

Status of Report: *Public*

Meeting: Combined Fire Authority

Date: 23 September 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 in line with emerging outcomes and future financial uncertainty.

Recommendation

2. It is recommended that the CFA acknowledge and note:
 - a. The scaling back from a single consolidated site for the Training Facility – Service Leadership and Development Centre to a cost-effective split site hybrid solution that incorporates less risks;
 - b. The incorporation of Loughborough fire and rescue station in to the project to identify economies of scale and avoid duplication of facilities/effort; and
 - c. That a further report will be presented to the CFA in December 2020.

Executive Summary

3. The CFA has recognised the need for a single consolidated site to deliver all elements of training for the Service.
4. This paper provides an update on project progress and how the Service is taking the opportunity to include an option to scale back on the aspiration to design and build a single consolidated site.
5. The operating environment has offered the opportunity to split the function across two sites and determine the potential benefits of incorporating Loughborough fire and rescue station.
6. All of the above are designed to realise significant cost savings taking account of future financial uncertainty.

Background

7. The CFA agreed in September 2019 to progress the concept, design development and technical detailing for a consolidated site for learning and development infrastructure and to review a number of potential sites.

8. In January 2020, the CFA received an update on progress and was informed that concept designs were to be developed for both Loughborough training centre/Fire and Rescue Station site and the Caterpillar site at Desford. Issues and risks were identified for both sites and it was recognised that there may have to be a compromise.

Progress

9. The identified risks and barriers to progression of the project have been realised since the last report to the CFA in January 2020. For example, there is no longer an option to consider the provision of a single consolidated site at either the Loughborough or Desford Caterpillar locations.
10. This is due to the other occupants at Loughborough not wishing to sell or vacate the property/land to accommodate our needs of a single consolidated training centre; and, Caterpillar Desford have scaled back their land offer from 5 to 2.5 acres.
11. An assessment is underway to determine the benefits of incorporating the fire and rescue station at Loughborough. This has the potential to achieve two different goals in a single action as this station is within the refurbishment programme. It also presents opportunities for economies of scale and avoiding duplication of effort/facilities.
12. The assessment comprises of staff engagement in developing accommodation schedules for Loughborough Fire and Rescue Station and the Learning and Development centre once the fire behaviour/Breathing Apparatus/operational training moves to an alternative site.
13. This process will identify how both units (fire and rescue station and the Learning and Development Centre) can potentially integrate within a single infrastructure with minimal duplication. The outputs of which will include concept design drawings for further development.
14. A generic design for a separate operational training site is being developed based on an agreed schedule of accommodation which can be overlaid onto the possible 2.5 acres that is under discussion at Desford. Although currently site specific, it will be possible to re-locate the design if heads of terms cannot be agreed and an alternative site is sought.
15. Caterpillar is still wishing to proceed with the proposals to collaborate albeit at a reduced scale of 2.5 acres. The project team is commencing formal engagement with them and the legal teams to draw out a preferred sale or heads of terms on a long-term lease. Both will take time to agree the detail.
16. An agreement in principle for the Desford site has been confirmed, allowing the Service's Legal Team to engage in negotiation to conclude the terms of occupation.

Opportunities

17. The project team have identified that a shift from the concept of a single consolidated site to split sites at Loughborough and Caterpillar at Desford presents an opportunity to revise the plan.
18. This agile approach enables LFRS to revise intent in line with emerging project developments and align with the developing financial environment within the public sector.
19. Overall costs for the revised split site approach will be significantly off-set in three main areas.
 - i. Utilising existing infrastructure at Loughborough Training Centre;
 - ii. Incorporating the fire and rescue station within the design; and,
 - iii. Scaling back represents immediate savings of £25,000 in design/specification work.
20. The inclusion of Loughborough Fire and Rescue Station as a hybrid option was identified in the report to the CFA in December 2018. The high-level cost of the split site is circa £6m which will be refined as the design develops.
21. This represents potential overall savings of around £4m (+/-40%) in comparison with the cost assumptions of a single consolidated site presented to the CFA in January 2020 in the table below.

Table 1 – Cost Comparison of Sites

Site	Construction Value	Land	Development Fees @12.5%	Consultancy Fees @10%	Client Side Costs @10%	Potential Savings	Total
Lutterworth	£7.2m	£2m	£900	£720K	£720K	£0	£11.54m
Quorn/ Barrow	£7.2m	£2m	£900	£720K	£720K	£0	£11.54m
Beaumont Leys	£7.2m	£2m	£0	£720K	£720K	-£550K	£10.1m
Desford	£7.2m	Un known	£0	£720K	£720K	£0	£8.6m
Loughboro ¹	£4.5m ¹	£400K	£0	£450K	£450K	£0	£5.8m

¹ Value based on previous reports, scope likely to have increased since then.

22. These savings are in addition to off-set reductions identified in paragraph 19 above and include:
 - i. reduced construction value;
 - ii. reduced/elimination of site acquisition costs; and,
 - iii. elimination of industry standard development fee of 12.5% construction value.
23. The site at Loughborough is still required to accommodate the fire and rescue station and there is no 'wind fall' sale price expected for the remainder of the

site. This is due to planning constraints reducing potential to optimise site, configuration with others and common access rights.

24. Loughborough Fire and Rescue Station has been identified in previous reports to the CFA as one of the three wholetime fire and rescue stations in need of significant refurbishment.
25. The incorporation of Loughborough fire and rescue station will reduce duplication in provision of infrastructure and remove the station from the estates rebuild/refurbishment plans (detailed in the report to the CFA in June 2019). Design and sketch proposals for similar developments based upon extant duty systems give indicative costs of around £2.5m for rebuild, as reported to the CFA in December 2018.
26. The recent pandemic has presented an unprecedented challenge to communities, businesses and the public sector alike. LFRS has led the sector (national and international) in creative and innovative training delivery utilising technology. The future of which will influence the accommodation needs of the new Service Leadership and Development Centre.
27. The only certainty is that LFRS's spending power in the future is uncertain. The split site option accounts for future uncertainty, fits with the current aspirations of Caterpillar and keeps the overall project within the current estates reserve of circa £6m.

Report Implications/Impact

28. 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.
29. 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) Split site represents reduced costs in acquisition of smaller piece of land in the event that Caterpillar withdraw from the venture.
 - e) Indicative costs for split site versus consolidated site are +/-40% £6m versus £8m.
 - f) The sum of £90,000 has been set aside for this project to develop the business case.

- g) The table below identifies a potential overspend. Scaling back will reduce this by circa £25,000 bringing it below budget.
- h) 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 (18 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	£60,000	£5,200
		£102,470	£47,270

**FY = Financial Year

30. 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 removes the existing risks of a single site that has yet to be identified or secured, and there will not be the need to consider a developer-tied site and the additional costs inherent therein. (subject to full evaluation and tender in accordance with the procurement regulations)
 - 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.

31. 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.

32. 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.

33. Impact upon Our Plan Objective

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>

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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