

SCOTTISH POLICE
AUTHORITY

Meeting	Finance and Investment Committee
Date and Time	Monday 8 February 2016
Location	Pacific Quay, Glasgow
Title of Paper	Charging for Shared Residential Accommodation - Aviemore, Kirkwall, Portree and Stornoway
Item Number	7.1
Presented By	Ch Supt Billy Gordon, Head of Physical Resources
Recommendation to Members	FOR APPROVAL
Appendix Attached:	None

PURPOSE

To invite members to:

1. Approve the commencement of a charging regime for occupiers of Shared Residential Accommodation (single person quarters) within N Division, to be administered by PSoS Estates, Payroll and Legal Departments on behalf of the Authority; and
2. Authorise and instruct the PSoS Interim Head of Legal Services, in consultation with PSoS Estates, to issue and conclude Occupancy Agreements with Police Officers and/or Members of Police Staff in respect of such accommodation within N Division, at an appropriate monthly occupancy fee charge.

This paper is being submitted to the Committee in accordance with Section 9 of the Scheme of Administration.

1. BACKGROUND

- 1.1 At the Finance and Investment Committee meeting on 10 November 2015, a paper was presented in relation to proposed charges for shared accommodation that had been built in Aviemore, Kirkwall, Portree and Stornoway.
- 1.2. At that time, information had been collated which suggested that a charge of £169 per month would be appropriate for those taking up residency in the various accommodation. However, before coming to a decision, Members requested additional information which provided a comparison with charges from a broader range of public sector partners as well as indicative charges from the private sector for similar accommodation. There was also a request to consider what type of monthly charge would be required to break even against the cost of these new builds.

2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 As part of a modernisation programme, and to assist officer recruitment, the SPA, in its 2014/15 Capital Plan approved the construction of three new residential single person quarters at Stornoway, Kirkwall and Portree.
- 2.2 The construction of these facilities was completed in August 2015 and, following the award of "House in Multiple Occupancy" certifications, they are now ready to be occupied.
- 2.3 Each property consists of eight individual en-suite bedrooms with a communal kitchen, living room and laundry facilities. The properties are carpeted, furnished and stocked with communal utensils and white goods
- 2.4 The three new Single Persons Quarters, when added to the existing five bedroom Single Persons Quarters at Aviemore, will now provide N Division with 29 residential spaces.
- 2.5 At the Finance & Investment Committee meeting on 10 November 2015, it was proposed that accommodation in these buildings would be licensed under an Occupancy Licence Agreement to Police Officers/ Police staff at an agreed charge which will cover Utilities (gas/ electricity only), Council Tax, Maintenance and Cleaning of the Communal Areas.
- 2.6 Following consultation with Local Authority and Housing Associations (based on the Scottish Housing Regulator – Registered Social Landlord Statistics) a rental range of £149- £189 per calendar month for such accommodation in the N Division Area had been identified. It was recommended by Social Housing Professionals that these properties would sit in the middle of that range and accordingly, a monthly occupancy fee of £169 was proposed as a reasonable charge.
- 2.7 However, further information was obtained to assist Finance and Investment Committee Members to consider what is the most appropriate charge for these properties.

Public Sector & Other Relevant Partners

- 2.8 In terms of other public sector partners, the following information was obtained:

Highland & Islands Council

They hope to move away from tied housing in the next few years and, although they have a limited number available, they are mostly for senior posts. In these circumstances, they do not charge any rent as it is part of the terms and conditions.

Student Teachers receive a rent allowance and are required to find their own accommodation.

NHS

There are limited GP houses in remote areas and an agreed rent is charged but none were suitable for comparison in these circumstances.

Raigmore Hospital has limited shared single person accommodation which has an exclusive bedroom, kitchen and bathroom. They charge £190 per calendar month.

SFRS

The Scottish Fire and Rescue Service have no policy on shared or individual residential accommodation. If posted to an area, it is the responsibility of the individual officer to find their own accommodation. Most SFRS staff in rural areas are local part-time staff or retained volunteers.

University of Highlands & Islands

At this time (UHI) have various types of accommodation in relation to their specialist College Campus (Orkney - Renewables, Skye –Gaelic, North Highland – Agriculture and Forestry). These locations tend to be on campus type accommodation to support the various vocational activities and are provided as part of the course. Both Tutors and student's use this accommodation.

They are currently working on a project to provide Student Residential Accommodation through an external provider at a number of locations in the Highlands and Islands. A tender exercise has been undertaken but at this time no preferred bidder has been appointed. This accommodation would also be for Tutors and each occupant will pay a monthly rent directly to the provider.

UHI does not provide accommodation to its staff other than the vocational campus as set out above

2.9 Private Sector Assessment

Messrs Graham & Sibbald Chartered Surveyors carried out some investigation and provided a range of charges as detailed in the table below for accommodation in the private sector.

The figures provided were NOT directly comparable in that they were for 1-bedroomed, self-contained flats as opposed to the shared facilities being provided under the Police Scotland accommodation.

2.10 A summary of the various charges that could be considered are detailed in the table below:

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Organisation	Summary	Cost (pcm)
Break-even charge	See Notes below	£163
Social Housing	Professional opinion from H & I Council based on shared accommodation	£169
NHS	Raigmore Hospital	£190
Chartered Surveyors	Stornoway	£320
	Portree (there is an identified shortage of 1 bedroom flats)	£450
	Kirkwall	£300
	Aviemore	£400
	Average of four above	£367.50

Break-even Charge Assumptions

- (1) The average construction cost of the Single Person's Quarters was £631,000 (construction cost, fees and notional land cost)
- (2) Assume Inflation Net Present Value(NPV) rate of 2.5%
- (3) After a 20 years in terms of modelling assume that the property disposed of for Social Housing purposes - Notional resale value of £500,000(existing value) plus 2% growth per annum.

2.11 From the Finance and Investment Committee Meeting on 10 November 2015, Members will be aware that the recruitment and retention of Police Officers and Staff in these remote and rural locations continues to present an operational challenge. Having the ability to maintain operational resilience in these remote areas of N Division is vital.

2.12 Members are invited to consider the range of charges detailed above and consider the recommendation on an appropriate monthly fee.

2.13 Any occupancy fee will be reviewed annually and linked to inflationary indices.

3. FINANCIAL IMPLICATIONS

3.1 If all 29 residential spaces are fully-licensed to occupy (based on a monthly £169 charge) this will result in an annual income of £58,812 per annum.

4. PERSONNEL IMPLICATIONS

4.1 The only personnel implications as a consequence of this report is the ability to support operational flexibility through affordable accommodation that may otherwise provide a challenge to staff being transferred to, and deployed in, N Division.

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5. LEGAL IMPLICATIONS

- 5.1 If the Finance and Investment Committee agree to the new Charging Agreements, the Head of Legal Services for PSoS will be required to prepare and conclude Occupancy Agreements with Police Officers and /or Police Staff.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications as a consequence of this report.

7. SOCIAL IMPLICATIONS

- 7.1 There are no social implications as a consequence of this report.

8. COMMUNITY IMPACT

- 8.1 The provision of this accommodation at an appropriate rental charge level will assist in the ability to recruit officers to these rural/island communities.

9.1 EQUALITIES IMPLICATIONS

- 9.1 There are no equality implications as a consequence of this report.

10. ENVIRONMENTAL IMPLICATIONS

- 10.1 There are no environmental equality implications as a consequence of this report.

RECOMMENDATIONS

To invite members to:

1. Approve the commencement of a charging regime for occupiers of Shared Residential Accommodation (single person quarters) within N Division, to be administered by PSoS Estates, Payroll and Legal Departments on behalf of the Authority; and
2. Authorise and instruct the PSoS Interim Head of Legal Services, in consultation with PSoS Estates, to issue and conclude Occupancy Agreements with Police Officers and/or Members of Police Staff in respect such accommodation within N Division, at an appropriate monthly occupancy fee charge.