

NORTHERN JOINT POLICE BOARD

19 JANUARY 2007

Agenda Item	
Report No	

ESTATE MANAGEMENT PROGRAMME

Report by the Chief Constable

SUMMARY

This report will major on the Housing Management Review which has been ongoing since 2005. The second part of the report will present a progress report on the Capital Projects completed and in progress, previously approved by the Board.

The Northern Constabulary Housing Management Review was initiated by the Chief Constable in 2004 and undertaken by the Estate Office. The purpose of the Review is to critically examine the current management of police housing and consider options for change to establish a modern efficient housing management framework. Access to public and private housing throughout the Force area is critical to promoting community policing and sustaining business continuity.

Housing Management

The Review Team is made up of a broad range of stakeholders as reported to the Board in August 2005. A number of options were developed and evaluated by the Review Team including maintaining the status quo. The option taken forward for further consideration and feasibility was Option Two; "Transfer the police housing stock to local Registered Social Landlords, Housing Associations (RSLs)." Police Officers requiring public sector housing would be able to make application for accommodation to the RSL in the respective areas. The options considered and evaluated were presented in a detailed report to the Board in November 2005.

Process

The development of the selected option continues to make slow progress. The rate of progress is largely determined by the interpretation and application of current legislation regarding both the disposal of assets and the resultant contracting for housing provision and management services from RSLs. As there is no current model in Scotland for such a transaction, each aspect of development needs to be referred to the Board's legal officers and Communities Scotland, the principal funding source for RSLs. The two issues are vires and competitive tender for the supply of housing services.

On the issue of vires, consideration needs to be given to the powers of the Board to enter into the proposed disposal of the existing housing stock to RSLs. The Public Contracts (Scotland) Regulations 2006 will apply to the Board when disposing of its existing stock and consideration needs to be given to the requirement to undertake a competitive tendering process.

To accelerate progress on the project and simplify compliance 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 and will be managed under the direction of the Force Estate Office. This may be reviewed in the future.

Progress

The Review Team continues to meet regularly to deal with the various issues and a Technical Group has been formed from members of the Team to deal with vires, competitive tendering and transfer programme development.

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

In compliance with procurement regulation, the contract for the provision of housing in the three Island Authorities was advertised nationally in November 2006. There were only three expressions of interest received for the service, two from Shetland and one from a company not currently involved in housing management. The Review Team will consider all three responses and the regular procurement pre-qualification protocols will be applied to the selection process. The low level of response was as anticipated, as RSLs funded through Communities Scotland will not participate in competitive tendering. Their constitution and funding criteria do not accommodate the provision of special housing outwith social and economic need. However, they can and are willing to negotiate the terms of transfer of stock for Police use to meet future police housing requirements to support business continuity in Community Policing.

The model for such a 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 Executive, Communities Scotland, the District Valuer and the RSLs.

It is understood that the Board does have vires to enter into agreement with RSLs as set out in Option Two, the preferred option. Further to Regulation Eleven (*Powers and Duties of the Board*) of the Amalgamation Scheme, the Board has been delegated the functions of the constituent authorities relating to Police. The definition of functions in this context will include the powers and duties of the constituent authorities.

In terms of Section 2 of the 1967 Act, the Board must obtain the consent of the Secretary of State (now the Scottish Ministers) to provide and maintain such land and buildings for dwelling houses and other housing accommodation for Constables. This power would be relevant in relation to any future agreements for the management and ongoing maintenance of retained Police housing attached to stations. The Board's power to provide and maintain land and buildings is exercisable with the consent of the [Secretary of State] Scottish Ministers.

Under Section 69 of the 1973 Act the constituent local authorities have the powers to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This power has been delegated to the Boards by Regulation 11 of the Amalgamation Scheme. The constituent authorities have the power to discharge their functions in accordance with Section 69. In this instance the powers will be subject to the consent of the Scottish Ministers, and as such the Board will need to obtain the consent of the relevant minister prior to progressing with the proposals under Option 2.

Section 74 of the 1973 Act provides the constituent local authorities the power to dispose of land provided the market value is realised. This power has been delegated to the Board by

Regulation 11 of the Amalgamation Scheme. This power will allow the Board to dispose of existing housing to an RSL in terms of Option 2. Should the Board wish to dispose of land for less than “can reasonably be obtained”, it requires the consent of the Scottish Ministers.

The basis for valuation will need to be approved by the District Valuer and agreed with the RSLs. This will become the principle aspect of the agreement to determine rental levels and continued access to residential accommodation for Police Officers in the future.

This is a complex project and it is important to attend to all the requirements in legislation as much as possible to protect the Board and the Chief Constable’s interests. Nevertheless, the option for future provision is feasible and can be delivered with the co-operation of all parties. Once the vires aspects of transfer are completely resolved, a transfer programme will be developed and presented to a future Board later this year. It is hoped to introduce the new regime to the three Island Authorities in mid 2007.

Shetland Area - Housing

The Shetland Islands Council Housing Department and Hjaltland Housing Association have both expressed an interest in providing police housing in Shetland Islands. Both parties have made it clear that they would be willing to negotiate but unwilling to enter into open competitive tendering.

Orkney and Western Isles

No expressions of interest in competitive tendering were received from the RSLs in these areas.

Where an open invitation has been published for expressions of interest, and there are no qualifying respondents, the Board is entitled to open negotiation with providers in the respective areas.

Capital Programme

General

The report presented is a summary of the projects currently in the Estates Capital Programme. All projects are being progressed although there has been some re-alignment caused by site and planning problems on particular projects. This has caused a small amount of slippage on the approved annual allocation, which we estimate is currently at about ten per cent.

The construction industry in the Highlands and Islands continues in high demand resulting in significant price inflation and more seriously in difficulties in obtaining sufficient competent experienced contractors willing to price projects.

Stage One Projects

Projects in stage one have an approved Capital Allocation of development costs for preliminary works to evaluate the project, prepare a brief and a cost plan. Members will note that all projects in the current programme have progressed from stage one and there are currently no new projects listed in this category.

Stage Two Projects

Projects listed in stage two have approval for further development to obtain and report on tenders received.

Grantown-on-Spey Police Station – Refurbishment and Extension

Design and pre-construction works are now complete and the project will be put out to tender in mid January with a view to commencing on site before end of the financial year, with a seven-month construction period.

Lairg Police Station – Extension and Upgrading

Design and production information stage is complete and Bills of Quantities are being prepared for tendering with a view to the project commencing on site in May 2007 for a seven-month construction period. A temporary Police Office will be provided to give public access and maintain operation services at Lairg during the construction period.

Nairn Police Station – Upgrading and Remodelling

The enabling works required to separate the facility from the portion of the site disposed of for a community centre have been completed.

The scope and project brief are being re-assessed and require to be agreed to allow project development to proceed early in 2007, subject to approval of any required additional capital allocation.

Rhiconich Police Station – New Station and House

Design and development work is complete and Bills of Quantities are being prepared for tendering with a view to the project commencing on site early May, subject to obtaining Planning Consent which is currently being processed. There has been a good response to enquiries regarding temporary housing for the Officer and his family during the construction period.

Stornoway Police Station – Extension and Upgrading

Detailed design completed and a planning application has been submitted, to which there have been objections. Once Planning Permission has been obtained the project will be submitted for approval and budget allocation prior to inclusion in the Capital Programme.

Whalsay Police Station – New Police Station

The project design has been completed and finalisation of tender documentation will progress as soon as Planning Permission has been approved. This is subject of a slight delay in providing environmental and drainage information required. It is anticipated that the project will be on site late May/early June with a six-month construction programme.

Stage Three Projects

Stage three consists of projects in construction phase with on site works in progress.

Bonar Bridge Police Station – Service Point Development

The project is progressing well, the contractor being A McAughtrie, Bonar Bridge. Completion is anticipated by the middle of March 2007.

Daviot – Police Training Range

The contractor, Carillion Regional Civil Engineering Ltd, was due to complete the project by the end of 2006. However, there has been a slight overrun due to inclement weather.

Dingwall Police Station – Custody Suite Refurbishment

The contract has been let to O'Brien Construction, Dingwall, and is scheduled to start on site 15th January 2007 and complete by end of April 2007.

Gairloch Police Station – Renovation

The contractor, Wm. Gray Construction Ltd, is progressing well on site for a completion early in February 2007. However, due to the weather conditions the external coating of the wall may have to be deferred until the spring.

Kilmallie – New Police Station

This project was completed on site by Messrs Wm. Gray Construction Ltd and possession taken on 21st December 2006.

Tain Police Station – Renovation

The contractor, O'Brien Properties Dingwall, has completed the re-tiling of the roof and the internal redecoration on programme. However, due to inclement weather the external wall redecoration and a flat roof replacement will require to be deferred until the end of March 2007.

Thurso Police Station – Phase Three

The contractor, GMR Henderson Wick, has completed this project.

RECOMMENDATION

The Board is invited to:

1. note the progress on the Housing and Capital Programme;
2. agree the co-opting of Orkney and Shetland Members to the Management Review Team for the specific purpose of selection of housing providers in their respective areas. (*Two Western Isles Members already sit on the Review Team*); and
3. approve opening negotiations with individual RSL in each of the Island Authorities.

I Latimer
Chief Constable
8 January 2007

APPENDIX 1

Capital Projects Programme

Project	Stage	Stage 2 Approval	Stage 3 Approval	Construction Start	Construction Complete
Bonar Bridge Refurbishment	2	27.07.06	26.09.06	In Progress	29.01.07
Dingwall Custody Suite Refurbishment	3	27.06.06	06.12.06	Accepted	23.04.07
Gairloch Refurbishment	3	27.06.06	30.08.06	In Progress	05.02.07
Grantown-on-Spey Reconstruction and Extension	2	27.07.06	24.01.07	12.03.07	12.11.07
Lairg Reconstruction and Extension	2	25.10.06	18.04.07	25.05.07	24.12.07
Nairn Refurbishment and Extension	2	25.10.06			
Rhiconich New Police Station and House	2	25.10.06	19.04.07	26.05.07	26.11.07
Stornoway Option Appraisal	2	30.08.06			
Tain Repairs	3		30.08.06	In Progress	31.10.06
Thurso Phase Three Refurbishment	3			Complete	Complete
Whalsay New Station	2	25.10.06	19.04.07	25.06.07	26.11.07
Kilmallie New Station	3		27.06.06	Complete	25.12.06
Daviot Police Training Range	3			In Progress	29.12.06

ESTATES - CAPITAL MONITORING STATEMENT - 2006 / 07

Date : 12-Jan-07

Projects	Project Code	Project Cost	Original Allocation 2006/07	Revised Contract Commitment	Committed C fwd / Retention	Spend 2006/07	Balance (Spend against Allocation)	Notes	Over Spend	Under Spend
Bonar Bridge	17067	T 150,000	109,000	140,000	10,000	39,812	69,188			
Dingwall Cell Block	17057	T 136,000	94,000	90,000	46,000	3,686	90,314			
Daviot - Firearms Training Range	17077	T 100,000	-	95,000	5,000	23,223	23,223			
Gairloch	17070	T 220,000	119,000	210,000	10,000	119,919	919			
Grantown on Spey	17015	E 591,000	208,000	60,000	-	4,022	203,978			
HQ Car Park	17000		-	-	-	1,578	1,578			
Invergordon	17074		-	-	-	3,984	3,984			
Kilmallie	17058	T 350,000	300,000	300,000	26,000	256,131	43,869			
Lairg	17068	E 610,000	156,000	55,000	-	23,902	132,098			
Nairn	17033	E 120,000	177,000	120,000	-	47,468	129,532			
Rhiconich	17069	E 396,000	116,000	30,000	-	2,153	113,847			
Stornoway Area Command	17066	E 30,000	10,000	30,000	-	3,140	6,860			
Strontian	17072		-	-	-	1,916	1,916			
Tain	17076	T 110,000	83,000	95,000	15,000	64,628	18,372	Project cost includes £12k from POW		
Thurso	17031	T 247,000	217,000	232,000	15,000	200,721	16,279			
Whalsay	17065	E 168,000	47,000	18,000	-	5,722	41,278			
TOTALS :			1,636,000	1,475,000	127,000	802,004	833,996		-	-

Total Contract Commitment in 2006/07 : **1,475,000**
 Total Contract Commitment in 2007/08 : **127,000**
 Total Future Years Contract Commitment : **Nil**
Total : 1,602,000

E = Estimated Project Cost
 T = Tender Acceptance Cost

ESTATES - CAPITAL DEVELOPMENT PLAN - 2006 / 07 / 08

Date : 12-Jan-07

Projects	Project Code	Stage	Total Project Cost	Previous Years Spend	Budget Allocation 2006/07	Projected Spend 2006/07	Projected Spend 2007/08	Projected Spend 2008/09	Projected Spend Future Years	Comments
Bonar Bridge	17067	3	150,000		109,000	140,000	10,000			
Daviot Police Firing Range	17077	3	100,000			95,000	5,000			
Dingwall Cell Block	17057	3	136,000		94,000	90,000	40,000	6,000		
Gairloch	17070	3	220,000		119,000	210,000	10,000			
Grantown on Spey	17015	2	591,000		208,000	60,000	520,000	11,000		Slippage
Kilmallie	17058	3	350,000	24,000	300,000	300,000	26,000			
Lairg	17068	2	610,000		156,000	55,000	535,000	20,000		Slippage
Nairn	17033	2	120,000		177,000	120,000	-			
Rhiconich	17069	2	396,000		116,000	30,000	351,000	15,000		
Stornoway Area Command	17066	2	30,000		10,000	30,000	-			
Tain	17076	3	110,000		83,000	95,000	15,000			Project cost includes £12k from POW
Thurso	17031	3	247,000		217,000	232,000	15,000			
Whalsay	17065	2	168,000		47,000	18,000	145,000	5,000		
TOTALS :					24,000	1,636,000	1,475,000	1,672,000	57,000	0