

Status of Report: Public

Meeting: Combined Fire Authority

Date: 27 September 2019

Subject: Strategic Business Case – Training Facility - Service Leadership and Development Centre

Report by: The Chief Fire and Rescue Officer

Author: Matthew Wallace (Director of Estates and Building Services, Leicester City Council)

For: Information and Decision

Purpose

1. This report provides the Combined Fire Authority (CFA) with an update and assurance on the progress of the Strategic Business Case for the design and build of the Service's new Service Training Centre which it is intended will include a Fire Behaviour Unit, a Leadership and Development Centre and elements of external training facilities.
2. Appended to this report is the strategic business case that outlines the opportunities and challenges in the development of a bespoke training facility.

Recommendations

3. The CFA is asked to:
 - a) Note the Strategic Business Case for a Service Training Facility appended to this report;
 - b) Note the opportunities and risks of offsetting costs by integrating the Service Training Facility into the wider Estates Plan;
 - c) Agree that the Estates and Building Services (EBS) department of Leicester City Council continue to lead the Project Management of the project to practical completion;
 - d) Authorise LFRS and their Project Manager to continue to progress the concept, design development and technical detailing for the consolidated Leadership and Development Centre; and
 - e) Note that a further report will be presented to the CFA at its meeting in December 2019.

Executive Summary

4. This report follows on from the Estates Review submitted to the CFA at its meeting in June 2019. That report looked at the whole of the LFRS non-operational estate; this paper presents the strategic business case outlining the opportunities and challenges in the provision of a single purpose-built learning, development and training facility for Leicestershire Fire and Rescue Service (LFRS) comprising a training centre for learning and development, a Fire Behavioural Unit and external training areas.
5. The LFRS has appointed the Estates and Building Services department of Leicester City Council to deliver the project within the principles of the Royal Institute of British Architects (RIBA) Plan of Work 2013, the definitive methodology for design and construction.
6. Integration with the wider estates plan will provide an opportunity to offset project costs in a number of areas. Any significant changes to the operational estate may have to be subject to consultation.
7. A further report will be presented to the CFA on 13 December 2019 regarding Stage 2 of the Plan of Work which will include outline design proposals and specifications and preliminary cost information. This will enable the site acquisition process to begin along with developer/stakeholder engagement.
8. Indicative construction costs are currently estimated at £7.2m, excluding site acquisition costs, fee's, fixed fittings, furniture and equipment. Circa £90,000 of budget has been allocated to develop the project further and increase overall cost confidence.

Background

9. It was agreed by the CFA at its meeting on 6 February 2019 that a review of the non-operational estate would be carried out, including support service accommodation and that independent challenge of the process would be provided by Leicester City Council.
10. In June 2019 the CFA received a report with recommendations arising from the review including a number of key strategic asset objectives to deliver a more effective and efficient service within the constraints of future financial uncertainty and austerity.
11. The review had focused on a number of areas including the 5 sites of the Training, Learning and Development Department:
 - a) Loughborough Training Centre including the Fire Training Unit;
 - b) Shepshed Fire and Rescue Station (Command and Control Academy);
 - c) Southern Fire and Rescue Station (Road Risk/Driving School)
 - d) Kendrew Barracks in Rutland (Real Fire Investigation Scenarios); and,
 - e) Neovia Logistics (Caterpillar site) Desford. (Fire Behaviour).

Further detail on the challenges presented by each of these sites, the building and maintenance costs and future options, is included at Annex A of the attached business case.

12. Key recommendations based upon make or buy decisions included options to consolidate and centralise the learning and development capabilities. The CFA acknowledged the costs and location of a new consolidated Learning and Development Training Centre (which will be subject to approval by the CFA in December 2019).
13. The review also identified the need to explore opportunities to relocate the corporate services department onto a combined site with the centralised learning and development facilities.

Learning and Development Training Facilities - Current State

14. The Service's learning and development capability has been identified as a priority due to a number of issues including:
 - a) Limited capacity and space within a tired and outdated infrastructure;
 - b) Life expectancy of the Fire Training Unit (now only 18 months);
 - c) Restricted planning permissions for 'live burn' events;
 - d) Threat of termination of planning consent for 'live burns' in the summer of 2020;
 - e) Likely termination of lease arrangements at Neovia Logistics.
15. The co-location of corporate services on the same site has now been discounted for a number of reasons, including affordability of additional replacement/build costs and duration of extant lease.
16. The strategic business case appended to this report outlines the opportunities and challenges in the provision of a bespoke training facility comprising a Fire Behaviour Unit (FBU), a Leadership and Development centre, along with elements of external training and accommodation for Business Support staff.
17. As indicated above, the LFRS has commissioned Leicester City Council to carry out the work (under the Memorandum of Agreement between LFRS and the City Council around partnership working, sharing and supporting on matters appertaining to LFRS land and buildings). This will also include the procurement and legal aspects of the design and build.

Report Implications / Impact

18. **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.

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

- a) An earmarked reserve of £6m is available to support the outcomes of the estates review.
- b) At this early stage it is not feasible to achieve cost certainty due to a large number of unknowns including:
 - Site costs including abnormals (ground condition and land remediation);
 - Utilities and service costs;
 - Inflation.
- c) Indicative construction costs for centralising the Learning and Development function are £5m not including site acquisition. The total estimation on construction based upon a 4-acre site is £7.2m not including fees, furniture and equipment.
- d) Integration opportunities with the wider Estates Plan in collocating 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.
 - Land swap/contribution;
 - Capital receipt(s); and,
 - 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.

- 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.

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 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 is included in the attached business case and key issues are outlined below:
- i. A 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.

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 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.

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

23. *Impact upon Our Plan Objectives*

- a) An improved estate contributes towards LFRS 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 LFRS 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>

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

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

Appendix

Leicestershire Fire and Rescue Service Leadership and Development Facility – Strategic Business Case – September 2019

Officers to Contact

Matthew Wallace, Director of Estates and Building Services, Leicester City Council
0116 454 0068

Matthew.wallace@leicester.gov.uk

Richard Hall, Assistant Chief Fire and Rescue Officer and Director of Service Support
0116 229 3065

Richard.hall@lfrs.org

Adam Stretton, Area Manager Business Support, LFRS
0116 210 5766

Adam.stretton@lfrs.org