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Our Ref:
Your Ref:

Dear Michael

Teesmouth Lifeboat

In the discussions following our meeting on 10 November 2005, you were kind enough to give me an assurance that you would ask your retained property advisers to consider the issues which I raised relating to the future operation of the Hartlepool station during and after the Victoria Harbour redevelopment.

As I am sure you are aware, this is a very emotive issue and one which raises the strongest feelings with both Committee and Crew at Teesmouth. No doubt you will be putting the report which you will by now have received from your property advisers before both the Operations Committee at their meeting this week and then before the Trustees in April.

In view of this, I would be grateful if you would put the contents of this letter before both the Operations Committee and the Trustees. I am enclosing copies of this letter for the Chairman of Trustees and the Chairmen of the Operations, Resources and Finance Committees. If you would like any further copies for the Trustee Committee as a whole then please do not hesitate to contact me and I will be delighted to supply them.

As I mentioned to you when we met, I have considerable experience of advising Charity Trustees on property issues and I do not underestimate the extremely difficult choices which they can face in fulfilling vital obligations with finite (or even shrinking) resources. I am a trustee of a large incorporated charity and have faced such decisions in a personal capacity.

I would not be returning to this issue again, following our meeting in November, if I did not believe passionately that the decision to close Teesmouth Station is fundamentally wrong in both property and risk management terms, and therefore in terms of the future security of lifeboat provision on the Tees. I do understand that the RNLI only holds property in furtherance of its operational objectives (I spent some 5 years advising the MOD on its operational property assets). As I hope that this letter summarises, there are powerful reasons why, if one station has to close, then it should be Hartlepool and not Teesmouth.

I perhaps ought to emphasise that I have not been paid for any advice which I have given to the Teesmouth Committee, nor would I wish to be. As I said to you when we met, when Alexe Finlay, the Chairman of Teesmouth, originally asked me for my opinion, I said that she might not like the answer because my professional ethics would only allow me to give my true opinion, whether it came up with the 'right' answer or not. I have to say that, the more research I have undertaken into the situation, the firmer my opinion has become.

My concerns about basing the future provision of lifeboats on the Tees at Hartlepool are as follows:

- 1 In the Victoria Harbour Masterplan, the Station is located next to high value waterfront residential development. At present, this masterplan is in draft only. An Outline Planning Application was made to Hartlepool Borough Council on 28 June 2004 but as yet no decision has been reached and the application is still pending.
- 2 You know that I have serious concerns about the future operation of the station when it is surrounded by residential development as the plan currently envisages. One planning consultant who has looked at the draft masterplan has commented that, in Town and Country Planning terms, the juxtaposition of residential use and the Lifeboat station is an invitation to a whole raft of 'bad neighbour' issues due to potential conflicts between the need for residential amenity and the operational imperatives of the lifeboat station. He felt that the allocation was very poor in terms of best practice in allocating complementary, rather than conflicting, uses to adjacent land parcels. Indeed, his opinion was that, while this land allocation might be approved at outline stage, there would be little likelihood of it surviving the detailed planning application process. Any commercial developer would immediately identify it as a potential source of future conflict (as well as a restriction on the profit margin of the development) and seek to have the allocation changed as part of the detailed planning application process.
- 3 I know that you have sought, and received, a number of verbal assurances about these issues from both PD Teesport and Tees Valley Regeneration (the principal partners in the Victoria Harbour proposals). However, with all due respect, I do feel that in asking the Trustees (mindful of their robust risk management responsibilities) to approve a decision of this magnitude on the basis of verbal assurances, commits the RNLI to an uncertain future on the Tees, for the following reasons:
 - The verbal assurances cannot be given any legal certainty at this stage, or indeed until the land is sold to a developer (and only then if PD Teesport is prepared to place obligations in the sale contract, which may themselves have a negative impact on the sale price realised, which may make PD Teesport reluctant to impose any restrictions).

- There is a significant risk that any developer will seek to have the current masterplan land allocations altered to maximise returns from this high – value waterfront site. Planning legislation does not provide any mechanism to prevent this since it is a private matter between current landowner and leaseholder.
- I have known several cases where covenants (such as an obligation to maintain the lifeboat station in perpetuity) have been negotiated away by payment of an additional sum to the vendor subsequent to the sale.
- Even assuming that the security of the Station can be guaranteed through both the sale contract and detailed Planning Application stages, there still remains the issue of ensuring that the construction company can maintain 24/7 access to the Station throughout the construction process. You know that I have serious concerns based on experience that, whatever the legal documentation may say, the reality of a construction company's site operations can be totally different.
- If PD Teesport experiences any difficulty in either the sale process or the planning process for the site, under the Landlord and Tenant Act 1954 the RNLI's lease at Hartlepool could be terminated on the grounds that the property is required for re-development. In this case, the maximum compensation which is payable under statute is twice the rateable value of the premises.
- If the development is to proceed as planned, there is a serious risk to the future operational capability of Hartlepool station once it is surrounded by a high-value residential development. This is due to the potential for complaints about noise and out of hours operations, as well as other bad neighbour issues arising from the potentially conflicting uses.
- At this stage, there can be no guarantee that the site is to remain in the ownership of PD Teesport and there is a significant risk that it could be sold as part of the development process. This could result in the RNLI acquiring a new and unknown landlord, with all the attendant risks and uncertainties as a leaseholder with a finite lease term excluded from the security of tenure provisions of the 1954 Landlord and Tenant Act.

4 I know that we discussed these issues and you felt that the RNLI would be a special case due to its vital life-saving work, and that the bad neighbour issues would never arise. I regret that I cannot share your confidence based on my professional experience of 'bad neighbour' issues in relation to noise management and

nuisance. My experience is that, sadly, altruism comes very low on the list of priorities if a homeowner perceives that his enjoyment of his property is in any way compromised, however vital the cause.

I am forced to say that, were I advising the Trustees, I could not in all conscience recommend a decision where risk factors of this magnitude are only mitigated by verbal assurances. There remains significant uncertainty about the future of the site on which future operational capability is to be based if the Hartlepool site is chosen. Since the development has not even reached an outline consent stage, this uncertainty will remain for the foreseeable future and, depending on progress with the project, may even be for the next 5 years or longer.

Turning now to the situation at Teesmouth, I fully appreciate that further capital investment is required in order to secure the substantial investment in the new Station made as recently as 2004. As you admitted at our meeting, this further investment was already planned when the new Station was built, but was withheld subsequently due to problems negotiating with the (then) management of PD Teesport.

I cannot ask you too strongly to re-consider this decision. As we explained, the ownership structure and management of PD Teesport has changed completely since the breakdown of the previous negotiations. I feel so strongly that the previous property management plan should be completed that I would like to offer to carry out all of the negotiations on behalf of the RNLI completely free of charge. Further investment at Teesmouth is, in my opinion, the only way of securing the necessary certainty and security of cover on the Tees, as well as maximising the return on the capital already invested, which would otherwise have to be written off.

In addition, I would be very happy to negotiate a voluntary surrender by the RNLI of the Hartlepool station site in tandem with completion of the investment at Teesmouth, with the aim that PD Teesport might be prepared to pay a proportion of the increase in value of the site as a residential development as consideration for a voluntary surrender at this stage.

I would also ask you to consider the fact that it should be possible to provide the necessary new facilities at Teesmouth more cost-effectively than has been budgeted in the past and I understand that drawings and costings for a potential scheme will be sent to you under separate cover in the very near future.

There are also costs-in-use implications in closing Teesmouth rather than Hartlepool. Hartlepool Station is already some 15 years old (completed in 1991) and will be approaching the phase in its construction life when maintenance costs start to increase, whereas Teesmouth Station should be maintenance – free for at least the next 5 years. Furthermore, the Hartlepool station website notes that an application has been made to you for an extension to improve the inadequate crew training facilities but that it is currently

unfunded. In the light of the RNLI's commitment *Train one, save many* it seems perverse to close a station with state-of-the-art crew training facilities.

I would be very happy to come to Poole at your convenience to meet you and representatives of the Trustees Committee to discuss these issues in more detail if that would be of assistance to you in coming to the decision which best secures the future of the RNLI's coverage on the Tees.

Yours sincerely

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Information Copies

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