

## Report of Assistant Chief Fire Officer / Director of Protection

### Hereford Project Update

#### Purpose of report

1. To provide reassurance to Members regarding the project costs for the Hereford Fire Station.
- 

#### Recommendation

***It is recommended that it be noted that any inflationary pressures on the UK construction sector are unlikely to impact the contractual cost of the new Hereford Fire Station project.***

#### Background

2. Due to the number of property projects that are now moving forward and the significant expenditure that will be incurred, the Fire Authority will continue to be provided with regular updates on progress.

#### Hereford Project Update

3. The last property paper to the Policy & Resources Scrutiny Committee provided a project update and an overview of the project lifecycle since 2011 ([link here](#)).
4. The Authority can be assured that the recent conflict in the Middle East, and any associated inflationary pressures within the UK construction sector, will not materially impact the agreed contract sum for the new fire station project. The £13.6 million design and build contract has been procured on a fixed-price basis, providing cost certainty to the client. As such, the contractor carries the risk of market fluctuations in labour, materials, and supply chains, and there is no mechanism within the contract for these external factors to increase the agreed contract value.
5. The project continues to progress in accordance with the agreed programme, with no current indications that geopolitical or economic factors are affecting delivery. Construction activities remain on track, and the anticipated practical completion date of February 2027 is being maintained. Regular monitoring and contract management processes are in place to ensure continued performance and early identification of any risks to programme or quality.
6. The project has been let under a JCT Design and Build Contract, a widely used standard form of construction contract in the UK. Under this form of contract, the contractor assumes responsibility for both the design and construction of

the works, providing a single point of accountability, enhanced cost and programme certainty for the client.

7. Notably, the contract includes specific cost allowances (cost sums) for both design contingency and inflationary risk. These are fixed sums embedded within the contract value at the outset and are intended to manage and absorb foreseeable uncertainties, including those arising from market volatility. As these provisions have already been accounted for within the agreed contract sum, they provide an additional layer of financial resilience against the types of external pressures currently being experienced.
8. The Committee will continue to be kept informed of the project's progress through regular reporting mechanisms, including future committee papers and updates to Authority meetings as appropriate. Any material changes to programme, cost, or risk profile will be clearly communicated in a timely and transparent manner, ensuring continued oversight, accountability, and informed decision-making.

### **Summary**

9. The Hereford Fire Station project has been subject to long-term planning and is now progressing in line with the agreed programme. It is being delivered under a fixed-price JCT Design and Build Contract, which places the risk of market fluctuations with the contractor and ensures cost certainty for the Fire Authority. Despite wider geopolitical and economic pressures, including inflation linked to international events, there is no anticipated impact on the agreed contract sum or delivery timeline.
10. This position is further strengthened by built-in cost allowances for contingency and inflation, alongside robust project governance and monitoring arrangements, providing confidence that the scheme will be delivered on time and within budget.
11. The Fire Authority will be kept informed through regular reports, with any material changes to programme, cost, or risk communicated promptly.

## Corporate Considerations

|   |   |
|---|---|
| <p><b>Resource Implications</b> (identify any financial, legal, property or human resources issues).</p>  | <p>Note the reference to the JCT Design &amp; Build Contract, and the design contingency and inflationary risk sums included.</p>         |
| <p><b>Strategic Policy Links &amp; Core Code of Ethics</b> (identify how proposals link with current priorities &amp; policy framework and align to the Core Code of Ethics).</p> | <p>Details underpin several key property, and environmental sustainability priorities for the Fire Authority.</p>                         |
| <p><b>Productivity &amp; Efficiency</b><br/>(Identify how proposal improves productivity or efficiency).</p>  | <p>All new building proposals have been carefully considered, e.g. new turn-out system at Hereford Fire Station.</p>                      |
| <p><b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).</p>   | <p>None.</p>  |
| <p><b>Consultation</b> (identify any public or other consultation that has been carried out on this matter).</p>  | <p>The capital build programme, including the Hereford project have been fully consulted on via the Local Authority planning process.</p> |
| <p><b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?).</p>  | <p>None.</p>  |
| <p><b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling).</p>   | <p>None.</p>  |