

Report of Head of Asset Management

14. Asset Management Strategy: Hereford Fire Station

Purpose of report

1. To advise the Policy and Resources Committee of a proposed arrangement to provide a new fire station in Hereford and seek approval to proceed with this project through to completion.
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Recommendations

It is recommended that:

- i) the Policy and Resources Committee approve the proposed arrangement between Herefordshire Council and the Fire Authority to provide a new fire station in Hereford; and***
- ii) that the Policy and Resources Committee authorise the Chief Fire Officer to proceed with the project to completion, on terms to be agreed with the Treasurer and Head of Legal Services and in consultation with the Chairman of the Fire Authority.***

Introduction and Background

2. Members will be aware that in March 2011, the Policy and Resources Committee gave approval for indicative budget allocations to replace a number of fire stations as part of an overall Asset Management Strategy. A summary of the indicative allocation for the replacement of Hereford fire station approved at that committee is given in the appendix to this document.
3. In November 2013, the Policy and Resources Committee were informed about a project to deliver a new fire station in Hereford at Herefordshire Council's Bath Street offices site in Hereford. The site is an ideal location as available space for the size of site required for operational resources is limited in Hereford, it is well placed to respond to risk in the city, and being very near to the current location, the availability of Retained Duty System officers mobilising to the new site will be acceptable.
4. The Policy and Resources Committee authorised the Chief Fire Officer to carry on with negotiations with Herefordshire Council, to move the project forward and agreed to spend part of the previously allocated budget on work to take the project to planning approval stage. The Policy and Resources Committee were also advised that a further paper, including a detailed cost feasibility would be

brought back for final approval before entering into a contract for the acquisition of the site.

Current position

5. Following detailed discussions with Herefordshire Council, the principles for the project to proceed have been established as part of the development of the draft Heads of Terms. These reflect a proposed land swap and associated works costs which balance the valuations of both sites, which were independently evaluated by the District Valuer in October 2013. Essentially, there is a land swap of the two sites, but in addition to the demolition of the existing building in Bath Street and the construction of the new fire station, the Authority will hand back part of the Bath Street site on completion of the construction of the Fire Station for use by Herefordshire Council's staff.
6. Herefordshire Council will acquire the freehold of the current Fire Station site at the same time that the Authority will acquire the freehold of the current Bath Street Council Offices. A lease-back arrangement will exist between both parties so that the Fire Station can still be occupied by fire service staff as the new fire station is being built. The financial consideration for this rental period will reflect the cost of the demolition of the current fire station, which will balance the overall differences between the valuations.
7. Herefordshire Council Executive members have approved the proposal in principle and should formally approve the project towards the end of March. The Bath Street site is part of a conservation area, but the buildings are not Listed. English Heritage have confirmed that the offices will not be listed in the future. Considerable interest and representations have been made by the Hereford Civic Society, who are not supportive of the proposal. Herefordshire Council has undertaken a Heritage Impact Assessment which indicates the council offices on Bath Street to be of low historic/architectural value. This has been shared with the Planning Service. Pre-application advice has been taken by the H&WFRS and the preliminary designs for the new fire station are due to be taken through the planning approval process in April 2014.

Financial Considerations

8. The arrangement between Herefordshire Council and our Authority is structured so that the only financial outlay to enable the project to proceed consists of three parts:
 - the cost of demolition of the Bath Street site;
 - the cost of building the new fire station on that site; and
 - the cost of demolishing the current fire station.
9. As all of these elements are subject to a tender process and are therefore commercially sensitive, a detailed cost estimate is set out in the exempt appendix. The Committee can be assured that the current cost estimate for all of these elements sits comfortably within the overall project estimate, which has previously received Policy and Resources Committee approval.

10. If the planning application is successful and Herefordshire Council formally approve the proposal, there should be no further barriers to the project proceeding. There is a possibility that recommendations coming from the planning process may increase the overall cost of the scheme, for example because of enhanced treatments to the exterior of the building. It is hoped that if this is the case, the overall cost of the project will still be contained within the previously advised estimate.
11. It is therefore requested that the Policy and Resources Committee agree to the format of this proposal and authorise the Chief Fire Officer to proceed with this scheme to full conclusion to provide a new fire station in Hereford.

Conclusion/Summary

12. It is recommended that the Policy and Resources Committee approve the proposed arrangement between Herefordshire Council and the Authority to provide a new fire station in Hereford and that the Policy and Resources Committee authorise the Chief Fire Officer to proceed with the project to completion, on terms to be agreed with the Treasurer and Head of Legal Services, in consultation with the Chair of the Fire Authority.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	As a Capital Project and an agreement between Authorities, the paper refers to a number of Financial, Property and Legal items.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The Asset Management Strategy supports 'Our Strategy' on the foundations of 'Buildings and Infrastructure'.

Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	All capital projects are managed within the CDM 2007 regulations.
Consultation (identify any public or other consultation that has been carried out on this matter)	Consultation is undertaken as part of the planning approval process.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No – this will be considered at the appropriate time.

Supporting Information

Appendix 1 – EXEMPT INFORMATION

Background papers – Policy and Resources Committee 19 November 2013

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