

CHESHIRE FIRE AND RESCUE SERVICE

MEETING OF: ESTATES & PROPERTY COMMITTEE
DATE: 9TH DECEMBER 2022
REPORT OF: HEAD OF SERVICE IMPROVEMENT
AUTHOR: T/AM NEIL MCELROY

SUBJECT: FIRE STATION MODERNISATION PROGRAMME

Purpose of Report

1. To provide details of progress with the Fire Station Modernisation Programme (the Programme); share current thinking about continuing/completing the Programme and secure the views of Members.

Recommended: That

[1] Members consider the report and provide their views to officers about the ongoing delivery of the Programme.

Background

The Programme

2. The Programme to modernise 21 fire stations commenced in 2018. The Programme was expected to see around £17m spent over a five-and-a-half-year period. The funding for the Programme was contained in the Capital Strategy.
3. Warrington Fire Station was out of scope of the Programme. Crewe Fire Station was too as the plans to replace it were already well-founded.
4. The Delivery Schedule for the Programme is attached to this report as Appendix 1.

Fire Stations Completed

5. The following fire stations have been modernised so far:

Year	Financial Year	Fire Station
Zero	2018-19	Bollington and Tarporley
One	2019-20	Birchwood, Middlewich, Runcorn and Sandbach
Two	2020-21	Audlem, Holmes Chapel, Northwich and Widnes

Year Three

6. In preparation for Year Three of the Programme (the fourth year of activity), scheduled for 2021-22, the project team arranged for a range of pre-construction activities to be completed at Congleton, Ellesmere Port, Knutsford and Malpas fire stations. These included: a detailed assessment of the work required on the buildings: tendering of the sub-contract works by the contractor: securing of planning permission, where necessary: agreeing a works timetable; and establishing budgets.
7. It was found that Ellesmere Port Fire Station required significantly more work than anticipated and that an assessment of the potential replacement of the fire station was also needed so that modernisation and replacement could be objectively compared.
8. The original anticipated budget for Year Three (including Ellesmere Port Fire Station) was £3.744m. This is a notional figure based on the best information available before the PCS works are carried out.
9. The pre-construction activity completed at Congleton, Knutsford and Malpas fire stations, provided an expected costing of £3.107m. There were a number of factors impacting upon this figure, e.g., the extent of work was greater than on sites tackled in the earlier years of the Programme and there were increased material and labour costs. This left around £600k of the original anticipated budget for Year Three and no clear plan to modernise (or replace) Ellesmere Port Fire Station.

Review

10. Due to the increasing costs in Year Three and the potential impact on Years Four and Five, the Programme was paused to allow a Review to be completed.
11. The aims of the Review were to:
12. look in greater detail at the outcome of the Year Three pre-construction activities, to challenge the costs and adjust the scope of work, if needed
13. determine whether it will be more cost effective to completely replace the fire stations at Ellesmere Port and Warrington (the latter was not included in the Programme) rather than modernise them
14. press ahead with pre-construction survey activities at the fire stations due to be modernised in Year Four (Frodsham, Macclesfield, Poynton and Winsford) and Year Five (Nantwich, Stockton Heath and Wilmslow) and get a firmer understanding of the works needed and costs.

Information

15. At the time that the Review was initiated, officers were unable to provide Members with the assurances that they felt were needed before recommending

that the Programme continue with the Year Three fire stations. Of course, since then, the war in Ukraine has had a significant impact on many things, including the construction industry (labour and material availability), inflation (costs, generally) and interest rates (borrowing), which all have a very direct impact upon the Programme.

16. During July, August, September and November a series of meetings were held involving the project team, external consultants (IKG Consulting Limited) and relevant Joint Service Heads of Departments (HODs) to complete the Review with a view to agreeing the most appropriate and cost-effective way to progress the Programme, (including plans for Ellesmere Port and Warrington fire stations).

Year Three Pre-Construction Activities

17. The pre-construction activities for Congleton and Knutsford fire stations were reviewed and challenged. Then a cost review was completed. The project team had hoped that some 'savings' might be found. However, over the two sites the review figures were largely consistent with those figures produced during the pre-construction activities and overall cost-neutral; in other words, the figures that were reached during the pre-construction activities were appropriate and therefore the notional budget for Year Three was significantly less than was needed.

Years Four and Five Pre-Construction Survey and Costing

18. This work concentrated on two fire stations: Macclesfield and Winsford (from Year Four). They were chosen because: Macclesfield Fire Station was the last of the larger fire stations in the Programme; Winsford Fire Station was one of the fire stations that was not expected to need a great deal of work, e.g., it already has a gym. As with the Year Three work the cost associated with these fire stations exceeds the notional budget figures that had been allocated. This confirmed two things: it was right to pause the Programme, rather than plough on with Year Three; and it will be very difficult to produce an affordable, deliverable scheme of work to complete the Programme, without a significant rethink.

Ellesmere Port Fire Station

19. A feasibility study for the modernisation, or replacement of Ellesmere Port Fire Station was completed by IKG Consulting Limited.
20. The potential of relocating Ellesmere Port Fire Station has also been explored. Chester West & Chester Council (CWAC) provided four sites that it indicated might be made available in the future. Following a review of the sites and modelling to establish the suitability of the locations it was found that only one

of the four sites would be appropriate for further consideration. This is currently being explored further with CWAC, but with no clear timeline at present.

21. The relocation of Ellesmere Port Fire Station has several advantages. The current site has access and boundary issues with neighbours (NWAS) and is also included in part of CWAC's town centre redevelopment plans. A new build on another site would also negate the need for a temporary fire station structure which could result in a considerable saving (potentially as much as £1m).
22. Due to the delays in the modernisation, or replacement of Ellesmere Port Fire Station a scheme of works to "make good" the current building in key areas (kitchen and recreational areas, rest areas and locker rooms) has been agreed with Joint Services Estates Team, to be financed through the existing maintenance budget.

Warrington Fire Station

23. A feasibility study for the modernisation or replacement of Warrington Fire Station has been completed by IKG Consulting Limited.
24. Warrington Fire Station was not originally included in the Programme with the fire station in better repair than Ellesmere Port Fire Station. An alternative site for Warrington Fire Station was initially explored in April 2022, but was not suitable. No other site has been identified, so currently efforts are focusing on the existing site.
25. A key consideration in our planning assumptions for Warrington Fire Station is the boxing gym that is currently on site. A decision will need to be made about the future of the gym. There has also been some discussion about the potential to release some of the site by reducing the footprint and layout of the fire station, but to-date a workable plan to allow this has not been forthcoming.

Other Matters

26. As part of the review there was an assessment of the procurement options available to secure the completion of the Programme. Some consideration was given to managing the Programme in a different way, with more responsibility sitting with officers, rather than with the contractor. This appeared to have the potential to reduce some of the costs associated with the works. However, the increased internal input required and change to the delivery risks of the Programme led officers to conclude that the existing approach – delivery by a main contractor of a significant size – should continue.
27. There are several new build fire stations currently being planned by neighbouring FRSs. It appears that there is an intention to procure a 'standard' fire station in the hope that some economies of scale can be achieved. This is something that officers intend to continue to monitor. There are indications that the FRSs are intent on securing a new two-bay fire station for circa £6m (at current prices).

Conclusions from Review (To-Date)

28. The works needed at the rest of the fire stations in the Programme (delivered to the extent and standard that was intended to be delivered in Year Three) are almost certainly unaffordable given the significant budget pressures that exist, e.g. funding unlikely to increase in real terms, borrowing becoming more expensive. This means that there is a real risk that it might not be possible to deliver the rest of the Programme, unless something changes.
29. With the above in mind the project team and the Service Leadership Team has discussed the way forward. A set of Programme Delivery Principles has been prepared, which officers believe will help to determine the way the Programme is taken forward with the intention of ensuring its completion. These Programme Delivery Principles are attached to this report as Appendix 2. These will see a revised approach to the Programme, e.g., wherever possible structural works will be avoided due to their cost. In addition, a list of Criteria has been prepared that are intended to help prioritise the way the Programme is delivered. The Criteria are attached to this report as Appendix 3.
30. As a result of the work carried out during the Review and in light of the Programme Delivery Principles and Criteria officers are proposing that Year Three should now include Congleton, Macclesfield and Wilmslow fire stations. Members will be aware that these fire stations are either wholetime, or day crewed (albeit Wilmslow is not yet day crewed, but will be shortly). The overall cost of modernising these three fire stations is not currently known, but will be reported to this Committee before the Authority commits to the work. The report will contain detail of the specification associated with each fire station and allow Members to see the work and cost in the context of the remaining/required budget.
31. Work will continue to establish the best way forward for Ellesmere Port and Warrington fire stations. Ideally, this work should come to a satisfactory conclusion with a deliverable solution in good time to inform the rest of the Programme. However, it is not entirely within the Service's gift, e.g., in Ellesmere Port an alternative site is not currently available.
32. Work will also continue in relation to the fire stations that will fall into Years Four and Five. Applying the Programme Delivery Principles and Criteria officers will prepare proposals for Members to consider during 2023.

Financial Implications

33. Of the funding contained in the Capital Programme (£17m) £7.1m has been spent on Years Zero, One and Two – a total of ten fire stations.

34. On the face of it the balance of the funding should allow the majority of the rest of the Programme to be delivered. Unfortunately, it has become apparent that a variety of circumstances are conspiring to make it clear that additional capital funding will be required in order to deliver the Programme (and come up with solutions for Ellesmere Port and Warrington). Of course, with the existing economic situation it is extremely difficult to have confidence in cost projections that relate to works to be carried out in the future (some would not be started until 2025-26). However, officers will bring back the best estimates that they are able to before Members are asked to commit to further works.

Legal Implications

35. There should be no direct legal implications from consideration of this report. When decisions are made about the way forward the Authority's interests will need to be suitably safeguarded with the support of the procurement team.

Equality and Diversity Implications

36. None at this stage

Environmental Implications

37. None at this stage.

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BACKGROUND PAPERS: NONE