

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Fire Authority
Date 23 April 2020
Title of Report Fort Road, Newhaven Disposal Report
By Duncan Savage, Assistant Director Resources/Treasurer
Lead Officer Maureen Cherry, Interim Estates Manager
Lead Member Councillor Peltzer Dunn

Background Papers P&R Panel 10 Jan 2013 – Item 871 – Newhaven Fire Station – proposed disposal of the Fort Rd site (exempt / confidential)
SLT 29 September 2014 – Fort Road, Newhaven Disposal Strategy
SLT 26 February 2020 – Fort Road, Newhaven Disposal Report

Appendices Appendix 1 – CONFIDENTIAL APPENDIX Valuation Report
Appendix 2 – Draft Heads of Terms
Appendix 3 – CONFIDENTIAL APPENDIX – Valuation Advice

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To recommend the disposal of the Fort Road Newhaven site to Lewes District Council for £525,000.00

To delegate authority to the Assistant Director Resources/Treasurer in consultation with the Chief Fire Officer and the Deputy Monitoring Officer to take all necessary steps to complete the disposal

EXECUTIVE SUMMARY Following the completion of Saxon House in Newhaven, the old Fire Station site in Fort Road is now surplus to use.

In January 2013 P&R Panel approved the disposal of the site at the best price reasonably obtainable.

LDC have offered £525,000.00 for the site, an offer conditional on securing residential planning approval

Flude Commercial have provided a valuation report, attached in confidential appendix 1.

The Lewes District Council offer to purchase the site demonstrates best price for the Fire Authority.

In February 2020 SLT considered the disposal option and offer made by Lewes District Council and the Head of Terms together with consideration of the disposal to the Fire Authority.

SLT approved the draft Heads of Terms (Subject to Contract) and recommended that the Fire Authority approve the disposal of Fort Road site to Lewes District Council on the basis of the Heads of Terms Drafted.

RECOMMENDATION

The Fire Authority is recommended to:

- i. approve the disposal of the Fort Road site to Lewes District Council at £525,000.00 noting that the disposal is subject to residential planning permission being secured by Lewes District Council;
- ii. approve the draft Heads of Terms (Subject to Contract); and
- iii. delegate authority to the Assistant Director Resources/Treasurer in consultation with the Chief Fire Officer and the Deputy Monitoring Officer to take all necessary steps to complete the disposal

1 INTRODUCTION

1.1 Following the completion of the new Fire Station at Saxon House, Newhaven, the old Fire Station site located in Fort Road is now surplus to use.

1.2 Under Section 123 of the Local Government Act 1972 certain public sector bodies are required to ensure that surplus land and property is disposed of at the best price obtainable. Fire authorities are not covered by this legislation. However, Counsel has advised that whilst there is no case law on the disposal of land by Combined Fire Authorities, the Authority is in all likelihood subject to fiduciary duty to local tax payers to ensure that best price is obtained and therefore cannot dispose of assets below best price taking into account other social or economic benefits, often considered by

other public sector organisations who may have wider employment, health, or housing responsibilities etc.

- 1.3 Approval was given by P&R Panel on 10 January 2013 for the Chief Fire Officer & Chief Executive, in consultation with the Treasurer, to negotiate and dispose of the Fort Road site after seeking the necessary planning permission for an appropriate number of dwellings, at the best price reasonably obtainable. Following the decision by SLT on 29 September 2014 on the Disposal Strategy, a Planning Application for residential use was made and subsequently granted in June 2015. This planning consent lapsed in June 2018.
- 1.4 The site has not been used as an operational fire station since January 2016. It is currently shared under Licence with Operation Florian; a charitable group who provide overseas support to other developing Fire Rescue Services. They use part of the building to store and prepare donated redundant PPE and equipment from UK FRS's and redistribute to Fire Services abroad. Operation Florian have expressed their desire to vacate the Fort Road site and Estates Department are working with Operation Florian to provide alternative accommodation at Hove Community Fire Station.
- 1.5 Following discussions with Officers, Lewes District Council have approached the Authority with an offer to purchase. Heads of Terms have been drafted for approval.

2 VALUATION ADVICE

- 2.1 The valuation advice relating to the disposal of the site is contained in confidential appendix 3, supported by Flude Commercial valuation report attached in confidential appendix 1.

3 DISPOSAL OPTION

- 3.1 Following discussions with Officers, Lewes District Council (LDC) has made an offer to purchase the site. LDC would intend to develop the site for residential use. The agreed offer is £525,000 - please refer to confidential appendices 1 and 3
- 3.2 The offer is subject to planning and achieving a minimum of 7x units on the site. LDC remain confident that this will be achievable.
- 3.2 The Heads of Terms require that they would make a submission for planning within 8 weeks of exchange.
- 3.4 Flude Commercial advise that; as per advice in confidential appendix 1 and 3, the LDC offer of £525,000.00 reflects the highest achievable value for the site.

4 OPERATIONAL REQUIREMENTS

- 4.1 The Fort Road site had been used by crews from Saxon House for wet training as the new station has not proved capable of accommodating this activity. This activity has ceased due to Health and Safety considerations
- 4.2 Discussions with operational colleagues resulting in a meeting in May 2019 involving DCFO Mark O'Brien, ACFO Mark Andrews (Chair of the Estates Strategy Delivery

Board), Hannah Scott-Youldon (AD People Services), Nigel Cusack (Group Manager West), Tony McCord (Station Manager), Mo Cherry (Estates Manager) and Duncan Savage (AD Resources / Treasurer) confirmed, ahead of the cessation of all training activity on the site, that Fort Road was not required to support local training and that disposal could therefore commence.

- 4.3 It is understood that Fort Road is also used for parking of vehicles by the SSOs. An alternative location for the SSO vehicle has been identified.

5 POLITICAL

- 5.1 The proposed disposal to LDC for housing aligns with Newhaven Town Council's needs and the current Planning Policy (Local Core Strategy) for the area.

6 LEGAL

- 6.1 Legal implications will be dealt with as part of any disposal. This will include consideration of whether sharing legal support with Sussex Police, through their lawyers Weightmans, would offer best value as Sussex Police are disposing of their adjacent site also to LDC.

7 FINANCIAL

- 7.1 The capital receipt delivered will support towards the wider capital programme including improvement works under the Estates Strategy. The original estimated receipt of £515,000 is already built into our financial plans and underpins funding of the capital programme.
- 7.2 Operation Florian currently pay business rates and other service charges due at Fort Road. Should they depart the Authority will be exposed to those financial costs and also may need to put in place additional security measures. The building has had no investment for over four years and the longer it is retained the greater the risk that the Authority is exposed to additional costs.

8 CONCLUSION

- 8.1 The site at Fort Road currently presents an ongoing liability both in terms of costs and security risks. The site has been surplus for use since the beginning of 2016 and since this time has been shared under Licence with Operation Florian who are a Fire & Rescue based charitable organisation.
- 8.2 The local market and economic landscape of Newhaven result in lower land values than other surrounding areas in the South East and therefore appetite for redevelopment and the viability of projects, particularly on small sites such as Fort Road. This coupled with the former use and site clearance costs further reduce residual site values for redevelopment.
- 8.3 Lewes District Council have a number of development interests in the nearby vicinity of Fort Road and therefore are possibly able to deliver greater economies of scale in the development process. The Council is also able to attract grant funding to residential developments through housing grants, which would not be available to

private developers. In effect, they become a special purchaser, being able to link any future development to wider economic benefits and contributing towards their own Core Strategy for the Newhaven area.

- 8.4 Given the information outlined in this report and supporting valuation advice, we believe that the offer from LDC will deliver the best price possible for the site to ESFRS.