

Police and Crime Commissioner for Surrey – Decision Making Record

Title: Purchase of ERA site, Leatherhead
Decision number: 005/2019
Author and Job Role: Judy Gavan
Building the Future Programme Manager
Protective Marking: Part One

Executive Summary:

A proposal to re-enter into negotiations for the purchase of the ERA site in Leatherhead, unconditional as to planning and vacant possession, was supported by the PCC in January 2019.

Terms were subsequently agreed with the vendor subject to simultaneous exchange and completion by 15 March 2019.

Following completion of comprehensive due diligence it is recommended that authority now be given to complete the transaction on Friday 15 March 2019.

Background:

A strategic business case for major change to support the PCC's 'force fit for the future' agenda, was supported by the PCC in April 2017. A business change programme was established to take forward the following key elements:

- A radical re-structure of the force estate, to include provision of a new operational HQ and east division hub
- Provision of modern, efficient working environments that support staff wellbeing and engagement
- Widespread introduction of modern, agile working practices supported by appropriate technology
- Associated culture change, promoting a positive culture of trust, empowerment and collaborative working.

A range of future estate model options were considered in consultation with partners, including Sussex Police. In January 2018 the main options were presented with an appraisal against a range of criteria including:

- Delivery cost
- Ability to maximise savings in ongoing estate running costs
- Ability to support service delivery
- Ease of accessibility to regional partner forces
- Impact on current staff/ future recruitment potential

A decision was taken to pursue a model that would replace a number of existing sites (including the Mount Browne HQ, Woking Police Station and Reigate Police Station) with a single new purpose-built facility in the Leatherhead/ Dorking area.

An extensive search of the target area confirmed that potential site options were very limited, however the former ERA site in Cleeve Rd, Leatherhead was identified as being very suitable in terms of size and location.

The site was marketed for sale in May 2018 and generated strong interest from the logistics sector. A bid submitted by the PCC at that time, unconditional as to planning but conditional upon vacant possession was rejected with the seller seeking a fully unconditional sale. An alternative, fully unconditional bid from a third party was subsequently accepted by the seller but fell through in November 2018 when the buyer attempted to extend the period agreed for exchange and completion.

A further review of layout options for the site indicated that a suitable scheme could be developed for the police that would not be reliant upon full vacant possession of the tenanted building on the site. On this basis a further proposal was presented to the PCC in January 2019, including detailed financial appraisals. Approval was given to re-enter negotiations for the site on a fully unconditional basis and up to a maximum cost parameter, informed by independent professional advice regarding site value, as well as benefit, risk and affordability assessment.

A purchase price of £20,495,000 was subsequently agreed with the seller subject to exchange and completion of the transaction by 15th March 2019. Following agreement, a range of expert advisors were instructed to undertake comprehensive due diligence work to include reviews of:

- title matters and the legal position relating to securing vacant possession, and neighbourly matters affecting the site
- technical matters covering environmental, acoustic, ecological, asbestos, archaeology, transport and travel, flood risk, utilities, mechanical and electrical and building condition
- planning and highways matters
- estate management considerations

The PCC has also commissioned and received his own, independent professional assurance in respect of this project.

Recommendation:

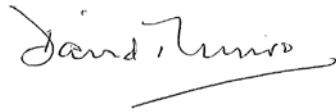
The due diligence review has now concluded, with detailed reports provided by the various expert advisors, as presented and discussed at a meeting with the PCC and senior stakeholders on 11th March 2019.

Our advisors concur that, risks associated with the purchase remain within acceptable parameters with mitigating actions identified or appropriate cost contingencies already included within financial appraisals. No matters have come to light of a level of significance to suggest that the purchase should not proceed.

It is recommended that authority be given to proceed to exchange of contracts and completion of the transaction on 15th March 2019.

Police and Crime Commissioner Approval

I approve the recommendation(s):

A handwritten signature in black ink, appearing to read "David Tunno", with a horizontal line underneath.

Signature:

Date: 20/03/2019

All decisions must be added to the decision register.

Areas of consideration

Consultation

The analysis of potential site location options included extensive consultation with operational and support service leads. Proposals have also been discussed with relevant partner agencies and have been informed by independent expert property and legal advisors. Public consultation has not been undertaken as proposals do not impact on delivery of local policing services or public access.

Financial implications

Financial implications have been fully considered and detailed appraisals presented for review.

Legal

Comprehensive legal advice has been obtained.

Risks

Risks associated with the proposal have been fully documented and presented and appropriate mitigating actions or cost contingencies included within plans.

Equality and diversity

Accessibility of the site to public transport will have a positive impact on equality and diversity. Further opportunities to enhance equality and diversity will be fully considered during the design phase of the build project.

Risks to human rights

No risks.