

**REPORT TO: POLICY & RESOURCES COMMITTEE ON 15
DECEMBER 2009**

**SUBJECT: PROPOSED DEVELOPMENT OF CHILD PROTECTION
UNIT, HAMILTON DRIVE, ELGIN**

BY: HEAD OF ESTATES SERVICES

1. REASON FOR REPORT

- 1.1 To seek Committee approval to provisionally agreed terms for the ownership, development and occupation of a new Child Protection Unit in conjunction with Grampian Police and the occupation of office space in the facility by NHS Grampian.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the sale or lease of land or buildings surplus to the needs of the Council.

2. RECOMMENDATION

2.1 It is recommended that Committee approve:-

- a) the provisionally agreed terms for the joint ownership, development and occupation of the facility by Grampian Police and Moray Council as detailed in APPENDIX 2 of this report;
- b) the provisionally agreed terms between The Moray Council and Grampian Police as landlords, and NHS Grampian as tenants, for the lease of an office in the Child Protection Unit as detailed in APPENDIX 3; and
- c) remit the Principal Solicitor (Commercial & Conveyancing) to conclude the transactions on the conditions outlined and such other conditions as the Principal Solicitor (Commercial & Conveyancing) thinks appropriate.

3. **BACKGROUND**

- 3.1 The Policy & Resources Committee at its meeting on 25 August 2009 (para 30 of the Minute refers) considered a report by the Head of Estates Services and agreed to:-
- (i) approve in principle the use of the Council owned site shown hatched on **APPENDIX 1** at Hamilton Drive, Elgin to facilitate a Child Protection Unit; and
 - (ii) instruct the Head of Estates Services to negotiate terms for the future ownership and joint occupation of the property by the Council, Grampian Police and NHS Grampian and report back to committee for consideration of provisionally agreed terms.
- 3.2 As previously reported Grampian Police and Moray Council are to jointly share the costs of the construction and fitting out of the facility which has been estimated at £1m.
- 3.3 A design of the facility (which comprises offices, interview rooms, kitchen, showers/toilets, stores and communication equipment rooms) has been agreed, in principle, between the parties and a drawing giving details is attached as **APPENDIX 2**. The Moray Council would occupy 37.84% (70.3m²) of the net useable floor space, Grampian Police 53.71% (99.8m²) and NHS Grampian 8.45% (15.7m²).
- 3.4 The Head of Estates Services entered into negotiations with Grampian Police and because of the joint nature/funding of the project it has been provisionally agreed that Grampian Police would acquire a half share of the Council's site and would also own a half share of the completed facility. As previously reported the value of the site shown hatched on **APPENDIX 1**, has been assessed by the District Valuer at £170,000.
- 3.5 Grampian Police advised that they have insufficient capital to acquire a share of the site but provisional agreement has been reached for Grampian Police to acquire a 50% share of the site on the basis of annual payments of £5,102.24 over a 30 year period. During this period The Moray Council would hold a security over Grampian Police's interest.
- 3.6 On completion of the facility, The Moray Council and Grampian Police would enter into an Occupancy Agreement for the running of the building with a single room to be occupied by NHS Grampian. The terms for the joint ownership, development and occupation of the facility as provisionally agreed between the Council and Grampian Police are outlined in **APPENDIX 3**.

- 3.7 The terms, which have provisionally been agreed between Moray Council and Grampian Police as landlord and NHS Grampian as tenant, are outlined in **APPENDIX 4**.
- 3.8 In accordance with the occupation and lease agreements the initial annual rent payable by each of the three parties would be, £9,771.70 by the Council, £16,660.70 (incl. £2,788.50 for sole use of garage) by Grampian Police and £2,182.30 to be paid by NHS Grampian, giving a total initial annual rent of £28,614.70. This figure would be shared between the Council and Grampian Police giving the Council an initial net rental gain of £4,535.35 and Grampian Police an initial net deficit of £2,353.35.
- 3.9 In addition to rental payments each of the organisations would pay a share of the service charge/running costs of the building, based on floor areas occupied, together with a management fee of 5% of the service charge applicable to each service.
- 3.10 Budget estimates of the service charge and occupancy costs for the Council for the first 5 years are attached in **APPENDIX 5** for information purposes. The estimates have been prepared by Community Services in conjunction with the Council's Property and Estates Sections, as well as with Grampian Police.
- 3.11 A report by the Director of Community Services on the project's progress and seeking Members' consent to tender for the construction works was approved by the Children and Young People's Services Committee on 2 December 2009. A copy of the report submitted to the Committee can be made available to members upon request.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The proposed Co-Located Child Protection Unit is in accordance with the Single Outcome Agreement Local Priority 6, Young People – ensuring effective early intervention and improving the life chances of looked after children. The proposed terms accord with Local Priority 10 (Efficiencies).

(b) Policy and Legal

The Council has specific responsibilities towards children in need of care and protection through the Children (Scotland) Act 1995 as well as a duty of care in terms of the Council's Administrative Scheme relating to exercising the functions of the Council as Social Work Authority under Social Work (Scotland) Act 1968.

(c) Resources (Financial, Risks, Staffing and Property)

Financial/Risks

The proposed terms outlined in this report would result in:-

1. Annual payments to the Council of £5,102.24 from Grampian Police over a 30 year period for acquiring joint ownership of the site. This is considered an appropriate figure and equates to a 4.31% return on capital of £85,000 (half the value of the site). Any risks to the Council would be minimised by a security over Grampian Police's interest in the site.
2. The details of the rental payments, service charge/running costs and management fee are as detailed in **APPENDIX 5** and result in an estimated net annual cost to the Council of £6,001 for which adequate budgetary provision has been made.

Staffing

The Social Work staff for the co-located unit are already employed by the Council and work at the moment in temporary premises at Elgin Police Office.

Property

The property implications are as detailed above in this report.

(d) Consultations

Alasdair McEachan, Principal Solicitor (Commercial and Conveyancing) - is in agreement with the contents of the report.

Chief Financial Officer – is in agreement with the financial implications of the report.

Property Manager – is in agreement with the contents of this report.

Alison Hannan, Project Officer (Educational Services) – is in agreement with contents of this report.

The Head of Children, Families & Criminal Justice – is in agreement with contents of this report.

Ward Members, Councillors Jarvis, Russell and Shand have been consulted on this report and shall be able to advise Committee of their views.

5. CONCLUSION

- 5.1 Provisional terms have now been agreed with Grampian Police and NHS Grampian for the joint ownership, development and occupation of the proposed Child Protection Unit at Hamilton Drive, Elgin and are recommended for approval.**

Author of Report: Niall Carlton, Estates Surveyor
Background Papers:
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