

MERSEYSIDE FIRE AND RESCUE AUTHORITY

MEETING OF THE:	POLICY & RESOURCES COMMITTEE		
DATE:	23 MARCH 2023	REPORT NO:	CFO/71/22
PRESENTING OFFICER	CHIEF FIRE OFFICER PHIL GARRIGAN		
RESPONSIBLE OFFICER:	DEB APPLETON	REPORT AUTHOR:	ANTHONY HOLLAND
OFFICERS CONSULTED:	STEWART WOODS STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	PROPOSED NEWTON-LE-WILLOWS LLAR HOUSE DEVELOPMENT		

APPENDICES:	APPENDIX A:	FLOOR PLAN GROUND FLOOR
	APPENDIX B:	FIRST FLOOR PLAN
	APPENDIX C:	ELEVATIONS
	APPENDIX D:	SITE PLANS
	APPENDIX E:	EIA
	APPENDIX F:	TENDER EVALUATION

Purpose of Report

1. To inform Members of the progress made so far relating to the proposed construction of a new five bedroom detached property to be utilised by Merseyside Fire and Rescue Authority ('MFRA') staff on the Low Level Activity and Risk (LLAR) duty system, located on land acquired adjacent to the fire station on Silverdale Rd, Newton le Willows.

Recommendation

2. It is recommended that Members;
 - a) note the outcome of the formal tender process.
 - b) award the development to John Turner Construction at a contract value of £790,318.
 - c) approve the increase in the scheme's capital budget of £99.3k and the drawdown from the capital reserve to cover this increase.
 - d) note the estimated reduction in running cost figures outlined within this report
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Introduction and Background

3. The proposed development went through a formal tender and planning application process in 2017. However, the scheme was put on hold whilst the new Formby LLAR Development was progressed.
4. The old Newton ambulance station and land was initially purchased in 2014 by MFRA with the intention of building accommodation reflective of the duty system and our increasingly diverse workforce. The property was demolished and the site cleared under a separate project in 2021 in order to keep the site safe for the local community.
5. The current LLAR properties on Silverdale Rd and Borron Rd are approximately a 1 minute walk from current Newton fire station, this is within the required 1.9 minute response time from alert to mobilisation, for when staff are situated in the LLAR accommodation.
6. The current LLAR properties situated on Silverdale Rd and Borron Rd are of 1960's construction, and in fair condition. However due to the domestic design and layout of the properties they provide low energy efficiency and are not fit for purpose in terms of accessibility requirements. Extensive modernisation is needed to bring each property up to the required standards.
7. The proposed LLAR house is to be constructed directly adjacent to the existing fire station with gated access to allow ease of access for operational staff. The location of the proposed LLAR facility will help reduce the time taken for staff to be recalled back to the station, and allows staff to be situated in one LLAR property rather than the two currently in use.
8. The method of design of the new property will enable MFRA to easily re-adapt the building for future sale as two individual 3 Bed semi-detached properties. This was a key design decision as 3 bed semi-detached properties will be more marketable in this area in the future, rather than a larger 5 bed property.
9. The scheme has gone through another formal planning process and we have successfully achieved full planning approval from St Helens Council. The approval was gained on 5th November 2021 and expires on 5th November 2024. The planning application is a hybrid approach consisting of the LLAR accommodation and planning for 3 further residential properties on the adjacent land which increases the land value.
10. Utilising the SBS Framework a formal tender process was initiated and carried out in July and August of 2022. Eight contractors formally expressed an interest and received all the relevant documentation and a formal invite to tender accordingly of which two of the contractors subsequently submitted a tender bid.

11. The tender returns have been assessed and were scored based on a 60% weighting on commercial 40% quality, the details of which are contained within Appendix F. with the outcome determining John Turner Construction Ltd as the preferred bidder.
12. Newton Fire Station is a PFI managed station, therefore, consultation will take place with the PFI provider as and when works progress.
13. The existing LLAR properties have been valued by a local estate agent in September 2022, with the valuation at that time of the Silverdale Rd property i and the Borron Rd property as £240,000 and £195,000 respectively. If the project is approved the properties will be placed on the open market when required to secure a sale.
14. Outline approval for a further three residential properties on the remaining surplus land has been granted, the valuation of this surplus land is estimated to be a further £80k.
15. Should there be any changes to the Authority's operational response model then the Authority's investment within the new property can be recouped in the capital receipt from the future sale of the new property.
16. As stated, the proposed new LLAR house will be constructed to allow reconfiguration into two 3 bedroom semi-detached properties to maximise any future capital value. Based on the current housing market in the area demand is greater for 3 bedroom housing rather than 5 bedroom en-suite houses, we expect that both properties could attract a market value of circa £300k each.
17. The current economic crisis and energy market has affected the supply chain and these market uncertainties have resulted in an increase in construction material costs, labour rates and general works costs throughout the whole industry. We have seen further evidence of increased construction cost with other schemes tendered recently such as the TDA and Belle Vale LLAR development.
18. The new LLAR House has been designed with the needs of the fire and rescue service in mind, the property will be accessible for all staff and visitors alike. The building will be energy efficient, including a modern and adaptable heating system, solar panels and will be suitably insulated throughout.
19. Whilst there will be an increase in the business rates cost for the new property there will be added benefit due to the fact that the building is modern and provides the required level of comfort and accessibility needed for staff and visitors alike. However, there will be annual of circa £10-£15K in relation to the premises costs, due to the new property being more energy efficient and the reduced cleaning and maintenance requirements once constructed

Equality and Diversity Implications

20. A new Equality Impact Assessment has been completed for this project, (see appendix E of this report).

Staff Implications

21. The new development will provide improved facilities for staff along with reducing the travel time when recalled back to station therefore improving response times.

Legal Implications

22. Further to the requisite works required the appropriate procurement process was followed.
23. Subject to Authority approval a suitable construction contract will be required before the order is confirmed with the successful bidder John Turner construction Ltd

Financial Implications & Value for Money

24. Due to the impact that inflation and supply issues are having on major capital scheme costs the Authority approved a £250k increase in the Capital Reserve in the last financial review report. The table below summarises the current capital budget for the Newton-le-Willows LLAR house, £720k, and the required £99.3k increase to cover the recommended contract award. Members are asked to support the drawdown of £99.3k from the capital reserve to cover the increase in costs.

	Current Capital Budget	Proposed Capital Budget
Expenditure	720,000	819,300
Funded By		
Capital Receipts		
Sale of Houses	435,000	435,000
Surplus Land	80,000	80,000
Borrowing	205,000	205,000
Capital Reserve		99,300
	720,000	819,300

Risk Management, Health & Safety, and Environmental Implications

25. Extensive site investigations have established the presence of an area of ground contamination. A full remediation strategy to deal with this has been agreed with the appropriate Authorities

Contribution to Our Vision: *To be the best Fire & Rescue Service in the UK.*

Our Purpose: *Here to serve, Here to protect, Here to keep you safe.*

26. The new LLAR accommodation will provide an improved working environment for firefighters, including local roof training facilities and increased car parking. Although the current location of the existing LLAR accommodation allows for an acceptable response time. The proposals will assist in reducing this response time as the new property will be directly linked to the main station, thus reducing the travel time between the two.

BACKGROUND PAPERS

N/A

GLOSSARY OF TERMS

MBC	Metropolitan Borough Council.
MFRA	Merseyside Fire & Rescue Authority.
LLAR	Low Level Activity and Risk.