

**SCRUTINY COMMISSION – 30 MAY 2012****PROPOSED ACQUISITION OF FIRE & RESCUE SERVICES HQ, COUNTY HALL SITE****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****Purpose of Report**

1. The purpose of this report is to advise on, and seek the views of, the Commission on the proposed acquisition of the Fire & Rescue Services HQ adjoining County Hall.

**Policy Framework and Previous Decisions**

2. This acquisition would be consistent with the ongoing delivery of the Council's Office Strategy which was approved by Cabinet on 14 November 2008.

**Background**

3. The property was formerly owned by Leicestershire County Council as part of the County Hall complex. The freehold interest in these premises was vested in the Combined Fire Authority on 1 April 1997, together with a vehicular right of way across the adjoining Leicestershire County Council owned service road. A pedestrian right of way over the vested lands has been retained by the County Council for the purpose of gaining ready access to other parts of the retained County Hall estate. Total site area is 0.59 hectares (1.46 acres). The site plans are contained in the Appendix to this report.
4. The premises comprise a former residential building, stables, garage and a purpose built extension incorporating an integral courtyard area. Parts of the building are estimated to be over 100 years old and comprise ground, first and second floor levels amounting to a total floor area of 1,530 sq m (NIA). The property includes surfaced car parking for approximately 79 cars. Part of this car parking area is presently owned by the County Council but is subject to a lease to Leicester Fire & Rescue Services.
5. Leicester Fire and Rescue Services approached the County Council about their intention to relocate their HQ offices from their present address to a new development in Birstall in late 2012. The sale proceeds from the existing HQ offices are contributing to the funding of the new development. The relocation does not include the Fire Services workshop and related activities based in the Western Annexe on the County Hall campus.
6. Asset Management undertook a business case appraisal of the potential costs and benefits to the County Council proceeding with a purchase of the Fire & Rescue Services HQ. Consideration was given to the services that could be provided from this

building, the benefits of doing so, the capital costs of the conversion works and the on-going revenue commitment. The wider strategic asset management implications of acquiring the property were also considered.

7. The services considered in the business case included the Registration Services and Learning & Development, both currently located within the County Hall offices. These uses would not utilise all the space in the building and the remaining accommodation could be used for other County Council purposes (subject to business case evaluation) or could be let as a separate self-contained office suite to a third party and/or partner organisation.
8. The business case concludes that the Fire & Rescue Services HQ is adaptable for the County Council uses considered and, following refurbishment, would fit well with the requirements and objectives of the services considered. The proposed acquisition by Leicestershire County Council at the negotiated price which is currently commercially confidential and associated refurbishment costs would be financially viable, on the conditions and assumptions contained in the report which includes the assumption that the spare capacity would either be used for other County Council service purposes or would be let and generating a market rental income. The proposed purchase is conditional upon securing a change in planning consent from the existing B1 (offices) use to a mixed B1 and D1 (non-residential educational) use. The lease for the area of the car park that is currently let by the County Council to Leicester Fire & Rescue Services would terminate and the unencumbered freehold would revert back to the County Council.
9. There would also be attractive strategic asset management benefits for Leicestershire County Council purchasing this asset. The property occupies a strategic and prominent position on a main access route into the surrounding County Hall complex. Its use and future occupation has a direct impact on the rest of the County Hall site. This represents a 'one off' opportunity and purchasing the property would protect, secure and complete the County Council's ownership of the whole County Hall complex. Acquiring this additional accommodation creates the opportunity for further consolidation and expansion at the main HQ office base, for either Leicestershire County Council or related partners activities, if the County Council wishes to proceed further with this centralisation objective at a future date. Additional on-site office development would be improbable under other circumstances due to planning constraints.

### **Resources Implications**

10. It is proposed that the purchase and refurbishment capital costs would be funded through Leicestershire County Council reserves and not through borrowing.

### **Timetable for Decision(s)**

11. The matter will be reported to the Cabinet meeting on 12 June 2012 seeking approval to the proposal.

### **Conclusion**

12. The views of the Commission are sought on this matter.

## **Circulation under the Local Issues Alert Procedure**

13. Mr M. B. Page CC – Local Member for the Glenfields division.

### **Officer to Contact**

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### **List of Appendices**

Appendix: Site Plans

### **Relevant Impact Assessments**

14. The Environmental Implications and an Equality Impact Assessment will be completed once the planning consent for the required change of use has been obtained (the purchase is conditional upon the grant of this planning consent) and the full range of service users and other partners occupying the property has been clarified.