

Meeting: Combined Fire Authority**Date: 8th February 2017****Subject: Summary Report – Review of the Estate****Report by: The Chief Fire and Rescue Officer****Author: Rick Taylor – Assistant Chief Fire Officer****For: Information****1. Purpose**

To present the summary findings and recommendations following the completion of the review of the fire and rescue service estate that was commissioned on behalf of the Combined Fire Authority (CFA) following its meeting on 22nd June 2016.

2. Recommendations

CFA is requested to:

- a) Note the contents of this summary report.
- b) Agree an appropriate budget that will be used to maintain the estate in accordance with the recommendations identified following the conditions survey that has been completed by the independent consultants - Gleeds Property and Construction. The amounts included in the draft budget are shown in the financial implications section of this report.
- c) Agree that the estate team should produce a fully costed plan that takes account of the identifiable upgrades and improvements needed at each location ensuring that they can be funded in line with the Budget Strategy and Medium Term Financial Plan.
- d) Agree the key findings and recommendations that are identified within the report from Turners & Townsend who undertook the review of facilities (summary report attached as Appendix 3).
- e) Commission any additional work that may be required following receipt of this report and advise from Mr J Bishop during the meeting,
- f) Agree the recommendation to sub-let the unused first floor office accommodation at Central Fire & Rescue Station to a suitable tenant in order to reduce the current costs of the site and maximise underutilised space.

3. Executive Summary

- 3.1. At its meeting that took place on 22nd June 2016, the CFA agreed that the Chief Fire Officer (CFO) should commission a comprehensive review of all elements of the fire and rescue service estate.
- 3.2. The scope and methodology of the estates review was set out in the report that was presented to the CFA and is attached to this summary report as Appendix 1. In accordance with this the review has been completed through the allocation of three (3) distinct work streams:
 1. Completing a condition survey of every building in the estate and formulating a planned maintenance strategy for each one;
 2. Reviewing the appropriateness of extant facilities management arrangements (contracted cleaning); and,
 3. Reviewing how well the estate is utilised in terms of space.
- 3.3. In accordance with the work stream requirements, three independent consultancies were appointed:
 1. Gleeds Property and Construction – conditions surveys
 2. Turner and Townsend – facilities management
 3. Jonathan Bishop (Chartered Surveyor) – overall review co-ordinator and estate utilisation.
- 3.4. The summary outcomes of the three completed work streams are contained within this report and the detail has been sourced from the reports that have submitted by the appointed consultancies. These reports are very detailed and contain a number of recommendations. A summary of the findings will be presented to the CFA during the meeting by Jonathan Bishop who will respond to any technical matters/issues raised by elected members.

4. Report Detail

- 4.1. Following the CFA meeting that took place on 22 June 2016, the CFO was requested to make arrangements for the completion of a comprehensive review of estate provisions within Leicestershire Fire and Rescue Service.

To expedite the completion of the review as quickly as possible, three work streams were agreed and independent consultants were commissioned to undertake the work following the completion of an open tendering process:

1. Gleeds Property and Construction – conditions surveys
2. Turner and Townsend – facilities management
3. Jonathan Bishop (Chartered Surveyor) – overall review co-ordinator and estate utilisation

A review of the condition of the estate was the first work stream to be commissioned. The supplier (Gleeds) was tasked to produce a set of reports for each building in the estate to ensure a budget could be defined and set in accordance with the identified planned maintenance requirements over a 10

year period.

4.2. A review of the facilities management and building utilisation arrangements has; until this time, never been completed in LFRS. As a consequence of a shortfall in the necessary skills to complete the work stream requirements, a professional consultant (Mr Jonathan Bishop MRICS) was appointed to coordinate the delivery of the estates review and to provide technical support and advice. Johnathan Bishop will present a summary of the review findings to the CFA at its meeting.

4.3. **Summary Findings of the Conditions Survey Work Stream**

Gleeds have now completed a detailed assessment of the condition of every building in the LFRS estate. The surveys have included reviews of the general condition of buildings, the condition of mechanical & electrical engineering systems and the condition of sub-surface drainage (excluding the fire training unit and real fire behaviour unit).

Following the completion of each 'building survey' a detailed report with associated costs has been produced that details the planned maintenance requirements applicable to every building for the next 10 years. By way of an example and to demonstrate what each report looks like in terms of content and format, Appendix 4 to this summary report is a sample report applicable to Ashby fire station.

The costings set out in each report represent Gleeds best estimate of what they would cost to complete through their knowledge of the current market. As such, the figures should be used a 'guide only' for future budget decisions because they do not consider the effects of inflation, time or local supply and demand which will impact on the total costs.

The individual site reports vary in size due to the technical content and varied nature of the LFRS building stock, they follow an agreed template. Set out in the table below is an overview of the main headers within each report.

Activity	Descriptor
Building description	Overview of the building size, floors, construction
Mechanical & electrical engineering	Description of the heating, lighting and other provisions
Compliance documents	Certificates and records of onsite tests
Utilisation assessment	Opinion of surveyor in regards to occupancy of space
Executive summary	
Predicted expenditure	Market priced assessment of the 10yr costs

Building status	RAG status of building.
Priorities	Scored using a numerical system

Appendix 2 to this summary report provides further information relating to the total estimated planned maintenance costs and the schedules for completion contained within each site report.

It is important to note that there are no costings set out within the Gleeds reports for major upgrades or improvements to current provisions at any site. This is a separate work stream that is being recommended for completion to the CFA because a failure to deliver an improvement plan and upgrade buildings on a periodic basis may have a long term detrimental affect on the properties values and future alternative use.

It is therefore recommended that further work is undertaken under the supervision of the estates department to develop a fully costed major building improvement strategy so that a budget provision can be established that considers expenditure requirements within for the medium term financial plan (MTFP).

4.4. **Summary Findings of the facilities management**

The review findings following the completion of the work stream (review undertaken by Turner and Townsend) that examined facilities management is attached to this summary report marked as appendix 3.

The main issue identified in this review is that there that there are inconsistencies in the current levels of facilities management provision across the estate. Notwithstanding this, this inconsistencies in the levels of provision does affect the value of the contract.

The report acknowledges that there is justification in having differing levels of cleaning and facilities provision as the needs of each site varies depending upon the shift/duty system being delivered. The report distinguishes between the levels of provision and takes account of the voluntary nature of the day crewing plus duty system and the need to ensure we maintain good industrial relations with our workforce.

The level of provision and associated costs have been benchmarked and show a higher level of cost than the sector average. The current contract however does provide some additional financial benefits to LFRS (page 12, 3.2 para 6) that would need to be resourced and funded, if it was not provided within any future provision/contract.

The current cleaning contract is due for renewal in March 2017 and the providers have been made aware of the findings of the Turner and Townsend report. We believe the current providers are keen to ensure they are competitive when the contract is re-tendered taking account of the recommendations that will be encompassed within it.

There is need to ensure the level of cleaning provided by this contract is; adequate to meet the standards needed, consistent across the estate and benchmarked to ensure VFM.

Our professional advisors have informally indicated that many of the cleaning contractors have absorbed increased costs over recent years and they expect that future costs of cleaning contracts will rise beyond inflation due to this 'artificial lid' that is likely to be lifted when new and future contracts are awarded and amended.

4.5. **Summary Findings of the utilisation of space**

The building utilisation element of this report could not be offered as initially anticipated to a single provider as there were no obvious sector specialists to undertake this work. Property consultants are available to give comparative utilisation but none with proven specialist knowledge of the fire sector, therefore to ensure that this report could be presented in a timely manner, our professional advisor and appointed consultants were asked to give opinion on the subject of space utilisation.

The focus of this opinion was to satisfy the following;

Does LFRS use the space in the LFRS estate to maximise its current potential? And if not, could the staff at headquarters be relocated throughout the estate? This would allow the CFA to consider selling the HQ building and make a capital receipt from that sale?

It was identified that much of the LFRS estate was built at a time when the occupancy factors were significantly higher than they are today. This means that in some areas of the estate there is poor utilisation of the space available. All of our advisors agreed some space could be better utilised. However (with exception of the first floor at Central Fire Station) very little space could be used for other independent purposes (i.e. office accommodation) without significant investment in infrastructure and the need for structural alterations. The scale of the investment and alterations required varies from building to building.

This summary report does not detail the level of investment or structural alterations needed to undertake this work, as this was out of the scope of review requirements.

Our professional advisors believe that there is little to be gained by doing this detailed work unless it was to form part of a broader 'one estate' review with partner agencies, this may suggest a rationalisation of the estate and potential increase in the number of shared facilities.

4.6. In summary, this review will achieve two major objectives:

1. It will enable the development of a planned and routine maintenance strategy and budget to be implemented that will ensure that the estate is maintained in an 'as is' position. It should be noted that there will continue to be a need for a budget for emergency repairs and maintenance in addition to the planned and routine maintenance budget.
2. It will enable the CFA to award a new facilities management contract that fully reflects the findings of the independent review of existing arrangements. This will ensure that the needs of the estate are more effectively met.

All improvements and/or upgrades to any part of the estate will be identified,

planned and costed to ensure the CFA maximises the value of its estate.

5. Report Implications / Impact

5.1. Legal (including crime and disorder)

- a) Much of the LFRS estate does not conform to current building regulations and equalities legislation as it was constructed before the legislation were enacted. There is no current duty to retrospectively conform to these new standards unless significant alteration is proposed or there is a change of use.
- b) If LFRS were to make significant alterations to any building with a change of use i.e. relocate HQ functions at fire stations then there would be a need to meet the current legislation and building regulations requirements. This would impact on the cost of any work.

5.2. Financial (including value for money, benefits and efficiencies)

- a) The draft capital programme elsewhere on your agenda includes £250k for estates maintenance in 2017/18. Further provisions of £1m in each of 2018/19 and 2019/20 have also been included, an element of which is provided for the ongoing maintenance requirements. The revenue budget includes a further £611,930 for emergency and reactive maintenance and repairs.
- b) Appendix 2 identifies Gleeds estimate of the budget provision needed to maintain the estate over 10 years, the figures should only be used as an indicative guide for future budget planning as they do not consider the effects of inflation, time or local supply and demand costs in some cases these have been costed on a bulk basis. Gleeds have confirmed the figures are based upon prices from their own catalogue of recent works.
- c) As stated in para 4.3, the costs identified by Gleeds do not consider any major improvement or upgrades to the estate. Without such a budget and investment the estate may not achieve to maximise its potential market value and may limit future alternate use.

5.3. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

- a) LFRS have not had any budget provision for planned and routine maintenance for many years. A failure to provide adequate investment will impact on the value of the estate and impact negatively on employee relationships.
- b) Failure to invest in the estate may restrict future alternative use and could cost the CFA more in the long term.

5.4. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

Failure to invest in our building infrastructure will impact directly on staff wellbeing. It may also, impact negatively on employee relations and public perception/confidence.

5.5. ***Environmental***

- a) Significant investment beyond that contained within this report would be needed to reduce the impact of our buildings on the environment, this is particularly the case when looking at the increases in heating and lighting use.
- b) An environmental assessment was not included in the scope of this report. The CFA may wish to consider the scale of investment that may be required to reduce future building running costs or in any future invest to save schemes.

5.6. ***Impact upon Our Plan Objectives***

An effective estates maintenance and facilities management strategy will contribute to the achievement of the CFAs planning priorities. It will also demonstrate that the CFA is achieving value for money from its estate.

6. **Background Papers**

None.

7. **Appendices**

- 1. Terms of reference.
- 2. Estimated costs of maintenance [10 year] (Gleeds).
- 3. Facilities management report (Turner & Townsend).
- 4. Condition survey – Ashby fire station.

Scope of the Estate Review

In scope:

Estates: including use of buildings, building maintenance, facilities management.

Self-assessment methodology

- 1.1. Leicestershire Fire and Rescue Service (LFRS) will carry out self-assessments against the three spending review areas. The self-assessment for each review will analyse and detail the current provision. This information will then be used in three key ways:
 - To identify whether current provision is being used to maximum effect;
 - To compare provision to other organisations, including similar fire and rescue services, using 'family groups' as the basis. It will also consider provision in neighbouring fire and rescue services and other Leicestershire based emergency services and local authorities;
 - To determine if current provision is appropriate or whether savings can be realised.
- 1.2. This approach will enable the CFA to make evidence based decisions on future provision. The CFA will be able to demonstrate Value for Money, enabling the service to operate at the highest possible standards.
- 1.3. The self-assessment will provide a detailed and deep investigation into provision against all three reviews. Significant data will be produced to ensure we fully understand costs and usage. Quick wins will be sought while planning longer term changes, both approaches reducing costs and improving Value for Money.

Gleeds Property and Construction Estimated Planned Maintenance Costs

Estimated 10 year maintenance costs:

Location of Building	Gleeds Estimate (£'s)	Notes
Ashby	31 008	
Billesdon	59 879	
Birstall - HQ	114 630	
Birstall	48 715	
Castle Donington	47 985	
Coalville	31 357	Future building alterations 'bluelight hub'
Hinckley	54 465	
Kibworth	78 300	
Central	275 376	
Eastern	85 050	
Western	124 401	
Southern	370 083	
Workshop	215 700	
Loughborough	153 612	
Loughborough - Training	51 143	
Lutterworth	24 345	Future building alterations to DC
Bosworth	58 860	
Market Harborough	130 767	Future building alterations to DC
Melton	28 868	
Oakham	77 070	
Occupational Health	31 204	
Shepshed	54 048	
Uppingham	71 345	
Wigston	66 893	Future building alterations to DCP
Total	2 285 104	