

**THE OFFICE OF POLICE AND CRIME COMMISSIONER  
FOR DERBYSHIRE  
DECISION RECORD**

<b>Request for PCC Decision</b>	<b>Received in OPCC Date: 10 April 2014</b>	<b>OPCC Ref: 15/14</b>
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**Title: HEADQUARTERS NEW BUILDING UPDATE**

**Executive Summary: To be completed by PCC Specialist lead**

Detailed within the report was work being undertaken with regard to the refurbishment or replacement of the Administration and Executive blocks on Constabulary Headquarters, including;

- the appointment of Design Consultants,
- the relocation of the Derbyshire Fire and Rescue Service to the HQ site, the project scope
- A new build v refurbishment
- The location of a new building and ;
- Financing the cost of the new building.

Included within the report was detail of the appropriate long term benefits of a new build solution over the refurbishment of existing buildings.

**Decision**

**Resolved that**

The development of a new Joint Headquarters Building in partnership with the Derbyshire Fire and Rescue Service was approved.

The creation of a Joint Police and Fire Board to oversee the project with representatives from the Commissioner and his office and the Chief Constable was supported.

The submission of two bids for Transformational Grant Funding (capital and revenue) to be submitted by both the Fire Authority and Commissioner for funding

towards this project was approved.

**Declaration**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for the Police and Crime Commissioner for Derbyshire. Any such interests are recorded below.

None

The above request has my approval.

**Signature**

ALAN CHARLES

**Date 14 April 2014**

**PUBLICATION SCHEME CONSIDERATIONS**

**Is the related Section B report to be published Yes**

If no, please indicate relevant exemption

**Is the publication of this approval to be deferred No**

If Yes, provide reasons below

**Date to be deferred to –**

NB Statutory Instrument 2011/3050 (as amended by SI 2012/2479) states that: *all decisions made by a PCC are in the types of information that must “be published as soon as practicable after it becomes available to the elected local policing body”.*

**OFFICER APPROVAL**

**Chief Executive or Nominee:**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

Name            DAVID PEET

Date 14 April 2014

**STRATEGIC GOVERNANCE BOARD**  
**14 APRIL 2014**  
**REPORT OF THE CHIEF CONSTABLE**

**9A: HEADQUARTERS NEW BUILDING UPDATE**

**1. PURPOSE OF THE REPORT**

- 1.1 To inform the Board on the current work being undertaken with regard to the refurbishment or replacement of the Administration and Executive blocks on Constabulary Headquarters.
- 1.2 To inform the Board on the appropriate long term benefits of a new build solution over the refurbishment of existing buildings.

**2. INFORMATION AND ANALYSIS**

**2.1 Background**

- 2.1.1 As part of the Constabulary's budget setting proposals in November 2011 It was identified that a significant amount of expenditure was required to ensure that the Administration and Executive blocks on Constabulary Headquarters was maintained to a suitable standard.
- 2.1.2 At the time these buildings showed a potential backlog of circa £ 1.7 Million, associated mainly with the roof, external cladding/windows, electrical and mechanical installations, decorations and a new passenger lift.
- 2.1.3 To ensure a reasonable budget could be set the Constabulary's consultants were commissioned to prepare a feasibility report in which two main options were set out and costed, these were:
  - Option One – Full refurbishment of the buildings to give more flexible, open plan office accommodation
  - Option Two – Demolition of the existing buildings and replacement with a building of a similar size, again with open plan accommodation.
- 2.1.4 The buildings currently accommodate 239 staff as well as the Constabulary's forensic laboratories and print room. A later decision has been made to relocate the Forensic Department in a regional hub based in Nottingham,
- 2.1.5 A report was taken to the Commissioner detailing the requirement for extensive maintenance works and it was agreed by the Commissioner to allocate a budget of £6 Million, in line with the Consultants feasibility report to

allow the project to proceed, funding of the project is detailed in the Financial Assessment section below.

## **2.2 Appointment of Design Consultants**

- 2.2.1 To enable the Constabulary to fully assess the extent of the project, design consultants were employed following discussions with EMSCU.
- 2.2.2 A framework developed by Fusion 21 was assessed as the most appropriate way of contracting the work. The framework had 21 consultants or partnerships capable of carrying out the design work listed, although the majority of the consultants were national organisations many had local offices, in line with Fusion's operating procedures a mini competition was carried out.
- 2.2.3 Of the 21 consultants approached for the project 10 responded and after due diligence on the evaluation it was decided that The Vinden Partnership (TVP) gave the Commissioner best value and as such were appointed.

## **2.3 Derbyshire Fire and Rescue Service**

- 2.3.1 At the time the Constabulary were looking to carry out the mini competition for design consultants the Derbyshire Fire and Rescue Service (DFRS) approached the Constabulary expressing an interest in relocating its headquarters from its current site at Littleover to Ripley. The DFRS were named in the mini competition, but no allowance was made for them in the tender bid at this time.
- 2.3.2 Discussions have progressed with DFRS resulting in the development of plans for a joint Police/Fire Service building to accommodate an additional 150 Fire staff. Following initial consultation with headquarters heads of departments it was noted that the Constabulary could see significant benefits by bringing together additional staff located on divisions to accommodation at headquarters.
- 2.3.3 As part of these discussions Police and Fire representatives have said that they want to explore ways to work more closely together to maximise the benefits of sharing a headquarters.
- 2.3.4 They have agreed to set up a joint board to oversee this project and consider the potential for closer working between the two organisations. The terms of reference for the board are attached at Annex A.

## **2.4 Project Scope**

- 2.4.1 There has been several Key developments over the past 12 months that have impacted on the original scope of the project:
- The desire to incorporate DFRS on the headquarters site, preferably in co location with similar Constabulary functions.

- Provisions of additional space for Constabulary departments to facilitate future proofing and efficiency savings.

## 2.5 New Build v Refurbishment

2.5.1 The Constabulary has explored a number of options for the new accommodation including refurbishing existing buildings and the construction of a new headquarters.

2.5.2 A full financial whole life costing appraisal of building a new headquarters compared to a refurbishment option has been carried out. This working paper is a confidential document but has been made available to the Commissioner as part of the information that he requires to support his decision. The appraisal shows that in the long term the option of a new build is the best option.

2.5.3 Essentially, the initial costs of refurbishment are estimated to be less than a new build but the long terms costs are likely to be more. This is because:-

- The life-span of a refurbishment will be shorter and will require further refurbishment much sooner than a new build.
- The running costs of a refurbishment are unlikely to be significantly cheaper than the running costs of the new building.

2.5.4 The costs of a new build are more predictable. Once the building is above ground then it is far easier to predict and control costs, whereas a refurbishment can always identify further costs throughout the build period.

2.5.5 The appraisal has not taken into account the additional cost savings of joint working between the two organisations, which again would be much easier to achieve in a new bespoke building.

2.5.6 Other advantages and disadvantages of the two options are summarised in table below:-

New Build	Refurbishment
<p><u>Advantages</u></p> <ul style="list-style-type: none"> <li>○ Bespoke design better meets future needs of police and fire service</li> <li>○ More flexible office space</li> <li>○ Enables change to more modern methods of working</li> <li>○ Improve energy efficiency</li> <li>○ Avoids the need to relocate during the construction period</li> <li>○ Improved energy efficiency</li> <li>○ Avoids further disruption and further refurbishment at a later date</li> </ul>	<p><u>Advantages</u></p> <ul style="list-style-type: none"> <li>○ Reduced capital costs</li> <li>○ Reduced risks around ground conditions and planning consent</li> <li>○ Shorter build period potentially</li> </ul>

<ul style="list-style-type: none"> <li>○ Reduced running costs</li> </ul>	<p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>○ Unlikely to meet more modern methods of working</li> <li>○ Greater risk during the construction process</li> <li>○ Need to relocate staff, which will prove costly and time consuming</li> <li>○ Higher running costs and less energy efficient</li> <li>○ Less likely to promote joint working</li> <li>○ Fewer opportunities to benefit from new IS solutions</li> </ul>
<p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>○ Higher initial capital costs</li> <li>○ More enabling works</li> <li>○ Planning risk is greater</li> <li>○ Longer build period</li> </ul>	

2.5.7 In addition to the above, the Fire Service has always expressed a strong preference for a new build due to the benefits identified above, particularly around joint working. On that basis there is a strong possibility that it would have looked at other options rather than a joint refurbished headquarters.

2.5.8 On the basis of the above analysis, the report therefore recommends the Commissioner to approve plans for a new building in partnership with the Derbyshire Fire and Rescue Service.

## 2.6 Project Design

2.6.1 There has been a considerable amount of consultation between the designers and heads of department to formulate the design of the new building. As part of this process, heads of department have considered how to make the best use of the new building to centralise teams. This has led to an increase in the number of police staff that will be accommodated in the new building.

2.6.2 Both organisations have committed to enable closer working between teams. This has meant that fire and police teams carrying out similar tasks are located near to one another, rather than having separate police and fire wings in the building. This will enable closer working and best practice to be shared between the two organisations.

2.6.3 This close working has also led to the desire to locate the DFRS Estates Team within the Constabulary's Assets accommodation in the Old Hall. This will enable better project management and decision control over the full project. Further discussions identified potential for other DFRS teams to be co located on this site to make best use of existing facilities. This includes the Occupational Health unit and Physical training. This has avoided the need for extra specialised accommodation in the new building.

2.6.4 The incorporation of DFRS within the building has also led to an increase in specification to accommodate their desire to have a fire suppression system (sprinkler or Mist) within all new buildings that DFRS construct, although this

change will benefit the Constabulary it is a cost that was not taken into account in the original feasibility study.

2.6.5 With these changes, the overall project estimate has obviously risen and the overall scope and size of the project has increased due to the points noted above. The Financial Assessment, below, details the changes to the proposed building together with the revised costs submitted by TVP which together show how costs have risen from the initial feasibility figure of £6 Million to the joint budget estimate of £13.5m to £14.5m

2.6.6 The above changes have led to the proposed new building being 7,722 m<sup>2</sup> an increase of 2,179 m<sup>2</sup> or 28.2 percent over the existing Constabulary premises, (5,543 m<sup>2</sup>). In addition there is a need to provide an additional 150 car parking spaces on site for fire service staff.

2.6.7 The above changes have increased the occupancy from the initial 239 staff to 537. The 125% increase of 298 staff is split almost equally between Police (148) and Fire (150).

## 2.7 Location of New Building

2.7.1 To enable a building of this size to be sited within the headquarters campus and allow the Constabulary to remain in the existing buildings for the duration of the build the existing Canteen block was identified as the best location, it is central to the whole campus and currently under used.

2.7.2 The building footprint has been led by the desire to create open plan spaces where ever possible, however, the closeness of the listed Old Hall and the Constabulary's 60m mast have dictated the footprint overall shape.

2.7.3 Given the proposed location, the opportunity has also been taken to link the proposed new building to the existing reception block. This will require the reception to be re-sited to the side of the reception block. It will also enable the existing reception area to be used as a dining/break out area.

2.7.4 With the new building located adjacent to the Old Hall additional works are required to ensure that the listed status is not diminished, as this could impact on planning approval. To resolve this issue additional works are required to relocate the existing canteen car park, alter the access road and create a formal garden.

2.7.5 Under a new build proposal, the following buildings will be demolished.

- Executive Block to ground level, retaining the firing range and archive store
- Administration Block
- Administration annex
- Computer Block
- Crime Support Cabin
- Crest cabin



- Various small cabins and storage units

2.7.6 Additional car parking will be created to accommodate the additional staff of both the Constabulary and DFRS and the whole area of the site will be landscaped.

2.7.7 At this stage officers are still exploring the potential to retain the existing fire arms range within any demolition.

2.7.8 Following the Joint Board Meeting on 4<sup>th</sup> April 2014, a planning application has now been submitted and could take up to 12 weeks to determine.

## 2.8 **Financing the Cost of the New Building**

2.8.1 At this stage the cost estimate for the new building is between £13.5m and £14.5m. This range can vary particularly as a result of site investigation works.

2.8.2 Discussions are taking place with the Fire Service to assess their contribution to the cost of this building, which is likely to be in the region of some £6m.

2.8.3 This leaves some £8m to find for the cost of the new building, although there will be a need to assess the level of IS and equipment required for the new building.

2.8.4 The DFRS will be making a bid to the Fire Innovation Fund to contribute to their share of the cost of the new building and there is a similar opportunity for the Commissioner to bid for a contribution to a similar Home Office innovation fund.

2.8.5 At this stage it is envisaged that the cost for Derbyshire Police will be met from reserves, although it is hoped that the sale of land adjacent to Police Headquarters will enable some of this to be returned to reserves at a later date.

2.8.6 At some point in time the Commissioner may decide to borrow against this asset depending on any future capital needs for Derbyshire Police.

## 2.9 **Legal Considerations**

2.9.1 Police solicitors are currently drafting a legal agreement between DFRS and the Commissioner which will set out the terms under which the two organisations will fund the joint headquarters and occupy the building.

2.9.2 This will be subject to further discussion and agreement between the two parties.

## 2.10 **Key Risks**

2.10.1 No building project of this scale and nature is without risk and indeed this is probably the most uncertain stage of any project.

2.10.2 Some of the key risks at this stage centre around:-

- **Site Investigation** – our headquarters is built on a former mining site, with coal deposits and fault lines. This has implications for the design and cost of structural works. The aim is to ensure that as detailed a survey as possible is completed to remove uncertainty and cost from any contractor.
- **Enabling Works** – the proposals mean that existing buildings do not need to be vacated during the new build but this means that there is a need to keep existing building operational. This will require considerable enabling works to re-route and maintain heating and IS links that run under the site of new building. These may take some considerable time and could impact on the timetable for the new building
- **Planning** – this is another risk given that the new building is located near to a historic listed building. It is expected that the economic benefits of a new joint headquarters will outweigh any conservation concerns but planning will take up to 3 months.
- **Funding** – this will always be a risk and until the work has been put out to tender there is no way of getting an exact cost for the works. This can depend on timing and the number of similar projects that are being tendered at that stage. A lot of preparatory work has been done to reduce the risk to the contractor and also any extra contingency they may add to the cost.

## 2.11 Timescales

2.11.1 At this stage it is anticipated that the project could be completed by the Autumn of 2016. This will depend considerably on a number of factors not least many of the risk factors identified above.

2.11.2 The enabling works are the greatest concern at this stage and could have the greatest impact on the timescales for the project.

2.11.3 A planning application has now been submitted following the Joint Police and Fire Board and we are currently in the process of seeking expressions of interest from companies seeking to bid for this work.

2.11.4 Further costs of enabling work will be confirmed in the coming months prior to a further update report with a final detailed cost plan and breakdown of apportioned costs at the June Strategic Governance Board Meeting.

## 2.12 Summary and Conclusion

- 2.12.1 Building a new Headquarters is a major and complex project. The complexity has only increased by deciding to build a joint headquarters.
- 2.12.2 Both organisations have shown considerable commitment to this project and the benefits that a joint headquarters will bring for the future of both organisations.
- 2.12.3 The financial appraisal demonstrates that the two organisations are committed to finding the approach that offers the best value for money in the long term not just the short term. The conclusion is that a new build is the best way to deliver this.
- 2.12.4 Good progress has been made to date to jointly agree a design and look at innovative ways that the two organisations can work more closely together in the building.
- 2.12.5 It is important that both organisations appreciate the significant risks that a project of this nature brings and that they continue to work together to manage these risks.

### **3. RECOMMENDATIONS**

The Commissioner is asked to

- 3.1 Approve the development of a new Joint Headquarters Building in partnership with the Derbyshire Fire and Rescue Service
- 3.2 Support the creation of a Joint Police and Fire Board to oversee the project with representatives from the Commissioner and his office and the Chief Constable.
- 3.3 Approve the submission of two bids for Transformational Grant Funding (capital and revenue) to be submitted by both the Fire Authority and Commissioner for funding towards this project.

### **4. IMPLICATIONS**

**All implications are assessed and scored to the table below.**

**HIGH – supporting explanation and narrative required and to be contained within the report**

**MEDIUM – narrative to be contained within the report at the discretion of the author**

**LOW – no narrative required**

	LOW	MEDIUM	HIGH
Crime & Disorder	x		
Environmental		x	
Equality & Diversity		x	
Financial			x
Health & Safety	x		
Human Rights	x		
Legal		x	
Personnel		x	

<b>Contact details in the event of enquiries</b>	<b>Name: Chief Superintendent Sunita Gamblin External telephone number: 0300 122 4196 Email address: sgbenquiries@derbyshire.pnn.police.uk</b>
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**BACKGROUND PAPERS** - Confidential financial analysis – not for publication

**ATTACHMENTS**

Appendix A. Terms of Reference – Joint Board

## **Joint Police and Fire Service Innovation Board**

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### **Terms of Reference**

#### **Background**

Derbyshire Police and Derbyshire Fire and Rescue Service both face tough financial challenges for at least the next four years.

Over the last four years both organisations have had to make substantial budget cuts to maintain a sound financial position. This means that they have built up reserves to help manage the impact of the next period of austerity as well as investing to deliver future savings.

Both organisations operate from old headquarters buildings that require considerable refurbishment and even then would not meet the needs of a modern day service. They have therefore agreed jointly that they will look to share a new headquarters building based at Ripley, Derbyshire. This will help to share the construction costs and the ongoing running costs of the new building.

The Police and Crime Commissioner for Derbyshire has been very clear that he is not looking to assume responsibility for the Fire & Rescue Service and both organisations are clear that they will retain their own governance and identity. Derbyshire Police is actively engaged in collaboration on a number of policing activities with other Police Forces in the East Midlands Region. The collaboration with the Fire Service builds further on these principles of collaboration and joint working, where there is a demonstrable benefit to the people of Derbyshire.

The new headquarters building does however provide opportunities for the two organisations to work more closely together for the benefit of the people of Derbyshire. For example there are a number of common functions for each organisation and there is a commitment to explore how over time they might be shared between the two organisations as opportunities develop.

In addition there are also some practical considerations around sharing a joint headquarters building. While there is no requirement to adopt common policies across both organisations, it is important that they do not contradict one another, particularly in the way staff are expected to work within the new building.

#### **Aims of the Board**

The Joint Police and Fire Service Innovation Board (JPFIB) is therefore being established to oversee not just the construction of the new building but also how the two organisations can work more closely together in a more innovative way. It will therefore be important for the Board to:-

- Agree the key outcomes for the Project.

## **Joint Police and Fire Service Innovation Board**

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- Manage the overall project budget agreed by the Commissioner and Fire Authority.
- Oversee delivery of key milestones within the project.

Initially this means there are a number of work-streams that the board may wish to oversee.

- **Joint Police and Fire Headquarters Building** – the implementation of this project is currently managed by a programme board established by Derbyshire Police and Chaired by the Director of Finance and Business Services. This includes senior representatives from the Fire and Rescue Service. This Programme Board will continue but will also report onto the Joint Innovation Board.
- **IT** – this is a key enabler for more innovative / flexible working and service improvement. Both organisations want to ensure that they make the best use of IT within the new building so that they work as efficiently as possible. The work stream will look wider than this to consider key IT projects that Police and Fire are taking forward and whether there is benefit for them to work more closely together on these projects. Examples of this could include mobile working, and document management solutions. Finally it will also consider whether there can be greater consistency around IT policies and procedures. Some external advice / support will be sought within this area.
- **Communications** – it is important that people working in both organisations get a consistent and positive message about the preparations for a new headquarters building and how they can influence the space that they will be working in and the value they can bring. This is particularly important given that both organisations will be facing a period of further downsizing over the next four years. It is equally important that both organisations work closely together to set out timely clear messages about the project to local people across Derbyshire.
- **Organisational Development and Capability** – this will consider the practicalities of the two organisations operating from a shared headquarters building. This includes managing conflicts and differences in working practices and culture to enable staff from the two organisations to work effectively in the new building. It may also be possible to give secondary consideration to staff from the Fire/Police for any redeployment opportunities if they are not first filled internally during the transition period. Furthermore it could look in the longer term at shared services / posts between the two organisations.
- **Finance and Governance** – this will include proper legal oversight of the future ownership and the associated on-going liabilities between the two organisations. It will also ensure there is consistency around the financial appraisal and reporting arrangements for the project. It will also enable

## **Joint Police and Fire Service Innovation Board**

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both organisations to work together to put forward joint external funding bids. It will be for each organisation to make their own decisions about how they fund their share of project costs.

### **Board Membership**

Police	
Alan Charles, Police & Crime Commissioner	Cllr Roland Hosker Chair of Derbyshire Fire Authority
David Peet Chief Executive, OPCC	Joy Smith Deputy Chief Executive Derbyshire Fire & Rescue Services
Terry Neaves Director of Finance & Business Services Derbyshire Constabulary	Richard Brunt Area Manager Executive Support & Programme Manager for Derbyshire Fire & Rescue Service

Lead consultants and work-stream leads may also be asked to attend the joint board as required.

It is recognised that other groups or departments will continue to share knowledge and 'fact find' as the relationship develops and shared learning will be fed back to the board.

### **Timetable of Meetings**

At the outset it is proposed that the board meets quarterly but this will be kept under review, depending on the progress of the project.