

MERSEYSIDE, LANCASHIRE AND CUMBRIA FIRE & RESCUE SERVICES

Minutes of the Executive Board meeting (03/09) to discuss the North West Fire & Rescue Services
PFI Project held at Lancashire Fire & Rescue Service Headquarters, Preston
on Friday 14th August 2009

Present:

Mr. C. Kenny	-	Lancashire
Mr. K. Timmins	-	Merseyside
Mr. D. Harrison	-	Cumbria
Mr. C. Schofield	-	Project Manager
Mrs. L. Clarke	-	Project Co-ordinator

ACTION

2.1. Apologies for Absence

None.

2.2. Minutes of the Meeting held on 8th April 2009

The minutes were agreed as a true and accurate record.

2.3. Matters Arising

Many items are on today's agenda.

Procurement Strategy: Colin has never received formal agreement from CLG.

Advisors fees: Currently negotiating for additional fees for ISRS stage.

2.4. North West FRS PFI Project Team Meetings

The pre-circulated notes and details of issues arising from the following meetings were noted:-

Project Team 04/09 22nd April 2009
Project Team 05/09 13th May 2009
Project Team 06/09 17th June 2009
Project Team 07/09 20th July 2009
Project Team 08/09 10th August 2009

2.5. Progress on the Project

Executive Board considered a verbal report by the Project Manager detailing progress on the Project in the period April – July 2009. Retrospective report to be forwarded to Executive Board.

- Kept to timetable since June 2008
- Project Team continues to meet on monthly basis
- Balfour Beatty & sc4nw taken through to ISRS stage
- ISRS formally commenced on 22nd June 2009 – 17th October 2009 (17 weeks)
- To date, had 6 Technical meetings with bidders (full days on Wednesdays and Thursdays each week)
- To date, had 2 half day Legal & Financial meetings with each bidder
- Issued 42 ISRS Clarification Notes
- Issued 2 Confidential Clarification Notes to each bidder

CS

ACTION

- There are a number of clarifications that are still outstanding
- Further site visits by both bidders
- Presentations by both bidders to each SMT on 17th and 24th July 2009

TECHNICAL MEETINGS:

- Progressing detailed design and site issues for all 16 sites – ultimately seeking a ‘design chill’ that can be signed off.
- Debating Section 278 works – complicated as some Councils want to do work themselves and highway planners also have different ideas about access/egress
- Surveys: Bidders want to commission surveys of drill yards
- Ecological surveys could impact on timetable
- FF&E – developing
- Programme – OBC suggested initial programme. Bidders have suggested doing all sites at same time but this could impact on each Authority’ budgets as Unitary Charge will have to be paid earlier. Overall, though, it could be advantageous.
- BREEAM – Fire Service specific document now issued. Require at least ‘Very good’ and preferably ‘Excellent’ achievement.
- Could benchmark one or two current stations in each Authority to give a typical BREEAM rating ‘before and after’. Colin to explore this.
- Staffordshire: Since naming preferred bidder, bank’s costs have increased significantly. CLG are negotiating to try and reduce costs.
- At present it is likely that funders will not hold their costs for the 12 months required. An options paper has been produced by one of the Bidders. Colin to share this paper with Kieran and to gather as much information as practicable.
- FM/TUPE.
- Decant: working through practicalities.
- Materials selection: additional resilience being built in (working through).
- ICT – each Authority has different ICT infrastructure and has different timetable to negotiate.
- Bidders cannot liaise with community until preferred bidder has been appointed.

CS

CS

FINANCIAL

- Funding - 2 banks currently taking on risk for each bidder.
- Payment Mechanism.
- Affordability.
- Will meet funders before close of Dialogue.

LEGAL

- Site issues – still some at every site – ongoing.
- Change Protocol.
- TUPE/Pensions. Colin to meet Merseyside Superannuation Fund.
- Multi Authority issues – bidders still a bit nervous
- Lancashire FRS considering change of staffing structure at Fleetwood. If agreed permanent accommodation to be built alongside station.
- Chorley – other works going ahead on this site which may impact on works (eg USAR).
- Blackburn – need to resolve site issues with local planners.
- Ecological surveys – particularly at Chorley.
- Programme.

CS

ACTION

OTHER ISSUES

- Telephone masts at Bootle/Netherton and Newton le Willows.
- Regional Control programme slipped by 9 months – could impact on PFI as may need to operate 2 systems on each station for a time.
- Continue to liaise with staff on all PFI stations – most feedback has been positive.
- Technical Lead Officers visited stations in Nottinghamshire and Derbyshire & also viewed examples of proposed temporary accommodation.
- Newsletter prepared and sent to Authorities.
- JWA continues to be progressed.
- Continuing debate with NWS at Southport, Newton and Birkenhead. Boiler issue at Birkenhead. Colin to brief Kieran, Chris and Dominic prior to scheduled meetings with NWS in September.
- Colin to meet with CLG on 25th August 2009.
- Finance officers meeting to agree JWA etc.
- Reported to RMB on 15th July 2009.
- Fleetwood variant introduced on 20th July 2009.
- Continue to meet with other Authorities undergoing PFI.
- London FRS have had 9 PQQs back.
- Update for Insurance officers – meetings planned with Peter Hale on 27th July & Jeff Edwards on 17th August.
- Engaged with Prince's Trust participant over design.
- Gateway Review has been arranged.

CS

NEXT STEPS

- Cannot close CD until both bidders have completed all necessary work and are in a position to submit final tenders:
 - agree all 16 designs
 - agree Project Agreement
 - receive Derogation Approvals from CLG/PUK
 - agree Payment Mechanism
 - ensure certainty of all land
 - know what costings are
 - once CD is closed – cannot change anything otherwise will leave ourselves open to challenge
- Close CD - Provisional Date is 16th October.
- CFT - 19th October to 6th November (3 weeks).
- Evaluation Period 9th November to 4th December (4 weeks).
- From 7th December 2009 to 19th February 2010:
 - Prepare FBC (starting on it now)
 - Report to CLG
 - Report to PUK (PRG 2nd stage review)
 - Seek approval from all 3 Authorities on the following dates:
 - Merseyside 21st January 2010
 - Lancashire 26th January 2010
 - Cumbria 21st January 2010
- Gateway Review 15th to 17th December 2009. Would be ideal to get good review prior to Authority meetings.
- Alcatel: 23rd February to 12th March 2010.
- Due diligence: 15th March 2010 – 11th October 2010 (7 months) – planning. applications submitted; 3 month turnaround; 3 month Due Diligence.

		ACTION
	<ul style="list-style-type: none"> • Financial Close October 2010. • Start on Site November 2010. 	
2.6	<p><u>Feedback from SMT Presentations by Bidders</u></p> <p>Generally good feedback. Merseyside – people more keen for eye-catching buildings. Lancashire – Prince’s Trust office’s location was subject to some debate.</p>	
2.7	<p><u>Joint Working Agreement</u></p> <p>Still in preparation.</p> <p>NEFRA have signed their JWA off. Colin will discuss with Alan Holmes. Gateway Review Team will no doubt raise the issue around future arrangements for joint working.</p>	CS
2.8.	<p><u>4Ps Training</u></p> <p>Attended by Dominic and Kieran. Identified the need to look at management structure through build stage.</p>	
2.9	<p><u>Mechanisms for Executive Board Engagement in the Project</u></p> <p>Executive Board debated whether they need to be more involved in the detailed work including evaluation. It was agreed that more detailed involvement will conflict with Quality Assurance role and will be difficult to be objective. The current strategic overview will be maintained.</p>	
2.10.	<p><u>TUPE/Pensions Issues</u></p> <p>Verbal update from the Project Manager. Currently 18 cleaners affected but only 8 in LGPS (7 Merseyside / 1 Lancashire) – Colin meeting with Merseyside Superannuation Fund about the practicalities of bidders’ gaining admitted bodily status to LGPS and the issue of two administering bodies.</p>	CS
2.11.	<p><u>Gateway Review of the Project</u></p> <p>Chris and Colin met Steve Simister of 4P’s and he is aware of the general feeling over the previous Gateway Review. He was asked to ensure that at least one person on the review team has fire sector knowledge. A Gateway Review Planning meeting between Steve and Colin will take place on 3rd November 2009. Lorraine to handle all details.</p>	CS LC
2.12.	<p><u>Joint Members Meeting</u></p> <p>Verbal update from the Project Manager. All Authorities have had political change so no meeting has yet been held.</p>	
2.13	<p><u>Resource Implications for the next Phase of the Project</u></p> <p>Advisors are warning that there will be no let up on queries during due diligence period. Colin to explore further and report back once it is clear what resources are required. Explore whether or not a clerk of works is required.</p> <p>Colin to speak to Alan Holmes at NEFRA to see how the North East dealt with relevant issues.</p>	CS CS

		ACTION
2.14	<u>Selected Bidder letter</u> Draft will be sent to both Bidders shortly for comment.	CS
2.15	<u>Final Business Case</u> Verbal update from the Project Manager. Being prepared.	CS
2.16.	<u>Timing of Build Programme</u> Verbal update from the Project Manager. Discussed earlier.	
2.17	<u>Chorley – Site Issues</u> Discussed earlier.	
2.18.	<u>Risk Log</u> The five ‘High’ risks and the proposed mitigation for each were noted.	
2.19.	<u>Communications Log & Strategy</u> The latest drafts of both the Strategy document and log of actions were noted. Colin to ask bidders if they would be happy with their flythrough videos being used as a way of communicating to Members etc.	CS
2.20.	<u>Any Other Business</u> Kieran hoping to explore the possibility of maximising any benefit around sponsorship opportunities for each Authority during the long term partnership with the Preferred Bidder.	KT
2.21	<u>Date of Next Meeting</u> The next meeting is scheduled to take place on Friday 16 th October 2009 at 10am in the Sefton Suite at Merseyside F&RS HQ, Bootle, Merseyside.	