

# THE HIGHLAND AND ISLANDS FIRE BOARD

29 JANUARY 2010

## ESTATE MANAGEMENT

Report by the Chief Fire Officer

Agenda Item	
Report No	

### Summary

The report presents updated information on Estate Management matters previously reported and seeks Board approval on other issues.

The Value Engineering project should be extended to review the design element of new construction, so that the outcomes make provision for integrated solutions

Asset Management Planning requires development and implementation in conjunction with IRMP to improve efficiency and sustainability in capital investment

Site acquisitions are prioritised to allow further evaluation and consolidation of future capital investment.

The approved planned lease arrangement for extension of the Headquarters office space may not materialise and other options may have to be considered to meet the increasingly urgent need.

### **1. BACKGROUND**

This report provides an update to members on Estate Management relevant to project and process management and the acquisition and disposal of property assets. This being the last report of the current financial year, the presentation corresponds to the Capital and Revenue Monitoring Reports and the Capital Programme Monitoring Report. It should be noted that there are eleven weeks left to the end of the financial year and as such final outcomes will be presented at the next Board meeting.

### **2. VALUE ENGINEERING**

The project continues to make progress in the context reported to the last Board meeting. The new stations planned for design and construction in 2010/11 will be based on the outcomes of this review and the full detailed report will be presented to the April Board along with the cost plans for each station.

In the Board's current Scheme of Delegation the management of the Capital Programme for project management, design and construction of Fire Stations is delegated to Highland Council's Director of Housing and Property. In the interest of developing Best Value in capital investment planning and spend it will be desirable to review the associated arrangements for the design element of development to achieve integrated solutions for future developments.

The purpose of the Value Engineering project is to integrate the outcomes of Integrated Risk Management Planning with the development of Asset Management to make efficiency gains in Service delivery development, capital investment planning and ultimately the construction of new stations.

### **3. ASSET MANAGEMENT PLANNING**

Asset Management Planning is a management process adopted by Central and Scottish Government to inform political and corporate decision making in relation to matching capital investment to Service development, delivery and term planning. The principle aim of Asset Management is to link lifecycle and costs in use and capital investment with service level, quality, sustainability and affordability. The framework for Asset Management in the public sector in Scotland has been prescribed by Scottish Government and developed by the Chartered Institute of Public Finance Accountants and other Government Departments. The Scottish Government expect all public authorities to develop and implement Asset Management principles and process across the full range of capital assets used to deliver public services. The process forms an integral component of Best Value Management and is subject to audit in performance measurement.

Whilst the IRMP process has introduced a robust and structured approach to the Service's Capital Build Programme, opportunities to improve asset management in other areas exist which will better inform the decision making in relation to capital investment planning in the future.

It is proposed to develop Policy, Strategy, and implementation plans for a wide range of Service assets which will be presented to a future meeting of the Board for scrutiny and approval. The sites previously identified to the Board for acquisition and development have not been subject to the rigour of Asset Management Planning and it is intended to do this retrospectively to further test the suitability of previous acquisitions. This process will align sites previously acquired and those sites previously listed for future acquisition to the priority of the Service's Capital Build Programme. The outcomes of this review will not be detrimental to previously agreed and approved capital programmes.

### **4. SITE ACQUISITION**

Formal offers have been made by the Board's legal advisers for acquisition of the sites previously identified at Baltasound, Whalsay and Sandwick for development and Service upgrading. All three offers are subject to planning consent and expected to conclude within the current financial year. As all three sites are already included in the Board's Capital Programme they have been given a high priority to the exclusion of other sites identified for acquisition. This is done to correspond to the Board's approved capital allocation and planned spend for the current financial year. The allocation for new build in the next financial year's capital plan is not affected by this prioritisation.

All other sites previously identified for acquisition will progress when the acquisitions of the above specified sites are complete and the development plans are matched with the outcomes from the developing IRMP management process.

## **5. HEADQUARTERS OFFICE SPACE**

At the Board's meeting of September 2009 approval was granted for the lease of additional office space on the premises at 37c Harbour Road Inverness, privately owned and leased to a wholesale company. The Heads of Terms for a sub lease for HIFB was agreed with the wholesale company in October 2010 and solicitors on behalf of the Board engaged with the company's agents to agree and complete the lease according to the schedule of the agreed Heads of Terms.

Despite the efforts of the Service finalising the lease agreement is proving to be difficult in a number of areas and considerable delays have now occurred from the aspirational occupation date.

Due to this ongoing situation, if all the required approvals and agreements are not in place by the end of January 2010 it is recommended that approval be given to consider other available properties in the Inverness area in the same or nearest rate band to the said premises on Harbour Road.

### **RECOMMENDATION**

It is recommended that the Board:

1. NOTE the progress to date on previously reported projects and programmes.
2. NOTE the progress on the Value Engineering project and APPROVE the proposal to review the Design component of delegated matters.
3. NOTE the requirement for development of Asset Management Planning and the proposed integration with IRMP for investment planning and APPROVE the pause proposed for site acquisition.
4. NOTE the progress on site acquisition.
5. APPROVE the consideration of other feasible options for HQ office space if the Lease in progress cannot be concluded in the near future.

**DAVID WYNNE**  
**CHIEF FIRE OFFICER**  
**18 January 2010**