

## IRMP 3 Telford Central Review Project

### Report of the Chief Fire Officer

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### 1 Purpose of Report

To update Members on progress with the Telford Central Review Project, presenting the results of the Feasibility Study so that Members can decide which option they wish to take forward for further consideration.

### 2 Recommendations

The Fire Authority is asked to:

- a) Note the contents of this report; and
- b) Approve the recommendations contained in Section 7.

### 3 Background

Following the investment in the Shrewsbury Headquarters site and more recently in the Wellington site, Telford Central is the last of the Service's Fire Stations to require significant investment to bring it up to modern standards. It was, therefore, included in the Fire Authority's Integrated Risk Management Plan (IRMP) 2015 to 2020, published in April 2015. The Telford Central Review Project, known as IRMP3, was put in place. The first stage of that project was to consider what requirements the Service had for the site for the next 30 to 40 years and then to undertake a feasibility study, looking at the costs likely to be incurred in fulfilling those requirements.

This report updates Members on this stage of the Telford Central Review project and presents the results of the feasibility study for Members to consider which option they wish to take forward to a formal tender process.

## 4 Are Resources in the Right Place in the Telford area?

This project will require significant investment from the Fire Authority during a time of austerity in the public sector. It is, therefore, extremely important that the Fire Authority is confident that the investment in this site is required and will deliver the best service possible to the communities of Telford and the wider county of Shropshire.

As part of its Integrated Risk Management Planning (IRMP) process the Service undertook detailed analysis of the fire cover in the Telford area, including looking at the potential improvements that could be gained from moving one of the two fire engines from the current Telford Central site, up to a new location in the north-eastern area of Telford. Details about this analysis are given in Appendix D.

The analysis showed that this would not improve the overall performance against the Service's response standards. The Service, therefore, concluded that there is no business case for investing in a new station in another part of Telford.

The Service is now keen to ensure that it makes best use of any investment it puts into the current Telford Central site.

## 5 Future Requirements for the Site

Replacing the current fire station and Training Department facilities will obviously be the main priorities for the project. However, the Service is also keen to explore any additional opportunities the project presents for it to make best use of this valuable resource for itself.

Members should note that the project does not include any changes to the current 'hot fire training facilities' (consisting of the large concrete training building, metal container fire units and the drill tower). These would form a separate project into the future, after completion of this major project.

Members will be aware that, in order to achieve all of the potential benefits from Phase 2 of the Fire Control Project (IRMP 2), the Fire Control function will need to become fully integrated into the Operations Department. The current layout at Headquarters will not support full integration, as the two functions are physically separated. By bringing the two functions together, Fire Control operators will be able to work outside of the Control environment, on all aspects work conducted by the Operations Department, whilst also being able to respond immediately back into Fire Control as and when emergency demand arises. By ensuring this requirement is designed into the plans for Telford, we can make sure this works in a way that guarantees we maximise benefits from this, without incurring any negative impact on the Service's response function. This therefore forms an integral part of the project.

In addition to these 'internal' opportunities, the Service is also keen to explore how the site could be used to support:

1. Businesses;
2. Charities; and
3. Other partner agencies across Telford and Shropshire.

## **Exploring the Business Opportunities**

The Service looked into the possibility of utilising some of the site to create space that could be used to support commercial activity, primarily focussed on small start-up companies. This could be in terms of developing office space for medium to long term rent, or developing the site as a possible business hub, where Start-up Companies could come together and rent office space at a very competitive rate and at the same time get the benefits of using the Service's back-office support services (e.g. HR, Finance, Administration, ICT etc). Having consulted with Telford and Wrekin's Business Support Team, it was considered inappropriate to venture into this area due to a similar facility coming on line from at the Marches Growth Hub, a venture funded by Telford & Wrekin Council, The Marches Local Enterprise Partnership and the University of Wolverhampton, located at the University of Wolverhampton's Telford Innovation Campus, which opened in October 2015. It was unclear what the demand for such services would be and it was felt that, if the Service developed this type of resource in Telford, it would be in direct completion with the work of the Partnership.

## **Exploring the Charity Opportunities**

Efforts to explore the possibility of developing a similar type of resource for the third sector were equally disappointing. However, contact with individual charitable organisations have resulted in some of them registering an interest in being able to use some of the office and/or meeting space, on a more ad-hoc basis (e.g. Blood Bikes and Fire Fighter's Charity).

The Service is keen to support charities and other community based groups, as much as possible, and will therefore ensure that it continues to encourage as many of these groups as possible to come and make use of the new facilities at Telford, as they become available.

## **Exploring Partner Opportunities**

With limited opportunities for business and charities, the Service has focussed on identifying any opportunities that might exist for it to support our fellow Public Sector partners, in delivering improved services to the people of Shropshire. Currently, the joint facilities available to our multi-agency partners to come together and coordinate their response to large incidents that often impact on Shropshire and Telford and Wrekin (e.g. floods and other natural and man-made disasters), are very limited: Shirehall and Malinsgate Police Station. Neither site provides the sort of access to the latest information and communication technologies that those attending these events require in order to keep in contact with their own Controls and other crucial information sources.

Because it is intending to make sure the new facility will take full advantage of the latest technologies, the Service is keen to explore how, with relatively minor modifications to the facilities required by the Service itself, we could utilise the site to significantly improve on the multi-agency facilities currently available. At their recent meeting, the Local Resilience Forum (LRF) Executive Group stated their support for the Service's proposals. They agreed that having this type of facility available in Shropshire would be complementary and supplementary to the new Operational Command Centre, currently being developed at Hindlip, and would be consistent with the additional sites being planned for Warwickshire and Herefordshire.

Shropshire Members may be aware that Shropshire Council is now looking into improving the Emergency Planning facilities it has at the Shirehall. This remains consistent with the plans for Telford Central, outlined here, as any new Shirehall facilities will be primarily designed to meet the contingency needs of the council itself. However, if such improvements do materialise, the Shirehall facilities could then act as a back-up site for any Multi-agency facilities at Telford, should a major disaster affect the availability of the Telford site. This would however impact on Shropshire Council's ability to cater to its own emergency needs, during this period, so it would not be an ideal situation.

Telford and Wrekin Council have also registered their interest in relocating their current Emergency Planning Unit (EPU) onto the Telford Central site. This would provide them, and the Service, with the opportunity to get the benefits that Shropshire's EPU has gained from co-locating with the Service at the Service's Headquarters in Shrewsbury.

Having considered all of the opportunities that exist for the site, the Service was then able to identify three possible options that could be explored to enable it to estimate the approximate space requirements, for each option, and therefore the approximate costs of developing them.

The three options identified for Telford Central, through this work, were as follows:

1. The minimum required by the Service
2. Making optimal use for the Service
3. Making maximal use for the Service and its Partners

Outline details about each option, in terms of what each option includes and the high level benefits that could accrue are provided in the table below.

Telford and Wrekin's Design and Planning Team (biT) were commissioned to undertake the Feasibility Study into this work.

Option	Option 1 Minimum required for Service	Option 2 Optimal use for the Service	Option 3 Optimal use for the Service and its Partners
<b>Provision</b>	<ul style="list-style-type: none"> <li>• A replacement Fire Station</li> <li>• Replacement Training facilities, including a new Incident Command training suite</li> <li>• Multi-functional spaces for up to 30 people</li> <li>• Optimised on-site parking facilities</li> </ul>	<p>As Option 1 plus:</p> <ul style="list-style-type: none"> <li>• An integrated Fire Control and Operations Department facility</li> <li>• Telford and Wrekin Emergency Planning Unit facility</li> <li>• Meeting and conference facilities for up to 100 people</li> <li>• Large reception area</li> </ul>	<p>As Option 2 plus:</p> <ul style="list-style-type: none"> <li>• Multi-agency Tactical Command facilities (Shropshire Silver)</li> <li>• Multi-agency Strategic Command facilities (Virtual Gold)</li> </ul>
<b>Outline benefits</b>	<ul style="list-style-type: none"> <li>• Support an effective response function</li> <li>• Make the best use of latest ICT technologies to support modern training and assessment methods</li> <li>• Meet the needs of a diverse workforce</li> <li>• Support small scale partnership working</li> <li>• Provide local meeting facilities for the Service, Partners and Community Groups</li> </ul>	<p>As option 1 plus:</p> <ul style="list-style-type: none"> <li>• Supports full benefit realisation from the Fire Control Phase 2 Project</li> <li>• Improved collaboration between SFRS and T&amp;W EPU</li> <li>• Capacity to support increasing partnership working into the future</li> <li>• Able to host seminar and conference type events by the Service, local/regional Partners and Community Groups</li> </ul>	<p>As Option 2 plus:</p> <ul style="list-style-type: none"> <li>• Improves the current ability for all agencies to coordinate major incidents in Shropshire</li> <li>• Provides an effective access point into the new West Mercia Police Joint Operations Command Centre (JOCC) in Hindlip</li> <li>• Enables Shropshire and Telford &amp; Wrekin Executive Officers to play their part in Gold Command meetings, without leaving the county</li> <li>• Could support WMP Shropshire/T&amp;W Tactical operations</li> <li>• Puts SFRS at the heart of multi-agency collaboration</li> </ul>

## 6 The Feasibility Study

Following consultation with all relevant stakeholders, the Service was able to provide significant detail about the work space and rough layout for each of the functions included in the three options. The Service also thought about the more general outcomes it wanted from the project, whichever option was actually taken forward (see the table below).

Essential requirements
<ul style="list-style-type: none"> <li>• Achieve a focus on an integrated workforce</li> <li>• To be designed with an efficient process workflow in mind</li> <li>• All areas to have disabled access</li> <li>• To allow for the flexible use of space</li> <li>• Future proofed ICT facilities and associated infrastructure</li> <li>• A high level of operational resilience</li> <li>• Appropriate levels of security relevant to functions on site</li> <li>• Achieve a potential lifespan of between 30 to 50 years</li> <li>• Optimal response deployment</li> </ul>
Desirable requirements
<ul style="list-style-type: none"> <li>• To maximise environmental sustainability and energy efficiency.</li> <li>• The building should be able to convey messages on its external aspect.</li> <li>• To creating a more welcoming, community focused building.</li> <li>• To be modest but architecturally attractive, enhancing the street scene.</li> <li>• To be flexible enough for use by the community potentially to allow for external lettings at some future point.</li> </ul>

Telford and Wrekin's biT Team took this information and provided a report which estimated the costs for two versions of each option; the one version assumes each option is delivered based on a refurbishment of the current building and the other based on a complete rebuild.

biT's detailed report, including the details of how the costs were calculated and the outline plans for how the functions could fit within the footprint of the current building, is presented as Appendix A.

The table below provides a summary of their findings, showing what size extension to the current building would be required, in order to accommodate each option, as well as the estimated costs for each option.

	Option 1 Minimum FRS	Option 2 Optimal FRS	Option 3 Optimal FRS and Partners
<b>Extension required</b>	225m <sup>2</sup>	530m <sup>2</sup>	560m <sup>2</sup>
<b>Refurbishment</b>	£6,972,749	£8,177,498	£8,323,721
<b>Rebuild</b>	£10,034,370	£10,926,387	£11,056,760

Members should note that the costs stated in the Feasibility Study are purely indicative at this stage, based on £/m<sup>2</sup> estimated costs obtained by biT from various building contractors. The actual cost of the build would not be confirmed until detailed architectural drawings have been produced and Building Contractors have submitted tenders as part of the full procurement exercise.

## **7 Recommendations**

The Service believes that this is a once in a lifetime opportunity to make sure that the Telford Central site is fit for purpose for the next 30 to 40 years. It is also conscious that the costs of any of the six options is going to be significant and therefore may be subject to challenge from stakeholders, especially in view of the austere climate the public sector is currently going through. However, thanks to its prudent management of the Service's budget over the last five years, the Fire Authority has put the Service in the best possible position to be able to afford this major investment, without impacting significantly on the continued financial security of the Service into the future. With there being 'relatively little' difference in the forecast costs between Options 2 and 3, the Service would favour getting as much benefit as possible, for the people of Shropshire, from this once in a lifetime opportunity and therefore favours Option 3.

However, the Service also believes that there is likely to be little additional benefit that would be gained from starting the build from scratch, in comparison to simply refurbishing the current building. This was certainly the experience from the Shrewsbury Fire Station and Headquarters project, which itself was a refurbishment. The Service therefore believes that the refurbishment version is more appropriate than the rebuild version.

Members of the Strategic Risk and Planning Group (StRaP) considered this recommendation at their meeting on 12<sup>th</sup> April 2016. Whilst they agreed with the preference for Option 3, they were conscious that the costs, presented in the Feasibility Study, were merely estimates at this stage. They preferred Officers to continue to explore the possibility of both a "Rebuild Option", as well as a "Refurbishment Option", up to the stage that accurate costs are available following the tender process. A fully informed decision, based on more accurate costings, would then be possible.

A detailed list of the potential benefits forecast for Option 3 is included as Appendix B to this report.

### **Recommendation 1**

Members are therefore asked to consider giving permission for Officers to progress this project to the Tender Process stage, undertaking a detailed exploration of the costs for the option that is "Optimal for the FRS and its Partners" (Option 3), in both the Refurbishment and Rebuild versions.

The outline plan for the project, including the date the tender results will be brought back to the Fire Authority for its consideration, will be presented to the Fire Authority at its next meeting.

## Recommendation 2

The Fire Authority is also asked to delegate responsibility for monitoring the Service's work on this project, to the StRaP Working Group, up to the stage where the tenders from building contractors have been received and a firm decision from the Fire Authority is then required.

**As noted in the previous section, the potential costs stated in this report are purely indicative at this time. Members are therefore simply giving their approval for the work necessary to take the preferred option forward to tender stage. Members will not be expected to commit to the full costs of the project until responses to the Tender Process have been received and assessed, resulting in them being able to select the preferred Building Contractor.**

**However, members should also note that some costs will have to be incurred to get the project to that stage.**

## 8 Next Steps

Whichever option is chosen, the stages listed below would need to be completed to complete the overall project;

1. Programme Mandate and Brief to be developed - in accordance with the outcomes from this report
2. Programme Team to be put in place
3. Procuring the Project Design and Management Services
4. Requirements Specification developed, following consultation with all relevant stakeholders
5. Architectural design completed
6. Tender process for Building Contractors
7. The preferred contractor is approved by the Fire Authority
8. Preparation for building works to start, including the movement of functions as required to support continued service delivery
9. Staged Building works, including relevant Programme Milestones and Gateways
10. Programme completion
11. Programme review

The Service has significant experience of implementing this type of project, in undertaking the Shrewsbury site refurbishment, between April 2009 and February 2012. A significant amount of learning came from that programme, a summary of which is provided as Appendix C to this report. The Service is committed to ensuring that it implements that learning when undertaking the Telford Project, thereby helping to ensure it also delivers this project on time, to quality and to budget.

As with the Shrewsbury Project, the Service is looking to employ the services of a professional Project Design and Management consultant, to ensure the design, planning and building are in accordance with the Service's requirements.



The Service will also put in place an internal Programme Team, who will be responsible for managing and reporting progress against the overall project, as well as ensuring that the impact on service delivery, throughout the life of the project, will be minimised; including the important response and training functions. The Programme Team will consist of:

1. The Service's Programme Manager
2. A Group Manager, as operational liaison
3. A Project Support Officer
4. Additional programme support, as required through the life of the project.

The costs associated with the internal programme team will be in addition to the costs illustrated in the Feasibility Study, as will any costs incurred should it be necessary to relocate one or both of the primary functions to another site during the build phase.

## **9 Financial Implications**

The funding of a project of this size requires careful consideration, both in terms of the effect on current balances and the impact on future revenue budgets. Over the last few years the Authority has adopted a policy of using one off balances to fund capital projects, thereby saving debt charges and replacement provision into the future, and protecting the revenue budget. This policy has worked well, and can be demonstrated by the funding of the refurbishment of headquarters, workshops and fire station at Shrewsbury.

Members are aware of the levels of reserves currently held by the Authority and one of the reasons for holding such reserves is to fund major projects. The extent to which this project can be funded by reserves is shown in the table below and makes up a substantial amount of any funding required. But these balances won't cover the entire project and therefore other options are listed for consideration by the Authority. Some of these options will involve increases in the revenue budget and the Authority should compare the additional cost to the taxpayer with the value to be gained from improved facilities at Telford, when making their determination on which option to take.

Any final funding decisions will be made after the tendering process is complete, and the actual cost of the project is clear.

### **Reserves and Balances**

Following the completion and funding of the refurbishment at Headquarters, further contributions have been made to the Unearmarked Capital Reserve, to be used for other major building projects. The Fire Authority agreed in September 2014 that all future balances and opportunity savings would be allocated to this reserve in readiness for major refurbishment at the Telford site.

The potential balance in this reserve is shown below:

	<b>£m</b>
Balance on reserve end 14/15	1.322
Contribution after closedown 14/15	0.488
Budgeted surplus 15/16	0.542
Underspend 15/16 reported to date	0.604
<b>Balance end 15/16</b>	<b>2.956</b>
Budgeted surplus 16/17	0.644
Additional grant from settlement 16/17	0.311
<b>Balance end 16/17</b>	<b>3.911</b>
Budgeted surplus 17/18	0.120
Budgeted contribution 17/18	0.500
Additional grant from settlement 17/18	0.209
<b>Balance end 17/18</b>	<b>4.740</b>

The table does not include any further savings from 2015/16; these will be identified and brought to the Authority as the accounts are closed. No additional contributions are anticipated from the 2016/17 financial year.

### Capital Financing Requirement

The Capital Financing Requirement is one of the prudential indicators approved by the Authority in February, when it considers the capital programme. It represents the amount of borrowing required to fund the Authority's assets.

No funds have been borrowed since 2009, due to the use of reserves and balances to fund capital projects. However the Authority is required to make a provision to cover repayment of assets funded by borrowing, and this has reduced our borrowing requirement by £1.8m. Therefore any future borrowing required for the Telford scheme would be reduced by this amount.

<b>Source of Funding</b>	<b>£m</b>
Unearmarked Capital Reserve	4.740
Reduction to financial requirement	1.813
<b>Total</b>	<b>6.553</b>

### Other Funding Options and Considerations

At its meeting in February 2016, the Authority approved a precept increase of 1.98%, with the assumptions for future increases to 2020 set at 0.5%. A revision of this assumption could be undertaken to generate further income to assist with the Telford scheme. As an example, an increase of 1.99% for each year 2017/18 to 2019/20 would generate further income of £336,000 (17/18), £722,000 (18/19) and £829,000 (2020 and on).

Alternatively, the Authority could borrow the required funds from Public Works Loan Board, and incur debt charges which would increase the revenue budget. For every £1million borrowed, interest of £40,000 would be incurred (annually at 4%), and a minimum revenue provision of £30,000 would be required. A precept increase could be considered to cover these additional charges.

The Authority holds a number of reserves to mitigate risk and provide funds across the Service. A review of the current balances in each reserve should be carried out, and additional funds could be diverted to the Unearmarked Capital Reserve, if the probability of some the risks occurring elsewhere has reduced.

The costs of maintaining the current facilities, including running costs, at Telford in the absence of any refurbishment should be considered, when reviewing the affordability of this project.

## **10 Legal Comment**

The Fire Authority has a duty to make adequate provision for providing an effective and efficient fire and rescue service for the Wrekin and Shropshire area.

Through the Fire Authority's Integrated Risk Management Plan officers have identified and assessed all foreseeable fire and rescue risks that could affect its community and as a result have identified the further steps and resources required to address such risks. The refurbishment of Telford Central Fire Station will assist in the implementation of the steps identified in the Plan and beyond.

As the project develops, irrespective of the chosen option, the Authority will have to draw up formal tender documents and run a compliant procurement process for design, construction and other associated services.

In addition the Programme Team should consider at the earliest possible stage requirements for securing both development control (planning) approval and building regulation approval from Telford & Wrekin Council.

## **11 Initial Impact Assessment and Equality Impact Assessment**

An Initial Impact Assessment has been conducted and has indicated that a full Equality Impact Assessment will need to be completed, prior to the development of the detailed architectural plans. This will ensure that any adjustments required, to support its use by all persons likely to enter it, will be built in at the design stage.

## **12 Appendices**

### **Appendix A**

Telford Central Fire Station Feasibility Study Report

### **Appendix B**

Potential benefits of Option 3

### **Appendix C**

Learning outcomes from the Shrewsbury Project

### **Appendix D**

Are our resources in the right place in the Telford area?

As the Appendices to the report are in excess of 50 pages, a hard copy has not been included with the meeting papers but can be accessed on the Fire Authority's website via the following link:

<https://www.shropshirefire.gov.uk/meeting/3-may-2016>

## **13 Background Papers**

### **Fire Authority 25 February 2015**

Report 14 - Integrated Risk Management Plan 2015 to 2020