



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance & Resources Committee

PROGRESS REPORT ON THE PROPOSED NEW STATION 18

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To update Members on the progress, costs and programme of the new Station 18 project.

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1. BACKGROUND

- 1.1 The authorisation to proceed with the sale of the existing Central Fire Station site, the relocation and building of a new Station 18 was covered in the original Fire Cover Review (FCR) presented and agreed by the Fire Authority (the sale and relocation of Central element) in February 2011.
- 1.2 Once the sale and relocation of Central Fire Station was agreed a site search and feasibility study was carried out and a short list of suitable sites were identified; the preferred location being a former petrol filling station located on London Road.
- 1.3 Between early 2012 to late 2012 negotiations with the vendor of the preferred site were conducted; however these were eventually abandoned as it became clear that the likelihood of completing the sale was becoming remote.
- 1.4 From late 2012 discussions with the owner (Nottingham City Council) of the second favoured site at the former Gresham Works site, London Road began with an early agreement that the site would be sold to NFRS.
- 1.5 The site was occupied by a number of City Council tenants all of whom were offered the opportunity to relocate to other Council properties or provided with assistance to move elsewhere. This process has taken some time with considerable effort on the part of the City Council where all but one of the tenants has now moved off the site.
- 1.6 As part of the new station development the City Council's Emergency Planning Team (EPT) will relocate from Central Fire Station to the new station with NFRS; this will be under a long term lease arrangement.
- 1.7 Site surveys and site investigations have been on-going from early this year and the project design teams have been working on the scheme since the beginning of 2013. The design is now agreed and has been submitted for planning approval with the City Council.

2. REPORT

THE CURRENT SITUATION

- 2.1 Final Heads of Terms for the sale of the site and the subsequent lease agreement for the accommodation for the Emergency Planning Team are now with the City Council awaiting their agreement. Once these documents have been agreed the formal contracts can be drafted by the relevant legal representatives.
- 2.2 At the time of writing the Council were still working through the legal proceedings with the last remaining tenant at the former Gresham Works site;

once this process is complete the site should be available as vacant possession.

- 2.3 As part of the due diligence being carried out for the purchase of the site a full intrusive site investigation (SI) was carried out week commencing 9 June 2014. Access to the site to carry out this SI had been delayed thus far due to the sitting tenant.
- 2.4 The purchase of the site by NFRS is conditional on (amongst other things) the site being taken on vacant possession, the granting of planning permission and that the site is clear of contamination.

THE PROGRAMME

- 2.5 The outline project programme is as follows:
 - 2.5.1 Site investigation – w/c 9 June 2014
 - 2.5.2 Site investigation laboratory test results – by mid-August 2014
 - 2.5.3 Competitive tender the project works – September to mid-October 2014
 - 2.5.4 Tender assessment period – mid-October to mid-November 2014
 - 2.5.5 Appointment of the works contractor – mid to late November 2014
 - 2.5.6 Contractor mobilisation period – December 2014 through to January 2015
 - 2.5.7 Site purchase and completion of land sale – by December 2014
 - 2.5.8 Contractor start on site – January 2015
 - 2.5.9 Completion of a new fire station – March 2016
 - 2.5.10 Decant from existing Central Station to new fire station – March / April 2016
- 2.6 The above is conditional on any outstanding risks that may delay the programme (see Risk Management Implications below).

THE PROJECT BUDGET AND COST

- 2.7 The detail of the design for the new station has now been developed to a stage where more accurate costs can be assessed; the estimated project costs are detailed in the following paragraphs.
- 2.8 The overall estimated cost of the new station and the decant costs are circa £4.95M made up as follows:

- Contract sum for the demolition and new build – £3.625M
- Professional fees, surveys, investigations, planning and other fees – £300k
- Legal fees, decanting and moving costs, dilapidations costs – £125k
- Direct fit-out costs not included in the contract sum – £100k
- Overall project contingency – £200k
- Land cost – £600k

2.9 The contract sum figure above includes an estimated cost for a number of potential risk items (see also Risk Management Implications below) of circa £300k. As the project proceeds these risks will be managed and should be contained within this £300k (the risk sum element). The risk sum element will be monitored and reported to CMB through the project timeline.

2.10 Of the £3.625 estimate for the contract sum, circa £430k to £450k of this will be the cost to provide the Emergency Planning Team with their accommodation and funded by the City Council. How this is funded (as rent or a capital receipt) is still to be determined and this is being actively negotiated with the Council.

2.11 A Value Engineering (VE) exercise was carried out in March 2014 in order to identify any potential savings from either omitting or re-engineering elements of the project. Some modest savings were made (in the region of £45k), however, the opportunity for VE is now becoming less as the design for the new Station 18 includes lessons learnt from the designs of Carlton and Retford Fire Stations.

2.12 The Architect has prepared some concept drawings for the initial planning application a selection of which are given as Appendix A to this report.

2.13 NRFS' appointed consultants on this project are Turner & Townsend who have recently carried out a benchmarking exercise against their own estimates for the new station and have concluded that:

"...the capital expenditure estimate for the Station 18 project suggests that funds required to develop this scheme are proportionally lower than Carlton and Retford upon adjustment of historical costs to present day. However, in some areas the economies of scale that would usually be gained through the construction of a larger facility are negated by project specific factors outlined above. In addition, the project budget currently includes a significant risk allowance allocation to cover unmitigated risk. As the project's design phase progresses, a number of these items can be investigated which will assist in providing greater cost certainty".

This benchmark review is attached in full as Appendix B to this report however it should be noted that the figures from Carlton and Retford fire

stations relate to tendered figures whereas those for the new station 18 are estimates at this stage.

- 2.14 As NFRS are to share the station with the City Councils' Emergency Planning Team, a funding bid has been submitted to the Department for Communities and Local Government under the efficiencies grant funding scheme. The bid is for £2.5M of capital funding; the results of this bid will not be known until autumn 2014.

3. FINANCIAL IMPLICATIONS

- 3.1 The Capital Programme for property totals approximately £2.3m for 2014/2015 plus slippage of £3.3m from 2013/2014. The majority of the slippage relates to this project. There is therefore adequate budget cover for this project going forward.
- 3.2 The business case for the relocation/rebuild remains sound both in terms of the operational issues covered by the fire cover review and financially when taking into account the running costs of the existing old and inefficient station. The costs of bringing a building such as the existing Central Fire Station up to a modern standard would be prohibitive and maintenance costs would continue to escalate.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources implications arising directly from this report.

5. EQUALITIES IMPLICATIONS

A new building will have equalities considerations designed in as standard such that issues around access, facilities etc. can be assessed as part of the design process.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

All Capital Projects of this scale carry an element of risk however adequate contingency sums have been set aside and proper professional project management will be employed to mitigate these risks.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Note the contents of this report
- 9.2 Approve the latest cost estimate of £4.95m notwithstanding that this will be offset by £2.5m of capital receipts and any subsequent rental agreement with the City Council.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

Architects Concept Drawings – New City Station



View down London Road towards Station Street



View down London Road towards Trent Bridge



Front Elevation

Nottinghamshire Fire & Rescue Service

Station 18

Benchmarking Review

Further to recent Stage D Cost Monitoring, the current cost estimate sits the project above previously benchmarked estimations. This paper evaluates the project specific cost drivers influencing the project at this stage. These drivers are evaluated against recent similar Fire Station projects completed by the Nottinghamshire Fire & Rescue Service at both the Carlton and Retford sites.

1.1 Carlton and Retford Benchmark

	Carlton	Retford	Station 18 Estimate
GIFA (m2)	1,169	794	1,376
Total Construction Cost (Base Cost)	£2.51m	£1.94m	Circa £3.67m (inc risk allowance of £325k)
£/m2 (Base Cost)	£2,149/m2	£2,438/m2	£2,424/m2 (£2,664/m2 inc risk allowance)
Total Construction Cost (Current Day)	£3.01m	£2.09m	As above
£/m2 (Current Day)	£2,574/m2	£2,634/m2	As above
Abnormals	<ul style="list-style-type: none"> Contaminated Land BREEAM Excellent Demolition Works 	<ul style="list-style-type: none"> Demolition Works 	<ul style="list-style-type: none"> Various - See below,

(Note: The above calculations are exclusive of fees, client directs and VAT. Carlton and Retford costs are adjusted to offer a comparable like-for-like analysis. As such, costs associated with the vehicle pits, enhanced training facility, and temporary accommodation are excluded).

In the construction of a larger facility, the economies of scale demonstrated above on a re-based cost per m² basis are expected. However, there are a significant number of project specific factors which contribute to explaining why the project cannot take further advantage of these economies.

1.2 Station 18 Abnormals

The Station 18 scheme has a number of site and project specific impacts which contribute to its costs. Whilst the building specifications are largely similar, there are a number of significant costs drivers, specific to this scheme, that are highlighted below.

1.2.1 Demolition

Due to the brownfield site location, significant costs are to be incurred through the planned extension, demolition, decommissioning and removal of the existing structures. Having market tested the demolition package, costs stand at circa £130k for the demolition of the existing building in addition to a provisional allowance of £20K for the removal of asbestos. As highlighted above, the Retford and Carlton schemes also required Demolition works to a lesser extent.

1.2.2 Service Diversions

The existing site has a number of telecoms diversions required. These will carry significant costs in addition to prolonging the construction programme. Both BT and Virgin Media cables are in the area, in addition to works required for water, gas and electricity.

1.2.3 Planning Requirements

The restrictions imposed by the Planning Authority have enforced certain site surveys to be completed in two visits. This has inflated costs of the surveys.

1.2.4 Emergency Planning Team Requirements

The emergency planning team area stands at around 191m². Having undertaken a cost analysis of these works, around £423k of the total project costs can be attributable to the provision of space for the Emergency Planning Team. Whilst we understand funds will be adjusted internally within NFRS, providing this space incurs associated additional costs.

1.2.5 Inflation

The current estimate includes a market inflation rate of 3.8% to the mid point of construction. Market rates have begun to increase over the last 6-12 months and are projected to further escalate over the coming year. This will be monitored and adjusted accordingly as the design progresses. Market fluctuations remains a significant risk to the project budgeting.

1.2.6 Building Form

Following discussions with the Planning Authority, the design has developed to ensure sufficient frontage is retained to keep in with the existing street scene. However, this has produced a relatively long and slim building which does not prove to be as cost effective as the design of other stations in terms of building form and layout.

1.2.7 Sustainable Technologies

The sustainability options to be incorporated by the NFRS go beyond that provided at either Carlton or Retford. The scheme is to incorporate photovoltaic panels in addition to the use of District Heating due to its local availability. The increased cost of providing both instead of just photovoltaic panels is in the region of £40k.

1.2.8 Risk

Given the number of unmitigated and unknown risk factors at present caused by being unable to investigate the entire site, the risk allowance included within current cost estimate is greater than would otherwise be forecast at this stage of project design. Following resolution and confirmation of a number of these factors, firming up of the anticipated costs will be possible in order to provide greater cost certainty.

1.3 Summary

Despite the reasons outlined above, the capital expenditure estimate for the Station 18 project suggests that funds required to develop this scheme are proportionally lower than Carlton and Retford upon adjustment of historical costs to present day. However, in some areas the economies of scale that would usually be gained through the construction of a larger facility are negated by project specific factors outlined above. In addition, the project budget currently includes a significant risk allowance allocation to cover unmitigated risk. As the project's design phase progresses, a number of these items can be investigated which will assist in providing greater cost certainty.