

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 14TH FEBRUARY 2018
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: ANDREW LEADBETTER

SUBJECT: CAPITAL FUNDING FOR A REPLACEMENT
FIRE STATION IN CHESTER

Purpose of Report

1. To secure the allocation of capital funding for the anticipated budget (and contingency) to build a replacement fire station on part of the existing site at St Anne Street, Chester.

Recommended That Members:

- [1] Allocate the sum of £5.51m plus a 5% contingency of £275,500 to allow the delivery of a replacement fire station at St Anne Street, Chester.

Background

2. The Fire Authority confirmed its intention to replace the existing fire station in Chester on the current site at St Anne Street when it met in December 2017. Members also agreed to market part of the existing site that will be surplus (given the smaller footprint required for the replacement fire station). The decision in December 2017 was publicised.

Information

3. Since the decision in December 2017 the following issues have been clarified:

The developer that the Authority was working with has now decided to develop the adjoining land that it owns. It is assumed, therefore, that the developer's land will no longer be available for any scheme associated with the current fire station site.

The temporary fire station that is required during the redevelopment of the site will need to be located on the land that will become surplus. Accordingly, the marketing of the surplus land will be postponed, with any sale only being feasible once the temporary fire station has been removed. Whilst this puts back the potential to secure a capital receipt which could be used to offset part of the cost of replacing the fire station, it also removes any potential planning complications of linking the

application for the replacement fire station and any application for an alternate use for the surplus land. The temporary fire station will now enter and exit the current site at the rear, rather than the front. It is anticipated that this will increase the response times slightly (estimated to be around thirty seconds).

4. Members may recall that the original budget figure for the replacement fire station was £5.62m (with a substantial amount of this being funded from the sale of a large portion of the existing site for development as student accommodation).
5. The orientation of the replacement fire station has changed now that it is entirely within the boundaries of the existing fire station site. This avoids some complications associated with site levels. Although the requirements are being checked again with operational colleagues it is not anticipated that they will change a great deal.
6. At this point the Authority's external advisers have confirmed that the anticipated budget for the replacement fire station is very similar to that which was previously reported. The figure has reduced slightly to 5.51m (with this all funded by the Authority, but with the intention to sell the surplus part of the existing site at a later date). As has been the case in the past the Authority is asked to also allocate a contingency of 5%, which is £275,500.
7. There are some costs/potential costs that are not included in the figures above. Firstly, any costs associated with moving and accommodating staff and community users away from the existing fire station site. Secondly, the possible delay and additional costs associated with any archaeological activities that prove to be necessary (which are unavoidable and can be considerable).
8. Officers have already procured all of the key parties that are required to deliver the replacement fire station. If Members allocate the funds officers intend to move forward quickly and it is anticipated that some engagement will be made with planning officers at the earliest opportunity.

Legal Implications

9. The redevelopment of the existing fire station site will be pursued using the processes that have been utilised on the other new build sites previously, i.e. the NW Construction Hub framework. Much of the documentation is already in place, which should allow the project to move forward quickly.

Financial Implications

10. The capital required for the replacement fire station will be funded from reserves. It is hoped that the surplus land can be sold and provide a capital receipt to offset some of the outlay for the replacement fire station. However, this will be delayed until some time after the replacement fire station has been completed and the temporary fire station removed.

11. Given that this is a very different proposition to the previous one (when the Fire Authority anticipated a significant proportion of the build costs being funded by a sale of the surplus land to a developer) the paragraphs below summarise and compare the modelling of the projected costs of partial demolition and refurbishment of the existing fire station and the cost of the replacement fire station.
12. Model 1 - to retain the existing station, refurbishing as necessary with some demolition where possible/appropriate, with a complete refurbishment within 10 years.

Model 2 – to construct a new, fit for purpose, fire station on the existing site and disposing of the unused portion of the site on the open market.

There will be revenue costs associated with both models, with the new build revenue cost being lower than the continued use of the existing building. In order to give a full cost evaluation of both options the development costs have been mapped over a 10, 20 and 25 year timeframe.

Financial Model	Total capital and revenue costs (estimated)		
	10 years	20 Years	25 Years
Existing Station	£4.33m	£5.72m	£6.42m
New Station	£4.83m	£5.70m	£6.14m

As can be seen the costs for the two models over 10 and 20 years is relatively comparable with the new build option being preferable at 25 years.

Equality and Diversity Implications

13. A replacement fire station will be designed to better accommodate equality and diversity issues.

Environmental Implications

14. A replacement fire station will lead to environmental improvements over the existing fire station. The replacement fire station will aim for the same environmental rating as the other new builds – BREAAAM good.

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BACKGROUND PAPERS: None