

Status of Report: *Public*

Meeting: **Combined Fire Authority**

Date: **6 February 2019**

Subject: **Estates Review Update**

Report by: **The Chief Fire and Rescue Officer**

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For: **Information Only**

Purpose

1. This report provides the CFA with a detailed overview of the estate and activities that are underway in pursuit of the objective of aligning the Estates Review and IRMP. IRMP objectives are included within a separate report presented to the CFA 6th February 2019. This report is in response to the decision of the Combined Fire Authority (CFA) on 12 December 2018.

Recommendation

2. The Committee is asked to acknowledge and note the contents of this report.

Executive Summary

3. The purpose of the Estate Review is to ensure that LFRS Property is used to fully support service needs in the most efficient and effective way. It will be used to inform the Integrated Risk Management Plan (IRMP) 2020-2024 and in due course be incorporated into the IRMP. It will be used to inform the IRMP in the analysis of 'where we are now.'
4. The IRMP 2020-2024 will set out the organisation's priorities and proposals for effective service delivery over a four-year cycle. This core strategic document will be fully supported by the Estates Review to fulfil the purpose of the service – '*Safer People Safer Places.*'
5. The review of the LFRS estate considers all premises within the Property portfolio including accommodation for support functions.

Background

6. The Estates Plan Report in December 2018 updated the CFA on the alignment of the Estates Review to the Integrated Risk Management Plan (IRMP) 2020-2024. The aim being to support wider objectives in line with community risks and new operational requirements identified in forthcoming IRMP analysis. (February – June 2019)

7. The December report provided outcomes of previously identified projects, Learning & Development scoping and options appraisals and current prioritisation of the estate.
8. An earmarked reserve of £6 million was identified with the caveat that financial uncertainty beyond 2019/20 may require the use of some of this resource for other purposes in the future, although not currently anticipated.
9. At its meeting on 12 December 2018, the CFA resolved:
“That no decision be taken on the report and that a strategic review of the LFRS estate, including accommodation for support functions and the in-house provision of fleet maintenance, be undertaken for incorporation in the IRMP, to be considered further in the report requested for the CFA’s meeting on 6th February”

Where We Are Now

10. LFRS has a property portfolio based across 22 sites within the Authority area consisting of 23 buildings, as set out below:
 - a) 20 operational fire and rescue stations:
 - ✓ 5 x Wholetime;
 - ✓ 6 x Day Crew Plus ‘DCP;’
 - ✓ 3 x Day Crew; and,
 - ✓ 6 solely On-call.
 - b) Headquarters (HQ) at Birstall;
 - c) Learning and Development (L&D) Centre at Loughborough;
 - d) Workshops and Fleet, Appliances and Equipment, Stores and Procurement at Western Annex of County Hall; and,
 - e) An Occupational Health Unit. (attached to Wigston fire and rescue station)

The appendices to this report present more detailed information as follows:

Appendix A details buildings by location

Appendices B-E details the type of building and its use along with information on the:

- Physical attributes;
- Use;
- Costs; and
- Future investment based upon 2016 conditions survey.

11. Detailed analysis of compliance and conditions data is underway to determine and validate priorities. It will also be used to manage and monitor value for money and ensure the estate remains relevant to the organisational needs, supporting the outputs of the IRMP 2020-24. This will be supported by Leicester City in the peer review mentioned later in this report.

Value and Cost of Operating the Estate

12. The combined asset book value of the LFRS property portfolio was determined to be £43.6M as at 1st April 2018.
13. The cost to use and maintain these buildings in 2017/18 was circa £2.0M with a further £480,000 spent over two years to address the Urgent, year 1 and 2 works identified in the Conditions Survey. Analysis of this data is underway and will be validated within the peer review. (mentioned later in this report)
14. Third party telecom rental provided an income to the Service of £34K in 2017-18. Meetings with EMAS have secured agreement on rental/lease arrangements at Birstall and Coalville with a combined estimate of £60K pa.

Fire & Rescue Stations

15. The location of fire and rescue stations is based on the current IRMP enabling LFRS to respond to emergencies in the right way at the right time to limit the impact of the incident.
16. The type of crewing system employed at fire and rescue stations has a considerable influence on the provision of facilities, configuration and layout. Forthcoming analysis within the IRMP has the potential to present alternative options in both station number/location, duty system employed and subsequent configuration requirements at all existing fire and rescue stations.

Administrative Buildings/premises

17. The location of administrative buildings is not critical and unlikely to be affected by the IRMP. However, ease of access, consolidation and a central location benefit the business.
18. Fire Service HQ was built in 2013 to consolidate all administrative functions into one location. Consolidation has improved the efficiency and effectiveness of the business reducing silo working and duplication of effort. EMAS moved into FSHQ in 2015 and since 2016 LFRS host the divisional HQ team who relocated from the city currently occupying part of the second floor.
19. The Corporate Support Department is based in premises within the Leicestershire County Council County Hall campus and include:
 - Workshops and Fleet Maintenance;
 - Appliances and Equipment; and,
 - Stores and Procurement.
20. Discussions are ongoing with Leicestershire County Council over the future of the Western Annex site at County Hall. A review in the provision of one (1) of the three (3) departments (Workshops and Fleet Maintenance) is currently underway and will be incorporated within the IRMP at the request of the CFA in December 2018.

21. Forge Health (LFRS Occupational Health) operates from premises attached to Wigston fire and rescue station. This will continue to be the case under current planning assumptions.
22. LFRS training functions are currently provided from the following five different sites and can be seen on the map in appendix A:
 - Loughborough Training Centre (rear of fire and rescue station);
 - Shepshed fire and rescue station;
 - Southern fire and rescue station;
 - Kendrew Barracks Rutland (ne RAF Cottesmore);
 - Neovia Logistics (Caterpillar site) Desford.
23. Feasibility design is underway to renew and extend the current Learning & Development facility at the rear of Loughborough fire and rescue station.
24. The Service command and control centre is located at Southern fire and rescue station and forms part of a Tri-Control Project. Recent developments in the merger of Nottinghamshire and Derbyshire fire control rooms will result in the Tri-Control Project continuing with two command and control rooms. One (1) in Leicestershire and one (1) in Derbyshire.
25. The control room is accompanied by the provision of a multi-agency major incident room capability. This is used by our blue light, local authority, utility and charitable organisation partners for scenario based training and as a fall back in the event that Police HQ is compromised.

Co-location and Collaboration

26. LFRS is an active partner in the One Public Estate (OPE) programme. LFRS continue to take advantage of the unique relationship with East Midlands Ambulance Service (EMAS) and Leicestershire Police to identify co-location across the joint estates within Leicester, Leicestershire and Rutland.
27. Colocation and shared space is underway at a number of locations identified in appendix B. EMAS have expressed interest in expanding the model at Coalville, NHS Blood Donor sessions are expanding across a number of stations and Leicester City Council will be moving into the first floor at Central fire and rescue station.
28. A meeting with EMAS in January 2019 has secured agreement to a 10-year lease at HQ and in principle arrangements and lease for all future colocation across the estate. The outputs of which will enhance operational effectiveness and generate income.

Estates Team

29. The LFRS estate is managed by the in house estate and facilities section using professional experience and industry recognised guidance e.g. Royal Institute of Chartered Surveyors (RICS), Chartered Institute Building System Engineers. (CIBSE) The team comprise of four (4) permanent staff including the manager, building surveyor, clerk of works and administrative support.
30. The team currently undertake work to support:
 - Planned and reactive maintenance;
 - Compliance & contract management;
 - Improvement works; and
 - Project works – major redevelopment/refurbishment to create new or redefine the estate
31. Work is underway with Leicester City Council to scope out a peer review of the Estates & Facilities Team and its functions. This will include an options appraisal on shared service architecture to avoid unnecessary duplication of effort, sharing or buying in services where it can be shown to improve the efficiency and/or effectiveness of LFRS and/or Leicester City Council.

Future Works

32. Buildings have longer physical than functional life. (assume 60 years' physical life for valuation purposes) Therefore their static nature may not match or support their surroundings based upon longer term changes in demographics and risk changes within local authority development plans.
33. The IRMP will include analysis on travel isochrones, demand and risk profiles. Travel isochrones will be based upon the current attendance standards within IRMP 2020-24. (currently 10 and 20 minutes) The outputs of which will identify whether current locations match the current and/or future needs.
34. Internal configurations of a number of individual buildings may no longer be conducive to the operating model (duty system/number of crew etc.) and consequently replacement/ remodelling may need to be considered following completion of the IRMP.
35. Subject to the approval of the CFA on the outcomes of IRMP consultation, and in accordance with the CFA Constitution section B para 3.2 relocation options on acquisition include: -
 - Traditional freehold procurement on a land purchase and either develop ourselves using a traditional procurement route or design and build;
 - As per above and enter into a sale and leaseback arrangement;
 - Design and build on an institutional lease basis; (minimum 15-year term) and,
 - Consider moving away from the conventional design and construction of a “traditional” station to provide agility should future IRMP dictate. Options include converting an existing industrial unit (Atlas Road Coalville, Castle

Donington); a design and build or acquiring land and building our own.

36. Existing site redevelopment options include:
- Refurbish or redevelop a traditional fire station building on the existing site;
 - Traditional tender or design and build;
 - As above but then entering into a sale and leaseback;
 - Construct a traditional industrial unit on either of the above scenarios; and,
 - Consider complimentary users and incorporate within the design for investment purposes.
37. Disposal of surplus accommodation options will be in accordance with the CFA Constitution section B para 3.2 and may include the following options: -
- Traditional disposal on a conditional basis;
 - Leasehold disposal which may involve adaptation of existing accommodation to create an investment;
 - Joint venture with a developer; (freehold or leasehold) and,
 - Redevelop ourselves and either retain or dispose.
38. Recent studies have highlighted health risks associated with occupational exposure to particulate contamination. The current assumption is that the Health Safety Welfare Consultative Committee will commission a survey of relevant premises in the near future.
39. The future works sheet in appendix B is based upon the 2016 conditions survey. This formal survey is usually undertaken every 5 years and provides an updated 10 year planned maintenance schedule. The condition surveys do not take into account any reconfiguration to meet new or revised legislation that affects operations.
40. Works identified as 'Urgent' have been completed and works identified for attention during 'years 1 & 2' are currently ongoing. These works are on schedule and are expected to be completed by the end of April 2019.
41. Initial enquiries into 'Year 3' works have been issued and are to be scheduled ready for tendering early in the next financial year. Predicted costs of addressing Year 3-5 works will be circa £630K with a further £1.2 million for Year 6-10 works; all underwritten by an approved budget of £250K per year.
42. Current prioritisation of the redevelopments/refurbishments are based upon organisational need and the condition of the estate. Clearly IRMP outputs will influence direction. The current prioritised list includes:
- a) Training Centre (TC) Loughborough
 - b) Loughborough Fire and rescue station (likely to be incorporated in TC)
 - c) On-Call Fire and rescue stations:
 - ✓ Uppingham
 - ✓ Billesdon
 - ✓ Kibworth

- d) Western and Eastern Fire and rescue stations
 - e) On-Call Fire and rescue stations:
 - ✓ Market Bosworth
 - ✓ Ashby.
 - f) Western Annex to be incorporated into the program as details are developed.
43. The Training Centre replacement has been treated as a priority due to a number of issues including limited capacity and space, life expectancy of the Fire Training Unit (FTU) and restricted planning permissions on live burns.
44. Current proposals include replacement of the Fire Training Unit (FTU) with a Fire Behaviour Unit (FBU) on the existing site at Loughborough fire and rescue station.
45. The proposed direction of travel includes 'sweating the asset' to stay within the £6million budget. Options on future provision of L&D are currently being scoped and will be subject to sketch proposals for each with estimated budget requirements plus planning commentary. This will be subject to planning approval.
46. LFRS will commission a resurvey of the whole estate in line with the IRMP toward the end of 2019. This will update the schedule of works for a further 10-year period from 2020/21.

Report Implications/Impact

Legal (including crime and disorder)

47. Any redevelopment or refurbishment work will require the appropriate planning permission and conform to all required building regulations.
48. 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 IRMP and Estates Review will include liaison with EMAS and Leicestershire Police along with our Local Authority partners at all stages using the One Public Estate program as one of the vehicles.

Financial (including value for money, benefits and efficiencies)

49. The reserve for the then estates strategy was first created in 2016/17 budget and it was agreed to fund a longer term review of the operational estate by the CFA at its meeting in February 2018. This included a focus on the adequacy and running costs of fire stations including co-location opportunities; and may also be used to support other measures which improve the cost effectiveness of buildings (including generation of revenue). It is currently valued at £6million. If justifiable on a spend to save basis, a case for borrowing may also be put to the CFA in order to increase the sum available. This will depend on future work.

50. Options appraisals will be supported by a sum of £0.1million provided in the 2019/20 budget.
51. Indicative costs based upon external research for the replacement of a Fire Training Unit range from in excess of £400,000 to £1million. Training Centre options including refurbishment of Loughborough are now underway and will provide estimated budget requirements.
52. Indicative costs for refurbishing the 5 On-Call stations have not been provided at this stage. Costed options appraisals will be undertaken in the future, informed by the forthcoming IRMP.
53. Planned maintenance costs within the outputs of the conditions survey are included within the body of this report and are underwritten with an approved budget of £250K pa.

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

54. The primary risk is that the budget is not sufficient to complete all of the desired work to the level expected or required. This may require an additional budget plan over the longer term or a scaling back of proposals.
55. Temporary accommodation solutions may be required for individual builds. This would need to be factored into the available budget or additional funding secured.
56. Any proposed changes in service provision or station location will be considered within the next Integrated Risk Management Plan (IRMP) and included in public consultations and communication material.
57. Blue light collaboration has the potential to present complex legal challenges and barriers in relation to the equitable ownership of financial and organisation risk.
58. There is the risk of 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.
59. LFRS has learnt that new build does not necessarily present reduced revenue costs in facilities management and use of resources. Expectations at all levels must be managed.
60. There is a risk that significant expenditure on the provision of training facilities will 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 (HMRC) 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.

61. The Royal Institution of Chartered Surveyors' Building Cost Information Service (BCIS) is forecasting that tender prices will rise 3.3% in the year ahead and between 4.5% and 5.5% in 2020. The risk being that these will continue to rise thereafter potentially aggravated by Brexit.

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

62. Refurbishment and redevelopment work has 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.
63. In accord with the People Strategy there will be early staff and representative body engagement in user requirements and subsequent design specifications within the program of works.
64. All changes will be subject to a People Impact Assessment within Project methodology.

Environmental

65. Redevelopments and refurbishments do have a short term impact on the local environment due to increased site traffic and noise disruption.
66. Following completion of the builds 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)

Impact upon Our Plan

67. An improved estate contributes towards our 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.

Background Papers

Report to the CFA 12 December 2018 - Estates Plan Update

<http://www.leicestershire-fire.gov.uk/wp-content/uploads/2018/12/estates-planning-final.pdf>

Appendices

Appendix A – LFRS Premises: Location Map

Appendix B – Property portfolio: Physical attributes

Appendix C – Property portfolio: Use

Appendix D – Property portfolio: Costs

Appendix E – Property portfolio: Future development

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