

## Report of Head of Legal Services

### Property Services Update

#### Purpose of report

1. To provide an update for members on the dissolution of Place Partnership Ltd, the new arrangements with the OPCC for delivery of property services and an update on the current property programme.
- 

#### Recommendation

***It is RECOMMENDED it be noted that:***

- (i) Place Partnership Limited ceased trading on 31<sup>st</sup> March 2021 following a decision by the shareholders that the company was no longer viable and should be wound up in view of the County Council's decision to withdraw from the venture***
- (ii) along with the other shareholders, the Fire Authority has entered into a Deed of Assurance in order to facilitate a solvent liquidation of the company and will enter into a supplemental shareholder agreement to give further effect to this***
- (iii) the Fire Authority has entered into a new arrangement with effect from 1st April 2021 for the provision of property management services on our behalf by the OPCC for West Mercia as part of a joint property function***
- (iv) the appendix to this report contains an update on current property schemes***

#### Introduction and Background

2. Place Partnership Ltd (PPL) was a joint venture arrangement entered into in 2015 to provide shared property services on behalf of Worcestershire County Council, Worcester City Council, Redditch Borough Council, Warwickshire Police, West Mercia Police and Hereford & Worcester Fire Authority. Worcester City and Redditch Borough Council's both subsequently withdrew from the venture in 2018.
3. It was reported to the FRA meeting in June 2020 that Worcestershire County Council had served notice to withdraw from the joint arrangements with effect from 31<sup>st</sup> March 2021 and in light of this Chief Fire Officer, in consultation with the Chairman and Group Leaders, was given delegated authority to determine the future arrangements for the delivery of the Authority's property function

including entering into any shared service or outsourced arrangement as appropriate.

4. Following consideration of a number of options, the remaining shareholders (HWFire/ West Mercia/ Warwickshire Police) concluded that it was no longer viable to continue with the PPL in light of the County Council's decision to withdraw. It was therefore agreed to dissolve PPL.

## **Place Partnership**

5. Considerable time and effort from all the partners and PPL, including the Chairman and officers of this Authority, was involved in the arrangements for PPL to cease trading on 31<sup>st</sup> March. This included setting up new service delivery models, TUPE transfer of staff (or in some cases redundancies where a transfer to one of the partners was not possible) and termination or assignment of existing contracts.

6. All partners were of the view that it would be preferable for there to be a solvent wind up of the Company by way of a members' voluntary liquidation (MVL). In order to facilitate this and ensure that the company was indeed solvent once all redundancy costs had been taken into account, the partners have entered in to a Deed of Assurance with the company whereby, should it be necessary, the partners have each agreed (subject to certain conditions, including approval of the final accounts and extent of any liabilities) to contribute towards any shortfall in the company's finances and to share any surplus in the following percentages, which reflect the value of each partner's previous usage:

Worcestershire County Council	39%
West Mercia Police	39%
Warwickshire Police	14%
Hereford & Worcester Fire Authority	8%

7. Approval to enter into the Deed of Assurance was given in accordance with the Authority's urgent business procedure following consultation with the Chairman and Group Leaders and following advice from the Treasurer regarding PPL's projected financial position.
8. The FRA's former representative on the Board of PPL, former CFO Nathan Travis, had resigned as a director in November 2020 in view of his impending retirement from the Service. In order to ensure that the Board remained quorate, it was necessary for the FRA to nominate a replacement and again, following consultation with Group Leaders, a decision was made under the urgent business procedure to appoint the Chairman, Cllr Roger Philips, as a director of PPL and to indemnify him in the same terms as we had done previously.
9. PPL ceased trading on 31<sup>st</sup> March as planned.
10. A further supplemental shareholder agreement is now required in order to give further effect to the terms of the Deed of Assurance, formalise the

termination of the previous service agreements between the company and each of the partners, deal with the arrangements for winding up and make arrangements for retention and management of legacy data.

11. A small group of finance staff have been retained on a temporary basis to manage the settlement of outstanding invoices and once this has been completed, liquidators will be appointed to formally wind-up the company. It is currently envisaged that the process is likely to be completed in about September. The Board of Directors are currently meeting weekly to oversee this process. The latest projections suggest that there may be a small financial surplus once all liabilities have been settled.

### **Shared Property Arrangements – West Mercia OPCC**

12. Following discussion with the OPCC and approval from Group Leaders, the Fire Authority has entered into an agreement for OPCC to deliver our property management functions as part of a joint property team. This achieves economies of scale, a common approach to procurement and better access to specialist skills than creating a separate in-house property team just for the Fire Authority. The services are the same as were previously provided by PPL and the cost is also the same. It is an open-ended agreement that will continue unless/until either party terminates on 12 months' notice.
13. The new service became operational on 1<sup>st</sup> April 2021 and the transition has so far gone well.
14. Following our own internal restructure, responsibility for managing the property function, including the new arrangements with the OPCC has moved to Adrian Elliot, Area Commander/Assistant Director for Operational Support.

### **On-going Property Schemes**

15. The appendix to this report summarises the current position in relation to the Authority's current new build schemes and on-going property disposals.

### **Summary**

16. PPL ceased trading on 31<sup>st</sup> March 2021 and each of the partners have now taken their property functions back in-house or in the case of the Fire Authority, we have entered into an arrangement for a joint property service provided by the OPCC for West Mercia.
17. PPL's financial affairs are still being wound up before liquidators are appointed and the company is formally dissolved.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	The new arrangements for delivery of property functions by the OPCC are within existing budgets
<b>Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	These arrangements underpin a number of key property priorities for the Authority
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	None
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	None
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	None

## Supporting Information

### Appendix 1 – Property Update

Background papers - List any papers relating to this report NB: papers will need to be made publicly available for 4 years

## **Property Update**

### **New Build Schemes**

#### **1. Broadway Fire Station**

- 1.1. Broadway is a one fire engine on-call station and has been recognised for some time as being in a very poor state of repair and lacking the facilities necessary for a modern fire station. The existing site is quite constrained but following abortive attempts to identify a suitable alternative location, the Fire Authority gave approval for the redevelopment of a new station on the existing site.
- 1.2. A project team has been established, Architects have been appointed and a detailed planning application has recently been submitted (May 2021).

#### **2. Redditch Fire Station**

- 2.1. The replacement of Redditch Fire Station has been part of the Authority's approved capital programme for several years. We are working in collaboration with West Mercia Police who are also keen to relocate from their existing premises, to provide a joint facility building upon the concept of the Bromsgrove joint Fire/Police station. Despite the intention and commitment, progress was hampered for some time by difficulties identifying a suitable site and the need for clarification over the Police's operational requirements. Both of these issues have now been resolved.
- 2.2. Land at the rear of the existing fire station on Middlehouse Lane belonging to Redditch Borough Council (RBC) and Worcestershire County Council (WCC) has been identified as the preferred location for the new joint station. This is supported as part of the Redditch regeneration plan and we were successful in securing money from the Government's 'One Public Estate' scheme to fund a ground investigation survey of the site. Not unexpectedly, this revealed a degree of contamination consistent with the use of part of the site as a former waste disposal site.
- 2.3. We have agreed heads of terms with RBC and WCC for the acquisition of their respective sites (subject to planning permission). This will involve a cash purchase from WCC and a land swap with RBC, who will then develop the existing fire station site and the remainder of their own land for housing.
- 2.4. Work is ongoing to finalise the legal agreements and in the meantime officers are investigating how best to expedite the procurement of architectural services in order that we can submit a planning application as soon as possible. There is pressure to complete the development by October 2023 in order to achieve demolition of the existing Redditch Police Station and transfer of that site also to RBC by March 2024.

### **3. North Herefordshire Strategic Fire Training Facility**

- 3.1. The Service currently has strategic fire training facilities (STF) at Wyre Forest, Evesham and Peterchurch. These provide 'hot fire house' training environments which are essential for the proper training of staff and maintenance of skills in a realistic environment. There has been a long term strategy to provide a fourth STF in the north Herefordshire so as to minimise travel time and improve training opportunities across both counties for all locations, particularly for on-call crews in that area.
- 3.2. A potential site has now been identified at Leominster Police Station. Architects are currently preparing a detailed feasibility report. Once this has been approved, we will formally approach the PCC for West Mercia with regard to the use of the land.

### **4. Hereford Fire Station**

- 4.1. Longstanding members of the Authority will be aware that there have been several previous schemes to replace Hereford Fire Station, initially starting with the redevelopment of the former cattle market site (Edgar Street Grid), however none of which have subsequently come to fruition due to a variety of concerns such as conservation planning (Bath Street), flooding (Merton Meadow), highway and access constraints (Holmer Road). The last two sites were being looked at in collaboration with West Mercia Police with the aim of building a joint Fire/Police station. However, it was reported in June 2020 that the Holmer Road site was no longer considered suitable. Since then, officers have been investigating the redevelopment of the existing fire station site on St. Owen Street.
- 4.2. Architects have prepared a number of feasibility options which are now being further refined before bringing a further report to members for approval.

## **Site Disposals**

### **5. Windsor Street, Bromsgrove**

- 5.1. This is the site of the former Bromsgrove Fire Station which has been vacant since the new joint Police/Fire Station was opened in 2014. The site is complicated in that the building adjoins the former County Council library and the buildings overlap.
- 5.2. We have previously marketed the site jointly with the County Council's land but several sales have fallen through. A further sale was being negotiated with a developer of retirement living accommodation but the County Council has now decided that it no longer wishes to support such a scheme in this location. Instead, the County Council is working with Bromsgrove Borough Council to investigate other options for regeneration schemes on the site. Bromsgrove Borough Council has expressed interest in potentially acquiring the Fire Authority's land as part of that scheme and is currently seeking valuation advice. If no offer is forthcoming or terms cannot be agreed, the Fire Authority will look to remarket its site.

## **6. Former Bewdley Fire Station**

- 6.1. This site was vacated following the move to the Wyre Forest Hub in February 2019. It was successfully marketed jointly with the County Council's adjacent land and contracts were exchanged in August 2020, subject to planning permission for a mixed retail and residential use. Planning permission was approved in February subject to a s.106 agreement and once this has been finalised, we expect completion to take place shortly.

## **7. Kidderminster Fire Station**

- 7.1. Following consultation with Group Leaders, the Authority has recently accepted an unconditional cash offer for the site. Whilst the price is lower than might be expected if the site were sold subject to planning, there is no guarantee of a better offer in the current market. We are currently awaiting confirmation of the heads of terms from the agent and will then proceed to exchange of contracts as soon as possible.

## **8. Stourport Fire Station**

- 8.1. The former fire station is adjacent to the County Buildings which are due to become vacant later this year. We are currently in discussion with the County Council regarding the possibility of them purchasing our land.