

Status of Report: *Public*

Meeting: Combined Fire Authority

Date: 16 December 2020

**Subject: Training Facility – Service Leadership and Development Centre:
Project Update.**

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For: Information only

Purpose

1. This report provides the Combined Fire Authority (CFA) with an update on the progress of the design and build of the Service's new Training Facility – Leadership and Development Centre in line with emerging outcomes and future financial uncertainty.

Recommendation

2. It is recommended that the CFA acknowledge and note:
 - a. The risk around the acquisition of land owned by Caterpillar at Desford; and
 - b. The need to consider alternative sites for dirty training.
 - c. That a further update to the CFA be made at the 10 February 2021 meeting to report on progress.

Executive Summary

3. At its meeting on 23 September 2020, the CFA recognised the need to scale back from a single consolidated site to deliver all elements of training for the Service to a cost-effective split-site hybrid solution that incorporates less risk. The sites proposed were at Desford (owned by Caterpillar) and the Loughborough Fire Station.
4. This paper provides an update on project progress and highlights risks, and measures being taken to mitigate those risks, to the project. It further clarifies the need to take a pause in the project process to assess new factors that are impacting on the proposed output.
5. The increasing likelihood of not achieving a favourable land deal at Desford and consequently having to pay market rates for an alternative site has caused the project team to re-assess the requirement for a dirty site.

Background

6. In September 2020 the CFA acknowledged the requirement to provide a training facility on two sites that incorporates less risk and to progress designs for both a clean training facility based at Loughborough and a dirty training facility, provisionally planned for Desford.
7. The CFA report included details of risks for each for each site, principally the acquisition of land at Desford and continued use of the aging Fire Behaviour Unit at Loughborough highlighted in the embedded Strategic Business Case.

Progress

8. Continued engagement has been undertaken with Caterpillar to determine whether the sale of land at Desford is still a viable option.
9. Concurrently, contingency planning has been undertaken to reduce the size of a dirty training site in line with the re-purposing of existing infrastructure to make a commercial purchase more achievable given the budget constraints.
10. The plans for both dirty and clean training sites have been progressed in a modular format to allow the adaption of each following a change in requirement, value engineering or in site availability.
11. A rationalisation of available Leicestershire Fire and Rescue Service (LFRS) land has resulted in a “tactical pause” whilst the project team re-evaluate the site requirements for dirty training. By removing some elements provisionally incorporated into a dirty training site it is anticipated that the reduction in size will mean a corresponding reduction in cost.
12. Due to a volatile market, the potential to unlock revenue and capital from LFRS estate is considered to be reduced, and therefore re-purposing existing facilities to support training is being examined as a cost reduction measure.

Opportunities

13. The project team is reviewing requirements to maximise the use of existing estate and assets. This may reduce the overall project cost and potentially change the profile of existing sites, freeing up estate and reducing the need for landlord / tenant arrangements.
14. The Learning and Development team have been re-evaluating how training is delivered following the impact of COVID-19 and the increased use of technology to enable remote working. This is being assessed against the previous user requirements and has the potential to reduce project costs further.

Next Steps

15. The project team is working with senior LFRS personnel to ensure that the requirement captures the change in approach given the fundamental shift in the property market and the need to focus on LFRS owned assets in the first instance.
16. The project team will continue to attempt to secure a favourable land deal at Desford.
17. The project team intend to update the CFA at its meeting on 10 February 2021 regarding progress, focussing on movement on the land deal at Desford and a rationalisation of the use of existing assets.

Report Implications/Impact

18. Legal (including crime and disorder)
 - a) All stages of the design and build will comply with CFA Procedure Rules, Contract Procurement Rules and Financial procedure Rules
 - b) Redevelopment or refurbishment work is likely to require planning permission and approvals from building control.
 - c) Legal support will be provided by the County Council's Legal Team in the usual way.
19. Financial (including value for money, benefits and efficiencies)
 - a) An earmarked reserve of circa £6m is available to support this project. Utilising the refurbishment of existing infrastructure will significantly reduce the need for additional funding requirements – representing reduced scope as a control within current financial uncertainty.
 - b) At this stage it is not feasible to achieve cost certainty.
 - c) Caterpillar at Desford represents an opportunity to secure provision or use of land at a much-reduced rate.
 - d) The sum of £90,000 has been set aside for this project to develop the business case.
 - e) The table below identifies a potential overspend of £720. This may be reduced following a measure of actual works carried out.
 - f) The option to 'buy-in' fire behaviour, Breathing Apparatus training has been discounted by cost benefit analysis undertaken in 2019 and included in previous CFA reports.

Table 2 – Current Project Budget Overview			
Item	Description	Budget	Spend to Date
PM	LCC Project Manager	£19,500	£19,500 (10 days remaining)
Surveying	Topographical surveys of Loughborough and Desford	£2,020	£1,620 (FY 19/20)
RIBA 0+ Report	Consultancy support	£20,950	£20,950 (FY 19/20)
2 no. RIBA 2 Reports	Consultancy and architectural support	£48,250	£5,200
		£90,720	£47,270

**FY = Financial Year

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

- a) LFRS current resource expertise in this area is limited, therefore the entire programme of works is being led by the Estates and Building Services (EBS) department of Leicester City Council.
- b) To mitigate risks around project delivery, the building design and construction process will be undertaken within the shared framework of Royal Institute of Building Architects (RIBA) Plan of Work 2013.
- c) A detailed risk log is included in the business case and key issues are outlined below:
 - i. This proposal addresses the risk around a potential land deal at Desford by considering reducing the requirements and thus the footprint of a dirty site.
 - ii. Limiting the scale and nature of development at the Loughborough site will reduce the risk that planning conditions may be too onerous. In particular, re-developing the existing site into a “clean” training environment will negate any future planning conditions likely to be imposed by the provision of a new Fire Behaviour Unit on the site. Note – The existing Fire Training Unit does not include carbonaceous capability. i.e. it does not produce products of combustion/thick black smoke.
 - iii. Split site effectively scales back initial proposals removing risk of not being in budget.
 - iv. Split site will significantly reduce the risk of requiring temporary accommodation whilst work is undertaken.

- v. Split site significantly reduces the risk of breaching CFA's VAT Partial Exemption. If this were to occur, then all CFA supplies rated as exempt VAT will not be recoverable from Her Majesty's Revenue and Customs and would incur significant cost to the CFA. The impact of VAT will be fully assessed and calculated as part of the overall financial evaluation.
 - vi. The Royal Institution of Chartered Surveyors' Building Cost Information Service is forecasting that tender prices will rise between 4.5% and 5.5% every year at least. The risk of a rise thereafter is potentially aggravated by Brexit and the post Covid-19 impact has yet to be quantified.
- d) Focusing on a split site with Caterpillar is dependent on the continuation of Caterpillar's willingness to collaborate and agree reduced rates. It is accepted that this is an "eggs in one basket" scenario. The split site option will reduce developer costs in the event of having to source and build from the open market.

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

- a) Refurbishment and redevelopment work can have a significant impact on operational personnel and their ability to provide continuity of service. If temporary accommodation is required, it should be of a standard that is fit for purpose and provides the firefighters with the facilities required to remain effective.
- b) In accord with the LFRS People Strategy there has been early engagement with staff and representative bodies regarding user requirements and subsequent design specifications within the program of works.
- c) All changes will be subject to a People Impact Assessment and transport plans within Project methodology. i.e. identify impact on travel for staff/environment.
- d) Split site may increase travel for instructional staff.
- e) Re-development of the Loughborough site would include a refurbishment of the Fire Station and would provide an opportunity to improve the use of the site by Staff, Service Users and Stakeholders.

22. Environmental

- a) Following completion of the build, environmental issues are potentially improved based on the use of modern building techniques and materials (subject to the identified risks on the complexity of building services).
- b) Design and build of the Fire Behaviour Unit will include engagement with the Environment Agency to ensure emissions are within prescribed limits.
- c) Split site may increase travel for instructional staff.

- d) The re-development and refurbishment involved in a split site will allow integration of modern methods of construction, and their environmental effects, in existing infrastructure.
- e) The profile of staff movements will be assessed with a view to achieving these in the most environmentally friendly way including electric vehicles and different ways of working. For example, to introduce multi-site working arrangements to reduce financial costs and impact on the environment.

23. Impact upon “Our Plan” Objectives

An improved estate should contribute towards LRFS aims to ‘respond effectively to incidents’ and having ‘an engaged and productive workforce’. Improvements should also present ‘value for money’ as running costs and ongoing maintenance costs should reduce.

The provision of a new Development Centre secures the future of LRFS delivering Safer People Safer Places in the work place; ensuring that there are the right people in the right place doing the right thing in the right way.

Background Papers

Report to the CFA 12 December 2018 - Estates Plan Update

<https://leics-fire.gov.uk/wp-content/uploads/2018/12/estates-planning-final.pdf>

Report to the CFA 6 February 2019 - Estates Review Update

<https://leics-fire.gov.uk/wp-content/uploads/2016/06/estates-review-update-final.pdf>

Report to the CFA 19 June 2019 - Review of Non-Operational Estates including Support Service Accommodation

<https://leics-fire.gov.uk/wp-content/uploads/2019/06/estates-review-report.pdf>

Leicestershire Fire and Rescue Service Leadership and Development Facility – Strategic Business Case – September 2019 included as an Annex to

<https://leics-fire.gov.uk/wp-content/uploads/2019/09/service-training-facility-strategic-business-case-final.pdf>

Report to the CFA 22 January 2020 - Project Update: Training Facility – Service Leadership and Development Centre

<https://leics-fire.gov.uk/wp-content/uploads/2020/01/training-facility-update.pdf>

Report to the CFA 23 September 2020 – Training Facility – Service Leadership and Development Centre: Project Update

<https://leics-fire.gov.uk/wp-content/uploads/2020/09/item-8-training-facility-service-leadership-and-development-centre-final.pdf>

Royal Institute of Building Architects (RIBA) Plan of Work (2020)

<https://www.architecture.com/-/media/GatherContent/Test-resources-page/Additional-Documents/2020RIBAPlanofWorkoverviewpdf.pdf?la=en>

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