

CHESHIRE FIRE AUTHORITY

MEETING OF: ESTATES AND PROPERTY COMMITTEE
DATE: 6TH NOVEMBER 2020
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: ANDREW LEADBETTER

SUBJECT: FIRE STATION MODERNISATION PROGRAMME

Purpose of Report

1. This report provides information about the Fire Station Modernisation Programme (the Programme). It contains a general update; specific information about Year Two of the Programme (and seeks guidance from Members about this) and information about the future of the Programme, including the budget.

Recommended: That Members

- [1] Note the report;
- [2] Provide guidance in relation to Year Two of the Programme; and
- [3] Consider the budget and funding position before making a decision about Year Three of the Programme.

Background

Approvals

2. The Fire Authority committed to the Programme in September 2018. The Programme is concerned with 21 fire stations. £8.5m was allocated in the capital programme, with £3.5m released initially.
3. This Committee agreed the delivery schedule at a meeting in December 2018. This is attached to the report as Appendix 1. At the same meeting Members gave some direction to officers about how they wanted the works at Runcorn Fire Station to be delivered.
4. In March 2019 this Committee approved the procurement route to secure a contractor to deliver the Programme from Year One onwards. In March 2020 this Committee agreed that officers should secure the release of the remaining allocated capital funding. The Fire Authority agreed this in July 2020.

Year Zero

5. In order to get the Programme off to a prompt start a quick route to market was followed for the Year Zero works. The two fire stations that were modernised in Year Zero were Bollington and Tarporley. They were chosen as they were considered to be manageable projects which were not expected to be too challenging. Even at this initial stage officers were concerned about the costs of the works and it is fair to say that a number of compromises were made. Our experience of working with the contractor on the Year Zero works was not a good one. However, ultimately the works were completed to a decent standard and the fire stations were modernised considerably.

Year One

6. This was a much bigger undertaking than Year Zero. It involved the modernisation of four fire stations, Birchwood, Middlewich, Runcorn and Sandbach. However, we were working with a new contractor and the experience was very good. We had also learnt some valuable lessons from Year Zero and taken on board the comments made by this Committee.
7. The Year One works were completed to a high standard and for the agreed budget. This was particularly pleasing given the challenges caused by the Covid-19 Pandemic. The works in Year One included additional elements to those delivered in Year Zero, but there were still some compromises due to concerns about the budget e.g. limited external works were carried out. The intention will be to pick some of these works up using the maintenance budget in future years.

Information

Year Two

8. The internal team and the contractor have been working on the pre-construction requirements that need to be finalised before we commit to the Year Two works. Year Two will see the modernisation of the fire stations in Audlem, Holmes Chapel, Northwich and Widnes.
9. For Year Two the approach was changed, with the intention of creating a list of requirements that were not considered to involve any significant compromises. The requirements also took into account some additional elements, e.g. the need to consider the garaging of the Rapid Response Rescue Units (agreed as part of the Integrated Risk Management Plan 2020-2024). In Year Two the team was also challenged to come up with an approach that would significantly reduce the carbon impact of Widnes Fire Station (it being one of our larger fire stations). Environmental enhancements have also been specified at other fire stations. The Year Two works are also intended to be completed in two halves, rather than having all four jobs on the go at the same time, which was difficult to manage.
10. The Year Two works are due to start early in the New Year and be completed in the first quarter of the next financial year. However, before officers commit to the Year Two works they were keen to explain the budget situation as it is becoming increasingly clear that the overall budget will be substantially more than was envisaged if Years Three, Four and Five are pursued in the same way as Year

Two. At this point there is the potential to change the requirements in Year Two and therefore reduce the budget. Whilst this is not what officers would necessarily recommend, a list of possible items have been compiled that could be removed from the requirements. Indeed, it would be possible to revisit some of the core elements of the Programme, which are listed below, given that these are having a significant impact on the budget:

- Provision of suitable gym
- Provision of separately accessed community room and ancillary facilities
- Provision of gender-neutral pods
- Provision of garage for the Rapid Response Rescue Units

11. Officers will talk through the requirements at the four fire stations due to be modernised in Year Two at the meeting so that Members can consider whether they are happy with the direction of the Programme and whether they are comfortable to ask the Fire Authority to allocate additional funding at this time.

Financial Implications

12. The Programme was originally anticipated to cost circa £8.5m. However, this figure was based on some high level condition surveys and did not take account of the full set of requirements to be delivered by the Programme. It was also calculated before the works were market tested.
13. When officers secured the release of the balance of the allocated funding Members were made aware of concerns about the overall cost of the Programme. However, the anticipated cost of the Programme will be even higher if it proceeds along the same lines as Year Two. To an extent some of the Programme almost certainly will need to follow the approach in Year Two, e.g. Rapid Response Rescue Units will be deployed from all on-call fire stations and the received wisdom is that they need to be garaged.
14. The table below contains the capital costs of Year Zero and Year One.

Year Zero	Bollington	Tarporley			Total
	£234k	£173k			£407k
Year One	Birchwood	Middlewich	Runcorn	Sandbach	Total
	£777k	£464k	£1.029m	£565k	£2.835m

15. Currently, Year Two is expected to cost around £3.46m. However, this figure is not finalised at this point as some elements are still being market testing and decisions made by this Committee may have an impact upon it.
16. The total of the costs of Years Zero and One, together with the anticipated cost of Year Two (delivering the requirements currently costed) is, therefore £6.7m. This means that there is £1.8m of the initial £8.5m available to proceed with the

Programme. This will not cover the works that will be required to complete Year 3 of the Programme. At the end of Year Two ten fire stations will have been modernised, leaving eleven more to complete over Years Three, Four and Five.

17. Colleagues in Estates have prepared a number of projections in the hope that they could provide a funding requirement for delivering the rest of the Programme (Years Three, Four and Five). This is normally a fairly difficult task as a number of things can change over a three year period, e.g. material price fluctuations, labour availability impacting on rates and general inflation. At present, adding in the current uncertainties caused by Brexit and Covid-19 there can be little confidence in any projection. Indeed, they range from circa £15 to circa £20m, but obviously depend on many variables. In view of this it is suggested that we concentrate on securing funding for Year Three and then return to Members with costs for Year Four next year. As things stand, bearing in mind that there are two sizeable fire stations to modernise in Year Three it is suggested that an additional £3m of funding is allocated by the Fire Authority.
18. The currently approved medium term financial plan requires the use all remaining available financial reserves to fund the proposed capital strategy including the £8.5m budget for this modernisation programme. If any new or additional capital expenditure is approved by the Fire Authority, as discussed above, this will therefore almost certainly require financing with additional new borrowing. Any new borrowing will bring associated interest and debt repayment charges that will add long term cost pressures to the revenue budget.

Legal Implications

19. There are no legal implication arising from the decisions being sought in this report.

Equality and Diversity Implications

20. The Equality and Inclusion Officer has helped to develop the Programme and will continue to be involved.

Environmental Implications

21. The Programme includes environmental enhancements. However, some of them are not costed in the figures provided earlier in this report. There is, currently, an opportunity to secure external funding for 'decarbonisation' and this might assist in reducing pressure on the Programme budget. Officers will outline the environmental elements that are being pursued/considered at the meeting.

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