

Halling Parish Council

Halling Fire Station Purchase

A study of the likely costs and justification
for future use

Halling Fire Station Purchase

Purpose of the study

After the closure of Halling Fire Station in April 2012 and the offer by Kent Fire and Rescue Service to sell the property to Halling Parish Council for £100,000, there has been a great deal of discussion as to whether the purchase should go ahead. However there has been no true justification for the project.

This study will outline the financial impact on the council should the purchase be made and the property be utilised for the uses which have suggested by Councillors and members of the public at the meeting held Tuesday 12th September. These uses are:

- As an office for Halling Parish Council
- As a changing room for sporting events
- As a meeting venue for various local organisations
- As a venue for parties and wedding receptions

At this time there has been no survey completed to establish the need for the last three suggestions and thus the income can only be speculated upon.

There is apparently a possibility to rent out up to 9 parking spaces to local residents.

In order to make it possible to make predictions as to the cost of the project it needs to be decided just what the property will be used for, thus this study looks at :

1. Solely as an office for the Parish Council with some use as a meeting venue.
2. As an Office for the Parish Council and changing rooms for sporting events.
3. As an office for the Parish Council, changing rooms for sporting events and a venue for parties etc.
4. Purchase for resale as a development plot

Costings in all cases have been kept deliberately conservative – the assumption being that volunteer labour will be available thus reducing the need for professional labour.

Advice has been given by Roger Beswarwick of Hicks Chartered Surveyors in Snodland who has been involved with a number of projects for Snodland Town Council. This advice has assisted greatly in the development of this study and is included at appendix 1.

In all cases the need to preserve a right of way as access to the Lower Recreation Ground has been considered.

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Purchase for use as an office for the Parish Council

There is no doubt that the Fire Station could be converted to be used to provide an office for the Parish Council. It would also be possible to provide facilities for some reasonably small scale meetings for both the Council and other organisations from the Village. The permissible size of these meetings would need to be confirmed with the local authorities.

This use would require the least amount of building, decoration and furnishing costs

There would be an opportunity for some additional income however this would be of limited value. It has to be remembered that unless new organisations start up in the Village, perhaps as the result of the completion of the St Andrews development, there will be little demand for these facilities. The rental charge, therefore would have to be competitive with the existing facilities in the Community Centre and Jubilee Hall.

In the event that regular bookings for 3 nights per week at say £20 per night then the income would be £3120 per annum. However both existing meeting venues struggle to attract new business.

Residents dedicated parking could be offered as part of this option and a rental of £20 per month per bay has been suggested as an acceptable charge for each of 9 bays. This would result in a total income of £2160 per annum.

The right of way to the Lower Recreation Ground would be protected.

The likely one time costs of converting the building are covered in appendix 2 and are estimated to be £23500. These costs are not covered by the Council's current precept and are unlikely to be grant funded.

The likely on going impact on the Council's funds is shown in appendix 3. These are calculated taking into account a discount of 80% on the Business Rates liability which is considered probable. In the event that the meeting revenue can be achieved this option would provide a break even situation in respect of annual costs.

One important consideration that must be factored into this option is what happens if the project is later recognised to be not viable. In that situation we would face having no Parish Council office or we would be forced to pay a commercial rent for premises.

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Purchase for use as an office for the Parish Council and changing rooms for sporting events

Assurances have been given by a number of parties that there is a need for additional football facilities in the area. Additionally it has been stated that there is no need for any additional building works e.g. showers or locker facilities. Neither is it considered necessary to level the playing pitch.

This would leave the venue in respect of football as low class and would command only a very low level of income per match.

Medway Council current charges for a casual hire of a pitch are between £24.40 and £80 per match dependent on whether there are any facilities (changing rooms & showers) and whether it is an adult or junior pitch. The likely maximum fee chargeable for the Halling pitch would be £40 per match.

Utilisation of the pitch is not known. However if the pitch is utilised for one match per weekend for the football season an income of £1600 (40 weeks x £40).

There are two draw backs to this option:

- It will not be possible to have dedicated residents parking as the space will be required by the two football teams, officials and spectators.
- An additional entrance to the Recreation Room would be required to avoid foot traffic from the pitch to the changing facilities across the Tender Bay area.

This would mean that the one time costs would probably increase to £24,500 (appendix 2 plus £1,000). An undetermined amount may be available as grant aid.

The annual costs would be approx. £1500 after allowing for an increase in caretakers hours to cover the extra use of the premises and line painting of the pitch (appendix 4).

The right of way to the Lower Recreation Ground would be protected.

The comments with regard to the need to locate alternative office premises should the project prove to be not viable apply.

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Purchase for use as an office for the Parish Council, changing rooms for sporting events and a venue for parties/receptions

This option would entail the costs involved in utilising the premises as an office plus changing facilities. In addition it would be necessary to obtain a PRS license and additional Caretaker hours to cover the extended working hours.

The space available to be utilised for the party/reception would be limited to the Appliance Bay only due to the fact that the Recreation Room would be utilised as changing facilities. This would seriously hamper the marketing of such a venue.

Again it would not be possible to have dedicated residents' parking as for the reasons above and additionally because sufficient parking would be required to obtain the necessary change of use.

One time costs are expected to be similar to the previous option at £24,500 (appendix 2 plus £1000)

Annual costs would increase further than for use as an office and changing facilities. As it is unlikely that this venue could attract party or reception business the annual costs would rise to £5,900 (appendix 5).

The right of way to the Lower Recreation Ground would be protected.

The comments with regard to the need to locate alternative office premises should the project prove to be not viable apply.

This option is extremely unlikely to succeed.

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Purchase for resale as a development plot

This is by far the most financially beneficial project.

It is true that 50% of the excess of the selling price over the initial purchase price must be given to Kent Fire and Rescue.

However in this option the one time costs are limited to the legal costs of purchase and sale – estimated at £1,000, the cost of obtaining planning permission estimated at £10,000, Estate agents fees @ 1.5% and insurance whilst vacant.

The site road frontage is 22.6meters it would thus be possible to retain a right of way of 4 meters leaving 18.6 meters frontage.

This remaining plot would accommodate 4 terraced two bedroom dwellings with a probable selling price of £150,000 each. The industry standard is that the land cost is approximately 30% of the selling price. This means the likely value for the plot would be £180,000.

Thus a costing for this project would be:

Sale Price	£180,000
Less Agents fees	£ 2,700
Nett proceeds	£177,300
Less KFRS share	£ 38,650
Nett HPC share	£138,650
Less Legal fees	£ 1,000
Less Planning permission	£ 10,000
Nett Proceeds	£127,650

These funds would be available to provide new facilities on the two recreation grounds and together with grant funding could still provide dedicated changing facilities on the Lower Recreation field.

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Appendix 1 e-mail from Robert Beswarwick

you for inviting me along to inspect the redundant fire station building in Vicarage Road, on the 20th September, together with the other members of the Halling Parish Council

My understanding is that you are considering the conversion of the building into changing rooms for the recreation ground situated to the rear and, at the same time, retain your existing vehicular access to the sports field.

As this is the only vehicular access suitable for your mower, it is therefore essential that if you were not to buy the site ultimately, that you seek to establish your continuing right of access with KCC before they were to dispose elsewhere.

We also discussed alternative uses for the building, including the possibility of moving the present Parish Council Offices from the Village Hall into the building, as a dual use, or even the possibility of demolition and redeveloping the site for a residential scheme.

The funding of the purchase would be from the Council's share of the Section 106 monies from the St Andrews Park development which amounts to £100,000. I have also already mentioned that there will be legal costs in acquisition and insurance of an unoccupied building until such time as the Council can put it to use and suggested a budget of say £1,000 for that purpose.

The existing main building is constructed of solid 225mm brick walls under an in-situ concrete roof approximately 150/200mm in thickness, with an applied asphalt, or proprietary waterproof coating. Internally the roof is supported by a system of concrete beams. The floor is of solid concrete. There is no visible sign of water penetration and the building appears in reasonable condition generally.

The main building is supplemented by a later single storey addition, built with cavity brick walls and a timber built-up felt flat roof. Although there is currently no sign of water penetration from the roof, felt roofs of this type are notorious for failing unexpectedly and it was noted that there is no eaves ventilation, which means that the timber roof space components can be subject to deterioration. The council should therefore budget for some future work to the roof, after purchase.

Internally the building comprises:

Garage for fire tender with sliding door with approximately 4.00 metres headroom and 2 No enclosed lockers, single storey Office, WC, Store & Kitchen, Recreation Room in the later extension.

Externally, the site has an approximate depth of 34.00 metres overall and a road frontage of 22.60 metres

If the building were to be used for competitive sports changing it would need division into two separate changing areas, plus referee accommodation, showers and WC's for players. From that point of view I feel that the present layout is not ideal and would require a great deal of re-planning and alteration/extension, which would probably not be viable within the existing structure, especially bearing in mind the substantial roof structure.

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Appendix 1 e-mail from Robert Beswarwick (continued)

If the use were to be less formal, it might be possible to convert the garage area into a single changing room space with showers and WC accommodation on the west side of the building, a corridor leading from the side entrance providing access into the changing room, and leaving the existing recreation room, WC, office, store and kitchen untouched.

It is not possible to speculate at this stage as to the possible cost of possible demolition and rebuild of a completely new facility, or, even the cost of conversion of the existing building into a less formal facility, until at least a potential design brief has been completed. However, whichever scheme were to be finally adopted, it would involve some substantial building costs, which would need to be financed in addition to the Section 106 funds currently available and other grants would need to be sought.

If the site were to be re-developed for a residential development of houses and after allowing for the retention of a 4.00 metre strip for the access to the field, this would leave a remaining developable site width of 18.60 metres. The access would remain at 4.00 metres and could also still provide a shared driveway leading to a rear parking area for the new houses, as the existing building line is somewhat forward of the existing fire station building and this would limit parking in front of the new houses.

I understand that KCC will impose certain restrictive covenants on any sale of the site, amongst which are that the building should be used for communal use and any profit on a subsequent sale would be shared equally between the Parish and KCC.

In the case of a redevelopment site scenario, it should be possible to accommodate a terrace of 4 No two bedroom houses within the 18.60 metres road frontage. This could achieve a site value of say £180,000, or possibly more, depending on market conditions, once a valid planning consent has been obtained. There would be professional design and local authority planning fees to take into account and legal and selling costs and I would suggest a budget figure of say £10,000.

Therefore in the event of a redevelopment site sale, the Parish could achieve a profit of some £70,000 which would then need to be shared equally with KCC. This would however, increase the original Section 106 money available of £100,000 by 35%.

The above presupposes that the Parish Council would be prepared to take on a speculative property development project, obtain planning consent and then sell the site on and divide the profit with KCC. The above figures also do not include any taxation on any profit made from the sale. It would also need to be confirmed that the Section 106 money could be used for such a purpose.

I hope these further comments are of assistance, and I would be quite happy to meet with the Parish Council to go over the proposals in more detail at any stage. If the Parish does decide to proceed with a more formal structural survey of the building please do let me know.

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Appendix 2 One time costs for use as an office

Cost Head	Calculation Method	Annual Cost
LEGAL	Quotation from Solicitor for conveyancing	£550
	Other - Land Registry, Postage, Expenses	£250
	TOTAL	£800
CHANGE OF USE	Draw up detailed plans for Change of Use and Building Regs - estimate	£750
	STG Building Control fees based on £15000 building works cost - actual	£338
	TOTAL	£1,088
BUILDING WORKS	Close existing Tender Door and provide new Disabled door - estimate	3500
	Widen 4 internal doors to provide disabled access	1600
	Widen 1 external door and provide ramp for disabled access	750
	Provide additional ladies toilet	750
	Provide additional Disabled toilet	1200
	Refit Kitchen	750
	Re-painting interior - labour	900
	Re-painting interior - materials	300
	Repairs to gutters and waste pipes	200
	Repairs to flashing to roof	200
	Remove front lawn and lay bloc pave parking	500
	11 parking bollards	792
	Install parking bollards	360
	Line painting in car park - assuming own labour	275
	Install emergency lighting	450
	Install emergency door locks	250
	Supply and install Fire extinguishers	150
	Signage - building name, information boards & safety notices	500
	Commisioning expense re Gas, Electricity & water	250
	Waste disposal - skips	750
	TOTAL	14427
FURNISHING	10 USED folding tables	250
	60 Used stacking chairs	300
	Misc Office and kitchen equipment (kettle, china cutlery etc)	100
	Floor coverings Rec room, Bay, Office, Store & Kitchen	1700
	TOTAL	2350
CONTINGENCY	A contingency of 25% minimum is needed for projects of this type	£4,666.25
	GRAND TOTAL	£23,331.25

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Appendix 3 Annual costs for use as an office

Cost Head	Calculation Method	Annual Cost
Business Rates	Calculated by multiplying Rateable Value x Small Business Multiplier Assuming 80% discount achieved	947.10
Electricity	Based on KFRS average cost x 1.5 to allow for additional usage	972.00
Gas	Based on KFRS average cost without increase as heating remains constant	800.00
Water	Based on KFRS average cost without increase as usage assumed to be constant	143.00
Sewage	Based on KFRS average cost of water x 80%	116.80
Insurance	Estimate provided by Zurich Insurance 12th Sept 2013	390.00
Caretaker	Estimated 5 hours per week at £10 per hour	2,600.00
Waste Disposal	Estimate	250.00
Cleaning etc	Estimate	100.00
Maintenance	Based on KFRS average cost	1,901.00
<u>TOTAL ADDITIONAL COSTS</u>		8,219.90
<u>COST SAVINGS</u>		
Office Rent	Community Centre office rent	3,000.00
Garage/Store	Monthly rent £28.58	342.96
<u>INCOME</u>		
Meeting venues	Averaged at £10 per month	3,120.00
Parking	9 spaces leased to public @ £20 per month	2,160.00
<u>TOTAL COST SAVINGS & INCOME</u>		8,622.96
<u>NET ADDITIONAL COST</u>		(403.06)
<u>INCREASE IN PRECEPT REQUIRED</u>		
Precept 2013/14 - £36,150		-1.1%

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Appendix 4 Annual costs for use as an office and changing rooms

Cost Head	Calculation Method	Annual Cost
Business Rates	Calculated by multiplying Rateable Value x Small Business Multiplier Assuming 80% discount achieved	947.10
Electricity	Based on KFRS average cost x 1.5 to allow for additional usage	972.00
Gas	Based on KFRS average cost without increase as heating remains constant	800.00
Water	Based on KFRS average cost without increase as usage assumed to be constant	143.00
Sewage	Based on KFRS average cost of water x 80%	116.80
Insurance	Estimate provided by Zurich Insurance 12th Sept 2013	390.00
Caretaker	Estimated 7.5 hours per week at £10 per hour	3,900.00
Waste Disposal	Estimate	250.00
Cleaning etc	Estimate	100.00
Maintenance	Based on KFRS average cost	1,901.00
<u>TOTAL ADDITIONAL COSTS</u>		9,519.90
<u>COST SAVINGS</u>		
Office Rent	Community Centre office rent	3,000.00
Garage/Store	Monthly rent £28.58	342.96
<u>INCOME</u>		
Meeting venues	Averaged at 3 meetings per week @ £20	3,120.00
Parking	9 spaces leased to public @ £20 per month	NIL
Changing Facilities	£40 per match for 40 matches	1,600.00
<u>TOTAL COST SAVINGS & INCOME</u>		8,062.96
<u>NET ADDITIONAL COST</u>		1,456.94
<u>INCREASE IN PRECEPT REQUIRED</u>		
Precept 2013/14 - £36,150		4.0%

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Appendix 5 Annual costs for use as an office, changing rooms & party venue

Cost Head	Calculation Method	Annual Cost
Business Rates	Calculated by multiplying Rateable Value x Small Business Multiplier Assuming 80% discount achieved	947.10
Electricity	Based on KFRS average cost x 1.5 to allow for additional usage	972.00
Gas	Based on KFRS average cost without increase as heating remains constant	800.00
Water	Based on KFRS average cost without increase as usage assumed to be constant	143.00
Sewage	Based on KFRS average cost of water x 80%	116.80
Insurance	Estimate provided by Zurich Insurance 12th Sept 2013	390.00
Caretaker	Estimated 15 hours per week at £10 per hour	7,800.00
Waste Disposal	Estimate	250.00
Cleaning etc	Estimate	100.00
Maintenance	Based on KFRS average cost	1,901.00
PRS License	Based on prior year cost for Community Centre	500.00
<u>TOTAL ADDITIONAL COSTS</u>		13,919.90
<u>COST SAVINGS</u>		
Office Rent	Community Centre office rent	3,000.00
Garage/Store	Monthly rent £28.58	342.96
<u>INCOME</u>		
Meeting venues	Averaged at 3 meetings per week @ £20	3,120.00
Parking	9 spaces leased to public @ £20 per month	NIL
Changing Facilities	£40 per match for 40 matches	1,600.00
<u>TOTAL COST SAVINGS & INCOME</u>		8,062.96
<u>NET ADDITIONAL COST</u>		5,856.94
<u>INCREASE IN PRECEPT REQUIRED</u>		
Precept 2013/14 - £36,150		16.2%

