areas of public procurement, vires and the obligations Northern Constabulary has to

current and future occupiers, as well as the Chief Constable's interests in relation to the agreements for Stock Transfer to RSLs. Members should note that the Chief Constable's obligations in the past, current and future allocation of housing require to be aligned with all his statutory obligations. This resource is not available to him in-house and the only available alternative is to outsource the services. (It is not intended, however, that these specialists duplicate the service already established for legal advice to the Board.) A procurement exercise is nearing completion and a detailed report will be brought to the next Board.

### **CAPITAL PROJECTS**

<b>Project</b>	<b>Progress</b>
Grantown-on-Spey Police Station Reurbishment and Extension	The project is currently on target against programme and spend, and should complete by the end of the year.
Lairg Police Station Extension and Upgrading	The main contractor is mobilised and the temporary accommodation installation is in progress. Environmental assessment on site continuing for the detection and measurement of migrating landfill gas. The construction programme may be extended due to these activities without any change in the tender costs.
Nairn Police Station Upgrading and Remodelling	Site search for the provision of a new facility continuing.
Rhiconich Police Station New Station and House	A revised development proposal has been submitted to the Planning Authority with an application for Planning Consent. It is planned to issue tenders on the 2 <sup>nd</sup> October with a view to commencing on site by December 2007.
Whalsay Police Station New Police Station	The construction contract has been awarded and the contractor mobilised. The agreed programme for the project is completion by the end of the Financial Year.

### **ESTATE MANAGEMENT DEVELOPMENT**

All of the Estate Management resource for the Police Authority Estate is centrally located at Inverness. It is not feasible to deploy any of the resource throughout the Force area and yet it is not possible to manage all the functions and deliver a comprehensive service without technical assistance resource from the four constituent Authorities.

This has worked reasonably well in the past but there are new areas of responsibility in the management of premises and contractors, which require to be reviewed. Further, some of the Constituent Authorities are experiencing difficulty recruiting technical staff and therefore a full service is not always available. It is understood that each Local Authority gives priority to its own projects, programmes and premises and the foregoing is not intended as adverse criticism. However, the Police Authority will need to meet all their own obligations in terms of maintenance, health and safety, capital projects and the effective management of premises. It is intended to review the outsourced Estate Management Services with a view to streamlining and developing an efficient effective service. The Highlands & Islands Fire & Rescue Service is experiencing similar difficulties in outsourced Service Management.

There may be advantages, economies of scale, cost savings and efficiency improvements in the Fire and Police Services co-operating and working in partnership in the provision of Estate Management Services. The proposal is for the Fire & Rescue Service and Police Estate Management to review all current arrangements and report findings of opportunities for efficiency gains to a future Board. The Scottish Government encourage Partnership working and Shared Services for the delivery of non-core activities.

### **RECOMMENDATIONS**

1. Members approve in principle the transfer of the Islands' Housing Stock to RSLs.
2. Members appoint the Convener, Vice-Convener and a representative from each of Orkney and Shetland to the Housing Management Team.
3. Members note the progress on Capital Works.
4. Members approve a Joint Review of outsourced Estate Management Services with the Highlands & Islands Fire & Rescue Service.

**I Latimer**  
**Chief Constable**

3 September 2007