

Status of Report: Public

Meeting: Combined Fire Authority

Date: 22 January 2020

Subject: Project Update: Training Facility - Service Leadership and Development Centre

Report by: The Chief Fire and Rescue Officer

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For: Information

Purpose

1. This report provides the Combined Fire Authority (CFA) with an update and assurance on the progress of design and build of The Service's new Training Facility. The facility is intended to include a Fire Behaviour Unit, a Leadership and Development Centre and elements of external training facilities.

Recommendation

2. The CFA is requested to note
 - a. The update provided on the progress and build of the Service's new Training Facility;
 - b. That Concept Designs are to be developed at both the existing Loughborough Learning and Development Centre / Fire Station and the Desford Caterpillar site; and
 - c. That a further report will be presented to the CFA at its meeting in the Summer.

Executive Summary

3. At its meeting on 27 September 2019, the CFA agreed that The Service and its Project Manager would continue to progress the concept, design development and technical detailing for the consolidated Leadership and Development Centre. The CFA further agreed to the review of potential sites for a new consolidated Learning and Development Centre.
4. Since the meeting in September 2019, the following has been carried out:
 - a. Case study assessment of the Derbyshire Fire and Rescue Service development;

- b. Shortlisting of five potential sites and analysis of each to determine viability;
 - c. Agreement on the schedule of accommodation.
5. This report will:
- a. List the options considered over site selection and advise on the most viable in order to refine the development process;
 - b. Provide reassurance over cost and requirement following analysis of the case study;
 - c. Refine the project programme;
 - d. Inform on the next steps.

Background

6. The CFA has previously recognised the need for a single site to deliver all elements of training for The Service.
7. This bespoke training facility will comprise a Fire Behaviour Unit (FBU), a Leadership and Development centre (L&D), along with elements of external training and accommodation for Business Support staff. This appointment has been commissioned under the Memorandum of Agreement (MoA) between The Service and Leicester City Council (LCC) around partnering working, sharing and supporting on matters appertaining to The Service land and buildings.
8. Training is currently split across 5 sites:
- a. Loughborough Training Centre;
 - b. Shepshed Fire Station;
 - c. Southern Fire Station;
 - d. Kendrew Barracks, Rutland; and
 - e. Caterpillar, Desford.
9. It is anticipated that as well as improving efficiencies in training delivery, a bespoke facility will ensure The Service secure future capability to continue to train its staff to the required standards making use of developments in training methods.

Case Studies

10. Contact was made with a number of Fire Authorities who have carried out recent, similar projects in order to get a degree of cost comfort, to identify any lessons learnt, to identify potential procurement routes through existing frameworks and also to compare schedules of accommodation.
11. Whilst most authorities were engaging, Derbyshire Fire and Rescue Service (DFRS) provided the level of detail required for a like for like comparison. A visit involving

officers from The Service and the City Council was held to the new DFRS training facility on 23 October 2019 and the following was confirmed:

- a. The Project was 2 years in development (2013 – 2015) and one year in construction (2016 – 2017).
 - b. Construction cost of circa £7 million, which was comparable to the proposed development for Leicestershire. Total including client side costs such as land acquisition, consultancy fees, risk etc of circa £10 million. However, this included a reduced land value, circa £500,000 for 5 acres, due to it being owned by Derbyshire Police and it being a joint development. The costs laid out are pertinent only to the DFRS development and do not include any Police development.
 - c. Square meterage and schedule of accommodation was comparable to The Service development.
 - d. Containerised Fire Behaviour Unit whilst not the training staff's preferred solution, met the requirement although lessons were learned that could be incorporated into The Service's development.
12. The visit provided a degree of reassurance in the build-up of costs and schedule of accommodation included in the RIBA 0/Strategic Business Case.

Proposals/Options

13. 5 sites in the 3 – 5 acre range were identified and assessed for their viability against the following criteria:
- a. Location.
 - b. Size.
 - c. Cost of developing the site.
 - d. Extenuating circumstances such as difficulty of acquisition.
14. A detailed assessment of all 5 sites is at Appendix A to this report.
15. The 5 sites are:
- a. Option 1 - Lutterworth.
 - b. Option 2 - Quorn/Barrow Upon Soar.
 - c. Option 3 - Beaumont Leys.
 - d. Option 4 - Desford.
 - e. Option 5 - Loughborough.

16. Given the criteria above, and the weighting given to the value of the development based on the budget available, Loughborough and Desford are the most viable in terms of development.
17. There are a number of risks involved in the two preferred sites:
 - a. Loughborough:
 - i. The future intentions of the other occupants of the site, East Midlands Ambulance Service and Leicestershire County Council, are unknown in terms of vacating the site. Western Power have agreed in principle to releasing their site for circa £400,000.
 - ii. If the other site occupants do not vacate the site, there is still potential to develop the existing Loughborough site but it will attract a higher cost per square meterage development due to the restricted size of the site.
 - iii. Compromises may have to be made in terms of consolidating all L&D functions at Loughborough. Any compromises will be identified by the Concept Design.
 - iv. There are existing restrictions on the emissions and burn times at the site that are likely to be imposed on any future development.
 - b. Desford:
 - i. Whilst Caterpillar is receptive to the principle of having The Service locate a new development on their site, they have not provided details of how this would work in terms of lease or purchase.
 - ii. Despite correspondence, there has been no indication of the cost of the land, be it under a lease or purchase arrangement.

Cost Comparison of Sites

18. The following cost comparison is based on the following assumptions:
 - a. Construction value of £7.2million.
 - b. Industry standard development fee of 12.5% of construction value.
 - c. Consultancy costs estimated at 10% of construction value.
 - d. Assumed 10% for client side costs.
 - e. Value per acre for light industrial assumed to be £500,000¹, site requirements assessed to be 4 acres.

¹ The value varies by site; more difficult sites to develop cost less per acre and vice versa so it is a fair assumption.

- f. Whilst the potential savings for the Beaumont Leys site have been included, The Service cannot accept the additional response time associated with re-locating Western Fire Station.

Site	Construction Value	Land Acquisition	Development Fees @12.5%	Consultancy Fees @10%	Client Side Costs @10%	Potential Savings	Total
Lutterworth	£7,200,000	£2,000,000	£900,000	£720,000	£720,000	£0	£11,540,000
Quorn/Barrow	£7,200,000	£2,000,000	£900,000	£720,000	£720,000	£0	£11,540,000
Beaumont Leys	£7,200,000	£2,000,000	£0	£720,000	£720,000	£-550,000	£10,090,000
Desford	£7,200,000	Unknown	£0	£720,000	£720,000	£0	£8,640,000
Loughborough	£4,500,000 ²	£400,000	£0	£450,000	£450,000	£0	£5,800,000

Project Timeline

19. The delivery programme for the project has been revised from that included in the Strategic Business Case (see Appendix B) due to a number of factors:
- a. Lessons learned from the project completed by Derbyshire Fire and Rescue Service;
 - b. Intricacies around the preferred sites; Loughborough and Desford.
20. The revised programme shows that the project will be completed, and the build occupied from March 2022. The programme will continue to be refined, as the project progresses. Acquisition of the site is critical, and the project cannot commence until the correct site is identified.

Conclusion

21. Whilst Loughborough remains the preferred site in terms of cost and programme, there are a large number of risks in the site acquisition, not least the reliance on the agreement of external organisations. In order to inform a Service decision on a single site that can be developed, the Concept Design (RIBA 2) reports will be commissioned for both Loughborough and Desford and the outcome reported to the CFA in the Summer.
22. These reports are initially estimated to cost circa £40,000 each³, although much of the work has already been carried out at Loughborough and savings are anticipated. The reports would identify site specific issues such as site acquisition costs, services, restrictions on operations etc. to enable a more informed decision to progress. The outputs of a RIBA 2 report include:
- a. The design concept.
 - b. Outline specifications.
 - c. Schedules of accommodation.

² Value based on Feb 19 report, scope likely to have increased since then.

³ Until authority is given to proceed the cost will not be known.

- d. A planning strategy.
 - e. The cost plan.
 - f. Procurement options.
 - g. Programme and phasing strategy.
 - h. Buildability and construction logistics.
23. It is intended that the Concept Designs will inform a Service decision on which site to pursue. This will be reported to the CFA at its meeting in the Summer.

Report Implications / Impact

24. **Legal (including crime and disorder)**

- a) All stages of the design and build will comply with the CFA Procedure Rules, the Contract Procurement Rules and Financial Procedure Rules.
- b) Redevelopment or refurbishment work may require planning permission and approvals from building control.
- c) The Policing and Crime Act 2017 makes provision for collaboration between the emergency services. This Act places broad duties on the blue light services to consider entering into a collaboration agreement with one or more other relevant emergency services in the interests of the efficiency and effectiveness of that service and those other services. The centralisation of learning and development will include liaison with the East Midlands Ambulance Service and Leicestershire Police as well as local authority partners at all stages using the One Public Estate programme (a national scheme encouraging public sector organisations to share buildings and re-use/release surplus property and land) as one of the vehicles.

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

- a) An earmarked reserve of £6m is available to support the outcomes of the estates review. The L&D Centre development is to be funded in whole or part from this fund. If additional funding is required, consideration will be given to options including reducing the scope of the project or identifying additional funds.
- b) At this early stage it is not feasible to achieve cost certainty due to a large number of unknowns including:
 - i. Site costs including abnormals (ground condition and land remediation);
 - ii. Utilities and service costs;
 - iii. Inflation.
- c) Indicative construction costs for centralising the Learning and Development function are set out in paragraph 18.

- d) Integration opportunities with the wider Estates Plan in co-locating resources and assets will be considered in offsetting costs in areas including:

The elimination/reduction of:

- i. Site remediation/demolition;
- ii. Provision of temporary structures.
- iii. Land swap/contribution;
- iv. Capital receipt(s); and,
- v. One Public Estate funding.

Due to health, safety and security, these co-location opportunities would be limited to certain suitable areas of the new facility, that would be explored through more detailed design development.

- e) The Treasurer will be consulted in respect of all financial implications and will present the CFA with the most beneficial cost-effective financing options available to the market at the appropriate time for members' consideration.
- f) Any site/land available from the open market is likely to attract developer-based acquisition costs. More detail is included in the table in paragraph 18.
- g) A sum of £90,000 has been provided within this year's (2019/20) budget to develop and deliver the business case including project management, planning and design.

26. ***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 will be led by 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 has included in the business case and key issues are outlined below:
 - i. A single site has not yet been identified and at this early stage the CFA cannot commit to available sites on the market. This risk may be mitigated within a local authority land swap arrangement.
 - ii. Market availability may limit options to a developer-tied site (subject to full evaluation and tender under the procurement regulations in accordance with the CFA Constitution).
 - iii. Planning conditions may be too onerous. This is dependent upon the eventual site; its location and proximity to domestic dwellings etc.
 - iv. Budget is not sufficient; the project may require an additional budget plan over the longer term or a scaling back of proposals.

- v. Should LFRS be unable to secure a new site for the facility, temporary accommodation may be required whilst work is undertaken to existing facilities and this would need to be factored into the available programme and budget with additional funding needing to be secured.
- vi. Complex controls being incorporated into projects to ensure buildings comply with energy and sustainability statutory compliance criteria. The complexity of which can lead to inefficient use of utilities/resources and early equipment failure. Keeping the building services philosophy simple, removing complex temperature, ventilation and lighting controls where possible and making them familiar to the users will be incorporated into the programme.
- vii. New build does not necessarily present reduced revenue costs in facilities management and use of resources. Whilst during design development LFRS will endeavour to limit revenue costs in-use of the completed building, expectations at all levels must be managed.
- viii. Significant expenditure on the provision of training facilities may cause the CFA's VAT Partial Exemption Limit to be breached. 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.
- ix. The Royal Institution of Chartered Surveyors' Building Cost Information Service is forecasting that tender prices will rise 3.3% in the year ahead and between 4.5% and 5.5% every year until 2020 at least. The risk of a rise thereafter is potentially aggravated by Brexit.
- x. Any changes that may potentially affect the provision of fire and rescue cover may have to be subject to consultation over and above the extant Integrated Risk Management Plan 2020-24.

27. 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 will be early staff and representative body engagement in 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.
- d) Any changes that may potentially affect the provision of fire and rescue cover may have to be subject to consultation with all stakeholders. This would be the subject of a further report to the CFA if necessary.

28. ***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 FBU will incorporate Environment Agency engagement to ensure emissions are within prescribed limits.

29. ***Impact upon Our Plan Objectives***

- a) An improved estate contributes towards LRFS aims to 'respond effectively to incidents' and having 'an engaged and productive workforce'. Improvements also present 'value for money' as running costs and ongoing maintenance costs should reduce.
- b) The provision of a centralised Service Leadership and Development Centre secures the future of LRFS delivering Safer People Safer Places in the work place; ensuring we have the right people in the right place doing the right thing in the right way.

Background Papers

Estates Plan Update (CFA 12 December 2018)

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

Estates Review Update (CFA 6 February 2019) <https://leics-fire.gov.uk/wp-content/uploads/2016/06/estates-review-update-final.pdf>

Review of Non-Operational Estates including Support Service Accommodation (CFA 19 June 2019)

<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>

Royal Institute of Building Architects (RIBA) Plan of Work (2013)

<https://www.ribaplanofwork.com/Download.aspx>

Appendices

Appendix A – Site Selection

Appendix B - Revised Project Programme

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