

8. Asset Management Strategy – Bromsgrove Fire Station

Purpose of report

1. To report on the progress of the project to provide a combined Police and Fire Station for Bromsgrove and to gain authority to formally sign contracts that will secure a lease on the proposed development with freehold ownership remaining with West Mercia Police Authority.
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Recommendations

The Chief Fire Officer and Treasurer recommend that the Policy and Resources Committee:

- i) authorise the Chief Fire Officer to progress through to completion the project to provide a combined Police and Fire Station in Bromsgrove.***
- ii) authorise the Chief Fire Officer to sign the contracts to secure a lease and Service Level Agreement between West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority provided the costs are within the parameters set out in this report.***

Introduction and Background

2. In November 2010, the Policy and Resources Committee agreed to officers of the Service continuing work with West Mercia Police to pursue an option to lease a new Fire Station in Bromsgrove as part of a new Fire/Police Station owned by West Mercia Police Authority. The Policy and Resources Committee also agreed that a further report be presented at a later date to seek appropriate permissions prior to the contractual stage of this project being reached. In September 2011 the Chief Fire Officer updated the Policy and Resources Committee on the progress of the project and gained support to continue with the scheme.
3. The project has progressed well and a final design for the scheme was agreed between both organisations so that the planning approval process could commence in preparation for the project to move to the construction phase. Planning is reaching final approval with some minor conditions to be met and this will enable West Mercia Police Authority to purchase the freehold ownership of the land. Construction is now planned to start around July 2012, with the project being managed by the Police. Before construction can commence, West Mercia Police Authority would need contracts formally agreed and signed to secure a lease arrangement between them and Hereford and Worcester Fire and Rescue Authority.

4. The draft lease documents consist of the lease contract and a Service Level Agreement (SLA). The lease contract includes the annual fee to lease the building and the SLA includes on-going revenue charges (such as rates, maintenance and cleaning, etc). Projected fees for both these elements were given to the Policy and Resources Committee in November 2010. The proposed annual lease cost to Hereford and Worcester Fire and Rescue Authority is within the cost of £262,690 advised at the November 2010 Policy and Resources Committee. The annual SLA cost will be broadly similar to those existing costs at the current station and within the £70,000 (plus any inflation for utilities and business rates) as advised to the November meeting. There may be some slight movement to these individual costs but they will be contained within the overall combined total of £332,690.
5. Both the lease contract and SLA have been examined by the Authority's legal advisors and minor amendments have been recommended to the Police. There are no issues which would cause concern to prevent the project to proceed.
6. The project is the first of its type in England and has been progressed as part of Worcestershire's Capital Asset Pathfinder (CAP) status, previously called Total Place. The project was discussed at a recent visit by Baroness Hanham CBE, Parliamentary Under Secretary of State for the Department of Communities and Local Government, when she met all partners associated with the Worcestershire CAP project. The Chief Fire Officer represented the Authority at this meeting. As the project progresses there will be issues that need to be addressed. However, there are currently no issues that have been identified which would prevent the project from being successful.
7. The duty system for operational crews that will work at the new station has been referred to in another part of the Policy and Resources Committee's agenda and, subject to consultation and final FRA agreement, may change from the current shift system. This may require a slight amendment in the facilities to support the crewing arrangement which makes it difficult to advise on the final fit out costs of the station. Should there be a need for finance for this requirement it will be identified in the savings made as a result of the new duty system being implemented.

Conclusion/Summary

8. It is recommended that the Policy and Resources Committee authorise the Chief Fire Officer to sign the lease contracts at the appropriate time provided they are within the costs stated in this report.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are financial issues that require consideration	Yes	Paragraph 4

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	No	

Additional Considerations

9. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	Yes	Whole document
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	Yes	Authority Plan 2011-12
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	
Consultation with Representative Bodies	No	Representative Bodies will be consulted at the appropriate stage.

Supporting Information

None.

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