



EAST SUSSEX FIRE AUTHORITY

POLICY & RESOURCES PANEL

THURSDAY, 1 NOVEMBER 2018 at 11:30

MEMBERS

East Sussex County Council

Councillors Barnes (Chairman), Dowling, Elford, Scott, Tutt

Brighton and Hove City Council

Councillors O'Quinn, Theobald

You are requested to attend this meeting to be held at County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE at 11:30 hours.

AGENDA

Item No.	Page No.	
103	-	In relation to matters on the agenda, seek declarations of interest from Members, in accordance with the provisions of the Fire Authority's Code of Conduct for Members
104	-	Apologies for Absence
105	-	Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items
		(Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chairman before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgently)
106	1	<u>Minutes of the last Policy & Resources Panel meeting held on 26 July 2018</u> (<i>copy attached</i>)

Item No.	Page No	
107	-	Callover.
		The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Panel to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called.
108	5	Revenue Budget & Capital Programme Monitoring 2018/19 (copy attached)
109	25	Treasury Management - Half Year Review for 2018/19 (copy attached)
110	41	Efficiency Strategy Update (copy attached)
111	55	One Public Estate (OPE) Emergency Services Collaboration – Phase 1 (copy attached)
112	137	Preston Circus Feasibility (copy attached)
113	-	Exclusion of the Press and Public
		To consider whether, in view of the business to be transacted or the nature of the proceeding, the press and public should be excluded from the remainder of the meeting on the grounds that, if the press and public were present, there would be disclosure to them of exempt information.
		NOTE: Any item appearing in the confidential part of the Agenda states in its heading the category under which the information disclosed in the report is confidential and, therefore, not available to the public.
114	175	Confidential Minutes of the last Policy & Resources Panel meeting held on 26 July 2018 (Exempt category under paragraph 4 of the Local Government Act 1972) (copy attached)
115	177	Primary Authority Schemes (copy attached)

ABRAHAM GHEBRE-GHIORGHIS
Monitoring Officer
East Sussex Fire Authority
c/o Brighton & Hove City Council

Date published: 24 October 2018

For further details and general enquiries about this meeting contact Ellie Simpkin, Democratic Services Officer, 01232 462085 or email democraticservices@esfrs.org

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the POLICY & RESOURCES PANEL held at County Hall, St Anne's Crescent, Lewes at 11:30 hours on Thursday, 26 July 2018.

Members Present: Councillors Barnes, Galley, O'Quinn, Scott, Theobald and Tutt.

In attendance:

D Whittaker (Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), V Simpson (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), H Scott-Youlton (Assistant Director Training & Assurance), C George (Procurement Manager) and E Simpkin (Democratic Services Officer).

94 DECLARATIONS OF INTEREST

94.1 It was noted that, in relation to matters on the agenda, no participating Member had any interest to declare under the Fire Authority's Code of Conduct for Members.

95 ELECTION OF CHAIRMAN

95.1 Councillor Barnes was appointed as Chairman for the ensuing year.

96 APOLOGIES FOR ABSENCE

96.1 Apologies had been received from Councillor Dowling. Councillor Galley was attending as his substitute. Apologies were also received from Councillor Elford.

97 NOTIFICATION OF ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT AND PROPOSES TO TAKE AT THE END OF THE AGENDA/CHAIRMAN'S BUSINESS

97.1 There were none.

98 MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 24 MAY 2018

98.1 **RESOLVED:** That the minutes of the meeting of the Policy & Resources Panel held on 24 May 2018 be approved as a correct record and signed by the Chairman. (*Copy in Minute Book*)

99 CALLOVER

99.1 Members reserved the following items for debate:

100 Revenue Budget and Capital Programme Monitoring 2018/19

102 Procurement Strategy

100 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2018/19

- 100.1 The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) on issues arising from the monitoring of the 2018/19 Revenue Budget and Capital Programme as at 30 June 2018. (*Copy in minute book*)
- 100.2 Members were informed that with it being at an early stage in the financial year, the report was on an exception basis and addressed those areas where there were clear issues or risks.
- 100.3 The Panel was advised that currently the revenue budget was projected to overspend by £190,000. The overall Capital Programme was projected to be £13,000 over budget, with the current year's Capital Programme projected to underspend by £3,168,000 primarily due to slippage of Fleet and Equipment spend.
- 100.4 The ADR/T explained the primary risks for the Revenue Budget and Capital Programme which included:
- There was a significant risk of overspend on the Safer Communities operational staffing budget, partly due to a pressure on overall resource due to light duties, sickness and secondments being covered by the use of fixed term contracts. This was being managed and monitored by the Senior Leadership Team. The implementation of the Service Delivery Review also intended to embed a more proactive approach to resource management.
 - The FBU had registered a local dispute claiming that an Additional Responsibility Allowance (ARA) should be paid in relation to Swift Water Rescue which may have a potential financial impact for ongoing and back pay.
 - It was thought that negotiations regarding the annual pay award increase for Grey Book staff may reach a national outcome soon. There was a provision in the 2018/19 Revenue for a 1% award backdated to 1 July 2017.
 - Sussex Control Centre (SCC): a drawdown from the general reserves had been agreed which included £125,000 transfer into the revenue budget for an initial payment to extend the SCC project team.
 - With regards to the Capital Programme Fleet and equipment, a review of the fleet and equipment strategy was currently being undertaken to ensure that it met future operational demands and achieved value for money. Some previously planned purchases had been suspended pending the review. Interim proposals were being developed pending the medium/long term strategy. Both the interim proposals and the long term strategy would be put forward to the Panel/Fire Authority in due course.
- 100.5 In response to questions from the Panel regarding the Safer Communities budget overspend, the Chief Fire Officer (CFO) acknowledged that sickness had been a factor but that there were also legacy issues. The Authority had now opened recruitment, however, it did take two years to become a competent fire fighter. In addition, other Fire Authorities were also recruiting and officers been lost to

neighbouring brigades, especially London. The CFO acknowledged that there was a need to create stability in the workforce and re-baseline operational budgets.

- 100.6 The Panel sought clarification on the Preston Circus redevelopment and noted that the paragraph 5.2 (page 11 of the agenda) should read ‘underspend by £100,000’. The scheme had been paused pending the development of the ESFRS design guide which would serve as the basis for the overall design of all future redevelopments. A steering group comprising of senior officers, external consultants and Members had been established and the possibility of finding a public sector partner to co-locate was being explored. Both Authority Members and Brighton & Hove City Council Members, as well as other stakeholders, would be briefed as the scheme progressed.
- 100.7 Members suggested that it would be helpful to include a copy of the risk register in future reports. This had been presented to the Scrutiny and Audit Panel and would be circulated to the Panel for information.
- 100.8 Further discussion was had over recruitment and retention and it was noted that opportunities, such as open days and community events, and recruitment campaigns were being utilised to market the role of a fire fighter. The CFO undertook to remind local authority chief executives of the benefits of dual employment, with support from Authority Members.
- 100.9 **RESOLVED:** That the panel noted:
- i) the risks to and the projected Revenue Budget overspend;
 - ii) the risks to and the projected underspend in the current year’s Capital Programme;
 - iii) the use of reserves;
 - iv) the monitoring of savings taken in 2018/19; and
 - v) the current year investments.

101 PROCUREMENT STRATEGY

- 101.1 The Panel considered a report of the Procurement Manager seeking approval for the new Procurement Strategy for the period 2018-2020, which was due to be reported to the Fire Authority (*Copy in minute book*).
- 101.2 Following publication of the agenda, it had been decided that a proportion of the report could be discussed in the public.
- 101.3 The ADR/T introduced the report which outlined how the central procurement team would support the Authority’s purpose and commitment in delivering cost effective services which met the needs of the community by maximising the impact of procurement both internally and externally.
- 101.4 The Panel heard from the Procurement Manager who highlighted that with focus having been on compliance and substantial assurance, there was now an

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 1 November 2018

Title of Report Revenue Budget and Capital Programme Monitoring 2018/19

By Duncan Savage – Assistant Director Resources/Treasurer

Lead Officer Warren Tricker – Finance Manager

Background Papers None

Appendices

- Appendix 1: 2018/19 Revenue Budget Objective Analysis
- Appendix 2: Analysis of Safer Communities Forecast
- Appendix 3: 2018/19 Capital Budget Monitoring
- Appendix 4: All Years Capital Budget Monitoring (to 2022/23)
- Appendix 5: 2018/19 Reserves Projections
- Appendix 6: Monitoring of Savings 2018/19
- Appendix 7: Investment as at 1 October 2018

Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
EQUALITY IMPACT		POLITICAL	
FINANCIAL	✓	OTHER (please specify)	
HEALTH & SAFETY		CORE BRIEF	
HUMAN RESOURCES			

PURPOSE OF REPORT To report on issues arising from the monitoring of the 2018/19 Revenue Budget and Capital Programme as at 30 September 2018.

EXECUTIVE SUMMARY At this half way stage in the financial year this report is on an exception basis and addresses those areas where there are clear issues or risks. The Revenue Budget is projected to overspend by £577,000 and there are significant risks in addition to this (section 5). The primary cause of the forecast overspend is an overspend of £599,000 (3.3%) on the Safer Communities budget as a result of operating above the

agreed establishment in order to cover long term absences. SLT met to consider the options open to it to manage this overspend, some of those options are discussed in this report.

The report identifies a number of potential risks which may impact on the budget position. The primary risk is the uncertainty about the cost of the SCC project and the impact of the decision by West Sussex CC to serve notice on the joint service prior to the end of the Section 16 Agreement under which this Authority provides mobilisation services. Initial provision against this risk has been made by drawing down £625,000 from General Balances and use of the Corporate Contingency.

Having considered a range of options SLT has agreed actions intended to reduce the projected Revenue Budget overspend of £577,000. At this stage the financial impact of these actions is estimated to be £250,000. Further opportunities are being assessed and the flexibility in planned CERA provides further scope if this is needed. SLT will continue to proactively review the budget position on a monthly basis, including the crystallisation of identified risks, with the aim of achieving a balanced position at year end.

The overall Capital Programme is projected to be £13,000 over budget, whilst the current year's Capital Programme is projected to underspend by £87,000. This is a significant change from that previously reported and is the result of a revision of the fleet schemes and an associated variation to the Capital Programme.

The Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across financial year (Earmarked Reserves) and making provisions for the financial risks it faces (General Reserves). A summary of the current planned use of Reserves, updated with the latest operational position, can be found at Appendix 5. Whilst there have been some variances in the level of drawdown forecast on individual reserves, the overall net drawdown has increased by only £278,000.

A summary of the savings, £686,000 already taken from the 2018/19 budget, and the shortfall of £95,000 is set out in Appendix 6.

RECOMMENDATION**The Panel is asked to:**

1. Approve the variation to the Capital Programme, reducing the overall budget in 2018/19 by £2,029,000 and increasing the budget for 2019/20 by £1,004,000;
 2. Approve the drawdown of £100,000 from General Balances to fund the pressure on the Revenue Budget resulting from the higher than planned Grey Book pay award; and
 3. Note:
 - (i) the risks to and the projected Revenue Budget overspend,
 - (ii) the action being taken by the Senior Leadership Team to manage the projected Revenue Budget overspend,
 - (iii) the risks to and the projected underspend in the current year's Capital Programme,
 - (iv) the use of reserves,
 - (v) the shortfall in savings taken in 2018/19, and
 - (vi) the current year investments.
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1. Introduction

- 1.1 This report is based upon enquiries as at 30 September 2018. The Report discloses the main risks, issues and material variances.

	This P&R report £'000	Last P&R report £'000	Movement £'000
Revenue (see paragraph 2)	577	190	387
Capital in year (see paragraph 5)	(87)	(3,168)	3,081

- 1.2 This is the second report to the Panel for the 2018/19 financial year and as in-year data builds the confidence in forecasts increases. There may still be elements both internal and external that will influence the final position.
- 1.3 This Report highlights risks to the 2018/19 Revenue Budget and Capital Programme that may result in significant change to the projections. While certainty increases as the year progresses circumstances change and new risks arise and this Report considers the risks faced.

2. Revenue Budget Commentary

- 2.1 **Resources/Treasurer:** Initial analysis has identified a projected overspend of £81,000 (previously £94,000 overspend).
- 2.1.1 **Estates:** The previously reported overspend on rates of £39,000 has been contained within the overall Estates budget and is now projected to be on target. Following the resignation of the Estates Manager interim arrangements have been put in place for Sussex Police to support this service until a permanent appointment can be made. This will be cost neutral.
- 2.1.2 **Finance:** The budget manager has forecast an underspend of £30,000 (as previously reported) based on the charge for Financial Services provided by East Sussex County Council being broadly as charged in the previous year.
- 2.1.3 **Information Technology Governance:** The ITG revenue budget is forecast to be £106,000 overspend (previously £85,000 overspend). There is a pressure on operational spend of £12,000, £10,000 to support implementation of GDPR and £84,000 on agency resources to cover the vacant Outsource Relationship Manager position. Additional funding from West Sussex County Council and the release of funds from reserves will support SCC project costs. Costs associated with changes to software licencing will be met from the IT Strategy reserve.
- 2.1.4 **Procurement:** The recent appointments to Station Manager and the associated additional cost of tailoring has introduced a pressure on the uniform budget of £5,000 that cannot be contained.
- 2.2 **Safer Communities:** By far the largest directorate and employing the most people the Safer Communities budget is the most difficult to forecast. It is currently forecast to be £599,000 overspend (previously £134,000 overspend). This takes into account

the whole of the Safer Communities budget including non-pay. This forecast reflects the monitoring conducted by both HR and Finance and is based on an agreed and budgeted operational establishment of 337 (excluding SCC but including three POs and Wholetime firefighter posts in other directorates). The forecast assumes that actual strength will run at an average of 20 fte's over establishment until the Service Delivery Review is implemented on 1 February 2019 and then drop to an average of 14 fte over establishment for the rest of the year. It takes into account the 2% pay award for Grey Book employees which generates a pressure of £94,700 (in effect an unachieved saving) and the drawdown of £53,000 from the Wholetime Firefighter Recruitment Reserve. The forecast reflects two external secondments (funded) and four internal secondments (of which two are funded). The forecast also includes a pressure of £173,000 on Wholetime overtime based on spend to date. An analysis of the forecast overspend is shown in Appendix 2.

- 2.2.1 The Service Delivery Review and internal audit findings are bringing a number of changes designed to improve the wellbeing of staff and provide more flexible working with the aim to reduce sickness absence and therefore the need for Fixed Term Contracts (FTCs) and reduce current levels of overtime. The management of in-postings will be managed robustly through the duty officer role (it is acknowledged this will require effective reporting to make the process effective), Service case reviews of long term absence and light duties will be undertaken to ensure staff are supported back to work or supported through the appropriate process with a view to avoiding sickness or light duties extending for years.
- 2.3 **Human Resources and Organisational Development:** Following the resignation of the Assistant Director an underspend of £19,000 on pay is forecast.
- 2.4 **CFO Staff:** The Grey Book post of Executive Support Officer has been filled by a Green Book employee on a part time basis resulting in an underspend of £20,000 (previously on target).
- 2.5 **Non Delegated Costs:** There is a projected overspend on Injury Allowance Pensions of £22,000 (as previously reported).
- 2.6 **Corporate Contingency:** This budget is intended to provide some flexibility for SLT to manager in year budget pressures and was set at £569,300 for 2018/19. Given the pressures on it as a result of unbudgeted SCC Project costs the Urgency Panel on 17 July 2018 agreed to transfer £125,000 from the General Fund balance into the Contingency. For the purposes of this report the £30,900 balance remaining is assumed to be spent in full.
- 2.7 **Section 31 Grants, Business Rates Relief:** In setting the revenue budget an estimate was made based on returns by the districts and boroughs of grant income of £412,000 representing the element lost from retained business rates resulting from adjustments to business rates multiplier by central government. However the grant determination is £428,000, £16,000 better off (previously on target). The letter accompanying the determination explained that exceptionally, in respect of 2017/18, tariffs and top ups changed to reflect updated revaluation data as set out in the Local Government Settlement.

2.8 **Business Rate Pool:** The base revenue budget includes £150,000 income from the Business Rate Pool which is utilised to fund Safer Business training initiatives. Expected spend this year is circa £20,000 and so the balance is shown as transferring into earmarked reserves. First quarter monitoring from the Pool indicates our share may be closer to £300,000, albeit in previous years forecasts have reduced as the year progresses. Any surplus will be transferred to the earmarked reserve.

3. **Monitoring of Savings**

3.1 Appendix 6 shows the savings to be achieved in 2018/19. The relevant budgets have already been reduced in preparing the 2018/19 budget.

3.2 The Grey Book pay award has now been agreed in excess of the 1.5% provided for in the 2018/19 revenue budget. This means that the 2018/19 saving of £94,700 representing a 0.5% reduced Grey Book pay award has not been achieved. The pressure on the revenue budget will exceed this sum as this category of spend is currently forecasting an overspend and this pressure is factored into the revenue budget forecast.

3.3 The revenue budget forecast assumes that the final phase of the Riding at Standard savings is achieved i.e. as at 31 March 2018 all the posts planned to be removed, have been removed. However it is clear that the actual operational strength will remain above the budgeted establishment and this is reflected in forecast overspend on the Safer Communities budget.

3.4 The planned savings resulting from the SCC Project have been built into the revenue budget for a number of years. However these savings cannot now be fully realised as a result of West Sussex County Council's decision to terminate the Section 16 (S16) Agreement and not to go-live with 4i. At this stage the impact has been mitigated by an agreed use of the Corporate Contingency but the issue of additional costs arising as a result of the WSCC decision will need to be addressed as part of the Exit Strategy (see paragraph 5.3).

4. Capital Programme Commentary

- 4.1 The in-year Capital Programme for 2018/19 is forecast to underspend by £87,000 (previously £3,168,000 underspend). This forecast takes account of the proposed variation of the Programme of an in year reduction of £2,029,000. This significant change is the result of a thorough review of the Fleet and Equipment schemes including underspend on some new vehicles purchased, and a re-alignment of the build programme for new fire appliances which reduces by three the total number of new appliances required during the period to 31 March 2023. At the same time, additional funding is being sought for a number of new vehicles and other items of equipment. The changes are summarised in the table below:

	2018/19	2019/20	Total
Reschedule purchases of Fire Appliances.	(1,343)		(1,343)
Ancillary Vehicles: Reschedule to 2019/20 and some increased in unit costs.	(946)	1,004	58
Cars and Vans: review of requirements and unit cost savings.	(156)		(156)
Additional Area Manager car.	23		23
Four Vehicles for Retained Support Officers (RSOs).	140		140
BA & Ancillary Equipment: Outcome of updated business case for handheld radios	253		253
Total	(2,029)	1,004	(1,025)

4.2 The changes to the current Capital Programme are shown in the following table:

Capital Programme Expenditure	Base Budget 2018/19	Slippage from 2017/18	Revised budget 2018/19	Variation for Fleet	Current budget 2018/19
	£'000	£'000	£'000	£'000	£'000
Property – Major Schemes					
Preston Circus	200	0	200		200
ITF South East Workshop	250	0	250		250
Total Property Major	450	0	450		450
Property – General Schemes					
General Schemes	500	(226)	274		274
BA Chambers	0	5	5		5
Replacement Fuel Tanks	140	50	190		190
Sustainability	55	(3)	52		52
Security	50	0	50		50
Total Property General	745	(174)	571		571
Information Management					
Sussex Control Centre	50		50		50
Fleet & Equipment					
Fire Appliances 2018/19	1,343	0	1,343	(1,343)	0
Fire Appliances 2017/18	0	970	970		970
Ancillary Vehicles 2018/19	330	0	330	(270)	60
Ancillary Vehicles 2017/18	0	676	676	(676)	0
Cars & Vans 2018/19	387	0	387	163	550
Cars & Vans 2017/18	0	285	285	(156)	129
BA & Ancillary Equipment	0	69	69	253	253
Sub Total	2,060	2,000	4,060	(2,029)	2,031
Total Expenditure	3,305	1,826	5,131	(2,029)	3,015

4.3 In conclusion the variation saves £2,029,000 in 2019/20, additional spend of £1,004,000 in 2019/20, an overall saving of £1,025,000.

4.4 The overall Capital Programme is projected to overspend by £13,000 (as previously reported). The recommended variation increases spend in 2019/20 by slipping £1,004,000 from 2018/19.

- 4.5 **Preston Circus:** The scheme is expected to underspend by £100,000 (as previously reported), with the remaining £100,000 slipping to 2019/20. A separate report on project mobilisation is elsewhere on this agenda.
- 4.6 **BA Chambers:** The scheme is projected to overspend both in year and overall by £13,000 (as previously reported). At the end of the scheme, problems have been experienced in achieving specified temperatures which are being investigated and there is a risk that in resolving these the overspend may increase.
- 4.7 **Fleet and Equipment:** Schemes are currently expected to be on target (previously reported as £3,081,000 underspend) following a thorough review of the Fleet and Equipment schemes. The review included consideration of the best way of managing a peak in the planned fire appliance build programme in 2021, a result of the impact of the incident at Marlie Farm, Ringmer in 2006, when around half of the fleet was seriously damaged in an explosion. The majority of these vehicles are due for replacement in 2021. The Finance Department will work with Engineering to develop a revised Capital Asset Strategy for the next five years reflecting the full review of the Fleet and Equipment Strategy planned for December 2018. It should be noted that this review has not taken account of the ongoing review of fire appliance designs. If changes to the design of fire appliances are agreed at a later date, further savings may be realised.

5. Revenue Budget and Capital Programme Risks

- 5.1 **Service Delivery Review:** The current monitoring forecasts a substantial overspend on the Safer Communities budget as a result of actual strength exceeding the agreed establishment. As of 1 February 2019 the service intends to implement the Service Delivery review which is intended to be cost neutral. However in the course of the review a number of historic anomalies have been identified which have the potential to cause a pressure of up to £400,000 (full year effect) once the new operational establishment is in place. Work is underway to identify mitigating savings from the Safer Communities budget but until this is completed there is a risk of a further pressure of up to £100,000 in 2018/19.
- 5.2 **Swift Water Rescue:** The FBU has registered a local dispute claiming that an Additional Responsibility Allowance (ARA) should be paid in relation to Swift Water Rescue. This could have potential financial impacts both one off (for back pay) and ongoing. The meeting with ACAS on 2 July 2018 did not resolve the dispute.
- 5.3 **Sussex Control Centre:** The Authority had already identified funding of £274,000 to meet pressures related to the SCC Project and Business As Usual (BAU) budgets identified early in the financial year. Since that time West Sussex County Council has served 18 months' notice on the S16 agreement and at this stage it is not clear what the financial impact of this decision will be. Additional costs will be incurred in bringing Phase 2 of the SCC project to a conclusion and the Authority has commissioned external consultants to examine its options for when the current contract for our mobilising system ends in 2021. Finance will be a key work stream in the proposed governance arrangements for negotiating an Exit Strategy from the S16 Agreement and will assess and report on the financial impact. To mitigate this pressure the Authority has agreed to utilise £625,000 from the General Reserve, to manage the risk of additional costs arising from SCC as they are currently understood, to increase the

Revenue Budget (Corporate Contingency) by £125,000 and establish an earmarked reserve of £500,000 should it be needed.

- 5.4 **Training & Assurance:** The budget manager has advised that there is a potential underspend on Wholetime pay, where there will be vacancies. The budget manager is planning to employ Support staff on overtime to cover the vacancies and ensure the training needs are met.
- 5.5 All of these risks will continue to be monitored in 2018/19 and actions are already being taken however should they materialise the Authority will need to determine how the financial impact is to be managed. The Authority has a number of options open to it to manage in year budget pressures. As this report notes the Corporate Contingency has been almost fully committed so this leaves the identification of additional in year savings or managed underspends and use of General Balances.

6. Management of the projected 2018/19 Revenue Budget overspend

- 6.1 SLT has identified a number of options to be explored to manage the forecast revenue overspend and has agreed the following actions:
- 6.2 **Non Pay Spend - corporate:** analysis was conducted of budget v. projected spend on agency staff, consultancy, external training, advertising, stationery, postage, catering and room hire. SLT conducted a high level impact analysis which showed that the main elements of planned spend in these areas was supporting key business objectives (e.g. training, delivery of the IT Strategy) and that in other areas underspends were already offsetting overspends elsewhere in the budget. SLT therefore agreed that at this stage it would:
- put in place restrictions on attendance at Conferences for all staff and Members
 - remind managers of their responsibilities to ensure that all spend was necessary, appropriate and that opportunities to limit non-essential spend should be taken where possible
- 6.2 **Non Pay Spend – Safer Communities:** separate analysis of the Safer Communities budget has identified opportunities to deliver managed underspend on a range of non-pay areas without material impact on service delivery and a target of £50,000 has been agreed.
- 6.3 **Vacancy Management:** HR has been asked to analyse the current level of vacancies and consider whether a system of vacancy management could be put in place, and its potential business and financial impact.
- 6.4 **Management of the Operational Establishment:** SLT agreed that measures should be put in place alongside the implementation of the Service Delivery Review to accelerate the reduction in number of fixed term contracts in Safer Communities. Further work is required to assess the potential reductions in spend this could bring without adversely impacting on service delivery, but an initial target of £50,000 was agreed. The RDS pay budget is volatile and difficult to forecast but further analysis has identified the potential to deliver an underspend in the order of £50,000 subject to there being no significant upturn in activity through the second half of the year.

- 6.5 **Bringing forward future savings:** planned savings currently identified for 2019/20 are primarily dependent on delivery of projects or other initiatives and would not be possible to bring forward. £80,000 of savings has been identified to fund changes to the HR structure in 2019/20 but these are currently offsetting overspends elsewhere in the services budget.
- 6.6 **Reserves:** The service maintains General Balances to manage financial risks including the failure to deliver planned savings and the management of unplanned pressures. These currently stand at £2.517m. Given circa £100,000 of the budget pressure results from a higher than budgeted Grey Book pay award it is recommended that this amount is drawn down from General Balances.
- 6.7 **Capital Expenditure funded from the Revenue Account (CERA):** When preparing the Capital Asset Strategy there are a number of options available to the Authority to fund the planned spend. For 2018/19 £1,200,000 was included in the Revenue Budget to support capital spend (reducing to £600,000 in 2019/20 and £452,000 thereafter). This has been reduced by £130,000 to £1,070,000 to fund the revenue purchase of additional battery operated cutting equipment. The table in paragraph 4.1 shows a reduction over this and the next financial year of £1,025,000 in capital expenditure which provides the flexibility to reduce the planned CERA without impacting on the use of reserve. This flexibility could be used to address the projected Revenue Budget overspend should other measures not be sufficient.
- 6.8 **Summary:** Having considered a range of options SLT has agreed actions intended to reduce the projected Revenue Budget overspend of £577,000. At this stage the financial impact of these actions is estimated to be £250,000. Further opportunities are being assessed and the flexibility in planned CERA provides further scope if this is needed. SLT will continue to proactively review the budget position on a monthly basis, including the crystallisation of identified risks, with the aim of achieving a balanced position at year end.

7. Reserves

- 7.1 The table in Appendix 5 shows the planned and forecast use of reserves for 2018/19. The planned transfers are as recorded in the Fire Authority meeting in February 2018.
- 7.2 The large increases in the forecast transfer out from Improvement and Efficiency, RPE and communications, and IT Strategy reflect the delays in delivery experienced in the last part of 2017/18 after the planned values were reported as part of the budget setting process.
- 7.3 The reduction in General Reserve reflects the Urgency Panel decision to support and mitigate the financial risks of the SCC project.
- 7.4 The large forecast slippage in the Capital Programme reduces the need to draw down from the Capital Receipts reserve.

8. Borrowing and Investment

- 8.1 As at the 30 September 2018, the Authority held cash balances of £26.6m which were invested as set out in Appendix 7 in accordance with the Treasury Management

Strategy. The amount invested is projected to gain £70,000 more in interest than budgeted for (previously reported as £60,000 favourable), the recent Bank of England decision to increase base rate is not expected to have a material impact on this forecast.

APPENDIX 1

East Sussex Fire Authority 2018/19 Revenue Budget – Objective Analysis

	Original Budget	Revised Budget	Projected Outturn	Variance	Variance	Variance last P&R
	£'000	£'000	£'000	£'000	%	£'000
Training and Assurance	2,318	2,326	2,326		0.0	
Resources/Treasurer	6,951	7,079	7,160	81	1.1	94
Planning and Improvement	1,139	1,197	1,197		0.0	
Total Deputy Chief Fire Officer	10,408	10,602	10,683	81	0.8	94
Human Resources and OD	911	1,075	1,056	(19)	(1.8)	
Safer Communities	18,271	18,270	18,869	599	3.3	134
Operational Support	3,581	3,725	3,725		0.0	
Total Assistant Chief Fire Officer	22,763	23,070	23,650	580	2.5	134
CFO Staff	655	688	668	(20)	(2.9)	
Treasury Management	2,056	2,056	1,986	(70)	(3.4)	(60)
Non Delegated costs	541	541	563	22	4.1	22
Corporate Contingency	569	327	327		0.0	
Transfer to Reserves	1,148	1,278	1,278		0.0	
Transfer from Reserves		(420)	(420)		0.0	
Total Corporate	4,969	4,469	4,401	(68)	(1.5)	(38)
Total Net Expenditure	38,140	38,140	38,733	593	1.6	190

Financed By:						
Council Tax	(26,173)	(26,173)	(26,173)		0.0	
Business Rates	(7,594)	(7,594)	(7,594)		0.0	
Revenue Support Grant	(3,660)	(3,660)	(3,660)		0.0	
Transition Grant		0	0			
S31 Grants	(412)	(412)	(428)	(16)	3.9	
Collection Fund	(301)	(301)	(301)		0.0	
Surplus/Deficit						
Total Financing	(38,140)	(38,140)	(38,156)	(16)	0.0	0
Total Over / (Under) Spend	0	0	577	577	1.6	190

APPENDIX 2

East Sussex Fire Authority Analysis of Safer Communities Forecast, 2018/19

Area	Projected Variance £'000	<i>Wholetime</i> £'000	<i>Wholetime</i> Overtime £'000	<i>Retained</i> £'000	<i>Support</i> £'000	<i>Non</i> Pay £'000	<i>Income</i> £'000
AD Safer Communities	1	1	0	0	0	0	0
East	212	178	45	0	(3)	(8)	0
Central	356	290	58	0	15	(7)	0
West	389	344	71	0	(4)	(22)	0
Business Safety	(251)	(208)	(1)	0	(32)	(6)	(4)
Community Safety	(55)	(90)	0	0	36	7	(8)
Firefighter recruitment reserve	(53)	(53)					
Total	599	462	173	0	12	(36)	(12)

APPENDIX 3

East Sussex Fire Authority 2018/19 Capital Budget Monitoring

Capital Programme Expenditure	Base Budget 2018/19	Current budget 2018/19	Projected Outturn	Variance	Variance	Variance last report
	£'000	£'000	£'000	£'000	%	£'000
Property – Major Schemes						
Preston Circus	200	200	100	(100)	(50.0)	(100)
ITF South East Workshop	250	250	250		0.0	
Total Property Major	450	450	350	(100)	(22.2)	(100)
Property – General Schemes						
General Schemes	500	274	274		0.0	
BA Chambers	0	5	18	13	260.0	13
Replacement Fuel Tanks	140	190	190		0.0	
Sustainability	55	52	52		0.0	
Security	50	50	50		0.0	
Total Property General	745	571	584	13	2.3	13
Information Management						
Sussex Control Centre	50	50	50	0	0.0	0
Fleet & Equipment						
Fire Appliances 2018/19	1,343	0	0		0.0	(1,343)
Fire Appliances 2017/18	0	970	970		0.0	(700)
Ancillary Vehicles 2018/19	330	60	60		0.0	(330)
Ancillary Vehicles 2017/18	0	0	0		0.0	(676)
Cars & Vans 2018/19	387	550	550		0.0	(32)
Cars & Vans 2017/18	0	129	129		0.0	
BA & Ancillary Equipment	0	322	322		0.0	
Sub Total	2,060	2,031	2,031	0	0.0	(3,081)
Total Expenditure	3,305	3,102	3,015	(87)	(1.7)	(3,168)

APPENDIX 4

East Sussex Fire Authority 2018/19 - 2022/23 Capital Budget Monitoring

Capital Scheme	Agreed CFA budget £'000	Revised budget £'000	Projected Outturn £'000	Variance £'000	Variance % £'000	Variance last report £'000
Property – Major Schemes						
Preston Circus	2,550	2,550	2,550			
ITF South East Workshop	1,000	1,000	1,000			
Total Property major	3,550	3,550	3,550	0	0.0	0
Property – General Schemes						
General Schemes	2,794	2,794	2,794			
BA Chambers		360	373	13		13
Replacement Fuel Tanks	220	220	220			
Sustainability	441	441	441			
Security	150	150	150			
Total Property General	3,605	3,965	3,978	13	0.3	13
Information Management						
Sussex Control Centre	1,672	1,672	1,672	0		0
Fleet & Equipment						
Fire Appliances	7,674	6,331	6,331			
Ancillary Vehicles	2,729	2,787	2,787			
Cars & Vans	1,773	1,780	1,780			
BA & Ancillary Equipment		1,003	1,003			
Sub Total	12,176	11,901	11,901	0	0.0	0
Total Expenditure	21,003	21,088	21,101	13	0.3	13

APPENDIX 5

East Sussex Fire Authority 2018/19 Reserves Projections

Description	Opening Balance 01/04/18	2018/19 Planned Transfers In	2018/19 Planned Transfers Out	2018/19 Forecast Transfers In	2018/19 Forecast Transfers Out	Projected Closing Balance 31/03/19
	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves						
Improvement and Efficiency	1,640		(538)		(979)	661
Sprinklers	289	200	(290)	200	(346)	143
Insurance	249					249
RPE and communications	192				(192)	0
ESMCP ESFRS readiness	1,425		(660)		(660)	765
ESMCP Regional Programme reserve	369	639	(468)	657	(472)	554
Responding to new risks Revenue	15				(15)	0
Safer Business Training	198		(83)	130		328
IT Strategy	1,164	2,525	(1,226)	2,525	(1,467)	2,222
Wholetime Firefighter recruitment	361		(294)		(53)	308
SCC	0			500		500
Capital Programme Reserve	5,839	500	(2,077)	500	(2,105)	4,234
Total Earmarked Reserves	11,741	3,864	(5,636)	4,512	(6,289)	9,964
General Fund	3,142				(625)	2,517
Total Revenue Reserves	14,883	3,864	(5,636)	4,512	(6,914)	12,481
Capital Receipts Reserve	9,477	515	(1,624)	515	(1,272)	8,720
Total Capital Reserves	9,477	515	(1,624)	515	(1,272)	8,720
Total Usable Reserves	24,360	4,379	(7,260)	5,027	(8,186)	21,201

East Sussex Fire Authority
Monitoring of Savings 2018/19

	Budget	Current	Variance
	2018/19	Forecast	2018/19
	£'000	£'000	£'000
Phase Two Savings			
Phase 2 Riding at Standard	(280)	(280)	0
Total Phase Two Savings	(280)	(280)	0
Total non-operational savings	(200)	(105)	95
Total additional savings	(206)	(206)	0
Total all other savings	(406)	(311)	95
Total Savings	(686)	(591)	95

**East Sussex Fire Authority
Investment as at 1 October 2018**

Counterparty	Type	Amount £'000	Rate %
Barclays	95 Day notice	4,000	0.95
Santander	95 Day notice	4,000	1.00
Lloyds / HBOS	175 Day Notice	4,000	1.00
Goldman Sachs 1B	6 months fixed	4,000	0.83
Standard Life	MMF – variable	4,000	0.67
Insight	MMF - variable	4,000	0.67
Deutsche	MMF - variable	2,600	0.69
Total Current Investments		26,600	

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel
Date 1 November 2018
Title of Report Treasury Management-Half Year Review For 2018/19
By Assistant Director Resources / Treasurer

Background Papers Fire Authority:

- 14 June 2018 – Agenda Item 46: Treasury Management – Stewardship report for 2017/18
- 15 February 2018 – Agenda Item 29: Treasury Management Strategy for 2018/19

CIPFA Treasury Management in the Public Services code of practice and cross sector guidance notes

Local Government Act 2003

CIPFA Prudential Code

Appendices None

Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT	✓		

PURPOSE OF REPORT The treasury management half yearly report is a requirement of the Fire Authority’s reporting procedures and covers the treasury activity for the first six months of 2018/19. The report includes an update on the first half year of Prudential Indicators which relate to treasury activity.

EXECUTIVE SUMMARY The Fire Authority has complied with its approved Treasury Management Strategy and Prudential Indicators during the first 6 months of the year.

In challenging economic conditions the average rate of interest received through Treasury Management activity was 0.70%. This reflected the Fire Authority's continuing prioritisation of security and liquidity over yield. The Bank of England (BOE) base interest rate was increased on the 2 August to 0.75%. During the period the average rate was 0.58%.

No new borrowing has been undertaken in 2018/19 to date. On the 30th September 2018 total Public Works Loan Board (PWLB) loan debt outstanding was £10.773m at an average interest rate of 4.60%. The next loan repayment is due on the 31st March 2021 (£75k) with the PWLB. There have been no beneficial opportunities to reschedule debt so far during the year. The projected outturn of the Fire Authority's Capital Financing Requirement (CFR), a measure of the underlying need to borrow is £10.773m.

RECOMMENDATION

The Panel is recommended to:

- (i) Note the treasury management performance for the first half year of 2018/19.
- (ii) Identify any further reassurance the Panel requires in relation to the delivery of the Treasury Management Strategy.

1. INTRODUCTION

1.1 The Fire Authority's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- a) The Local Government Act 2003 (the Act) and supporting regulations require the Authority to "have regard to" the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice when setting Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
- b) The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) which sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

- c) Under the Act the Ministry of Housing, Communities and Local Government (MHCLG) has issued Investment Guidance to structure and regulate the Authority's investment activities.

1.2 The Fire Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken on a prudent, affordable and sustainable basis and its treasury management practices demonstrate a low risk approach.

1.3 The Code requires the regular reporting of treasury management activities to:

- a) Forecast the likely activity for the forthcoming year (in the Annual Treasury Strategy Report);
- b) Review actual activity for the preceding year;
- c) Review mid-year activity (this report) ; and
- d) Report changes to our Strategy (when required)

1.4 This report sets out information on:

- a) A summary of the strategy agreed for 2018/19 and the economic factors affecting the strategy in the first six months of this year;
- b) The Fire Authority's treasury activity during the first six months on borrowing and short term investments.

2. **2018/19**

2.1 **Original Strategy for 2018/19**

2.1.1 At its meeting on 15 February 2018, the Fire Authority agreed its treasury management strategy for 2018/19, taking into account the economic scene including forecast levels of interest rates. At the same time, the Treasury Management Policy Statement was agreed for 2018/19 as set out below.

2.1.2 East Sussex Fire Authority defines its treasury management activities as:

“The management of the organisation's cash flows, its banking, money market and capital market transactions, the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Fire Authority regards the successful identification, monitoring and management of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Borrowing

- 2.1.3 The Fire Authority's past strategy had been to borrow to support the Capital Programme and lend out other cash (rather than using internal borrowing). Historically this had meant that the interest rate earned on cash balances was higher than the interest rate paid on loans from the Public Works Loans Board (PWLB). Since the financial downturn, this interest rate differential had been removed. Our current approach, therefore, is to agree limits that allow new borrowing, but only exercise that flexibility if the external borrowing rates were so low that the long-term benefits significantly exceeded the short term cost. In practice, no new PWLB borrowing has taken place since January 2008.
- 2.1.4 Opportunities to reschedule debt have been monitored but have not yet arisen. The PWLB increased all of its lending rates on the 20th October 2010 (the day of the Government's Comprehensive Spending Review) by 1% on all rates. However, it did not increase the rate of interest used for repaying debt so that not only had the cost of our future borrowing increased but the opportunity to restructure our debt when market conditions allow had been significantly reduced.

Investment

- 2.1.5 When the strategy was agreed in February of this year, the advice given to us by our advisors, Link Asset Service, was that short term rates were expected to remain on hold for a considerable time. The economic outlook and structure of market interest rates and government debt yields had several key treasury management implications:
- (a) Although Eurozone concerns have subsided, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt, in some countries, continue to rise to levels that compound already existing concerns. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
 - (b) Investment returns are likely to remain relatively low during 2018/19 and beyond;
 - (c) Borrowing interest rates have been decreasing over the period. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns;

Investment and Borrowing Strategy agreed for 2018/19

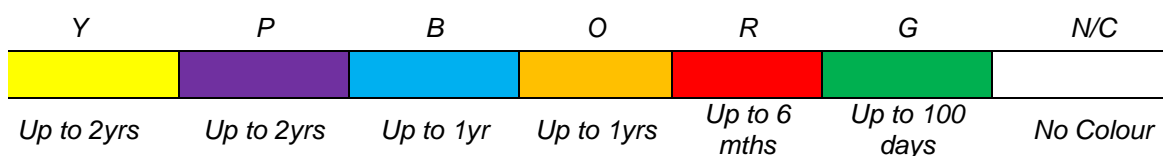
2.1.6 The Authority's investment policy has regard to the MHCLG's Guidance on Local Government Investments (the Guidance), the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Link Asset Services Guidance Notes (including CIPFA TM Code). The Authority's investment priorities will be security first, liquidity second, and then return.

2.1.7 The Authority will make use of the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.1.8 The modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative credit worthiness of counterparties. These colour codes are used by the Authority to determine the duration for investments. The strategy provides scope to invest in AAA rated foreign banks. However the Authority proposes to only use counterparties within the following durational bands that are domiciled in the UK.

- Yellow 2 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No Colour, not to be used



2.1.9 Officers regularly review the investment portfolio, counterparty risk and construction, market data, information on government support for banks and the credit ratings of that government support. Latest market information is arrived at by reading the financial press and through city contacts as well as access to the key brokers involved in the London money markets

2.1.10 The use of Specified Investments - Investment instruments identified for use in the financial year are as follows:

The Table below set out the types of investments that fall into each category, counterparties available to the Authority, and the limits placed on each of these.

Counterparty	Country/ Domicile	Instrument	Max. investment	Max. maturity period
Counterparties in UK				
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits	unlimited	1 yr
Government Treasury bills	UK	Term Deposits	unlimited	1 yr
Local Authorities	UK	Term Deposits	unlimited	1 yr
RBS/NatWest Group • Royal Bank of Scotland • NatWest	UK	Term Deposits (including callable deposits), Certificate of Deposits	£4m	1 yr
Lloyds Banking Group • Lloyds Bank • Bank of Scotland	UK		£4m	1 yr
Barclays	UK		£4m	1 yr
Santander UK	UK		£4m	1 yr
HSBC	UK		£4m	1 yr
Goldman Sachs IB	UK	Term Deposits	£4m	1 yr
Standard Chartered Bank	UK	Term Deposits	£4m	1 yr
Individual Money Market Funds	UK / Ireland Domiciled	AAA rated Money Market Funds	£4m	Liquidity/instant access
Enhanced Money Market / Cash Funds (EMMFs)	UK/Ireland/EU Domiciled	AAA Bond Fund Rating	£4m	Liquidity

2.1.11 Non Specified Investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments are set out below:

Non Specified Investments	Minimum credit criteria	Period
Local Authorities	Government Backed	2 years
Mixed Asset Fund(s)	Appropriate rating	2 - 5 years
Pooled Property Fund(s)	N/A	5+ years

The Fire Authority does not have any Non Specified Investments currently.

2.1.12 The net borrowing requirement within Table 3.2.1 below shows that, based on current estimates, the Authority does not need to take out any new borrowing, to support the capital programme. However, any future new borrowing taken out will be completed with regard to the limits, indicators, the economic environment, the cost of carrying this debt ahead of need, and interest rate forecasts set out above. The Assistant Director Resources / Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

2.1.13 Treasury staff will regularly review opportunity for debt rescheduling, but there has been a considerable widening of the difference between new borrowing and repayment rates, which has made Public Works Loan Board (PWLB) debt restructuring now much less attractive. Consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through market loans where a facility is available to agree terms but the borrower does not draw down the loan until a forward date when the funds are required.

2.1.14 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

2.1.15 Consideration will also be given to identifying if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

2.1.16 All debt rescheduling will be agreed by the Assistant Director Resources / Treasurer.

2.2 **Economic performance to date and outlook (commentary supplied by our advisors Link Asset Services).**

- 2.2.1 The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report suggested that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.
- 2.2.2 Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation is currently running at 2.5% but is expected to fall back towards the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.
- 2.2.3 Unemployment, this is now at a 43 year low of 4% on the Independent Labour Organisation measure, but despite that, wage inflation is currently not overly-strong at 2.6% (including bonuses). This is a global theme for the major economies of the world. Indeed, with UK wages running in line with the CPI measure of inflation, real earnings are, in effect, neutral. Given the UK economy is very much services sector driven, any weakness in household spending power is likely to feed through into tepid economic growth. This is another reason why the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit. Additionally, business sentiment surveys, such as the Purchasing Managers Index collated by Markit, suggest the UK is set for only modest GDP growth in the second half of 2018 with the monthly updated figure for annual growth being 1.5% as at the end of July. The housing market is going through a weak phase – with UK-wide house price growth averaging 2 to 3%, but with London and the south-east experiencing price falls.
- 2.2.4 As for the political arena, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

2.2.5 The Authority's treasury advisor, Link Asset Services, has provided the following forecast on the 7 August.

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

2.3 Interest on short term balances

2.3.1 The average base interest rate during the six months was 0.58%.

2.3.2 There have been continued uncertainties in the markets during the year to date as set out in section 2.2 above.

2.3.3 The strategy for 2018/19, agreed in February 2018, continued the prudent approach and ensured that all investments were only to the highest quality rated banks and only up to a period of one year.

2.3.4 The total amount received in short term interest for the six months to 30th September 2019 was £88k at an average rate of 0.70%. This was above the average of base rates in the same period (0.58%) and succeeded in the aim to secure investment income of at least base rate on the Fire Authority's general cash balances.

2.3.5 In May the Authority placed a £4m 6 month fixed term deposit with Goldman Sachs at 0.83%. In August a 1 year deposit was placed with NatWest at 0.40% matured and was not reinvested. Funds are invested across notice accounts with Lloyds/HBOS, Barclays and Santander, their margins are priced over base rate between 0.15%-0.40% depending on duration of notice, 95 to 175 days. The investments held comply with our Treasury Management Strategy and the Fire Authority has continued to follow an extremely prudent approach with security and liquidity as the main criteria before yield.

2.4 Long term borrowing

2.4.1 The cost of new borrowing is now well in excess of the rate achievable on our investments. No new PWLB borrowing has taken place since January 2008 and is unlikely in the current climate unless long term PWLB rates reach a very low level (where the long term benefit would exceed the short term costs).

2.4.2 The average interest rate of all debt at 30 September 2018 (£10.773m) was 4.60% and will be unchanged at 31 March 2019 as long as no new loans are taken and no beneficial rescheduling of debt is available.

2.4.3 Opportunities for cost effective repayment of existing debt and restructuring opportunities were constantly monitored but none emerged in the first six months of the year.

3. **Prudential Indicators and limits relating to Treasury Management activities**

3.1 **The limits set for 2018/19**

The Strategy Report for 2018/19 set self-imposed prudential indicators and limits. There are on an annual basis and monitored. They comprise:

None of the limits has been exceeded in 2018/19 to date.

Prudential Indicator	Compliant
Capital Expenditure	Yes
Ratio of Financing Costs to Net Revenue Stream	Yes
Capital Financing Requirement (CFR)	Yes
Net external Borrowing compared to the medium term CFR	Yes
Upper limits for fixed interest rate exposure and variable interest rate exposure	Yes
Upper limit for total principal sums invested over 365 days	Yes
Actual External Debt	Yes
Authorised Limit for External Debt	Yes
Operational Boundary for External Debt (see 3.2)	Yes
Maturity Structure of Fixed Rate Borrowing (see 3.4)	Yes
Maturity Structure of Investments (see 3.6)	Yes
Incremental Impact of Capital Investment Decisions	Yes
Adoption of the CIPFA Treasury Management Code (see 3.5)	Yes
Interest rate exposures (see 3.3)	Yes
Interest rate on long term borrowing	Yes
Interest on investments	Yes
Minimum Revenue Provision (see 3.7)	Yes

3.2 Authorised limit for borrowing

3.2.1 The table below sets out the actual 2017/18, original estimate and projected outturn in 2018/19 for borrowing.

	2017/18 Actual	2018/19 Original Estimate	2018/19 Projected Outturn
	£000	£000	£000
Opening CFR	10,973	10,773	10,773
Capital Investment	2,016	3,305	3,015
Sources of Finance	(1,777)	(2,874)	(2,584)
MRP	(439)	(431)	(431)
Movement in year	(200)	-	-
Closing CFR	10,773	10,773	10,773
less Finance Lease Liability	-	-	-
Underlying Borrowing Requirement	10,773	10,773	10,773
Actual Long Term Borrowing	10,773	10,773	10,773
Over / (Under) Borrowing	-	-	-
Operational Boundary	11,441	11,241	11,241
Authorised Limit	13,831	13,630	13,630

3.2.2 The Operational boundary for borrowing was based on the same estimates as the Authorised limit. It reflected directly the authorised borrowing limit estimate without the additional amount for short term borrowing included to allow, for example, for unusual cash movements. The Operational boundary represents a key management tool for in year monitoring and long term borrowing control.

3.2.3 The Authorised limit was consistent with the Fire Authority's current commitments, existing plans and the proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices. It was based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom (short term borrowing) over and above this to allow for day to day operational management, for example unusual cash movements or late receipt of income. Risk analysis and risk management strategies were taken into account as were plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

3.2.4 The Authorised limit is the "Affordable Borrowing Limit" required by S3 of the Local Government Act 2003 and must not be breached. The estimated long term borrowing at 31 March 2019 of £10,773,000 is under the Authorised limit set for 2018/19 of £13,630,000.

3.3 Interest rate exposure

The Fire Authority's Prudential Indicator continued the practice of seeking competitive fixed interest rate exposure for borrowing, lending and a combined figure of borrowing and lending.

Interest Rate Exposure	<u>2018/19</u> <u>Upper</u>	<u>2019/20</u> <u>Upper</u>	<u>2020/21</u> <u>Upper</u>
Limits on fixed interest rates based on net debt*	100%	100%	100%
Limits on variable interest rates based on net debt*	0%	0%	0%

*Net debt is borrowings less investments

No new borrowing undertaken and all lending at fixed rates

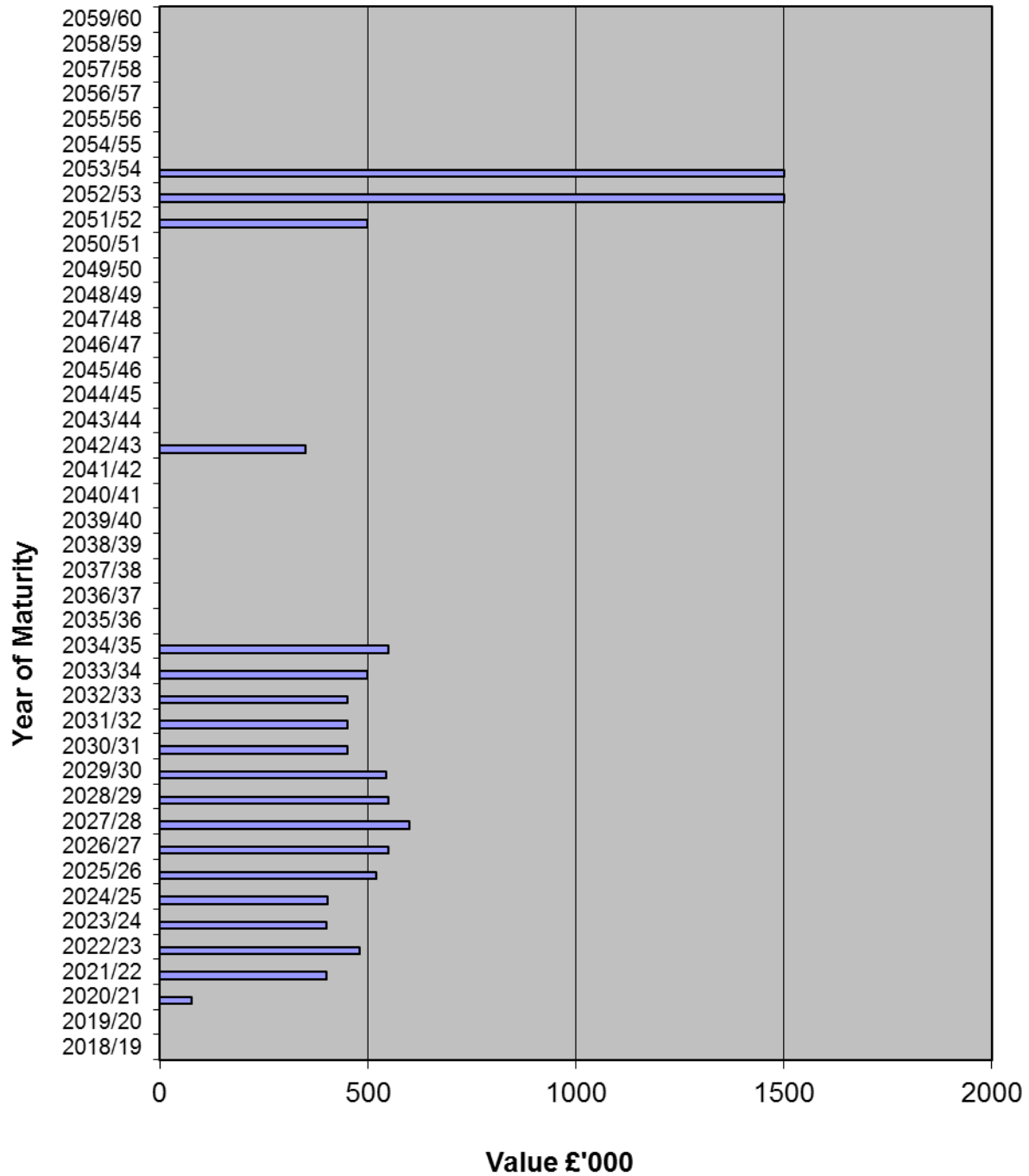
3.4 Maturity structure of debt

The Fire Authority set upper and lower limits for the maturity structure of its borrowings as follows.

	<u>Estimated</u> <u>Lower Limit</u>	<u>Estimated</u> <u>Upper Limit</u>	<u>Current</u>
Under 12 months	0%	25%	0%
12 months and within 24 months	0%	40%	0%
24 months and within 5 years	0%	60%	9%
5 years and within 10 years	0%	80%	23%
10 years and within 20 years	0%	80%	32%
20 years and within 30 years	0%	80%	3%
30 years and within 40 years	0%	80%	33%
Over 40 years	0%	80%	0%

Any new borrowing undertaken would give due consideration to the debt maturity profile, ensuring that an acceptable amount of debt is due to mature in any one financial year. This helps to minimise the authority's exposure to the risk of having to replace a large amount of debt in any future years when interest rates may be unfavourable. No new borrowing has been undertaken in 2018/19 to date. The following graph shows when the debt will mature.

PWLB Loans Maturity Profile at 30th September 2018



3.5 Compliance with the treasury management code of practice

East Sussex Fire Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. CIPFA is currently conducting a review of the Treasury Management Code of Practice and the Prudential Code. This review will particularly focus on non-treasury investments and especially on the purchase of property with a view to generating income. The Authority has been part of the consultation process and will await CIPFA's guidance, amending where necessary for future strategies.

3.6 Maturity Structure of Investments

The authority has continued the current policy and not invested any sums for more than 364 days.

3.7 Minimum Revenue Provision Statement

The Fire Authority's Borrowing Need (the Capital Financing Requirement)

3.7.1 The prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the underlying borrowing need.

3.7.2 The Fire Authority approved the Capital Finance Requirement projections for 2017/18 in its Strategy approved in February. These are in the original estimate below:

	2017/18 Actual £000	2018/19 Original Estimate £000	2018/19 Projected Outturn £000
Opening CFR	10,973	10,773	10,773
Closing CFR	10,773	10,773	10,773
Movement in CFR	(200)	-	-
Movement in CFR represented by:			
Net financing	239	431	431
MRP	(439)	(431)	(431)
Movement in year	(200)	-	-

3.7.3 The Fire Authority is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge called the Minimum Revenue Provision (MRP), although it is also allowed to undertake additional voluntary payments.

3.7.4 The Authority sets aside a Minimum Repayment Provision based on basic MRP of 4% each year to pay for past capital expenditure and to reduce its CFR. For any new borrowing the Asset Life Method will be used to calculate MRP.

3.7.5 Over the past years the regulatory and economic environment has changed significantly and led some Authorities to consider more innovative types of investment activity. The government has also monitored changes in the practices used for calculating MRP. MHCLG issued guidance in February 2018 following consultation with the sector and will amend where necessary future strategies.

4. **Treasury Management Advisors**

4.1 The Strategy for 2018/19 explained that the Fire Authority uses Link Asset Services as its treasury management consultant through the contract that exists with East Sussex County Council. The company has provided a range of services which have included:

- a) Technical support on treasury matters, capital finance issues and advice on reporting;
- b) Economic and interest rate analysis;
- c) Debt services which includes advice on the timing of borrowing;
- d) Debt rescheduling advice surrounding the existing portfolio;
- e) Generic investment advice on interest rates, timing and investment instruments;
- f) Credit ratings from the three main credit rating agencies and other market information;
- g) Assistance with training on treasury matters.

4.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice, the final decision on treasury matters remains with the Authority. This service remains subject to regular review.

4.3 Link is the largest provider of Treasury Management advice services to local authorities in the UK and they claim to be the market-leading treasury management service to their clients. The advice will continue to be monitored regularly to ensure an excellent level of service provided to the Authority.

5. **Conclusion**

5.1 The prime objective of Treasury Management is the effective management of risk and that its activities are undertaken in a prudent affordable and sustainable basis.

5.2 This report confirms the Authority has continued to follow a prudent approach with the main criteria of security and liquidity before yield. The current emphasis must continue to be able to react quickly if market conditions change.

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 1 November 2018

Title of Report Efficiency Strategy Update

By Assistant Director Resources & Treasurer

Lead Officer *Duncan Savage, Assistant Director Resources & Treasurer*

Background Papers Efficiency Strategy & Plan - Fire Authority 7 September 2017 Item 001

Appendices

1. Efficiency Plan Update
2. Efficiency Strategy – Progress Update

Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To inform Members of the progress in developing the Authority’s Efficiency Strategy. To update Members on the delivery of the Efficiency Plan agreed with the Home Office.

EXECUTIVE SUMMARY The Fire Authority’s Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December.

The Authority committed to publish an annual report on the progress of the Efficiency Plan. A draft of the proposed report is attached.

In September 2017 the Authority agreed to adopt a more strategic approach to delivering efficiencies that moved

beyond previous approaches that had focussed on delivering savings necessary to balance the revenue budget.

This report provides a progress summary against all of the activities identified within the scope of the Efficiency Strategy and the financial implications including potential efficiencies where those are clear. Good progress is being made but the work is still at a relatively early stage and this is reflected in the level of efficiencies identified so far.

Further work is required to identify and deliver a greater return on investment and specifically an increase in the level of cashable efficiencies delivered. SLT is committed to doing this as the Efficiency Strategy, and the activities within it are further developed and matured.

As the MTFP indicates, we need to be in a position to react to the new funding position for 2020/21 and have in place as a minimum sufficient cashable savings to balance the budget that year and in the subsequent three years (assuming the Government offers a four year settlement).

Work on a new IRMP will commence in 2019/20 and that this will include an operational response review. This will assess the level of resource required to meet changing risk in the communities we serve, and provides a key opportunity to identify efficiencies from operational services that form the majority of the Authority's Revenue Budget.

RECOMMENDATION

The Panel is recommended to:

- i) Approve the progress update on the Authority's published Efficiency Plan
- ii) Note the progress on delivering the Efficiency Strategy.

1. EFFICIENCY PLAN UPDATE

- 1.1 As a pre-requisite for accessing its offer of a four year funding settlement from 2016/17 – 2019/20 the Government required local authorities to submit and Efficiency Plan for approval. For fire authorities, the Home Office set out a specified range of information to be included in the Efficiency Plan.
- 1.2 The Fire Authority's Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December. The Authority committed to publish an annual report on the progress of the Efficiency Plan.
- 1.3 The Authority's budget and financial plans, including plans to deliver savings are set out in its budget papers and Medium Term Finance Plan (MTFP). The information required by the Home Office was in a specific format that did not match with our existing reporting, however, all the information is drawn from existing sources such as our MTFP. For this reason we have decided not to refresh the Efficiency Plan itself but provide a commentary on progress. This is attached at Appendix 1 as a standalone document for publication on the website. The update this year focuses primarily on financial information as progress on collaborative initiatives is now being reported separately.

2. EFFICIENCY STRATEGY UPDATE

- 2.1 Since the 2010/11 the Authority has made, and has planned to make, savings totalling £8.682m of which £8.677m will have been delivered by 2019/20. This is a reflection of the fact that over the same period the core funding we receive from Government in the form of Revenue Support Grant (RSG) has reduced by £11.5m or 78%. The revised MTFP (approved in September 2018) shows a balanced budget in 2019/20 and then a need to deliver further savings of between £1.5m and £2.4m over the period to 2023/24. There is a significant degree of uncertainty over the Authority's funding after 2019/20 when the current four year settlement from Government ends. This uncertainty is primarily a result of the next Comprehensive Spending Review and changes to both the funding formula for local government and the Business Rate Retention system.
- 2.2 In September 2017 the Authority agreed to develop a more strategic approach to identifying and delivering efficiencies that went beyond delivering savings required to balance the budget. This change of approach reflected a number of key drivers
- The Government's Fire Reform Agenda, of which Efficiency and Collaboration is one of three key pillars
 - The Statutory Duty to for Emergency Services to Collaborate introduced as part of the Policing and Crime Act
 - The Authority's commitment to make effective use of its resources, underpinning its new purpose to 'Make our Communities Safer'
 - The approval following full public consultation of our new Integrated Risk Management Plan (IRMP) and its 10 supporting areas of interest which are

likely to require further investment to deliver but which may equally identify opportunities to improve our efficiency or effectiveness.

- A renewed commitment by the Authority and its blue light partners to collaboration following the Sussex Police and Crime Commissioner's decision not to seek a change to existing governance arrangements for fire

2.3 Work has commenced on all of the activities identified for year 1 in the original report and some work on income generation / commercialisation has been brought forward from year 2. Some of the activities are dependent on other pre-existing projects or initiatives e.g. the implementation of the Programme Management Office, the IRMP areas of focus and the IT Strategy. Good progress is being made but the majority of the activities are not yet developed to a point where potential efficiencies can be identified. A summary of progress against all activities is set out in Appendix B and an initial financial assessment in paragraph 2.4 below.

2.4 There are a number of areas where we can estimate the potential financial impacts primarily in relation to IT Strategy projects where business cases have been approved by SLT and also a number of collaborative projects that have been implemented. When taken together (excluding Firewatch where SLT has commissioned further work on benefits realisation) the position is as follows:

	£'000
One off investment	1,079
On-going Revenue Costs	185
Efficiencies – cashable	331
Efficiencies – non cashable	314
Total Efficiencies	645
Return on investment over 10 years	4.3
Payback period years	2.3

Given the early stage we are at and the relatively small number of activities assessed then it is not unexpected that this is the position. It is the case that part of the investment is required to upgrade existing platforms / redress historic underinvestment in IT (and this was reflected in funding allocated in the IT Strategy) and there is also a range of non-quantifiable benefits flowing from the projects. It is also the case that, given the level of savings delivered already since 2010/11, much low hanging fruit would already have been taken. But clearly further work is required to identify and deliver a greater return on investment and specifically an increase in the level of cashable efficiencies delivered. SLT is committed to doing this as the Efficiency Strategy, and the activities within it are further developed and matured.

2.5 The following activities are expected to reach a stage where potential efficiencies can be identified and reported before the end of this financial year:

- IRMP – Demand Management
- OPE – Uckfield / Heathfield / Battle
- IT – Firewatch
- IT – Procurement / Category Management
- ITF – CCTV on vehicles

- 2.6 Timing is of course key, and as the MTFP indicates, we need to be in a position to react to the new funding position for 2020/21 and have in place as a minimum sufficient cashable savings to balance the budget that year and in the subsequent three years (assuming the Government offers a four year settlement).
- 2.7 It is also important to recognise that work on a new IRMP will commence in 2019/20 and that this will include an operational response review. This will assess the level of resource required to meet changing risk in the communities we serve, and provides a key opportunity to identify efficiencies from operational services that form the majority of the Authority's Revenue Budget.

3. NEXT STEPS

- 3.1 In addition to continuing to pursue the activities set out in the Efficiency Strategy and preparatory work for the IRMP, it is proposed to hold an Efficiency Workshop with SLT in order to mature the Service's approach and ensure that the identification and delivery of efficiencies is embedded across all areas of the business.



East Sussex Fire
Authority
Efficiency Plan
2016/17-2019/20
Update October 2018

1. Introduction

- 1.1 As a pre-requisite for accessing its offer of a four year funding settlement from 2016/17 – 2019/20 the Government required local authorities to submit and Efficiency Plan for approval. For fire authorities, the Home Office, set out a specified range of information to be included in the Efficiency Plan.
- 1.2 The Fire Authority's Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December. The Authority committed to publish an annual report on the progress of the Efficiency Plan.

2. Update

- 2.1 The Authority's budget and financial plans, including plans to deliver savings are set out in its budget papers and Medium Term Finance Plan (MTFP). The information required by the Home Office was in a specific format that did not match with our existing reporting, however, all the information is drawn from existing sources such as our MTFP. For this reason we have decided not to refresh the Efficiency Plan itself but provide a commentary on progress.
- 2.2 The Authority's budget and financial plans were last formally updated as part of the budget setting process for 2018/19 and were approved by the Fire Authority on 15 February 2018. An initial update of the MTFP for the 2019/20 budget setting process was reported to the Authority on 6 September 2018. All these documents are available on the Authority's website.
- 2.3 Since the Efficiency Plan was published the Authority has consulted on and approved its new Purpose and Commitments and its Integrated Risk Management Plan (IRMP) which includes 10 areas of interest which will be the focus of reviewing the service over the period 2017-20 as follows:
 - Review of Service-wide Attendance Standards
 - Demand Management Strategy
 - Immediate Emergency Care Responding
 - Planning for Growth
 - Water Safety
 - Protection
 - Duty to collaborate
 - Human Resource Planning
 - Health, Safety & Well Being
 - Inclusion & Diversity

More detail can be found at <https://www.esfrs.org/about-us/publication-of-information/planning-performance/integrated-risk-management-plan/>

- 2.4 The Efficiency Plan set out a series of efficiency savings assumptions which are how the Authority plans to deliver its services within the funding it has available.

As set out in Appendix A we are on track to deliver all of these efficiency savings and have added some additional savings as part of subsequent budget setting processes.

- 2.5 Collaboration with other public sector partners, particularly other emergency services, is a key part of our approach to delivering our commitment to make effective use of our resources. An update on the key activities is due to be reported separately to the Authority later in 2018.
- 2.6 The Service now has an agreed policy that provides the flexibility to permit combined crews in periods where we are attending a large protracted incident or receiving high numbers of calls, thus further improving resilience. Other plans are also in place that will ensure our on call firefighters are utilised effectively by providing services such as emergency medical response in rural areas. This piece of work is being developed and will be piloted at a time still to be determined. Progress is being delayed due to issues raised by Representative Bodies over national pay agreements.
- 2.7 The Authority commits to the publication of transparent performance information. The latest Annual Governance Statement and Statement of Operational Assurance are available on the Authority's website. The Annual Performance Outturn Report for 2017/18 was reported to the Authority on 6 September 2018 and can be found on our website at <https://www.esfrs.org/about-us/publication-of-information/planning-performance/annual-plan/>

3. Conclusion

- 3.1 The Authority has made good progress in delivering its published Efficiency Plan 2016/17 – 2019/20, both through delivering agreed efficiency savings and by moving forward a range of collaborative initiatives which will help us in our commitment to make more effective use of our resources.

Efficiency Savings Assumptions

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Changing the Service, Shaping our Future Savings	1,005	73	0	0
Management restructure	0	254	29	30
Revenue contributions to reserves	250	250	0	0
Reduced provision for pay awards	118	123	97	0
Riding at Standard	280	560	280	0
Other non-operational savings	210	3	0	0
Health & Safety Restructure (NEW)	0	7	4	0
HQ Relocation (NEW)	0	80	70	0
IT Procurement (NEW)	0	0	80	0
Finance contract (NEW)	0	0	41	0
External audit fee (NEW)	0	0	10	0
Pension Contributions (NEW)	0	0	75	0
Total	1,862	1,350	686	30

Notes:

1. All efficiency savings set out in the Efficiency Plan are on track to be delivered (shown as Green on the table above) apart from two items show as red where savings were £77,000 lower than originally planned. However new savings identified have more than compensated for this amount.
2. The Authority established a shared mobilising service with West Sussex Fire & Rescue Service in May 2014 (Sussex Control Centre) and has built into its budget savings of £474,000 pa identified in the business case. Delays in delivering the new mobilising system and more recently the decision of WSFRS to exit the partnership has meant that these planned savings have not been fully delivered. The shortfall has been covered on a year by year basis by a combination of one off funding from Reserves and other flexibilities within the revenue Budget.
3. Six new Efficiency Savings Assumptions were added to the MTFP in February 2017 and 2018.
4. Savings are shown in year – e.g. the cumulative saving for HQ Relocation is £150,000 in 2018/19 and the following years.

Sources:

ESFA Efficiency Plan 2016/17 – 2019/20; MTFP 2018/19 – 2022/23; Budget Monitoring 2018/19

Efficiency Strategy – Progress Update October 2018

<p>Closer alignment of the budget setting and business planning process</p>
<p>SLT has held a number of workshops to improve its strategic planning processes, tightening the links between its Corporate Plan and its enabling strategies, ensuring that they are aligned and planned activities are properly resourced. The financial planning and business planning processes have been more closely integrated for the 2019/20 service planning cycle. Star Chambers have been programmed in to review financial and business plans for each directorate – this will include input from Finance and Procurement Teams and an opportunity to challenge identified financial pressures, investment bids and savings / efficiency opportunities.</p>
<p>The modelling of a range of savings / efficiency scenarios beyond that required to balance the budget as set out in the MTFP</p>
<p>The revised MTFP for September CFA modelled a probable and worst case scenario (savings of between £1.5m and £2.4m by 2023/24). We continue to expect to be able to balance the budget for 2019/20 based on current assumptions and savings proposal, but there remains significant uncertainty beyond then. The Technical Consultation of the Local Government Finance Settlement indicates that the Government will keep the Council Tax Referendum Threshold at 3% for 2019/20.</p>
<p>Planned reviews of Governance and Collaboration, the latter to include clearer criteria for assessing collaborative opportunities to ensure the Authority can prioritise / focus its effort in this area</p>
<p>The review of Governance has been commissioned from the Good Governance Institute and a report is expected to be reported to the Authority in December 2018. It may consider the potential for efficiencies by reviewing the governance structures of the Authority.</p> <p>An initial review and assessment of Collaboration is due to be reported to the Authority later in 2018. A Collaboration Framework was approved by SLT in April and sets out the basis on which we will collaborate with partners. It sets out our key principles for collaboration: increased effectiveness; greater efficiency; improved value; improved public safety; and more resilience.</p> <p>Anticipated efficiencies from collaboration include Integrated Transport Function, 3F and One Public Estate. Our current assessment is that collaboration is delivering resilience, improved service quality and cost avoided rather than material / cashable efficiencies. This picture is expected to change as other collaborative proposals reach business case stage.</p>

<p>Reviews of all existing programmes, projects and collaborative initiatives to evaluate the potential financial impact including the potential to deliver efficiency savings</p>
<p>This is in progress and a summary is reported in paragraph 2.4 of the covering report.</p>
<p>Evaluation of the potential financial and performance impact of the 10 focus areas of the IRMP</p>
<p>This is underway and will be reported to SLT in the coming months. A report on the Demand Management Review is due at SLT later in 2018.</p>
<p>Standard template for strategies to include requirement to set out opportunities for delivering efficiencies or improving outcomes for communities</p>
<p>A standard template for strategies has been agreed that includes the requirement to set out how the strategy will deliver efficiencies.</p>
<p>Development of more robust standard approaches to evaluating new projects through feasibility and business case stages, with a clear focus on identifying investment requirements and benefits identification / realisation including efficiencies (as part of the development of the Programme Management Office)</p>
<p>Standard processes and documentation are being developed through the PMO and are expected to be ready for sign off and implementation from September 2018. Business cases presented for approval through SLT are challenged to ensure benefits identification and realisation are addressed. Post implementation reviews have been programmed in to assess benefits realisation. Further work on benefits identification, especially efficiencies, has been commissioned for the Firewatch Project.</p>
<p>A clearer focus on the identification and delivery of efficiency savings through the Procurement Strategy and its supporting category management plans</p>
<p>A new Procurement Strategy has been approved by the Authority. It sets out how a Category Management approach will focus on the identification and delivery of efficiencies. Category Management plans will be developed once the new structure is in place and will feed into future service planning cycles. Implementation of the new national framework contract for Personal Protective Equipment is expected to save c£90,000pa from 2020/21.</p>

The recommencement of the Support Service Review

SLT has agreed a first phase of services for review as follows:

- Operational Support Services (3F):
 - Occupational Health – a new collaborative service went live in July – additional investment in GP / nurse capacity is expected to reduce levels of sickness absence
 - Training – collaboration on e-learning development and new recruit training in place other areas being explored
 - Health & Safety – phase 1 underway focussing on alignment of policy and processes
 - Fire Investigation – a proposal for a joint approach is being pursued through 3F
- Fleet & Engineering (ITF) – fuel, workshop and telematics in progress. 3F and Sussex Police have agreed to fund a resource for two years to develop the business case for an integrated transport function and to deliver the agreed service delivery model.
- Insurance – the Authority has approved membership of Fire & Rescue Indemnity Company from 2019/20 with anticipated savings of £188,000 pa
- Legal Services – a review of the existing service provision is underway and proposals will be reported to CFA in December.
- FPS Administration – review in progress with a view to developing a business case for alternative options.
- HR & OD

These are all being progressed with the exception of HR&OD where current focus is on the delivery of efficiencies through the Firewatch project and a HR Business Process review

Review with telent of opportunities for delivering further efficiencies through IT

telent have developed an initial Category Management Plan for IT which is due to be reported to IT Strategy Board in October 2018. We are working with telent to leverage their expertise and capacity to maximise efficiencies from our IT Strategy investment.

Learning from the outcomes of the planned external review of HR processes and determine whether the approach has wider benefits across the organisation

SLT has approved a programme of quick wins from the HR Business Process Review. The potential for EDRMS and / or the use of Office 365 to deliver process automation are also being considered.

Re-assessment of the use of the Improvement & Efficiency Reserve with a focus on supporting invest to save initiatives
This will be carried out as part of the annual review of Reserves.
Considering the potential of investment through the Capital Asset Strategy to deliver ongoing efficiencies
This will be built in to business cases for all future capital schemes. In the short term the primary focus is on the review of the Estates and Fleet & Equipment Strategies. The former will seek to use capital investment along with collaboration through OPE to drive down the ongoing revenue cost of running and maintaining our built estate. An interim review of the Fleet & Equipment Strategy has identified one off capital savings of £1.025m.
A review of opportunities for potential commissioning of services (Yr 2)
Not yet commenced.
The assessment of opportunities for further development of benchmarking (with a focus on efficiency and effectiveness) across the fire service (Yr 2)
Not yet commenced. We expect that this will be developed across the sector in response to the data sets provided by HMICFRS through the inspection process.
A review of the opportunities for income generation through fees and charges, trading and other commercial opportunities (Yr 2)
<p>We have started a number of projects to develop opportunities for commercialisation and alternative income streams although these are still at an early stage:</p> <ul style="list-style-type: none"> • East Sussex Civic Crowdfunding Platform (Led by East Sussex County Council) – to source alternative funding / match funding to deliver community outcomes. • Primary Authority Scheme (through Business Advice & Support Partnership BAASP) – opportunities to provide more effective business safety support and generate income on a cost recovery basis. • Community Infrastructure Levy (CIL) – opportunities to develop joint bids for CIL funding with Sussex Police with a focus on the impact of the Wealden Local Development Plan on community risk in Hailsham / Polegate. • Health Safety Opportunities – development of potential income streams from health partners e.g. expansion of GP Pilot

- Disposal of assets – we are working with LDC to identify opportunities to maximise the value of the Fort Rd site in Newhaven and reviewing our approach to the disposal of vehicles
- Commercial / income generation opportunities – we have commissioned external support to review a range of opportunities for commercial and other income generation and the potential to utilise different models of delivery through mutuals / community interest companies.

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 1 November 2018

Title of Report One Public Estate (OPE) Emergency Services Collaboration Phase 1

By Assistant Director of Resources / Treasurer

Lead Officer Estates Manager- Maureen Cherry

Background Papers None

Appendices Appendix A - Uckfield Business Case Executive Summary and Proposed Floor Plans
 Appendix B - Heathfield Business Case Executive Summary and Proposed Floor Plans
 Appendix C - Battle Business Case Exec Summary
 Appendix D - Equality Impact Assessments

Implications

CORPORATE RISK	✓	LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT	✓		

PURPOSE OF REPORT To present the Business Cases under the OPE programme for Uckfield, Heathfield and Battle.

- EXECUTIVE SUMMARY**
1. Feasibilities have been completed for the co-location of East Sussex Fire and Rescue Service (ESFRS), Sussex Police and South East Coast Ambulance Service (SECamb) across Uckfield, Heathfield and Battle.
 2. Both Uckfield and Heathfield demonstrate a clear case that they are achievable, deliverable and affordable.
 3. Both these schemes would provide an excellent opportunity to utilise our resources more effectively

as well as delivering significant savings across the partners.

4. Given the level of investment required to support the Battle scheme and number of other key decisions, this project should be put on hold for the time-being.
-

RECOMMENDATION

Panel is asked to:

1. Approve the principle to enable both Sussex Police and SECamb, subject to their own internal sign-off, to relocate into Uckfield Fire Station;
 2. Approve the principle to enable both Sussex Police and SECamb, subject to their own internal sign-off, to relocate into Heathfield Fire Station;
 3. Approve a variation to the Capital Programme of £100,000 to fund the Authority's contribution to the Uckfield Fire Station Scheme;
 4. Grant authority to the Assistant Director Resources / Treasurer, after consultation with the Monitoring Officer, to grant leases or licences to the Police and SECamb in respect of their occupation of Uckfield and Heathfield Fire Stations;
 5. Note the requirements to support the next steps and actions;
 6. Note that further work is required to secure a more appropriate split of future running costs for Uckfield and Heathfield.
-

1. Introduction

- 1.1 We have been progressing a number of collaborative feasibility studies together with Sussex Police and SECamb through the SPACES Emergency Services Blue Light Collaboration work-stream. Following an initial review of sites, we identified eight sites where there was potential for co-location and therefore opportunity to release capital receipts and reduce revenue running costs across the three partners.
- 1.2 The sites/locations were;
1. **Uckfield** – Police leaving their station & different delivery model. SECamb largely moving out to Polegate.
 2. **Hailsham** – FS adjoins Police station. Growth plan for the County is significant (20,000) homes, plans for Hailsham – need to consider what we may need.
 3. **Rye** – SP have reduced need and so consideration for FS to be expanded or extended up to accommodate. SECamb have lease break in 3 years.
 4. **Bexhill** – Opportunity for SP & SECamb to co-locate.
 5. **Battle** – Opportunity with redundant Ambulance Station for co-locating SP, SECamb and Rother DC staff.
 6. **Brighton** – Potential for SECamb to share Roedean site with ESFRS.
 7. **Newhaven** – Opportunity for Coastguard to take over SECamb site whilst still accommodating them.
 8. **Heathfield** – SP require space to support their Community Response team.
- 1.3 Given the number of sites we prioritised the delivery into phases, with the first phase looking at the opportunity of Uckfield, Heathfield and Battle. Separately, SECamb and Sussex Police are also considering opportunities around Bexhill.
- 1.4 Following the successful application for grant funding from the One Public Estate (OPE), we commissioned Gleeds to support the development of the business cases for each of the projects.
- 1.5 The core key criteria of the OPE programme, are;
- Creating economic growth (new homes and jobs)
 - More integrated, customer-focused services
 - Generating capital receipts
 - Reducing running costs.

2. Uckfield, Heathfield and Battle Feasibilities

- 2.1 Concept designs have been completed for all three sites and end user engagement has taken place with Uckfield, Heathfield and Battle Borough Commanders and Station Managers.
- 2.2 The Executive Summaries of the Business Cases developed by Gleeds are shown in appendices A-C. The financial models provide two options for funding which include firstly ESFRS providing capital funding for the whole scheme, with the investment being repaid through a rental charge and secondly; where the capital costs for the scheme are shared with contributions from each of the partners in return for a leasehold with a peppercorn rent. Both options include a calculation on future running costs which would equate to the Service Charge levied on each partner.
- 2.3 As it is unlikely that there would be an appetite for ESFRS to provide total funding towards the project in return for the rental approach, this report will only summarise the capital contribution model.

3. Uckfield Feasibility

Design Proposal

- 3.1 The proposal would be to relocate both Sussex Police and SECamb into the Fire Station site and undertaking remodelling and refurbishment of the existing site to enable this.
- 3.2 Sussex Police would locate their Public Enquiry Officer and Response Constables/Sergeants into the facility. In total, approximately 30 staff would be based from there with only 6x on shift at any one time (likely to be 11 at change over). SECamb would base two crews for two ambulances (max 3 staff per vehicle) from the Uckfield site. There would rarely be both crews on site at any one time.
- 3.3 Due to the current inefficient use of space in the Station, the concept scheme demonstrates that all services can be supported with only minimal extensions for storage areas required to the rear of the building.
- 3.4 The scheme proposes to reinstate the main access point into the building from the side access, which removes the current risk of members of public crossing the front apron. Positively it also proposes to relocate the current briefing/community room from the 1st floor down to the ground floor adjacent to the main entrance, this will enable the room to be accessible to disabled users and those with mobility issues. There would be a Police reception desk and interview room in the same area. SECamb would be based on the ground floor directly behind the reception and our shower/locker area would be located beyond this.
- 3.5 The scheme has been developed alongside the development of the Design Guide, therefore reflects the key design principles together with room areas/functions. As part of this the current gym would be relocated to where the existing briefing/community room is and there would be an open plan ESFRS office with bookable separate offices available.

- 3.6 The kitchen and dining area would be shared with other partners and in line with the design guide, there would be an ESFRS only quiet room on the 1st floor. Police accommodation is provided on the 1st floor towards the front of the building and also to the rear where the gym is currently located.
- 3.7 Police and Ambulance response bays would be provided at the front of the site adjacent to the appliance bay apron. This limits the risk of any impact with our own response routes whilst also maintaining a swift response route for the other partners. Partner parking would be provided to the far left-hand side of the site

Financial Case

- 3.8 The capital cost of the scheme would be £924,000 which includes all professional fees and contingencies.
- 3.9 Both Sussex Police and SECamb would be able to release their existing sites which, based on the medium level of valuation, could achieve circa £1m and £100,000 income respectively.
- 3.10 Currently the total revenue running costs for all three sites is £225,000 per annum. The proposed scheme would see this reduce to £104,000 delivering approx. £120,000 annual revenue savings across the partners.
- 3.11 Under the proposal, the share of capital costs would be; ESFRS - £65,000, Sussex Police - £709,000 and SECamb - £149,000. The capital contributions from partners would be in exchange for a long leasehold on a peppercorn rental term. Allowing for the extension of Smarter Working specifically refreshed IT, it is recommended that the Service provides funding of £100,000 for the Scheme.
- 3.12 A summary of the financial overview is shown below;

	Capital Receipt £'000	Current Rev Costs £'000	Future Rev Costs £'000	Capital Share %	Capital Share £'000
ESFRS	–	95	86	7.1	65
Sussex Police	1,000	42	15	76.8	709
SECamb	100	88	3	16.1	149
Total	1,100	225	104	100	923

- 3.13 Whilst the scheme demonstrates significant savings across the partners and opportunity to release capital receipts, due to the apportionment of space between partners, ESFRS are only marginally benefitting (10%) under the reduction of running costs. This is largely because the appliance bay included in the calculation increases our share of the building area against other partners and there is an argument that this approach is disproportionate to actual running costs. This has been raised with

Partners and we have proposed that we remove the appliance bay from the calculations, this would result in the following share of running costs and deliver nearer a 21% saving;

	% Share of Area	Share of Running Costs £'000
ESFRS	72	75
Sussex Police	23	24
SECAMB	5	5

- 3.14 The Partners have confirmed that they would be comfortable with this split, although we believe there is probably further negotiations that could share the running costs further. As ultimately, there is an opportunity value of the building and against their current running costs there are substantial savings.

4. Heathfield Feasibility

Design Proposal

- 4.1 The proposal is to add an extension to the rear of the existing building. The requirements for both Police and SECamb are much less than those for Uckfield, as the facility will only be required for infrequent touch down/rest periods.
- 4.2 Sussex Police would use the site as a drop-in point for their response and prevent teams, likely to be only 2-3 staff at any one time. SECamb would base 1x ambulance at the site (max 3 staff per vehicle).
- 4.3 There would be some reordering of space in the yard to accommodate parking and the RTC compound. The Police and Ambulance bays would be orientated to the side of the appliance bay exit.
- 4.4 We have undertaken local team engagement, following their feedback, consideration will need to be given the memorial garden, relocation of fire hydrant and foam interceptor equipment. We would propose as part of the scheme to bring forward general scheme programmes of work to update areas such as the locker/shower and kitchen areas at the same time.
- 4.5 Following the imminent closure of the public conveniences, which adjoin our building, we are in discussions with Wealden District Council to purchase the WCs and bring these into the footprint of the building. This may provide opportunity to improve operational space within the building.
- 4.6 SECamb are currently reviewing their site in Heathfield and training requirements. If they decide to stay there could be an opportunity to just relocate the Police into the refurbished public WCs. This would have the benefit of avoiding some of the considerations listed above in respect of the memorial garden, fire hydrant and foam etc.

Financial Case

- 4.7 The capital cost of the scheme would be £309,000 which includes all professional fees and contingencies.
- 4.8 Both Sussex Police and SECamb would be able to release their existing sites which, based on the medium level of valuation, could achieve circa £275,000 and £190,000 income respectively.
- 4.9 Currently the total revenue running costs for all three sites is £124,000 per annum. The proposed scheme would see this reduce to £31,000 delivering approx. £93,000 annual revenue savings across the partners.
- 4.10 Under the proposal, the share of capital costs would be; Sussex Police - £142,000 and SECamb - £167,000. The capital contributions from partners would be in exchange for a long leasehold on a peppercorn rental term.
- 4.11 A summary of the financial overview is shown below;

	Capital Receipt £'000	Current Rev Costs £'000	Future Rev Costs £'000	Capital Share %	Capital Share £'000
ESFRS	–	28	25	0	-
Sussex Police	275	10	5	46	142
SECamb	190	86	1	54	167
Total	465	124	31	100	309

- 4.12 Again the split of future running costs are disproportionate and therefore would suggest that we would negotiate a fairer approach which should deliver far greater savings on revenue to ourselves.

5. Battle Feasibility

- 5.1 Although the Executive Summary of the Business Case is also included, given the level of investment and impacts of other decisions being considered, we are only including for information at this time. Therefore, we would suggest putting any decisions on hold in respect of this feasibility work, until the other information is known.

6. Next Steps - Actions

- 6.1 Subject to approvals being given across all three partners, the next stage would be to formalise the governance arrangements under a Partnership Delivery Board. A development agreement would need to be drafted between the partners to agree financial commitment and share of professional fees towards the project with gateway sign-offs aligning to the RIBA Work Stages.

- 6.2 Following this, the next step would be to commission professional services to support the project and clearly set out Employers Requirements and the outline programme ahead of procurement of the main contractor.
- 6.3 Sussex Police have a priority to resolve their position in Uckfield and therefore there would be benefit to the Partnership to prioritise the delivery of this project. Given the Police's requirements, it could be beneficial to place responsibility of a Project Management role with them to progress the project through to delivery.
- 6.4 Legal advice will need to be taken as to whether occupation by partners is by way of a lease or a license.

7. CORPORATE RISK

- 7.1 Ahead of going live with any of these projects there will be a need to identify the Corporate and Service risks associated to the schemes. If the projects move forward to implementation and delivery, these identified risks will need to be considered and appropriate mitigation measures put in place to manage these as part of the Project Risk Log.

8. FINANCIAL

- 8.1 There is minimal capital funding required from ESFRS to support both the Uckfield and Heathfield schemes and it is recommended that additional funding of £100,000 is approved to cover the Service's contribution to the Uckfield Scheme with any costs related to Heathfield covered within the existing General Schemes Capital programme. However, it is likely that as owner of the sites together with the requirement to be the lead Contracting Authority, that we would need to allocate sufficient capital funds to support the delivery of the projects, with then a development agreement with both the Police and SECAMB to reimburse these costs.
- 8.2 As highlighted, revenue savings have been illustrated in this report, however these will need to be negotiated with other Partners to ensure there is a fair approach to the way space and therefore running costs are apportioned. Importantly, the opportunity value of the sites and buildings need to be reflected so that we achieve, as a suggestion, nearer 30% revenue savings.

9. POLITICAL

- 9.1 Politically these projects demonstrate ESFRS commitment to collaborate working with partners and present cases that are capable of being; feasible, deliverable and affordable. They showcase how collaborative working can deliver significant capital receipts and revenue savings to the public sector partners.
- 9.2 The collocation of blue light services in these areas will provide a very physical and visible message to the public we serve by not only highlighting how we are making best use of our resources but also how closely we are working with our blue light sector partners. These sites will provide emergency service hubs and a focus point for the community to access information and assistance.

10. CONSULTATION

- 10.1 These proposals were considered at the FBU estates Consultation meeting and no issues were raised in relation to these proposals.

11. INCLUSION & DIVERSITY

- 11.1 An initial draft Equality Impact Assessment has been completed for Uckfield and Heathfield and is attached at Appendix D

12. CONCLUSION

- 12.1 The feasibility work undertaken to support the business cases for both Uckfield and Heathfield demonstrate that they are viable and deliver significant savings and opportunities to release funding through the disposal of sites; over £200,000 in revenue savings per annum and over £1.5m in capital receipts.
- 12.2 They demonstrate that our sites can be used more efficiently and support an opportunity to work even more closely with our other Emergency Services Partners. There are also benefits to being able to bring changes and improvements to our own layouts and facilities to meet the Design Guide for minimal investment by ourselves.
- 12.3 Ultimately, the greatest benefit will be to those communities we serve by having an emergency services hub in their area to access information and assistance. Other underutilised sites can be disposed of and redeveloped bringing wider economic benefit to the towns, whilst allowing the Emergency Services to reduce current revenue costs and redirect these into savings or improvements for service delivery in local area.

One Public Estate | Emergency Services Collaboration

Uckfield | Business Case Executive Summary

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Document Purpose

SPACES has applied for and been granted One Public Estate [OPE] funding to progress a number of identified schemes within the Emergency Services Estate Portfolio, where the potential collaborative sharing of existing estate across Sussex Police, East Sussex Fire & Rescue Service [ESFRS] and South East Coast Ambulance Service [SECAMB] has been identified to meet the core key criteria of the OPE programme, namely;

- Creating economic growth (new homes and jobs)
- More integrated, customer-focused services
- Generating capital receipts
- Reducing running costs.

This document summarises the key elements of the business case for the collaborative sharing of the Emergency Services estate within **Uckfield**.

1 | Introduction

Through the OPE funding the SPACES Programme is seeking to support the potential collaborative sharing of existing estate across the three 'blue light' services, namely, Fire & Rescue, Ambulance and Police. This project is taking place in an environment of continued austerity and the need to create sustainable systems and through this investment the partners are seeking to address the following investment objectives:

- More integrated, customer-focused services.
- Reducing running costs.
- Generating capital receipts.
- Creating economic growth (new homes and jobs).

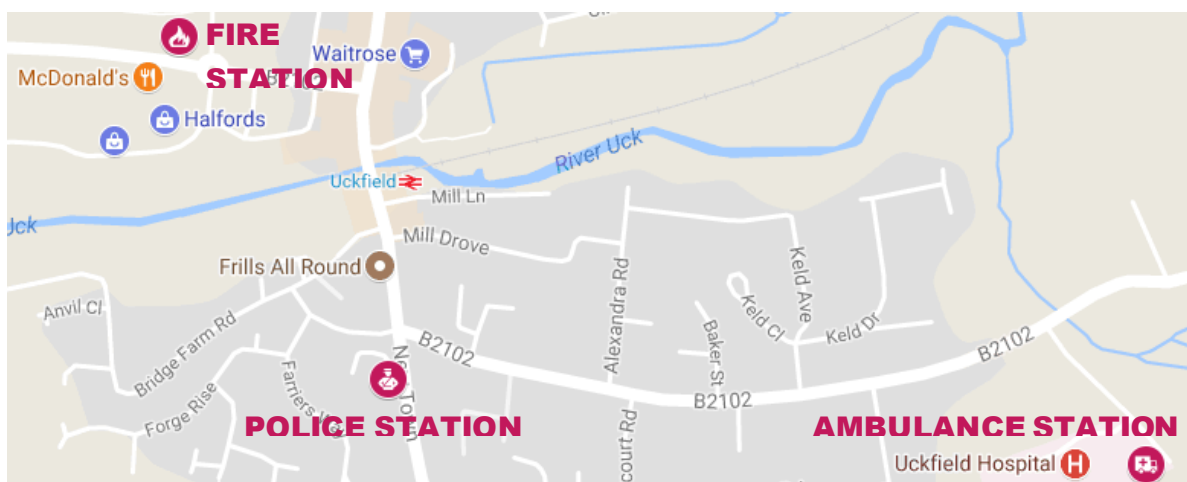
The three emergency service partners (fire and rescue, police and ambulance) form the three main stakeholders for this project and progress of the preferred solution (as outlined in this business case) will be subject to approval by their respective organisations.

The three organisations, although bringing different backgrounds and skill sets (which need to be recognised and accommodated within the co-location), are able to work together to leverage these strengths to reduce duplication and lower costs (to enable more funding into frontline service provision) and improve service provision.

The three services have successfully collaborated in other previous locations such as Newhaven which is considered to be a success. With this success, there is high level stakeholder support for collaboration across East Sussex and Brighton & Hove.

1.1 | Existing Sites & Background

Situated in the South East of England, Uckfield is a town within the Wealden district of East Sussex with a population of circa 15,000. The existing premises for the three Emergency Services are located across three separate areas of Uckfield, with the Fire Station to the north of the River Uck, the Police Station to the south of the River Uck and the Ambulance Station located adjacent to the local hospital on the outer reaches of the town, as per the below map.

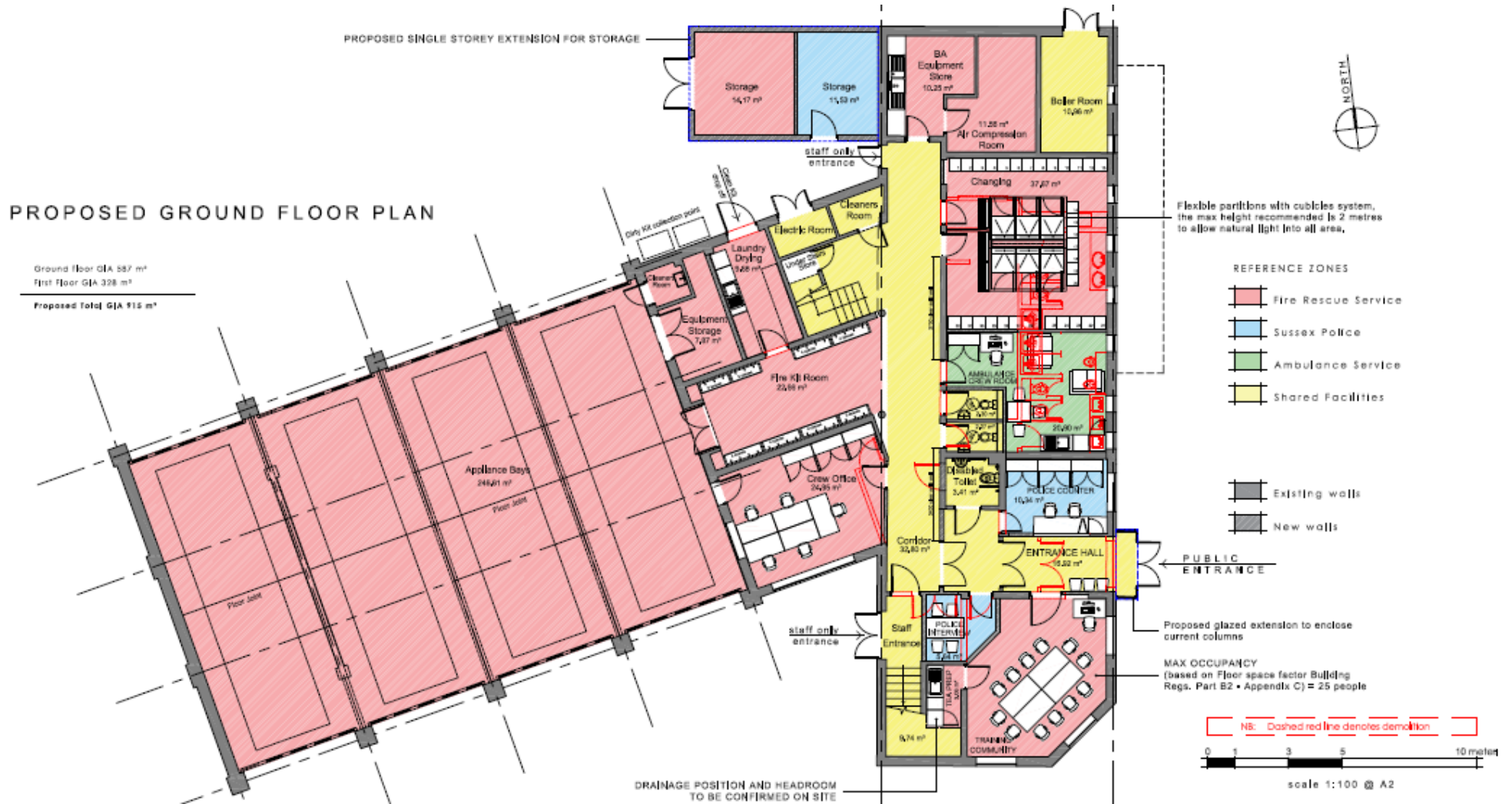


Preferred Solution

The business case identifies the preferred solution as the full co-location of the Police and Ambulance services onto the existing fire station site.

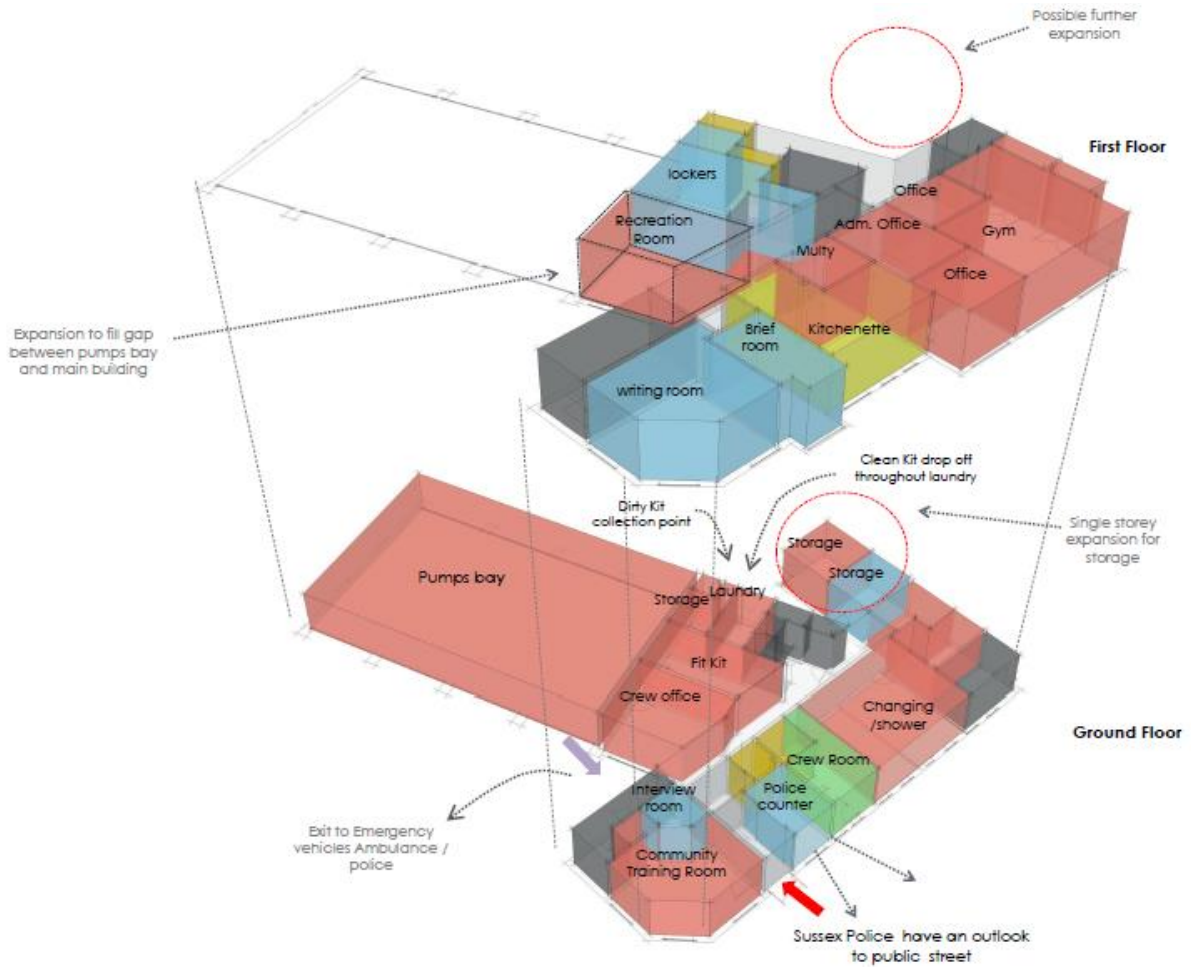
2 | Preferred Solution

The existing site would be reconfigured and refurbished to accommodate both the police and ambulance services, without the need for an extension as shown below.





The preferred solution has the three organisations only taking sole ownership of key spaces which cannot be shared with others due to either security or operational issues and sharing relaxation and welfare facilities, as shown above and below:



Please refer to Appendix A (Feasibility Design Pack), Appendix B (General Arrangement Drawings) and Appendix C (Site Plan) for further information.

2.1 | Schedule of Accommodation

This Schedule of Accommodation [SoA] currently contains every room type required by the all stakeholders involved (Fire Rescue, Police and Ambulance Service). This list of rooms has been created for guidance purpose only at this stage.

Type	Description	Existing (m ²)	Required (m ²)	Proposed (m ²)
ESFRS	Crew Office Room	23.13	24.00	24.95
	Pumps Bay	246.61	246.61	246.61
	Cleaners Storage	1.83	1.83	1.83
	Fit Kit Bay	22.12	30.00	22.66
	Hose & Equipment Storage	18.16	19.00	7.87
	BA Equipment Room	10.25	10.25	10.25
	Compressor Room	11.56	11.56	11.56
	Laundry Room	15.42	14.00	9.68
	Lockers	15.36	34.00	37.67
	Shower / Toilets (W)	11.40	-	-
	Shower / Toilets (M)	13.95	-	-
	Toilets Lobbies	5.76	-	-
	Admin Office	33.08	12.00	16.80
	Office	10.34	-	-
	Office	11.27	-	-
	Office - Borough Commander	21.19	6.00	9.32
	Office - Station Commander	17.43	6.00	10.65
	Training / Community Room	57.18	30.00	28.70
	Staff Room	28.06	-	-
	Gymnasium	23.12	45.00	46.33
	Kitchen	12.07	-	-
	Toilets (W)	1.89	-	-
	Toilets (M)	6.96	-	-
	Storage	2.63	-	2.63
	Storage	3.30	-	3.30
	Food Storage	5.04	-	-
	Stationary Storage	2.95	4.00	-
	Multiuse Room 1:1	-	6.00	7.77
	External Storage	-	6.00	14.17
	Recreation Room	-	30.00	23.53

Type	Description	Existing (m ²)	Required (m ²)	Proposed (m ²)
Sussex Police	Briefing Room	-	16.00	12.82
	Interview Room	-	6.00	5.64
	Counter	-	6.00	10.34
	Report Writing Room	-	36.00	25.68
	Operational Equipment Storage	-	5.00	11.53
	Toilet/Shower	-	4.00	4.25
	Storage	-	4.00	3.41
	Lockers	-	30.00	25.57
	Kit Bag Cages	-	20.00	
SECAmb	Crew Room	-	20.00	20.09
Shared	Kitchen / Dining Room	-	45.00	26.49
	Cleaners Storage	2.34	2.34	2.34
	Electric Room	2.76	2.76	2.76
	Server Room	3.45	3.42	5.81
	Disabled WCs	3.41	4.00	3.41
	Toilets Facilities	-	16.00	8.77
	Shower Facilities / Changing Room	-	36.00	
	Stair 01	14.81	14.81	14.81
	Stair 02	33.00	33.00	26.25
	Circulation	100.36	100.36	97.95
	Plant Room	10.72	11.00	10.72

The resulting SoA by are type is summarised below:

ESFRS	533.00 m ²
Sussex Police	126.00 m ²
SECAmb	20.00 m ²
Shared Facilities	268.00 m ²
Total Requirements (NIA)	948.00 m²
Current NIA	802.91 m ²
Proposed	855.00 m ²

3 | Estimate Capital Costs

The business case is being developed by the SPACES Programme (with One Public Estate funding) in collaboration with the three emergency service partners. Below we set out the estimated capital costs and proposed sources (please refer to Appendix D for a copy of the detailed cost estimate):

Description	£
Capital Costs	557,726
Fees (Post Business Case) @ 15%	100,391
Contingency	111,545
Inflation	Excluded
VAT	153,932
Sub-Total	923,594
Business Case Development	26,345
VAT	5,269
Sub-Total Other	31,613
Total (Inclusive VAT)	955,207
Sources of Funds	
One Public Estate	31,613
ESFRS	923,594
Sussex Police	0
SECAmb	0
Total Sources (Inclusive VAT)	955,207

The preferred option is for the Police and Ambulance services to co-locate with the Fire service at their existing site, which is owned by ESFRS. As a result, the above estimated costs reflect the delivery of the building project by ESFRS as the owners of the premises. However, as explored in section 5 | there is the potential option for the Police and Ambulance to contribute towards the capital cost, in return for a peppercorn rent.

4 | Financial Benefits

A key principle of the SPACES programme is that financial arrangements will be agreed within a transparent, open book fashion with a view to reducing the overall cost to the public purse of any potential outcomes (while ensuring no effected member is no worse off as a result of the project).

The business case has identified the following financial benefits as a result of this investment:

- Potential capital receipts resulting from the disposal of the Police and Ambulance sites.
- Reduce running costs for the Police and Ambulance services resulting from the disposal of the Police and Ambulance sites and subsequent sharing of the fire station site.

4.1 | Potential capital receipts

The following table summarises the potential capital receipts that may be able to be realised through disposal of the Police and Ambulance sites:

Organisation	Low	Modelled	High
Police Site	£950,000	£1,025,000	£1,100,000
Ambulance Site	£100,000	£110,000	£120,000

4.2 | Overview operational costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	95,301	95,301	95,301	95,301
Police station running costs	42,310	42,310	42,310	42,310
Ambulance station running costs	88,389	88,389	88,389	88,389
Existing Operational Costs	225,999	225,999	225,999	225,999
Fire station running costs ¹²	95,301	90,798	86,295	86,295
Police station running costs ²	42,310	28,816	15,323	15,323
Sussex Police rental ³	0	26,836	53,672	53,672
Ambulance station running costs ²	88,389	45,801	3,212	3,212
SECAmb rental ³	0	5,626	11,252	11,252
Estimated Revised Operational Costs	225,999	197,877	169,754	169,754
Increase/Saving	0	28,123	56,246	56,246

¹ Assumed 10% increase due to the increased use of the site has been modelled

² Proportional share of the running costs, based on SoA.

³ Assumes full capital provided by ESFRS, see section 5 | for alternative funding scenario.

5 | Funding Scenarios

The preferred option is for the Police and Ambulance services to co-locate with the Fire service at their existing site, which is owned by ESFRS. Therefore, the baseline model outlined in the business case is the funding and delivery of the building project by ESFRS (as owner). In other words, the ESFRS provide the capital for the project in return for a rental income from the police and ambulance.

The business case has also considered a funding scenario, where Sussex Police and SECAMB fund part of the capital (based on their share of the accommodation) in return for a peppercorn rent from ESFRS. Under both options, it is assumed that the ESFRS service would remain responsible for the delivery of the project, however, this is still subject to agreement between the parties.

The initial actual SoA by type is summarised below:

ESFRS	540 m ²
Sussex Police	96 m ²
SECAMB	20 m ²
Shared Facilities	199 m ²
Total Requirements (NIA)	855 m²

The project consists of the reconfiguration and refurbishment of the existing fire station to accommodate Sussex Police and SECAMB. Included in this work is a small element of maintenance investment that would be required (and undertaken by ESFRS) regardless of the project. The above SoA allocation, would result in the capital burden sitting with ESFRS, whereas the investment is driven by the need to accommodate Sussex Police and SECAMB. Therefore, the following allocations have been calculated.

Organisation	Percentage	Comment
ESFRS	7.10%	Internal decorations to be done regardless.
Sussex Police	76.80%	Allocation, less internal decorations to be done regardless.
SECAMB	16.10%	Allocation, less internal decorations to be done regardless.

5.1 | Baseline: ESFRS Capital

It is likely that in return for providing the capital to reconfigure the fire station to accommodate Sussex Police and SECAMB, ESFRS would receive a rental income from the two organisations. This would be a commercial arrangement between the organisations and is still to be agreed. For the purposes of this business case the rental return required by ESFRS has been assumed to be:

Option	£ (Excl VAT)
Depreciation (Over 15 Years)	£61,573
Return on Investment (@3.5%)	£2,155
Management Fee (10%)	£6,157
Total Annual Rent	£69,885

Therefore, using the preceding allocations by service the percentages as the basis of calculating the rent to be shared between Sussex Police and SECAMB results in the following annual rent allocations:

Option`	Annual Rent	% Share	Organisation Rent
ESFRS	£69,885	7.10%	£4,962
Sussex Police	£69,885	76.80%	£53,672
SECAMB	£69,885	16.10%	£11,251
		Total	£69,885

5.2 | Alternative: Capital contribution (in return for peppercorn rent)

Under this scenario the individual organisations to contribute their share of the capital required (based on the area allocations) towards the project, in return for ESFRS leasing their premises to the Sussex Police and SECAMB for a peppercorn rent. Therefore, the respective capital contributions would be:

Option	Capital Cost	% Share	Apportioned Capital Contribution
ESFRS	£923,594	7.10%	£65,575
Sussex Police	£923,594	76.80%	£709,320
SECAMB	£923,594	16.10%	£148,699
		Total	£923,594

5.2.1 | Impact on overall operations costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	95,301	95,301	95,301	95,301
Police station running costs	42,310	42,310	42,310	42,310
Ambulance station running costs	88,389	88,389	88,389	88,389
Existing Operational Costs	225,999	225,999	225,999	225,999
Fire station running costs	95,301	90,798	86,295	86,295
Police station running costs	42,310	28,816	15,323	15,323
Sussex Police rental	0	0	0	0
Ambulance station running costs	88,389	45,801	3,212	3,212
SECAMB rental	0	0	0	0
Estimated Revised Operational Costs	225,999	165,415	104,831	104,831
Increase/Saving	0	60,584	121,169	121,169

6 | Conclusion & Recommendations

The business case followed the principles of the Five Case Model:

Case	Description
The strategic case	This sets out the strategic context and the case for change, together with the supporting investment objectives for the scheme.
The economic case	<p>This demonstrates that the organisation has selected the choice for investment which best meets the existing and future needs of the service and optimises value for money [VFM].</p> <p>A five stage economic appraisal was undertaken to identify the preferred solution:</p>
The commercial case	This outlines the content and structure of the proposed deal.
The financial case	This confirms funding arrangements and affordability and explains any impact on the balance sheet of the organisation.
The management case	This demonstrates that the scheme is achievable and can be delivered successfully to cost, time and quality.

The economic appraisal (summarised in the table at the top of the next page) confirms that the consolidation of the three services onto the existing fire station site (Option 2) is the preferred option, as there is no suitable alternative site (either within the existing public estate or new) available in the locality and the preferred option addresses this and:

- Offers best value for money.
- It will provide premises that support the current models of service delivery from each of the partners.
- It can be implemented on a 'live' site allowing the provision of the fire service to continue from the site (recognising that some temporary operational changes may be required to accommodate the works).
- It fully satisfies the investment objectives.



The below table summarises the economic appraisal:

Option	Option 1 Do Nothing	Option 2 Fire Station Site
Qualitative Weighted Scores	57	441
Rank (Qualitative)	2	1
Net Present Value (NPV)	4,082,226	1,907,678
Rank (Quantitative)	2	1
NPV per point score	71,618	4,326
Overall Rank	2	1

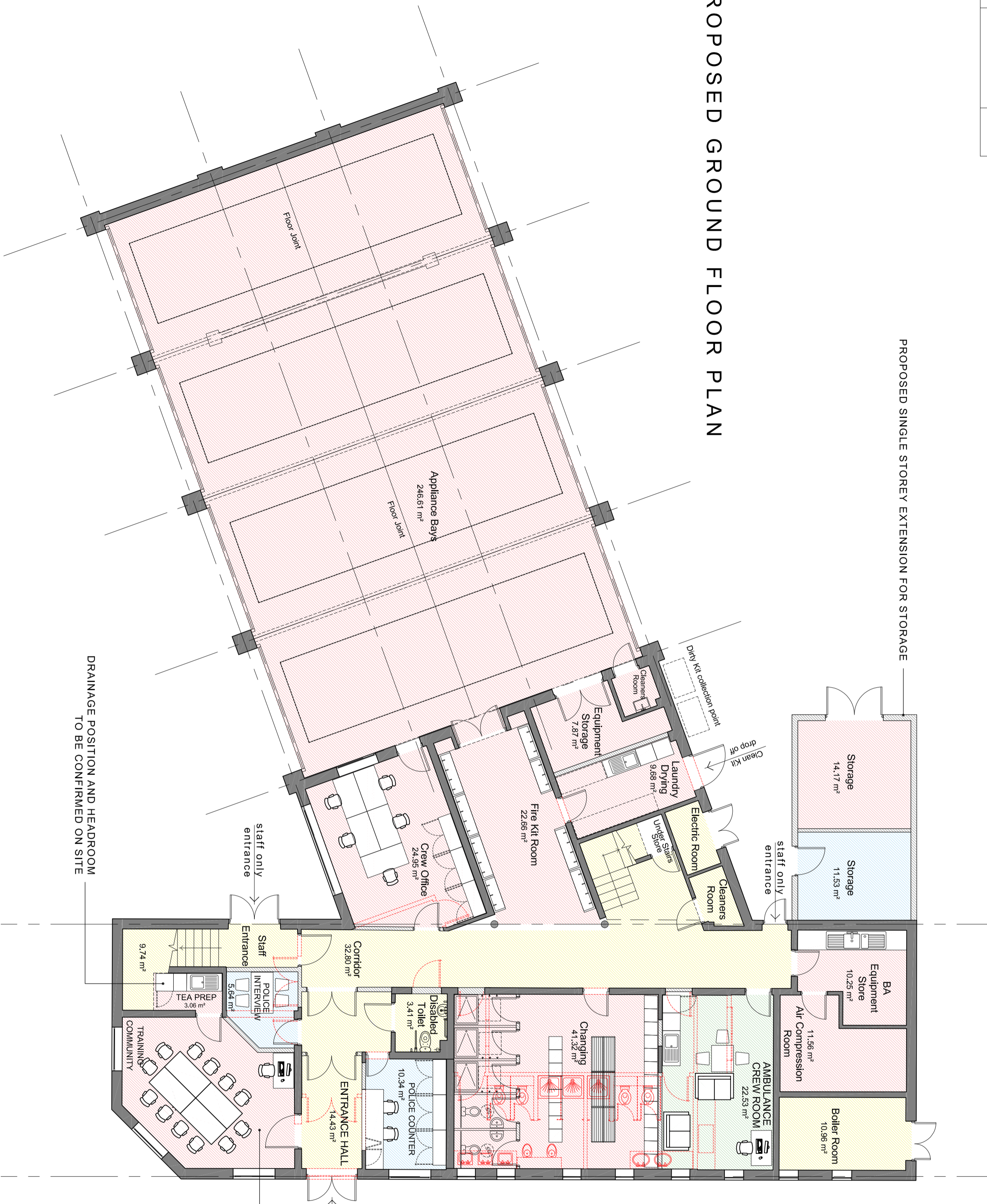
01

Executive Summary - Appendices

Appendices

Ref.	Description	File
A	Feasibility Design Pack	Not embedded due to file size.
B	General Arrangement Plans (1:100)	
C	External Site Plans (1:200)	 A-8309-70-101-P3-U ckfield-OptA.pdf
D	Cost Estimate	 Uckfield Fire Station Rev B.pdf

PROPOSED GROUND FLOOR PLAN



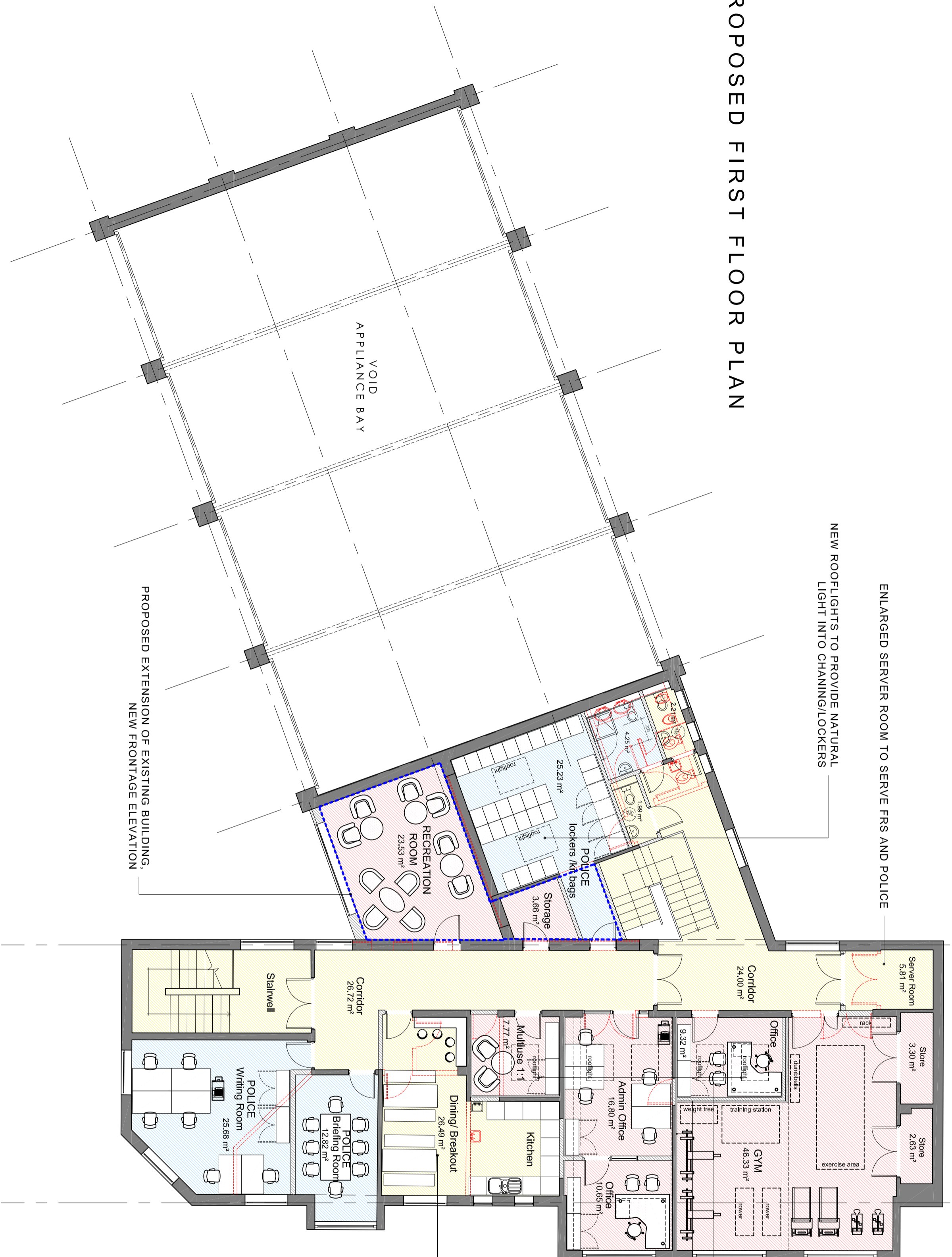
NOTE: All dimensions are based on topographic survey provided by Gleeds
 GACH0054_UCK_F00
 GACH0054_UCK_F01
 GACH0054_UCK_I01
 Current proposal is subject to design team coordination/development.

REV	DATE	BY	DESCRIPTION	CHKD
P4	20/04/18	vn	Amendments with client comments	vn
P3	10/04/18	vn	Amendments after DIM & FEEDOUT	vn
P2	28/03/18	vn	Amendments after DIM 14/03/18	vn
P1	14/03/18	vn	General amended with areas	vn

NO.	DESCRIPTION	DATE	BY	CHKD
1	WORK IN PROGRESS	20/04/18	vn	vn

JOB NAME	DATE	SCALE	STATUS
ESFRS Design Support Space Programme	20/04/18	1:100	revision
Uckfield Fire Station Proposed Ground Floor	20/04/18	1:100	revision

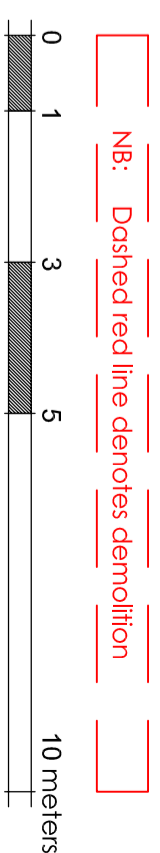
PROPOSED FIRST FLOOR PLAN



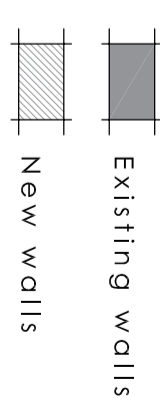
ENLARGED SERVER ROOM TO SERVE FRSS AND POLICE

NEW ROOFLIGHTS TO PROVIDE NATURAL LIGHT INTO CHANNING/LOCKERS

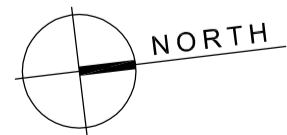
PROPOSED EXTENSION OF EXISTING BUILDING, NEW FRONTAGE ELEVATION.



scale 1:100 @ A2



NEW ROOFLIGHTS TO PROVIDE NATURAL LIGHT INTO OFFICES ACOUSTIC INSULATION



MAX OCCUPANCY (based on Floor space factor Building Regs. Part B2 - Appendix C) = 26 people

- REFERENCE ZONES
- Fire Rescue Service
 - Sussex Police
 - Ambulance Service
 - Shared Facilities

NOTE: All dimensions are based on topographic survey received on the 03th of March 2018 provided by Gleeds GACH0054_UCK_F00_PROVISIONAL GACH0054_UCK_F01_PROVISIONAL GACH0054_UCK_T01 GACH0054_UCK_T01 Current proposal is subject to design team coordination/development.

WORK IN PROGRESS

Completed at **Cambridge** on **17th March 2017**. All dimensions are based on the topographic survey received on the 03th of March 2018 provided by Gleeds GACH0054_UCK_F00_PROVISIONAL GACH0054_UCK_F01_PROVISIONAL GACH0054_UCK_T01 GACH0054_UCK_T01 Current proposal is subject to design team coordination/development.

ESFRS Design Support Space Programme		gpmg	
job title	Uckfield Fire Station Proposed First Floor	client	Cambridge
drawing title	Proposed First Floor	drawing no.	20 - 102
drawing no.	8309	checked by	P4
drawing by	09.03.2018	checked by	A2
drawing no.	8309	checked by	A2

rev	date	by	description	checked
P4	20.04.18	vn	Amendments with client comments	vn
P3	10.04.18	vn	Amendments after DIMA & FRF report	vn
P2	28.03.18	vn	Amendments after DIMA & FRF report	vn
P1	14.03.18	vn	Amendments after DIMA & FRF report	vn



NOTE: All dimensions are based on topographic survey provided by Gleeds GACH0054_UCK_F00 GACH0054_UCK_F01 GACH0054_UCK_T01
 Current proposal is subject to design team coordination/development.

PROPOSED SITE PLAN - OPTION A Refurbishment

WORK IN PROGRESS

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**ESFRS Design Support
 Space Programme**
 Uckfield Fire Station
 Proposed Site Plan - Opt. A

CPMG	ARCHITECTURE INTERIOR DESIGN VISUALISATION
CPMG Associates Ltd 33 Vyne Court, Northgate, L20 1JL Tel: 0151 958 885 www.cpmgarchitects.com	44 St. James Street Liverpool L2 1QW Tel: 0151 236 1234 www.cpmginteriors.com
DRAWN BY: DNB CHECKED BY: DNB DATE: 13.03.2018 DRAWING NO: 8309 SCALE: 1:200	DRAWING NO: 70 - 101 SCALE: A2

P2	20.04.18	vn	Amendments with client comments	VN
P1	28.03.18	vn	Amendments after DTM	VN
		by	description	CDM

J:\8309 ESFRS Design Support\1:00 BIM\0:03 AutoCAD Sheets\A-F\Plans_A\GP_P_External_A_8309-70-101-Uckfield-OptA.dwg

Printed: 19 April 2018 20:46:09

One Public Estate | Emergency Services Collaboration

Heathfield | Business Case Executive Summary

ISSUE DATE: 3 JULY 2018

GLEEDS CLIENT:
SPACES

PROJECT NUMBER:
GACH0054

VERSION NUMBER:
05

GLEEDS ISSUING COMPANY:
GLEEDS

Document Quality Management

Title OPE Emergency Services Collaboration | Heathfield Business Case

Prepared by Lucas Janssen, Associate Director

Checked by Chris Bowmer, Associate Director

Version Control

Date	Issue	Revision
	Document created	00
31.05.2018	Internal project team issue.	01
08.06.2018	Final draft issued to client for comment.	02
08.06.2018	Minor spelling, typos and grammar corrections	03
03.07.2018	Updated to include additional client data and revised executive summary.	04
03.07.2018	Additional information with regards to operational costs	05

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2 Preferred Solution	6
2.1 Schedule of Accommodation.....	7
3 Estimate Capital Costs	9
4 Financial Benefits	10
4.1 Potential capital receipts.....	10
4.2 Reduced running costs.....	Error! Bookmark not defined.
5 Funding Scenarios	11
5.1 Baseline: ESFRS Capital.....	12
5.2 Alternative: Capital contribution (in return for peppercorn rent).....	12
6 Conclusion & Recommendations	14

Document Purpose

SPACES has applied for and been granted One Public Estate [OPE] funding to progress a number of identified schemes within the Emergency Services Estate Portfolio, where the potential collaborative sharing of existing estate across Sussex Police, East Sussex Fire & Rescue Service [ESFRS] and South East Coast Ambulance Service [SECamb] has been identified to meet the core key criteria of the OPE programme, namely;

- Creating economic growth (new homes and jobs)
- More integrated, customer-focused services
- Generating capital receipts
- Reducing running costs.

This document summarises the key elements of the business case for the collaborative sharing of the Emergency Services estate within **Heathfield**.

1 | Introduction

Through the OPE funding the SPACES Programme is seeking to support the potential collaborative sharing of existing estate across the three 'blue light' services, namely, Fire & Rescue, Ambulance and Police.

This project is taking place in an environment of continued austerity and the need to create sustainable systems and through this investment the partners are seeking to address the following investment objectives:

- More integrated, customer-focused services.
- Reducing running costs.
- Generating capital receipts.
- Creating economic growth (new homes and jobs).

The three emergency service partners (fire and rescue, police and ambulance) form the three main stakeholders for this project and progress of the preferred solution (as outlined in this business case) will be subject to approval by their respective organisations.

The three organisations, although bringing different backgrounds and skill sets (which need to be recognised and accommodated within the co-location), are able to work together to leverage these strengths to reduce duplication and lower costs (to enable more funding into frontline service provision) and improve service provision.

The three services have successfully collaborated in other previous locations such as Newhaven which is considered to be a success. With this success, there is high level stakeholder support for collaboration across East Sussex and Brighton & Hove.

1.1 | Existing Sites & Background

Situated in the South East of England, Heathfield is a small market town within the Wealden district of East Sussex with a population of circa 8,000. The Police Station and Fire Station are located within close proximity to each other within the town centre, while the Ambulance Station is located on the fringes of Heathfield, off Burwash Road (A265), as per the below map.

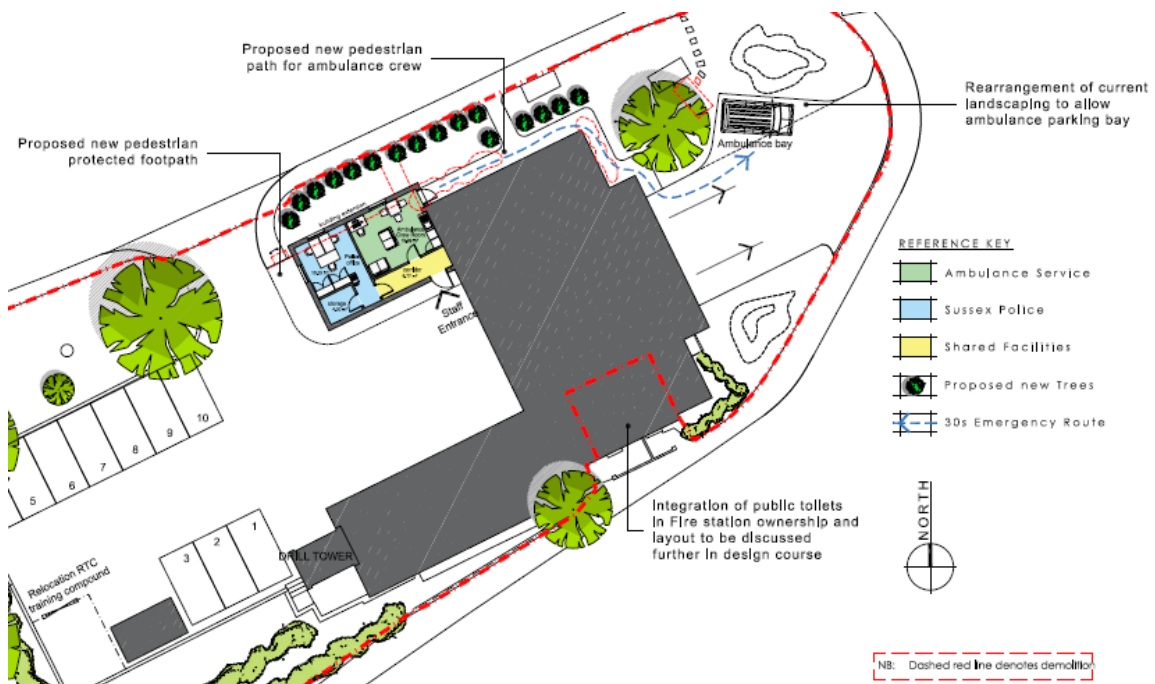


Preferred Solution

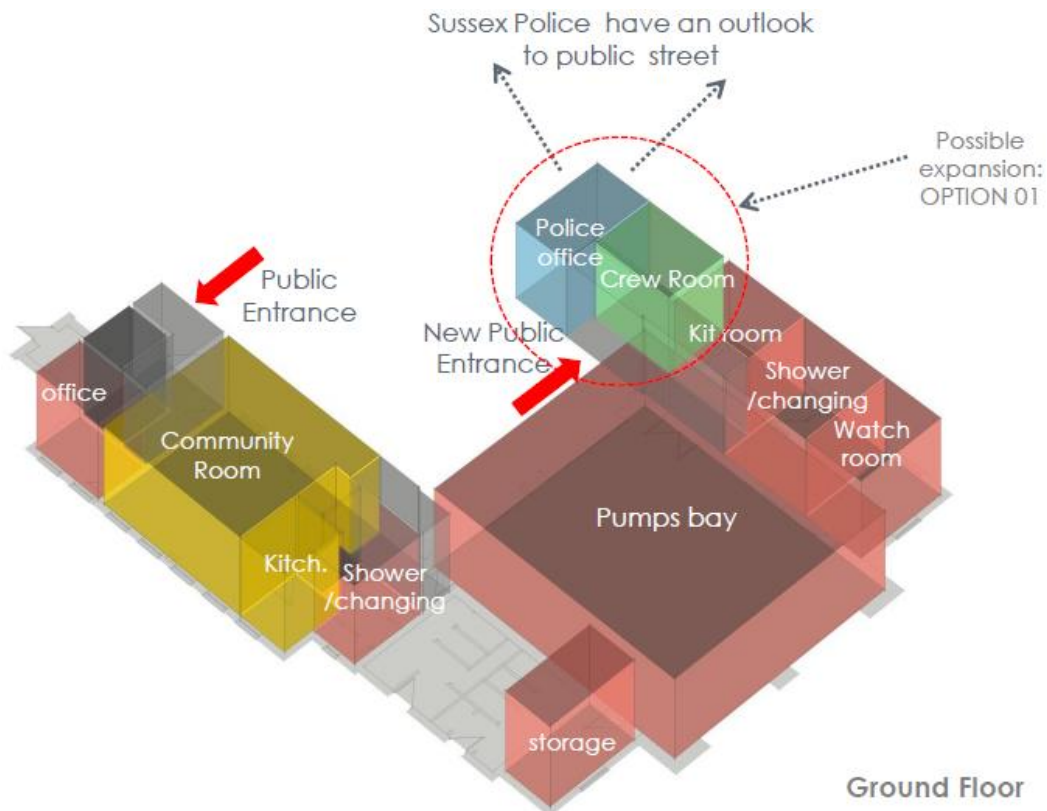
The business case identifies the preferred solution as the full co-location of the Police and Ambulance services onto the existing fire station site.

2 | Preferred Solution

The existing site would be extended to accommodate the police and ambulance as shown below:



The preferred solution has the three organisations only taking sole ownership of key spaces which cannot be shared with others due to either security or operational issues and sharing relaxation and welfare facilities, as shown above and below:



Please refer to Appendix A (Feasibility Design Pack), Appendix B (General Arrangement Drawings) and Appendix C (Site Plan) for further information.

2.1 | Schedule of Accommodation

This Schedule of Accommodation [SoA] acknowledges the current Fire Rescue Service employee numbers and services provided, using this as a basis and then building future expansion. The SoA currently contains every room type required by the all stakeholders involved (Fire Rescue Service, Police Service and Ambulance Service).

This list of rooms has been created for guidance purpose only at this stage.

Type	Description	Existing (m ²)	Required (m ²)
ESFRS	Watch Room	13.00	13.00
	Pumps Bay	122.00	122.00
	Kit Room	15.00	20.00
	Hose & Equipment Storage	9.00	10.00
	Laundry Room	2.00	4.00
	Storage	2.00	2.00
	Shower / Toilets (W)	8.00	-
	Shower / Toilets (M)	10.00	-
	Office	7.00	7.00
	Dining / Community Room	43.00	43.00
	Kitchen	6.00	-
	Gymnasium	-	20.00
Sussex Police	Secure office	-	12.00
	Operational Equipment Storage	-	5.00
SECamb	Relaxation Room with TV/PC	-	20.00
Shared	Kitchen / Dining Room	-	15.00
	Disabled WCs	4.00	4.00
	Toilets Facilities	-	10.00
	Shower Facilities / Changing Room	-	16.00
	Stair	8.00	15.00
	Circulation	5.00	15.00
	Plant Room	-	-

Please refer to Appendix A for the Feasibility Design Pack, General Arrangement Plans (1:100) and External Site Plans (1:200) for copies of the technical detail.

The resulting SoA by are type is summarised below:

ESFRS	241 m ²
Sussex Police	17 m ²
SECamb	20 m ²
Shared Facilities	75 m ²
Total Requirements (NIA)	353 m²
Current NIA	254 m ²
Difference	(99 m ²)
NIA Public Toilets ¹	27 m ²

¹ This conversion of the public toilets would be for the sole benefit of ESFRS and requires agreement with the current owners. Therefore, for the purpose of this business case this have been excluded and is assumed this would be a stand-alone project delivered by ESFRS.

3 | Estimate Capital Costs

The business case is being developed by the SPACES Programme (with One Public Estate funding) in collaboration with the three emergency service partners.

Below we set out the estimated capital costs and proposed sources (please refer to Appendix D for a copy of the detailed cost estimate):

Description	£
Capital Costs	186,833
Fees (Post Business Case) @ 15%	33,630
Contingency	37,367
Inflation	Excluded
VAT	51,566
Sub-Total	309,395
Business Case Development	26,345
VAT	5,269
Sub-Total Other	31,613
Total (Inclusive VAT)	341,009
Sources of Funds	
One Public Estate	31,613
ESFRS	309,395
Sussex Police	0
SECAMB	0
Total Sources (Inclusive VAT)	341,009

The preferred option is for the Police and Ambulance services to co-locate with the Fire service at their existing site, which is owned by ESFRS. As a result, the above estimated costs reflect the delivery of the building project by ESFRS as the owners of the premises. However, as explored in section 5 | there is the potential option for the Police and Ambulance to contribute towards the capital cost, in return for a peppercorn rent.

4 | Financial Benefits

A key principle of the SPACES programme is that financial arrangements will be agreed within a transparent, open book fashion with a view to reducing the overall cost to the public purse of any potential outcomes (while ensuring no effected member is no worse off as a result of the project).

The business case has identified the following financial benefits as a result of this investment:

- Potential capital receipts resulting from the disposal of the Police and Ambulance sites.
- Reduce running costs for the Police and Ambulance services resulting from the disposal of the Police and Ambulance sites and subsequent sharing of the fire station site.

4.1 | Potential capital receipts

The following table summarises the potential capital receipts that may be able to be realised through disposal of the Police and Ambulance sites:

Organisation	Low	Modelled	High
Police Site	£265,000	£275,000	£285,000
Ambulance Site	£180,000	£190,000	£200,000

4.2 | Overview operational costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	28,032	28,032	28,032	28,032
Police station running costs	10,468	10,468	10,468	10,468
Ambulance station running costs	85,553	85,553	85,553	85,553
Existing Operational Costs	124,053	124,053	124,053	124,053
Fire station running costs ²³	28,032	26,708	25,383	25,383
Police station running costs ³	10,468	7,488	4,507	4,507
Sussex Police rental ⁴	0	5,373	10,746	10,746
Ambulance station running costs ³	85,553	43,249	945	945
SECAmb rental ⁴	0	6,333	12,665	12,665
Estimated Revised Operational Costs	124,053	89,150	54,246	54,246
Increase/Saving	0	34,904	69,807	69,807

² Assumed 10% increase due to the increased use of the site has been modelled

³ Proportional share of the running costs, based on SoA.

⁴ Assumes full capital provided by ESFRS, see section 5 | for alternative funding scenario.

5 | Funding Scenarios

The preferred option is for the Police and Ambulance services to co-locate with the Fire service at their existing site, which is owned by ESFRS. Therefore, the baseline model outlined in the business case is the funding and delivery of the building project by ESFRS (as owner). In other words, the ESFRS provide the capital for the project in return for a rental income from the police and ambulance.

The business case has also considered a funding scenario, where Sussex Police and SECAMB fund part of the capital (based on their share of the accommodation) in return for a peppercorn rent from ESFRS. Under both options, it is assumed that the ESFRS service would remain responsible for the delivery of the project, however, this is still subject to agreement between the parties.

The initial SoA by are type is summarised below:

ESFRS	241 m ²
Sussex Police	17 m ²
SECAMB	20 m ²
Shared Facilities	75 m ²
Total Requirements (NIA)	353 m²
Current NIA	254 m ²
Difference	(99 m ²)
NIA Public Toilets	27 m ²

The project consists of an extension of circa 46 m² NIA to accommodate Sussex Police and SECAMB. Therefore, the below allocation between each organisation reflects the proportional use of this space by Sussex Police and SECAMB.

Organisation	Percentage	Comment
ESFRS	0%	No ESFRS related works.
Sussex Police	45.90%	Proportional share of works to accommodate service.
SECAMB	54.10%	Proportional share of works to accommodate service

5.1 | Baseline: ESFRS Capital

It is likely that in return for providing the capital to reconfigure the fire station to accommodate Sussex Police and SECamb, ESFRS would receive a rental income from the two organisations. This would be a commercial arrangement between the organisations and is still to be agreed.

For the purposes of this business case the rental return required by ESFRS has been assumed to be:

Option	£ (Excl VAT)
Depreciation (Over 15 Years)	£20,626
Return on Investment (@3.5%)	£722
Management Fee (10%)	£2,063
Total Annual Rent	£23,411

Therefore, using these percentages as the basis of calculating the rent to be shared between Sussex Police and SECamb results in the following annual rent allocations:

Option`	Annual Rent	% Share	Organisation Rent
Sussex Police	£23,411	45.90%	£10,746
SECamb	£23,411	54.10%	£12,665
		Total	£23,411

5.2 | Alternative: Capital contribution (in return for peppercorn rent)

Under this scenario the individual organisations to contribute their share of the capital required (based on the area allocations) towards the project, in return for ESFRS leasing their premises to the Sussex Police and SECamb for a peppercorn rent. Therefore, the respective capital contributions would be:

Option	Capital Cost	% Share	Apportioned Capital Contribution
ESFRS	£309,395	0.00%	£0
Sussex Police	£309,395	45.90%	£142,012
SECamb	£309,395	54.10%	£167,383
		Total	£309,395

5.2.1 | Impact on overall operations costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	28,032	28,032	28,032	28,032
Police station running costs	10,468	10,468	10,468	10,468
Ambulance station running costs	85,553	85,553	85,553	85,553
Existing Operational Costs	124,053	124,053	124,053	124,053
Fire station running costs	28,032	26,708	25,383	25,383
Police station running costs	10,468	7,488	4,507	4,507
Sussex Police rental	0	0	0	0
Ambulance station running costs	85,553	43,249	945	945
SECAmb rental	0	0	0	0
Estimated Revised Operational Costs	124,053	77,445	30,836	30,836
Increase/Saving	0	46,609	93,218	93,218

6 | Conclusion & Recommendations

The business case followed the principles of the Five Case Model:

Case	Description
The strategic case	This sets out the strategic context and the case for change, together with the supporting investment objectives for the scheme.
The economic case	<p>This demonstrates that the organisation has selected the choice for investment which best meets the existing and future needs of the service and optimises value for money [VFM].</p> <p>A five stage economic appraisal was undertaken to identify the preferred solution:</p>
The commercial case	This outlines the content and structure of the proposed deal.
The financial case	This confirms funding arrangements and affordability and explains any impact on the balance sheet of the organisation.
The management case	This demonstrates that the scheme is achievable and can be delivered successfully to cost, time and quality.

The economic appraisal (summarised in the table at the top of the next page) confirms that the consolidation of the three services onto the existing fire station site (Option 2) is the preferred option, as there is no suitable alternative site (either within the existing public estate or new) available in the locality and the preferred option addresses this and:

- Offers best value for money.
- It will provide premises that support the current models of service delivery from each of the partners.
- It can be implemented on a 'live' site allowing the provision of the fire service to continue from the site (recognising that some temporary operational changes may be required to accommodate the works).
- It fully satisfies the investment objectives.




The below table summarises the economic appraisal:

Option	Option 1 Do Nothing	Option 2 Fire Station Site
Qualitative Weighted Scores	57	441
Rank (Qualitative)	2	1
Net Present Value (NPV)	2,099,991	648,738
Rank (Quantitative)	2	1
NPV per point score	36,842	1,471
Overall Rank	2	1

01

Executive Summary - Appendices

Appendices

Ref.	Description	File
A	Feasibility Design Pack	Not embedded due to file size.
B	General Arrangement Plans (1:100)	 A-8309-70-120-P2-H eathfield-Prop.pdf
C	External Site Plans (1:200)	 A-8309-70-120-P2-H eathfield-Prop.pdf
D	Cost Estimate	 Heathfield Fire Station Budget Estir



rev	date	by	description	checked by
P1	20.04.18	VN	Amendments with client comments	VN
-	-	-	-	-

rev	date	by	description	checked by
-	-	-	-	-

rev	date	by	description	checked by
-	-	-	-	-

rev	date	by	description	checked by
-	-	-	-	-

One Public Estate | Emergency Services Collaboration

Battle | Business Case Executive Summary

ISSUE DATE: 3 JULY 2018

GLEEDS CLIENT:
SPACES

PROJECT NUMBER:
GACH0054

VERSION NUMBER:
04

GLEEDS ISSUING COMPANY:
GLEEDS

Document Quality Management

Title OPE Emergency Services Collaboration | Battle Business Case

Prepared by Lucas Janssen, Associate Director

Checked by Chris Bowmer, Associate Director

Version Control

Date	Issue	Revision
	Document created	00
08.06.2018	Incomplete first draft to client for status update.	01
08.06.2018	Minor spelling, typos and grammar corrections	02
13.06.2018	Technical data updated	03
03.07.2018	Updated to include additional client data and revised executive summary.	04

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Document Purpose

SPACES has applied for and been granted One Public Estate [OPE] funding to progress a number of identified schemes within the Emergency Services Estate Portfolio, where the potential collaborative sharing of existing estate across Sussex Police, East Sussex Fire & Rescue Service [ESFRS] and South East Coast Ambulance Service [SECAMB] has been identified to meet the core key criteria of the OPE programme, namely;

- Creating economic growth (new homes and jobs)
- More integrated, customer-focused services
- Generating capital receipts
- Reducing running costs.

This document summarises the key elements of the business case for the collaborative sharing of the Emergency Services estate within **Battle**.

1 | Introduction

Through the OPE funding the SPACES Programme is seeking to support the potential collaborative sharing of existing estate across the three 'blue light' services, namely, Fire & Rescue, Ambulance and Police. This project is taking place in an environment of continued austerity and the need to create sustainable systems and through this investment the partners are seeking to address the following investment objectives:

- More integrated, customer-focused services.
- Reducing running costs.
- Generating capital receipts.
- Creating economic growth (new homes and jobs).

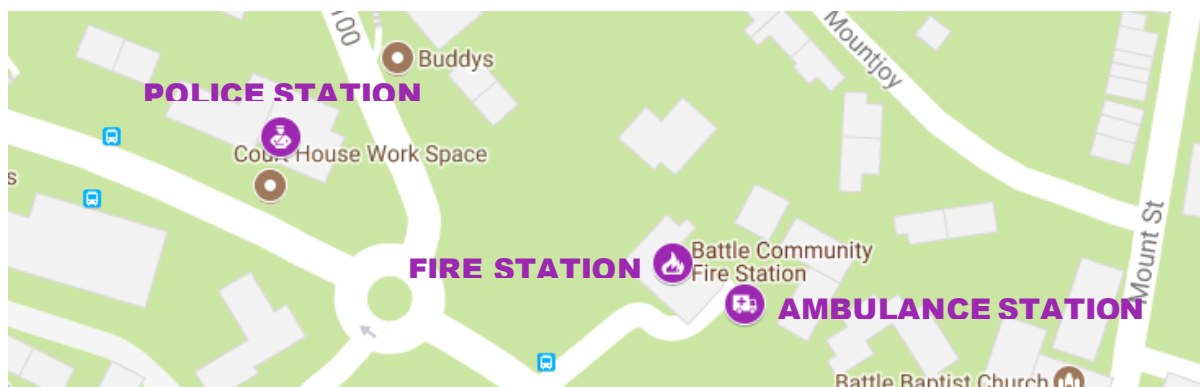
The three emergency service partners (fire and rescue, police and ambulance) form the three main stakeholders for this project and progress of the preferred solution (as outlined in this business case) will be subject to approval by their respective organisations.

The three organisations, although bringing different backgrounds and skill sets (which need to be recognised and accommodated within the co-location), are able to work together to leverage these strengths to reduce duplication and lower costs (to enable more funding into frontline service provision) and improve service provision.

The three services have successfully collaborated in other previous locations such as Newhaven which is considered to be a success. With this success, there is high level stakeholder support for collaboration across East Sussex and Brighton & Hove.

1.1 | Existing Sites & Background

Situated in the South East of England, Battle is a small historic town of some 6,100 people situated within the High Weald Area of Outstanding Natural Beauty and in the local government district of Rother in East Sussex, England. The existing premises for the three Emergency Services are located within relatively cost proximity of each other, with the Fire Station and Ambulance station located on adjoining sites. The Police Station is the west with access via North Trade Road (A271) to the south and the site is also bounded by London Road (A2100) to the north, as per the below map.



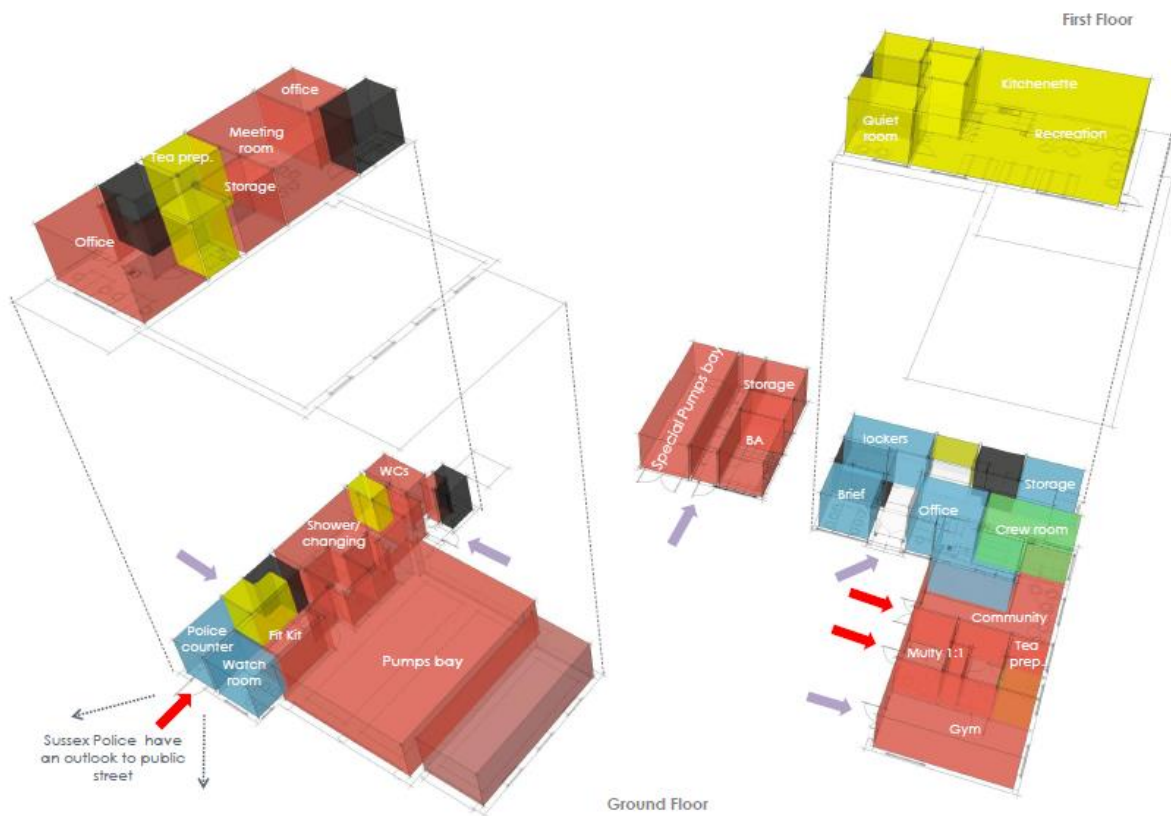
Preferred Solution

The business case identifies the preferred solution as the full co-location of the Police and Ambulance services onto the existing fire station site.

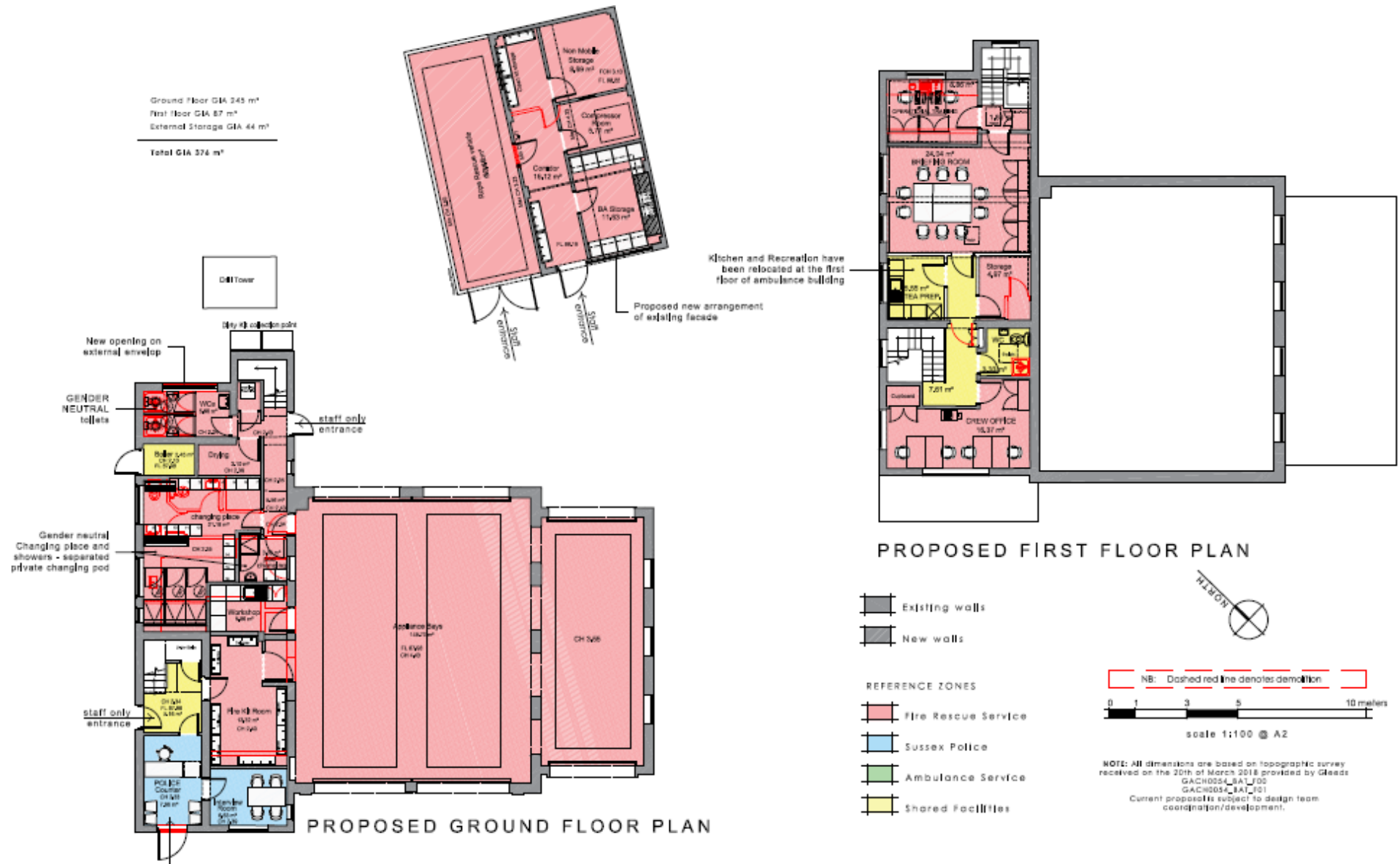
2 | Preferred Solution

The adjoining ambulance and fire stations sites would be reconfigured and refurbished to accommodate all three services on the site as shown on the following plans.

The preferred solution has the three organisations only taking sole ownership of key spaces which cannot be shared with others due to either security or operational issues and sharing relaxation and welfare facilities, as shown above and below:



Please refer to Appendix A (Feasibility Design Pack), Appendix B (General Arrangement Drawings) and Appendix C (Site Plan) for further information.



Proposed Layout Fire Station



Proposed Layout Ambulance Station

2.1 | Schedule of Accommodation

This Schedule of Accommodation [SoA] acknowledges the current Fire Rescue Service employee numbers and services provided, using this as a basis and then building future expansion.

The SoA currently contains every room type required by the all stakeholders involved (Fire Rescue Service, Police Service and Ambulance Service). This list of rooms has been created for guidance purpose only at this stage.

2.1.1 | Fire station and garage buildings

Type	Description	Existing (m ²)	Required (m ²)	Proposed (m ²)
ESFRS	Crew Office	16.00	24.00	16.00
	Pumps Bay	144.00	144.00	144.00
	Kit Room	17.00	21.60	13.32
	BA Storage	16.00	16.00	11.63
	Drying Room	5.00	8.00	3.10
	Changing room	16.00	25.00	21.18
	Shower / Toilets (W)	3.00	10.00	5.86
	Shower / Toilets (M)	6.00	10.00	
	Dining /Meeting Room	40.00	30.00	24.04
	Kitchen	7.00	-	-
	Storage	1.50	3.00	6.47
	Workshop	-	6.00	5.86
	Private changing pod	-	3.00	3.30
	Operational Training Room	-	6.00	8.86
	No Mobile Storage	44.00	10.00	8.69
	Compressor Room	-	6.00	8.86
Special Appliance Bay	30.00	30.00	30.00	
Sussex Police	Small interview Room	-	6.00	6.63
	Public counter	-	6.00	7.96
Shared	Tea Prep	-	7.00	5.55
	Stair	13.07	15.00	13.07
	Circulation	20.02	20.02	34.14
	Plant Room	2.50	2.00	2.50
	Plant Room	10.72	11.00	10.72

The resulting SoA by area type is summarised below:

ESFRS	353 m ²
Sussex Police	12 m ²
SECamb	0 m ²
Shared Facilities	44 m ²
Total Requirements (NIA)	409 m²
Current NIA	381 m ²
Difference	(28 m²)

2.1.2 | Ambulance building

Type	Description	Existing (m ²)	Required (m ²)	Proposed (m ²)
ESFRS	Gym	31.00	31.00	28.78
	Community Room	-	40.00	35.50
	Tea Prep	-	6.00	3.00
	DWC	-	4.00	4.01
	Storage	-	4.00	1.83
	Multifunction Room	-	6.00	9.03
SECamb	Crew Room with TV/PC	-	40.00	16.20
	Appliance Bays	78.00	-	-
	Oxygen Storage	4.00	-	-
	Drying Storage	5.00	-	-
	Medical Storage	4.00	-	-
	Storage	1.00	-	-
	Office	9.00	-	-
	Front storage	9.00	-	-
	Utility / sluice Room	6.00	-	-
	Changing (M)	5.00	-	-
	Shower / Toilets (M)	6.00	-	-
	Changing (F)	7.00	-	-
	Shower / Toilets (F)	6.00	-	-
	Kitchen	8.00	-	-
Restroom	50.00	-	-	

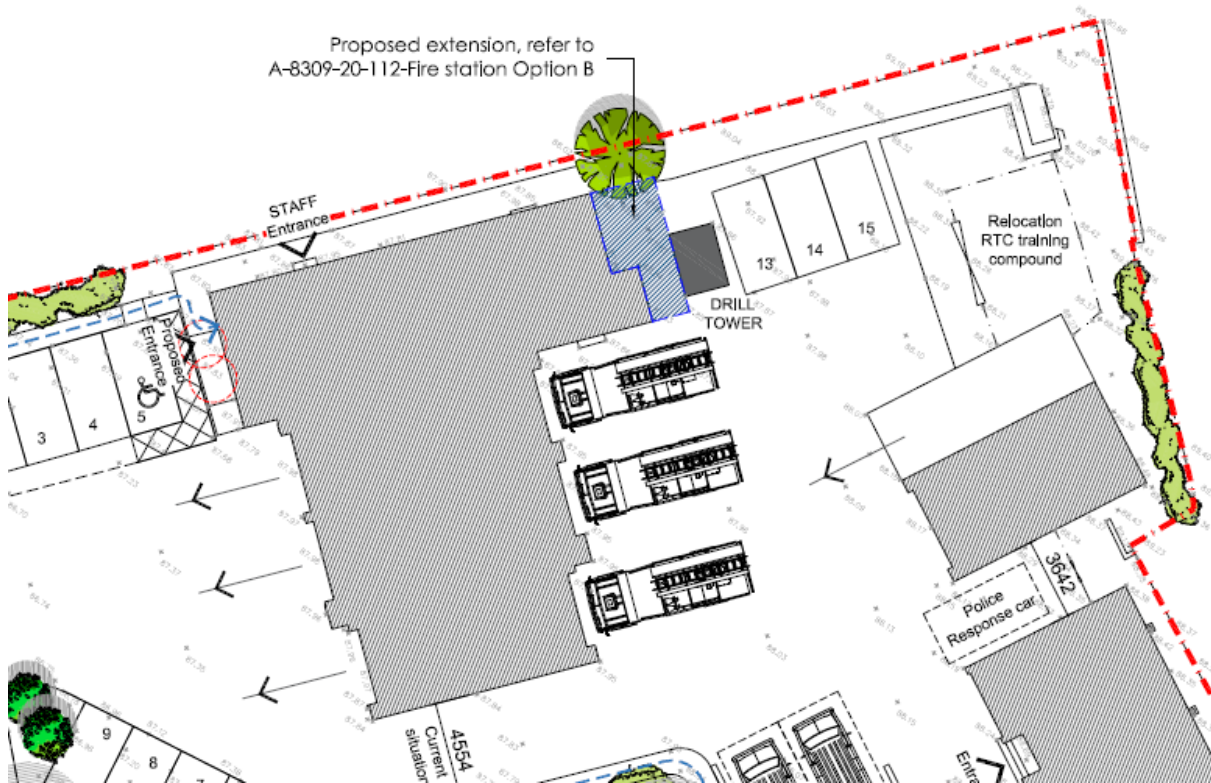
Type	Description	Existing (m ²)	Required (m ²)	Proposed (m ²)
Sussex Police	Brief / Meeting Room	-	12.00	8.86
	Report Writing Room	-	36.00	27.46
	Operational Equipment Storage	-	5.00	7.81
	Lockers	-	16.00	11.42
	Kit Bag Cages	-	6.00	
Shared	Plant Room	13.00	13.00	5.43
	Meter Cupboard	6.00	6.00	6.00
	Corridor	25.00	20.00	25.78
	Stairs	17.00	17.00	20.00
	Quiet Room	-	6.00	6.81
	Kitchen / Dining Room	-	70.00	60.40
	Cleaners Store	-	4.00	-
	Toilets Facilities	-	20.00	11.55

The resulting SoA by area type is summarised below:

ESFRS	91 m ²
Sussex Police	75 m ²
SECamb	40 m ²
Shared Facilities	156 m ²
Total Requirements (NIA)	362 m²
Current NIA	290 m ²
Difference	(72 m²)
Proposed (NIA)	362 m²

2.2 | Option B

An alternative solution to include a small extension as high-lighted below has been considered.



This option would provide additional floor area to help meet the requirements outlined above. The business case has identified the preferred option as the reconfiguration and refurbishment without the extension. However, the impact of constructing the extension has been included for information.

3 | Estimate Capital Costs

The business case is being developed by the SPACES Programme (with One Public Estate funding) in collaboration with the three emergency service partners. Below we set out the estimated capital costs and proposed sources (please refer to Appendix D for a copy of the detailed cost estimates):

Description	Option 2a Fire Station (£)	Option 2b Enhanced (£)
Capital Costs - Fire Station	415,292	479,140
Capital Costs - Ambulance	379,903	379,903
Fees (Post Business Case) @ 15%	86,150	97,642
Contingency	159,039	171,809
Inflation	Excluded	Excluded
VAT	208,077	225,699
Sub-Total	1,248,459	1,354,192
Business Case Development	26,345	26,345
VAT	5,269	5,269
Sub-Total Other	31,613	31,613
Total (Inclusive VAT)	1,280,073	1,385,806
Sources of Funds		
One Public Estate	31,613	31,613
ESFRS	652,010	737,733
Sussex Police	0	0
SECAMB	596,449	616,459
Total Sources (Inclusive VAT)	1,280,073	1,385,806

The preferred option is the reconfiguration and refurbishment of the adjoining fire and ambulance stations. From a practical sense it would appear to be beneficial to have a single contractor undertaking the works as this will avoid potentially having two separate contractors on site and is likely to be more cost effective.

From a funding perspective the baseline model outlined in the business case is that the funding will be invested by the 'owner' of the site (i.e. ESFRS and SECAMB) into their site, in return for a rental income from the tenants of the two properties. However, section 0 explores alternative funding scenarios.

4 | Financial Benefits

A key principle of the SPACES programme is that financial arrangements will be agreed within a transparent, open book fashion with a view to reducing the overall cost to the public purse of any potential outcomes (while ensuring no effected member is no worse off as a result of the project).

The business case has identified the following financial benefits as a result of this investment:

- Potential capital receipts resulting from the disposal of the Police and Ambulance sites.
- Reduce running costs for the Police and Ambulance services resulting from the disposal of the Police and Ambulance sites and subsequent sharing of the fire station site.

4.1 | Potential capital receipts

The following table summarises the potential capital receipts that may be able to be realised through disposal of the Police and Ambulance sites:

Organisation	Low	Modelled	High
Police Site	£200,000	£210,000	£220,000
Ambulance Site	-	-	-

A valuation of the ambulance site has identified number of limitations, including:

- **Accessibility**
In terms of highways, the site is accessed via Battle High Street. The only possible access to the site is via the Fire Station entrance, which poses a significant constraint on development. Due to land locking of the site there is little to no scope for providing alternative access.
- **Flood Risk**
The Site falls within Flood Zone 1 of the Environment Agency's Flood Risk Map, which indicates a low (<0.1%) probability of flooding.
- **Overlooking / Privacy / Light**
We envisage that there are significant issues of potential overlooking from adjoining residential use, the site is shared with an active fire station that is operational throughout the day which presents limitations on development for this site.

The valuation assessed residential development as being unlikely due to the identified limitation, meaning the site is unlikely to be an attractive development opportunity. This supports the development of the combined fire and ambulance site.

In progressing the scheme, ESFRS and SECAMB may wish to consider alternative arrangements, including the purchase of the ambulance site by SECAMB or the transfer to ESFRS as part of any agreement in connection to the reconfiguration and refurbishment of the two sites.

4.2 | Overview operational costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	39,568	39,568	39,568	39,568
Police station running costs	23,034	23,034	23,034	23,034
Ambulance station running costs	34,771	34,771	34,771	34,771
Existing Operational Costs	97,373	97,373	97,373	97,373
Fire station running costs ¹²	39,568	36,706	33,844	33,844
ESFRS rental	0	10,079	20,158	20,158
Police station running costs ²	23,034	14,833	6,632	6,632
Sussex Police rental	0	9,118	18,235	18,235
Ambulance station running costs ²	34,771	18,910	3,049	3,049
SECAmb rental	0	0	0	0
Estimated Revised Operational Costs	97,373	89,645	81,918	81,918
Increase/Saving	0	7,728	15,455	15,455

¹ Assumed 10% increase due to the increased use of the site has been modelled

² Proportional share of the running costs, based on SoA.

5 | Funding Scenarios

The preferred option is the reconfiguration and refurbishment of the adjoining fire and ambulance stations. From a practical sense it would appear to be beneficial to have a single contractor undertaking the works as this will avoid potentially having two separate contractors on site and is likely to be more cost effective. How this will work, needs to be agreed between the parties.

However, from a funding perspective the baseline model outlined in the business case is that the funding will be invested by the 'owner' of the site (i.e. ESFRS and SECAMB) into their site, in return for a rental income from the tenants of the two properties.

There are a number of alternative funding arrangements that can be considered by the parties, including:

- The respective parties could fund part of the capital (based on their share of the accommodation) in return for a peppercorn rent, for example, Sussex Police could contribute to the works within the fire station and the ambulance station.
- As SECAMB have no space allocated within the fire station, both ESFRS and SECAMB could agree that ESFRS will invest the capital into both premises, in return for either:
 - A peppercorn rent for the ESFRS share of the ambulance site.
 - The transfer or purchase (for a nominal figure) of the ambulance site to the ownership of ESFRS.

The initial SoA by area type is summarised below:

	<u>Fire Station</u>	<u>Ambulance</u>	<u>Total</u>
ESFRS	353 m ²	91 m ²	444 m ²
Sussex Police	12 m ²	75 m ²	87 m ²
SECAMB	0 m ²	40 m ²	40 m ²
Shared Facilities	44 m ²	156 m ²	200 m ²
Total Requirements (NIA)	409 m²	362 m²	771 m²

The combined SoA requirements have been used to calculate the following allocations between the organisations. Both ESFRS and SECAMB are currently located within the preferred site, the investment could be seen to be driven by the need to accommodate Sussex Police on the adjoining sites. However, both SECAMB and ESFRS will benefit from the scheme, therefore the following allocations have been calculated.

Organisation	Fire Station	Ambulance	Combined
ESFRS	96.71%	44.17%	77.76%
Sussex Police	3.29%	36.41%	15.24%
SECAMB	0.00%	19.42%	7.01%

5.1 | Baseline: ESFRS Capital

It is likely that in return for providing the capital to reconfigure the fire and ambulance stations to accommodate the three organisations, the respective funders (i.e. ESFRS & SECamb as per the baseline) would receive a rental income. This would be a commercial arrangement between the organisations and is still to be agreed.

For the purposes of this business case the rental return required by ESFRS and SECamb have been assumed to be:

Option	ESFRS £ (Excl VAT)	SECamb £ (Excl VAT)
Depreciation (Over 15 Years)	£43,467	£39,763
Return on Investment (@3.5%)	£1,521	£1,521
Management Fee (10%)	£4,347	£4,347
Total Annual Rent	£49,335	£45,631

Therefore, using the preceding allocations by service the percentages as the basis of calculating the rent to be shared between Sussex Police and SECamb results in the following annual rent allocations:

5.1.1 | Fire station and garage buildings

Option	Annual Rent	% Share	Organisation Rent
ESFRS	£49,335	96.71%	£47,713
Sussex Police	£49,335	3.29%	£1,622
SECamb	£49,335	0.00%	£0
	Total		£49,335

5.1.2 | Ambulance buildings

Option	Annual Rent	% Share	Organisation Rent
ESFRS	£45,631	44.17%	£20,158
Sussex Police	£45,631	36.41%	£16,613
SECamb	£45,631	19.42%	£8,860
	Total		£45,631

5.2 | Alternative: Capital contribution (in return for peppercorn rent)

The individual organisations to contribute their share of the capital required (based on the area allocations) towards the project, in return for leasing the premises for a peppercorn rent:

5.2.1 | Fire station and garage buildings

Option	Estimated Capital	% Share	Apportioned Contribution
ESFRS	£652,010	96.71%	£630,574
Sussex Police	£652,010	3.29%	£21,436
SECAmb	£652,010	0.00%	£0
Total			£652,010

5.2.2 | Ambulance buildings

Option	Estimated Capital	% Share	Apportioned Contribution
ESFRS	£596,449	44.17%	£263,480
Sussex Police	£596,449	36.41%	£217,154
SECAmb	£596,449	19.42%	£115,815
Total			£596,449

5.2.3 | Impact on overall operations costs

The following table summarised the model revenue costs over next three years:

Option	2018/19	2019/20	2020/21	Ongoing
Fire station running costs	39,568	39,568	39,568	39,568
Police station running costs	23,034	23,034	23,034	23,034
Ambulance station running costs	34,771	34,771	34,771	34,771
Existing Operational Costs	97,373	97,373	97,373	97,373
Fire station running costs	39,568	36,706	33,844	33,844
ESFRS rental	0	0	0	0
Police station running costs	23,034	14,833	6,632	6,632
Sussex Police rental	0	0	0	0
Ambulance station running costs	34,771	18,910	3,049	3,049
SECAmb rental	0	0	0	0
Estimated Revised Operational Costs	97,373	70,449	43,525	43,525
Increase/Saving	0	26,924	53,848	53,848

6 | Conclusion & Recommendations

The business case followed the principles of the Five Case Model:

Case	Description
The strategic case	This sets out the strategic context and the case for change, together with the supporting investment objectives for the scheme.
The economic case	<p>This demonstrates that the organisation has selected the choice for investment which best meets the existing and future needs of the service and optimises value for money [VFM].</p> <p>A five stage economic appraisal was undertaken to identify the preferred solution:</p>
The commercial case	This outlines the content and structure of the proposed deal.
The financial case	This confirms funding arrangements and affordability and explains any impact on the balance sheet of the organisation.
The management case	This demonstrates that the scheme is achievable and can be delivered successfully to cost, time and quality.

The economic appraisal (summarised in the table at the top of the next page) confirms that the consolidation of the three services onto the existing fire station site (Option 2) is the preferred option, as there is no suitable alternative site (either within the existing public estate or new) available in the locality and the preferred option addresses this and:

- Offers best value for money.
- It will provide premises that support the current models of service delivery from each of the partners.
- It can be implemented on a 'live' site allowing the provision of the fire service to continue from the site (recognising that some temporary operational changes may be required to accommodate the works).
- It fully satisfies the investment objectives.

The below table summarises the economic appraisal:






Option	Option 1 Do Nothing	Option 2a Fire Station Site	Option 2b Enhanced
Qualitative Weighted Scores	57	441	441
Rank (Qualitative)	2	1	1
Net Present Value (NPV)	1,504,253	1,579,487	1,667,598
Rank (Quantitative)	1	2	3
NPV per point score	26,390	3,582	3,781
Overall Rank	3	1	2

There is no suitable alternative site (either existing public or new) available in the locality and the

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Executive Summary - Appendices

Appendices

Ref.	Description	File
A	Feasibility Design Pack	Not embedded due to file size.
B	General Arrangement Plans (1:100)	 A-8309-20-110-P2-B attle-Prop-FireStatio  A-8309-20-111-P2-B attle-Prop-Ambulan
C	External Site Plans (1:200)	 A-8309-70-110-P1-B attle-OptA.pdf
D	Cost Estimate	 Battle Fire Station Opt A Ambulance B  Battle Fire Station Opt B Ambulance B

Equality Impact Analysis Record (Inclusion Risk and Benefits)

This form should be completed in conjunction with EIA Tip Sheet and Key EIA Considerations

Part 1 – The Document

1.	Name of Policy, Procedure, Activity, Decision or Service:	OPE Phase 1 - Uckfield Fire Station		
	Status of PPADS (please tick)	<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> UNDER REVIEW	<input type="checkbox"/> CHANGING <input type="checkbox"/> EXISTING
2.	a. Main purpose of PPADS:	The Authority is proposing remodelling of Uckfield Fire Station as part of a One Public Estate Project to accommodate Sussex Police and SECAMB staff. The remodelling will allow the Authority to implement elements of its draft Design Guide at this station.	b. Project Manager and Process owner:	SRO - Mark Andrews ACFO Senior User - tbc Senior Supplier - Maureen Cherry, Estates Manager.
	c. Project/processes this PPADS is linked to:	N/A		
3	List the information, data or evidence used in this analysis:	The design is based on the Service's draft Design Guide. There has been initial consultation with the FBU and engagement with local staff. Proposals have been considered by the Senior Leadership Team before submission to P&R Panel.		

Part 2 - Analysis

Characteristics	Neutral Impact (x)	Negative Impact* (Risk Assess & score)	Positive Impact (x)	Narrative Section, detail below why and how you scored impact, you should consider: What are the risks &/or negatives, benefits and or opportunities to that Protected Characteristic? You <u>will</u> need evidence to support your Analysis.
A person of a particular age	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes relocation of the community facility to the ground floor thereby improving accessibility.
A disabled person	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes relocation of the community facility to the ground floor thereby improving accessibility.
A person of a particular sex, male or female	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes: <ul style="list-style-type: none"> bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work Flexible male/female facilities, with ability to easily and affordably respond and adapt to changes in male/female ratios;

Pregnancy, Maternity, Marriage or Civil Partnership	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes a bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work
A person of a gay, lesbian or bisexual sexual orientation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a particular race	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a particular religion or belief	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes: <ul style="list-style-type: none"> bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work

Transgender a person whose gender identity/expression does not make their assigned sex	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Community considerations Application across communities or associated with socio-economic factors considering the 10 dimensions of Equality	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes improved access to community facilities.
Criminal convictions	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Rural living	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Human rights	<input checked="" type="checkbox"/>		<input type="checkbox"/>	

Part 3 – The results			
	Yes	No	
Are there negative scores in Low? (see guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, list any actions required to adjust the activity and any mitigation you will implement in the action plan below in section 6</i>
Were positive impacts identified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>If No, I & D will contact you about this</i>
Are some people benefiting more than others? If so explain who and why.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are one or more negative scores in Medium or High? (See guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, Contact I & D for further consultation</i>

Part 4 - Consultation, decisions and actions
If medium or high range results were identified who was consulted and what recommendations were given?

Describe the overall decision on this Policy, Procedure, Activity, Service or Decision:		
This project requires approval from the Authority, Sussex Police and SECamb to proceed..		
List all actions identified to address/mitigate negative risk or promote positively		
Action	Responsible person	Completion due date
When, how and by whom will these actions be monitored?		
Part 5 – Sign Off		
Created by (Print Name): Duncan Savage	Department: Resources	
Signature**Duncan Savage	Date: 15-10-2018	
To be completed by Equalities Team		
Signature**	EIA number:	
Assessment date:	Review date:	

**** Please type your signature to allow forms to be sent electronically****

Part 6 - Equality Improvement Plan

Issues Area of adverse impact and Reasons	Solution Action What can be done to mitigate impact, what can be done to obtain further information	Responsibility/Lead Manager Who will be responsible for this action	Target Timescales When will this be completed Financial factors	Comments Corporate Risk Factors
Potentially adverse impacts have been identified and mitigated by the actions set out above	A review of the mitigating actions post implementation is required to ensure that proposed positive impacts have the desired effect.	Duncan Savage	Review to take place of mitigation action in conjunction with EIA at 3 and 6 months post implimentation.	If policy is not reviewed the corporate risk is that we may implement a policy that adversely affected minority groups

Equality Impact Analysis Record (Inclusion Risk and Benefits)

This form should be completed in conjunction with EIA Tip Sheet and Key EIA Considerations

Part 1 – The Document

1.	Name of Policy, Procedure, Activity, Decision or Service:	OPE Phase 1 - Heathfield Fire Station			
	Status of PPADS (please tick)	<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> UNDER REVIEW	<input type="checkbox"/> CHANGING	<input type="checkbox"/> EXISTING
2.	a. Main purpose of PPADS:	<p>The Authority is proposing a small extension to Heathfield Fire Station as part of a One Public Estate Project to accommodate Sussex Police and SECamb staff. There are no material changes to ESFRS facilities at the station.</p>		b. Project Manager and Process owner:	SRO - Mark Andrews ACFO Senior User - tbc Senior Supplier - Maureen Cherry, Estates Manager.
	c. Project/processes this PPADS is linked to:	N/A			
3	List the information, data or evidence used in this analysis:	There has been initial consultation with the FBU and engagement with local staff. Proposals have been considered by the Senior Leadership Team before submission to P&R Panel.			

Part 2 - Analysis

Characteristics	Neutral Impact (x)	Negative Impact* (Risk Assess & score)	Positive Impact (x)	Narrative Section, detail below why and how you scored impact, you should consider: What are the risks &/or negatives, benefits and or opportunities to that Protected Characteristic? You <u>will</u> need evidence to support your Analysis.
A person of a particular age	<input checked="" type="checkbox"/>		<input type="checkbox"/>	.
A disabled person	<input checked="" type="checkbox"/>		<input type="checkbox"/>	.
A person of a particular sex, male or female	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Pregnancy, Maternity, Marriage or Civil Partnership	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a gay, lesbian or bisexual sexual orientation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a particular race	<input checked="" type="checkbox"/>		<input type="checkbox"/>	

A person of a particular religion or belief	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
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Transgender a person whose gender identity/expression does not make their assigned sex	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
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Community considerations Application across communities or associated with socio-economic factors considering the 10 dimensions of Equality	<input checked="" type="checkbox"/>		<input type="checkbox"/>	The accommodation of Sussex Police and SECAMB on the Heathfield site will facilitate continued local presence of these services.
Criminal convictions	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Rural living	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Human rights	<input checked="" type="checkbox"/>		<input type="checkbox"/>	

Part 3 – The results

	Yes	No	
Are there negative scores in Low? (see guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, list any actions required to adjust the activity and any mitigation you will implement in the action plan below in section 6</i>
Were positive impacts identified?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If No, I & D will contact you about this</i>
Are some people benefiting more than others? If so explain who and why.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are one or more negative scores in Medium or High? (See guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, Contact I & D for further consultation</i>

Part 4 - Consultation, decisions and actions

If medium or high range results were identified who was consulted and what recommendations were given?

Describe the overall decision on this Policy, Procedure, Activity, Service or Decision:

This project requires approval from the Authority, Sussex Police and SECAMB to proceed..

List all actions identified to address/mitigate negative risk or promote positively

Action	Responsible person	Completion due date

When, how and by whom will these actions be monitored?

Part 5 – Sign Off

Created by (Print Name): Duncan Savage	Department: Resources
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Signature**Duncan Savage	Date: 15-10-2018
--------------------------	------------------

To be completed by Equalities Team

Signature**	EIA number:
Assessment date:	Review date:

**** Please type your signature to allow forms to be sent electronically****

Part 6 - Equality Improvement Plan

Issues Area of adverse impact and Reasons	Solution Action What can be done to mitigate impact, what can be done to obtain further information	Responsibility/Lead Manager Who will be responsible for this action	Target Timescales When will this be completed Financial factors	Comments Corporate Risk Factors
Potentially adverse impacts have been identified and mitigated by the actions set out above	A review of the mitigating actions post implementation is required to ensure that proposed positive impacts have the desired effect.	Duncan Savage	Review to take place of mitigation action in conjunction with EIA at 3 and 6 months post implimentation.	If policy is not reviewed the corporate risk is that we may implement a policy that adversely affected minority groups

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel
Date 1 November 2018
Title of Report Preston Circus Feasibility
By Assistant Director of Resources / Treasurer
Lead Officer Estates Manager – Maureen Cherry

Background Papers CMT 10 July 2018 – Design Guide & Preston Circus Feasibility Update

Appendices Appendix A - Preston Circus Concept Floor Plans
 Appendix B - Faithful & Gould Cost Plan
 Appendix C - Preston Circus Draft Programme
 Appendix D - Equality Impact Assessment

Implications

CORPORATE RISK	✓	LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT	✓		

PURPOSE OF REPORT To present the concept design stage for Preston Circus feasibility work and costs to support a decision on the future layout in the building.

- EXECUTIVE SUMMARY**
1. Following the development of the Design Guide under the Estates Strategy, concept designs have been developed for Preston Circus.
 2. Stakeholder engagement has been carried out with feedback captured.
 3. The cost plan has been developed against the concept design stages to support the overall feasibility.

RECOMMENDATION

Panel is asked to:

1. agree the revised budget for the project based on the developed cost plan and project cost estimates, and as a result increase the Capital Scheme budget by £0.588m to £3.138m;
 2. approve that the professional services and project management necessary to progress the project should now be commissioned;
 3. note that appropriate governance arrangements will be put in place to oversee and take decisions on design development and overall project delivery.
-

1. Introduction

- 1.1 Following the development of the Design Guide under the Estates Strategy we have developed the concept designs for the floor plan layouts for Preston Circus. This has enabled the operational areas to be allocated and also the cost plan to be developed that supports the feasibility stage for the project.
- 1.2 Under RIBA Stage 2 Work Stage: Concept Design, the intention is to develop a concept design that allows for an initial cost plan to be produced for the purpose of developing the Business Case. Therefore, the objective is to achieve 80% design certainty at this stage. The later detailed design stages that follow sign-off would take the scheme to final design and we would be aiming to achieve 95% certainty on cost prior to any contract award.
- 1.3 The concept plans together with initial surveys have allowed the cost consultants Faithful and Gould to prepare an outline cost plan for the project.

2. Preston Circus Concept Design

- 2.1 The concept scheme is shown under Appendix A1-A3. Fundamentally, the areas are zoned against the dirty, transition and clean areas as defined in the Design Guide. Key functions are provided for such as; physically separate 'in-use' and clean kit areas, a 'hot briefing room', dirty/clean drop-off, workshop and equipment stores, a dedicated training/briefing room, individual sleeping pods and a locker/shower area where male/female facilities are in the same zone and allow for future flexibility with quick and easy changes being made with the use of cubicle partitioning.
- 2.2 Under the new scheme, ESFRS accommodation is predominantly laid out over the ground and first floor, with some accommodation also being located on the 2nd floor. A shared entrance with common/separate access route is orientated to the far right-hand side of the building and also includes a passenger lift. This would facilitate access to other users of the remaining space on the 2nd and potentially 3rd floor if an additional floor was constructed.

3. Local Engagement Stage

- 3.1 Between the Senior User: Borough Commander for the City and Senior Supplier: Estates Manager, engagement sessions have been run with all watches and the FBU.
- 3.2 There was a mixed response received to the concept layouts. Ultimately, some feel that no changes are required to Preston Circus, however this view is not totally supported and indeed the Design Guide demonstrates that significant changes are required to ensure the facility remains fit for purpose.
- 3.3 Generally, there is a clear desire to retain the historical elements of the building and not lose the design features which are typical of their period when the building was constructed. The crews feel this is an important link to the past and history of the building for the Service.

- 3.4 In summary the main feedback areas were:
- Concern regarding size of Recreation Area;
 - Preference to separate the recreational space and dining/kitchen area;
 - Some confusion to 'hot briefing room' with preference for renaming to 'muster briefing' instead;
 - Lack of provision for TRIM and soft area to support aerobic exercises, consider moveable partitions that could sub-divide recreational space to improve flexibility of use;
 - Consider relocating the gym to the 2nd floor and bring office space down onto the 1st floor. Concerns in respect of lack of stretching area – see TRIM above;
 - Preference to keep the kitchen/dining area where it currently is.
- 3.5 As can be seen from the areas outlined above, positively there was very little disagreement about any of the operational areas of the Station and general agreement that this would improve the current facilities and layout.
- 3.6 The gym and exercise areas remain a priority concern for the local teams. The relocation to far end of the building significantly improves the current arrangement, by removing the access route through the middle of the existing gym which increases the useable area of the room.
- 3.7 Following meetings with H&S and the Steering Board, it was agreed that stretching/aerobic activities can be undertaken in flexible rooms such as recreational areas or even appliance bays if the need arises. Therefore, flexible partitioning could be incorporated into the recreational area to support this with the addition of suitable storage for mats etc. This would overcome the current concern around stretching areas in gyms, whilst also ensuring that we do not over provide space for activities that are not in use all the time.
- 3.8 As highlighted, the intention is to achieve 80% design confidence at this stage in order to develop the initial cost plan for the project. We do not foresee any of the above areas materially affecting the overall footprint of the ESFRS space and therefore the cost plan would remain largely unaffected by rooms changing position or incorporating changes to the layout.
- 3.9 Under this feasibility, we have accelerated certain surveys and investigations such as structural surveys and opening up as well as R&D asbestos surveys to improve cost certainty. Unless there are major material changes to the floor areas allocated to ESFRS space, minor changes to the layout shouldn't materially affect the cost plan at this stage.
- 3.10 Under the next stage of design development, subject to Steering Board approval, we would propose to revise the concept layouts and update these to reflect the proposed changes as captured from the local engagement sessions.

4. Cost Plan

- 4.1 Since the original cost plan was prepared back in November 2016, the estimated costs have risen from £3.730m to £4.233m. The increase is largely due to increased Mechanical & Electrical budget costs, which follow more in-depth surveys undertaken during this time. The remaining increases relate to inflation in prices over this time. The cost plan is shown in Appendix B.
- 4.2 The split in project costs equate to £2.503m for ESFRS areas and £1.721m for the remaining space. This allows for the addition of a 3rd floor being constructed above the existing flat roof. At this stage, if the additional floor was not constructed, we would estimate the costs to be circa £1.2m for the remaining space. Depending on the interest and demand, we may also consider just undertaking a lighter shell and core refurbishment of the existing space which would provide a blank canvas for another Partner to complete.
- 4.3 Also included within ESFRS costs at this stage is the independent access/circulation route to the far right-hand side of the building including passenger lift. This will be required to enable any future alternative space use above our own requirements. The cost of this is circa £100,000.
- 4.4 The costs allow for all construction costs and professional fees to complete the project, with exclusions for; VAT, removal of hazardous materials, temporary accommodation required, out of hours working – otherwise covered in more detail within the cost plan.
- 4.5 There are also exclusions for fixtures, fittings and equipment (FF&E) which need to be allowed for in the project cost and therefore an allowance of £150,000 would be recommended. This does not include IT equipment refresh/updates which would need to be included within the project budget. These will need to be defined as part of the next stage of the project and included within the next decision stage in December 2018. In addition, to support the successful delivery of the project it would be beneficial to have a Project Management role providing overall support and coordination across all work streams. Therefore, an allowance of £50,000 should be made to cover this role. The project will also require the updating of the IT facilities at the station and whilst some of this is funded within the IT Strategy (e.g. station end equipment / firecoders etc) it is recommended that additional provision of £150,000 is made within the project budget.
- 4.6 Currently the cost plan allows for a Design Development Design contingency of 15% (£530,000), this can be revised as the project progresses. However, in addition ESFRS should also make allowance for client contingencies. At this stage it would be sensible to set a 10% contingency that again can be reviewed as the project progresses.

4.7 Therefore, total project cost taking into account of the above would be:

	ESFRS Costs	Alternative Space
Project Cost	£2.503m	£1.721m
PM Allowance	£0.050m	
FF&E	£0.150m	
IT	£0.150m	
Client Contingency @10%	£0.285m	
Total Cost	£3.138m	£1.721m
Total Project Cost	£4.859m	

5. Alternative Space Use

- 5.1 We have started to market the remaining space through SPACES and the OPE (Open Public Estates) Programme, with communications also having gone out to central government agencies which include the Government Property Unit. We will be holding an open session for partners and interested parties to come and visit the Station and view the plans and space available.
- 5.2 At this stage, we anticipate greater benefits being realised from finding another public sector partner to use the space, ideally one with synergies to our own service delivery or customer groups. The site is constrained in that there is no parking and therefore, it will have limited demand. However, it has excellent public transport links and may suit a partner with staff who already commute or have a customer base which is very local to the site.
- 5.3 Given the investment level required to build and refurbish the space, it is unlikely that we would recommend speculatively doing this without a committed partner in place. Consequently, we propose a two stage decision process; the first to commit to ESFRS areas and then following expressions of interest the second decision stage on approach for the remaining space in the building.

6. Procurement Strategy & Next Stages

- 6.1 If approval is given for the ESFRS element of the project, following the EOI stages and development of proposals we would recommend adopting the second sign-off stage for the remaining space depending on the developed proposals. We would anticipate this taking place in December 2018.
- 6.2 In line with the advice from Faithful Gould, following any approval for ESFRS element of the project, we would recommend adopting a two stage tender process under a Design & Build route. Maintaining an operational building for the duration of the project

will be critical. Therefore, there is merit to obtaining early Contractor involvement to inform the buildability and phasing of the project. The design services will also be able to support the development of proposals for potential partners.

- 6.3 The first procurement stage will be procuring the professional team to support the delivery of the project and we would propose to use the ESCC Professional Services Framework for this. The financial liabilities are limited to the RIBA work stages and these are illustrated in the Financial section further on.
- 6.4 Under the Design and Build route, we would also be shifting design risk to the Contractor and have greater certainty of costs compared to a traditional approach. This would follow the same approach we have taken on recent projects such as Crowborough and Saxon House.
- 6.5 The Preston Circus Steering Group will remain in place until we are ready to formally launch the project. Project governance will depend on the nature of the project. If it is ESFRS only then the Project team will report to the Estates Delivery Board. If it is a partnership project then it will report to a Partnership Board.
- 6.6 Although we currently anticipate commissioning the Project Manager role from the ESCC Professional Services Framework, there are also ongoing discussions with Sussex Police around their PM resources and we would consider this approach at this time.
- 6.7 The draft programme is shown under Appendix C. Indicative timings are as follows;

End August 18	Business Case Development Other Public Sector Stakeholder EOI
Sept 18	SLT & CFA Approvals Appoint Design Team
Oct 18	Stage 1 Tender Docs for Design & Build Contractor
Dec 18	Stage 1 Contract Award 2 nd Stage Business Case Sign-off – for remaining space
March 19	Planning Application Submitted
June 19	Stage 2 Tender and Contract Award
Summer 19	Works Commence
Summer 20	Works Complete

7. CORPORATE RISK

- 7.1 Ahead of making a final business case on the preferred option, there will be a need to identify the Corporate and Service risks associated to the scheme. If the project moves forward to implementation and delivery, these identified risks will need to be

considered and appropriate mitigation measures put in place to manage these as part of the Project Risk Log.

- 7.2 English Heritage has commenced a process to consider whether Preston Circus Fire Station should be given listed building status. Depending on the outcome of this process there is a risk that listing could affect project delivery timescales and costs.

8. FINANCIAL

- 8.1 Provision (£2.550m) has already been made in the Capital Programme and this will need to be increased to £3.138m as set out in section 4.
- 8.2 We have secured £22,500 from the OPE to support this feasibility stage. If additional design development is required ahead of any project sign-off, we will need to identify budget provision for this.
- 8.3 As part of the business case, we will include sufficient resource to cover professional services and project management to support the delivery of the project. We will also need to allocate sufficient internal resources to support the project.
- 8.4 Based on the percentage fees against the RIBA works stages from the ESCC Professional Services Framework for construction costs up to £3m, the estimated fees would be;

RIBA Stage			Cost Consultant	PM/Employers Agent	Total
2-4	2- Concept Design				
	3- Developed Design				
	4- Technical Design	%	0.643	0.547	
			£19,290	£16,410	£35,700
5-6	5- Construction				
	6- Handover	%	0.4	0.621	
			£12,000	£18,630	£30,630
7	7- In-use	%	0.032	0.064	
			£960	£1,920	£2,880

- 8.5 Therefore, the financial commitment under professional fees to the end of Stage 4 prior to the construction process would be £36,000. Following the first stage tender under the Design & Build route, there will be design fees for the developed and technical design stages. These would be confirmed following the procurement process for the contractor.

9. POLITICAL

- 9.1 The current poor use of space at Preston Circus is becoming a higher priority for Members of the Fire Authority. If this continues, it may result in prompt decisions being taken which may not deliver the full benefits against opportunities for the Authority. Cllr Peltzer Dunn has agreed to be a member of the Steering Group. We

have committed to provide periodic briefings to other BHCC members at key points in the project.

10. CONSULTATION

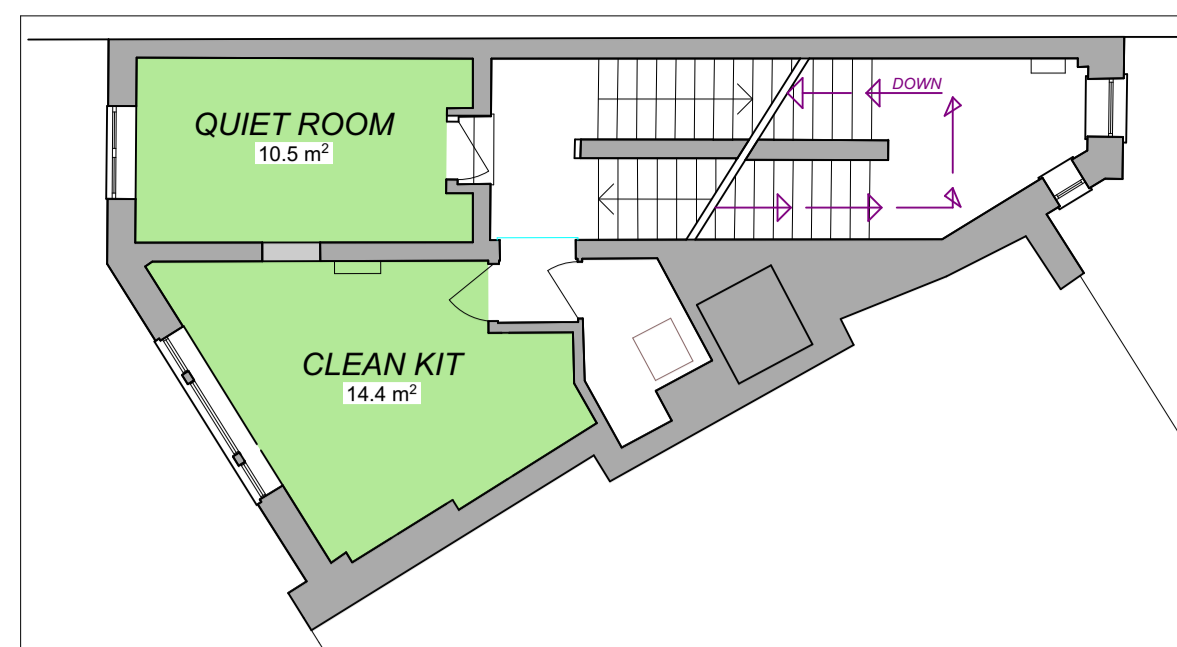
- 10.1 Consultation with the FBU on these proposals has commenced and the FBU has raised concerns that the concept design as proposed does not meet the space requirements set out in the draft Design Guide for a station of this size and nature, and that consequently the space identified for potential partner use is potentially overstated. These concerns are being evaluated with support from the design team at Currie and Brown and will be considered at future FBU Estates Consultation meetings. Any changes resulting will be built into future iterations of the design. The FBU has also questioned the inclusion of lift within the concept design, however officers are clear that this is a necessary element of the design to ensure we meet our statutory duties and enable access for staff, partner and community use.
- 10.2 Engagement with local staff has been undertaken and the resulting feedback will be considered as designs are developed further through the project.

11. INCLUSION AND DIVERSITY

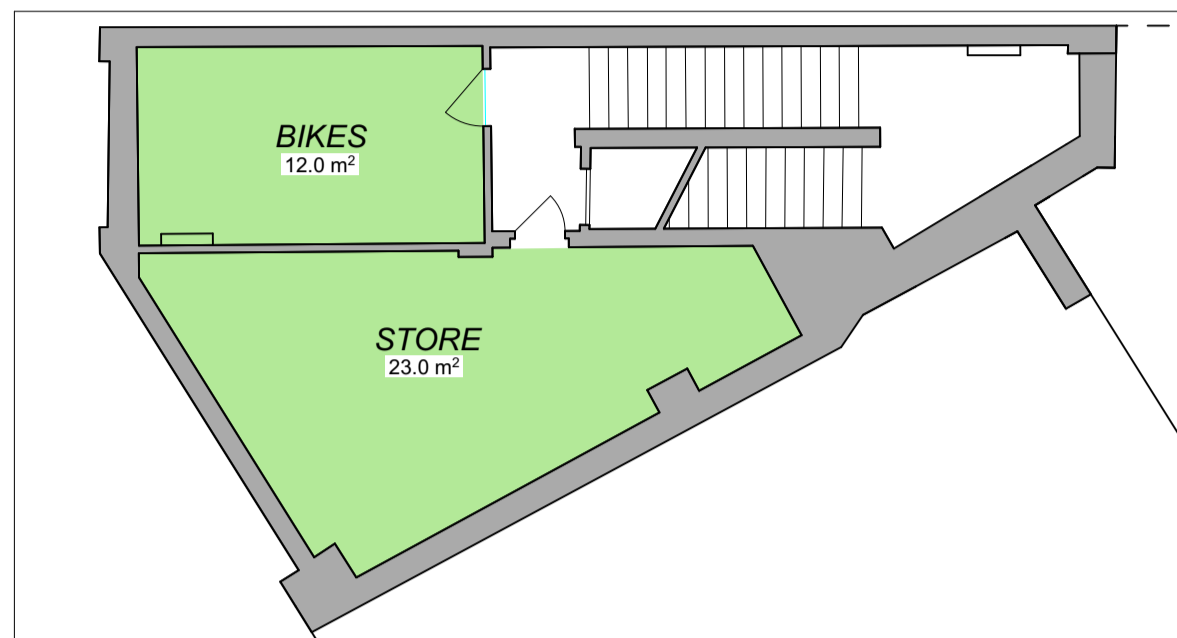
- 11.1 An initial draft Equality Impact Assessment has been completed and is attached at Appendix D

12. CONCLUSION

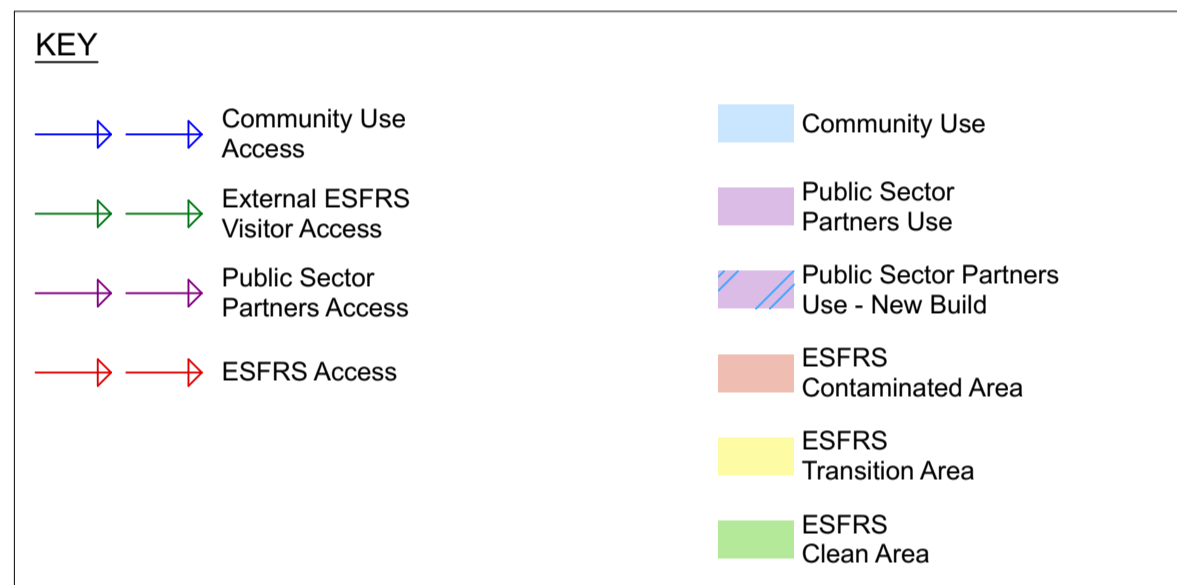
- 12.1 The Design Guide has been developed collaboratively across the Service and provides a valuable opportunity to set out a standard for accommodation and facilities across the estate.
- 12.2 This Design Guide has already been valuable in the reworking of concept layouts for Preston Circus. In terms of project stages, we have completed the design concept stage and have undertaken initial survey work to support the development of the cost plan.
- 12.3 Following presentation to and decision by the Steering Group, the Senior User – Group Manager has liaised with Estates as Senior Supplier and has undertaken engagement across all local teams. We propose to capture the feedback and update the plans during the next design development stage.
- 12.4 We recommend that we adopt the two stage decision process as outlined in this report and progress to commissioning of professional services. Following the development of Employers Requirements we would then run the procurement for the contractor based on the two stage Design & Build route for the project.
- 12.5 We recommend that the Capital Scheme funding is increased to £3.138m to reflect the latest cost estimates.



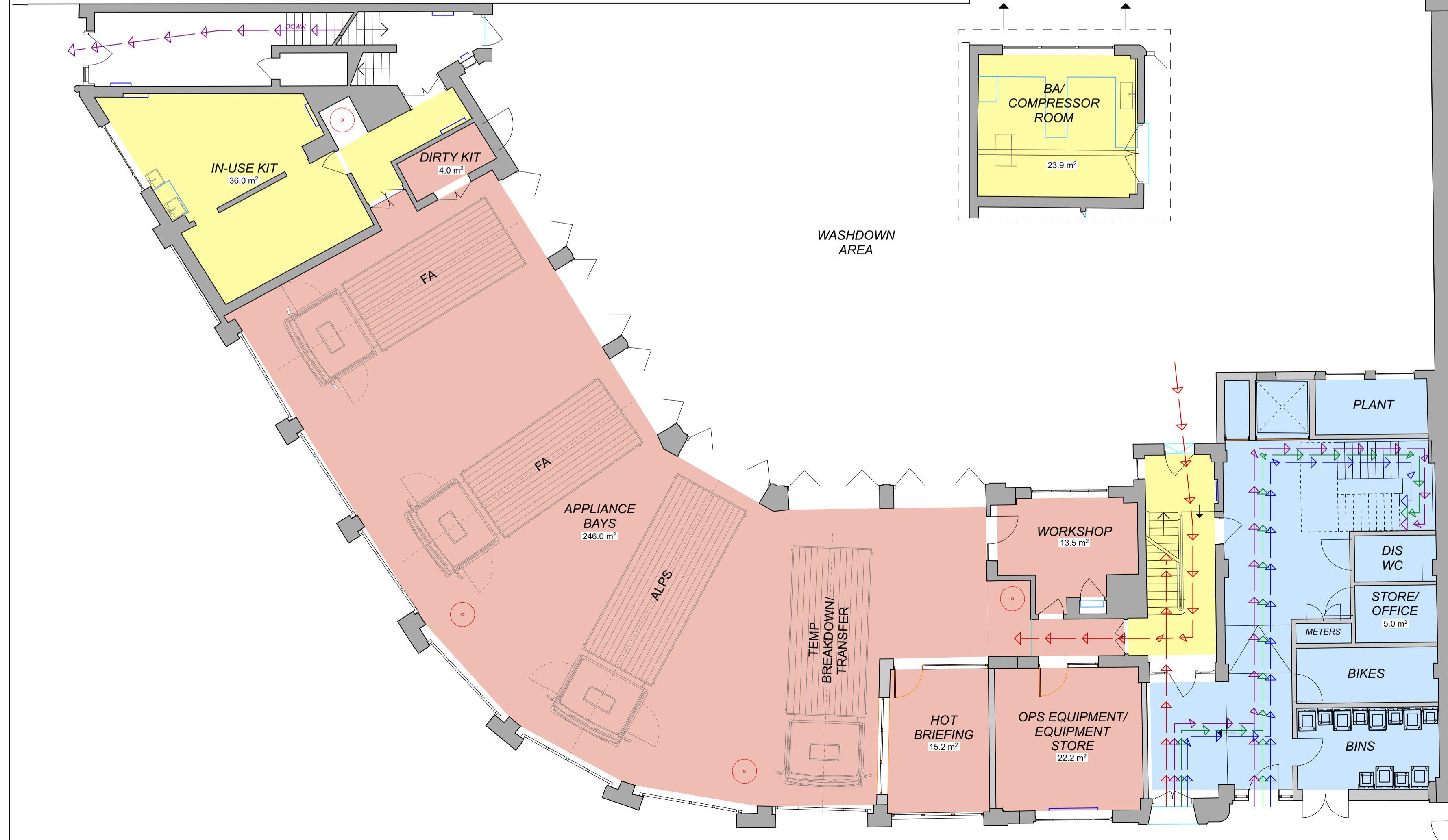
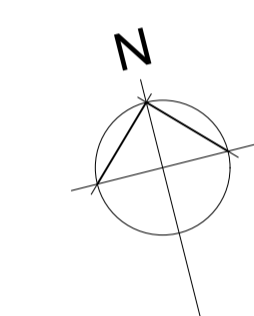
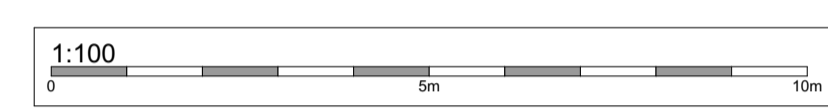
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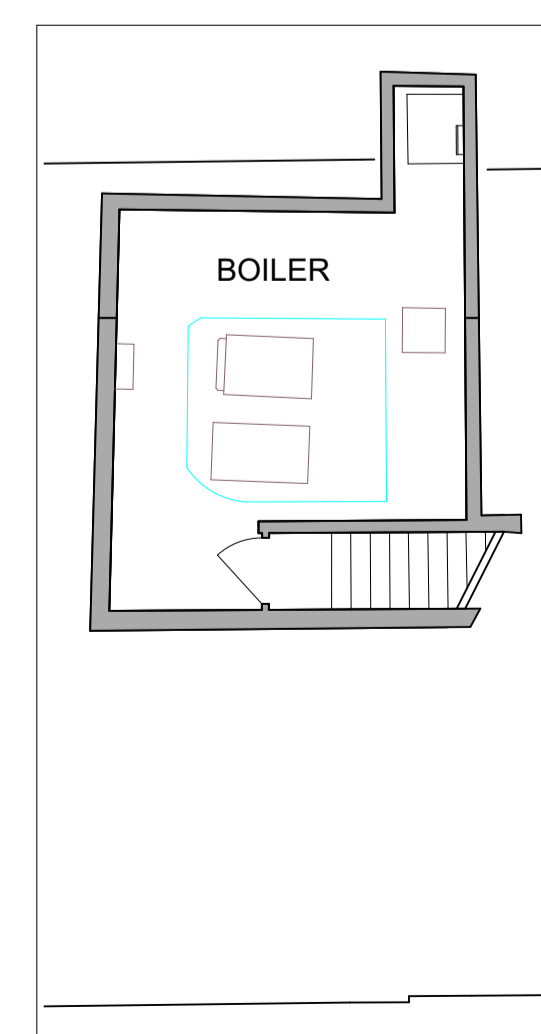
-1. Basement Proposed I 1:100



2. First Floor Proposed I 1:100



0. 147 Ground Floor Proposed I 1:100



-2. Lower Basement 1:100



-1. Basement Proposed I 1:100

B	04/07/18	P3 and P4 label changed to Quiet/1 to 1 Office. Pod numbers altered accordingly
A	06/06/18	Gym and lockers layout updated
REVISION	DATE	DESCRIPTION

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LOCATION: **Preston Circus Community Fire Station
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CHECKED BY: **SG**

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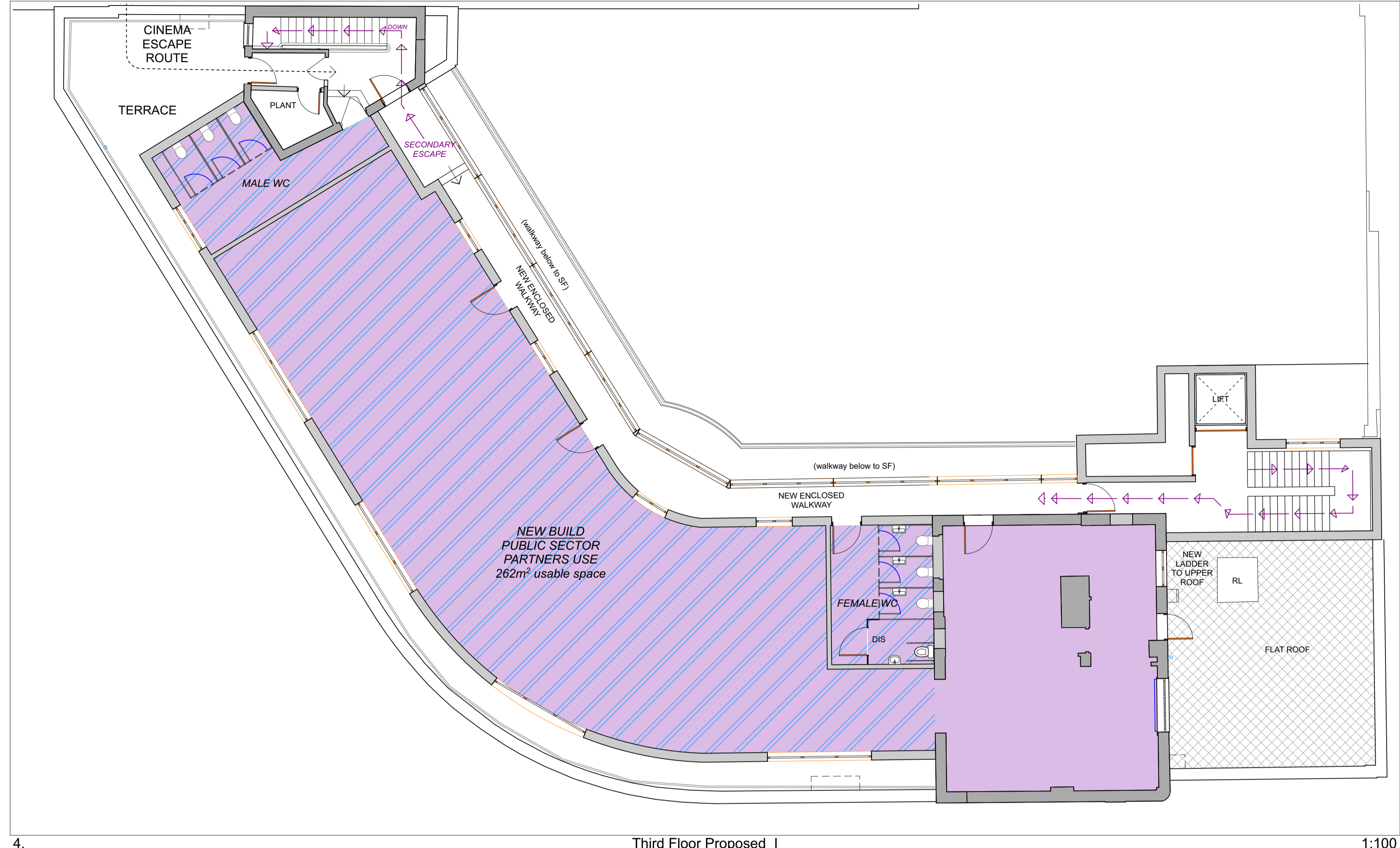
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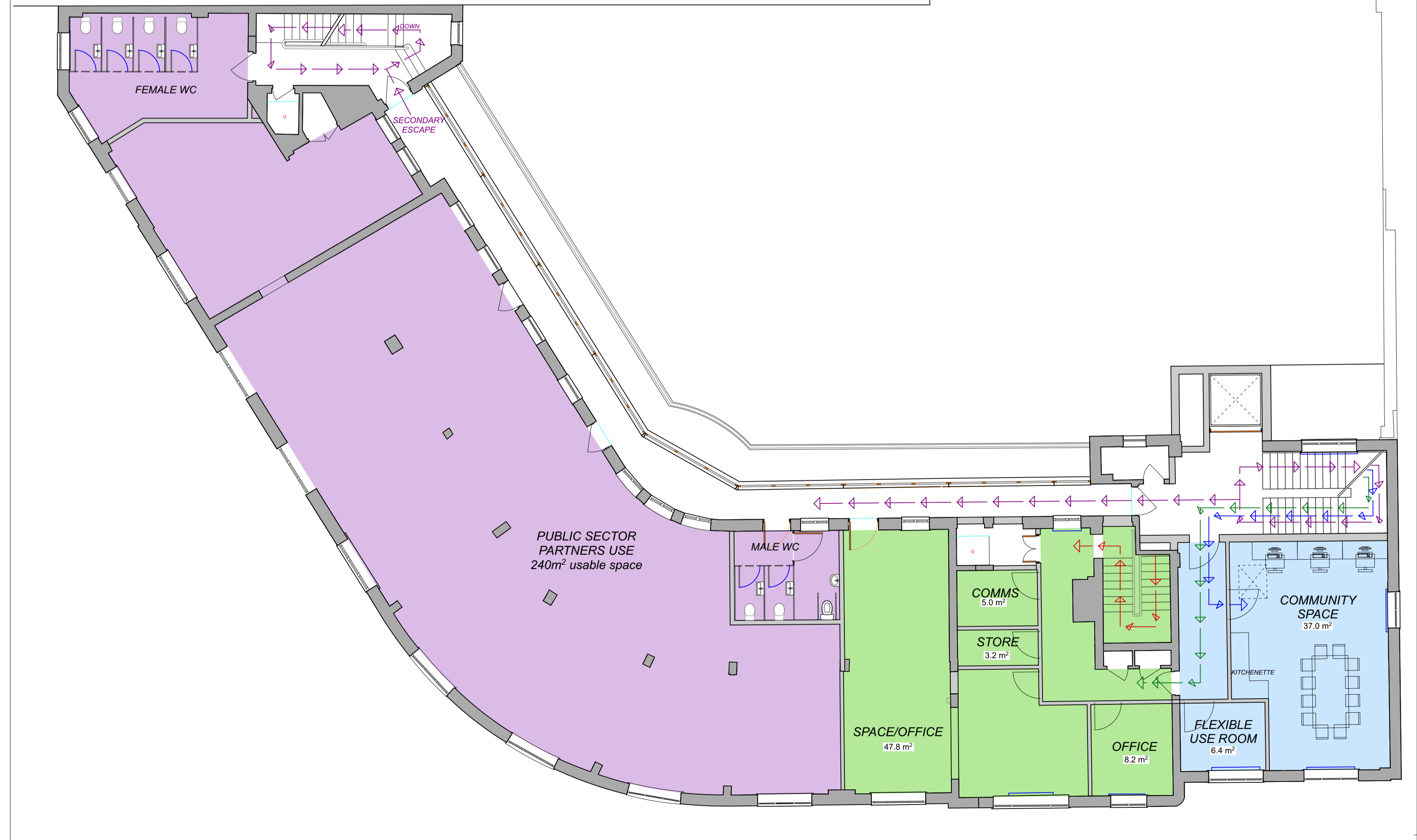
APPENDIX A

KEY

	Community Use Access		Community Use
	External ESFRS Visitor Access		Public Sector Partners Use
	Public Sector Partners Access		Public Sector Partners Use - New Build
	ESFRS Access		ESFRS Contaminated Area
			ESFRS Transition Area
			ESFRS Clean Area



4. Third Floor Proposed I 1:100



3. 148 Second Floor Proposed I 1:100

REVISION	DATE	DESCRIPTION
B	04/07/18	Space/Office labels altered
A	06/06/18	Male WC and Watch Room/Office altered. New build shown

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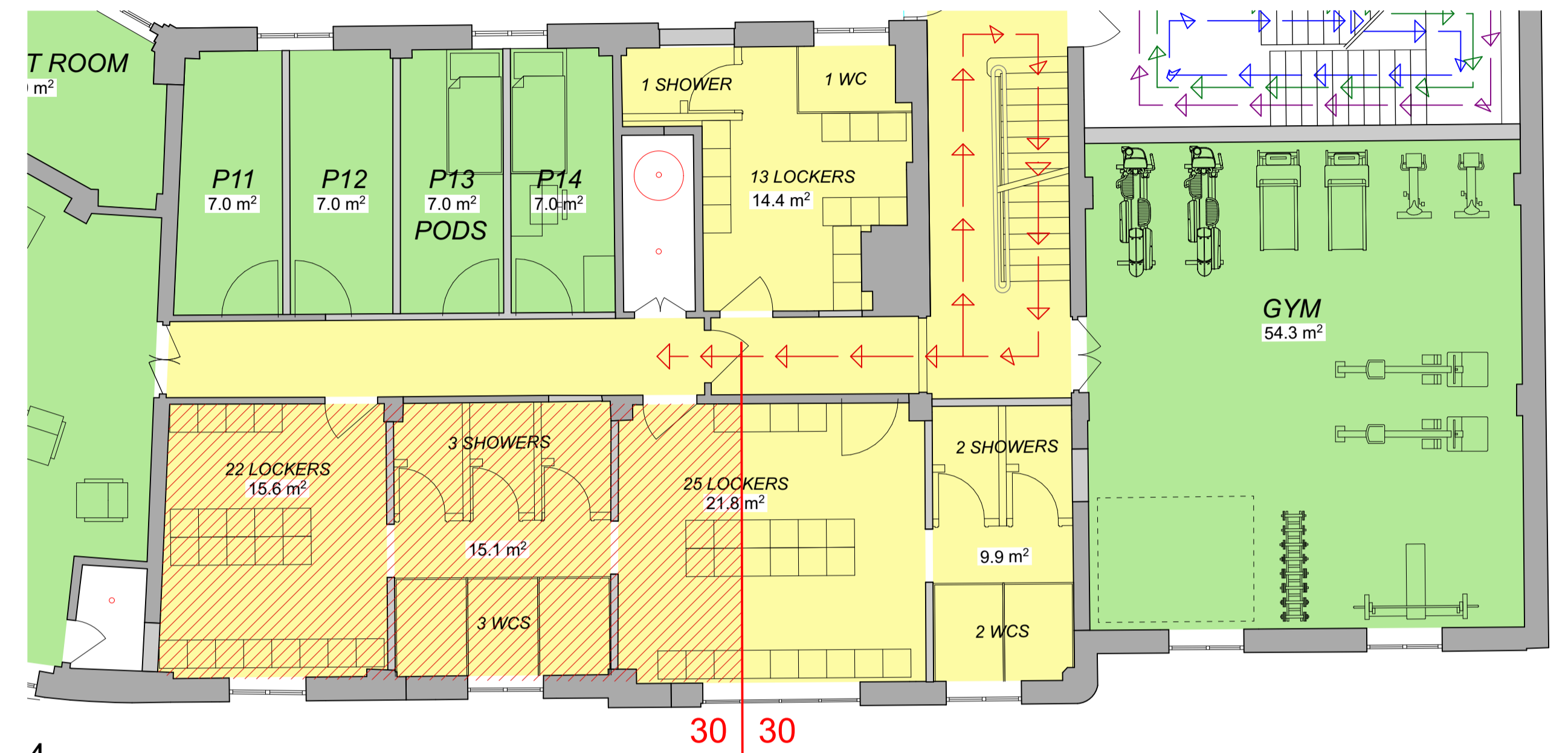
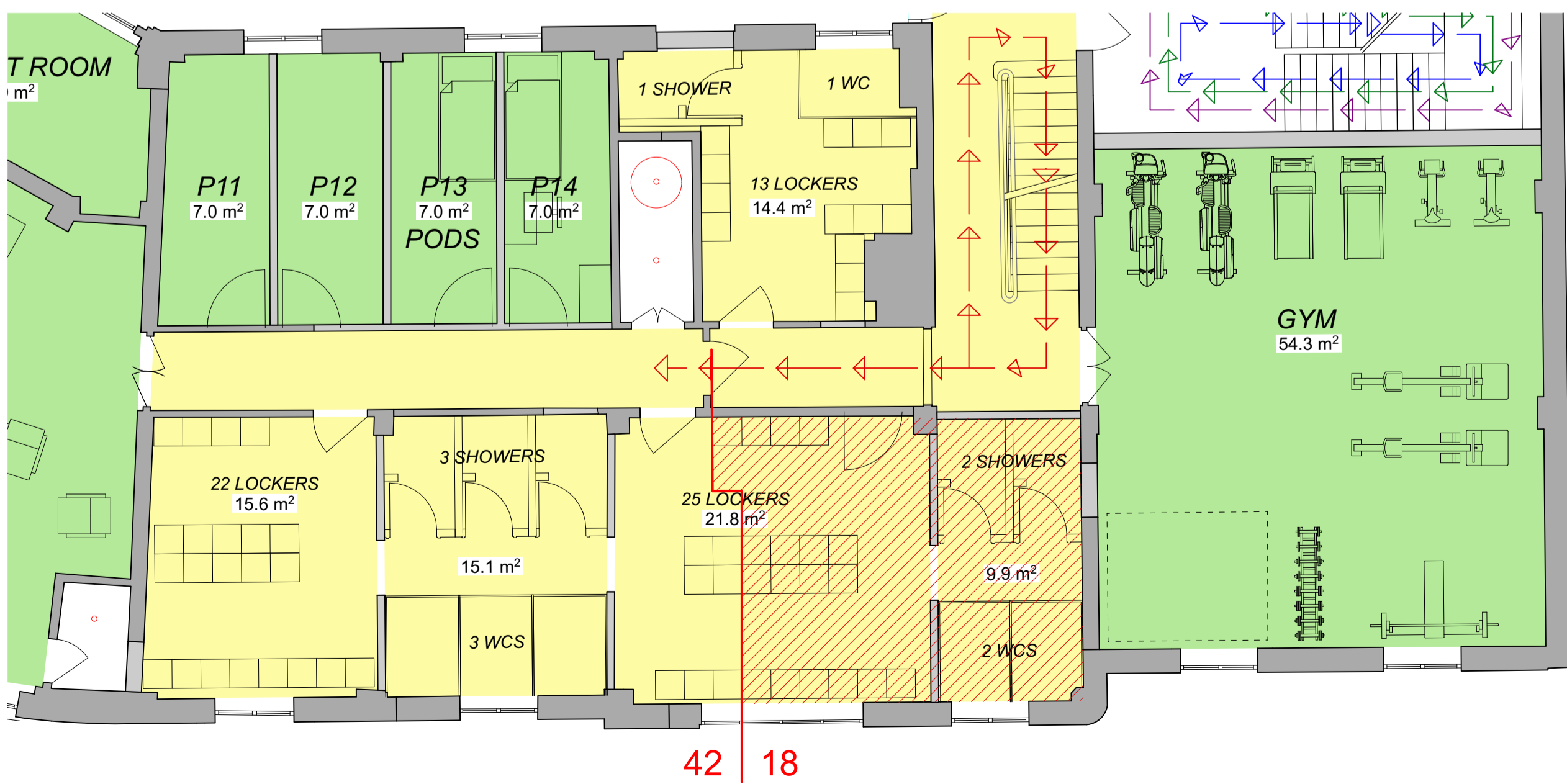
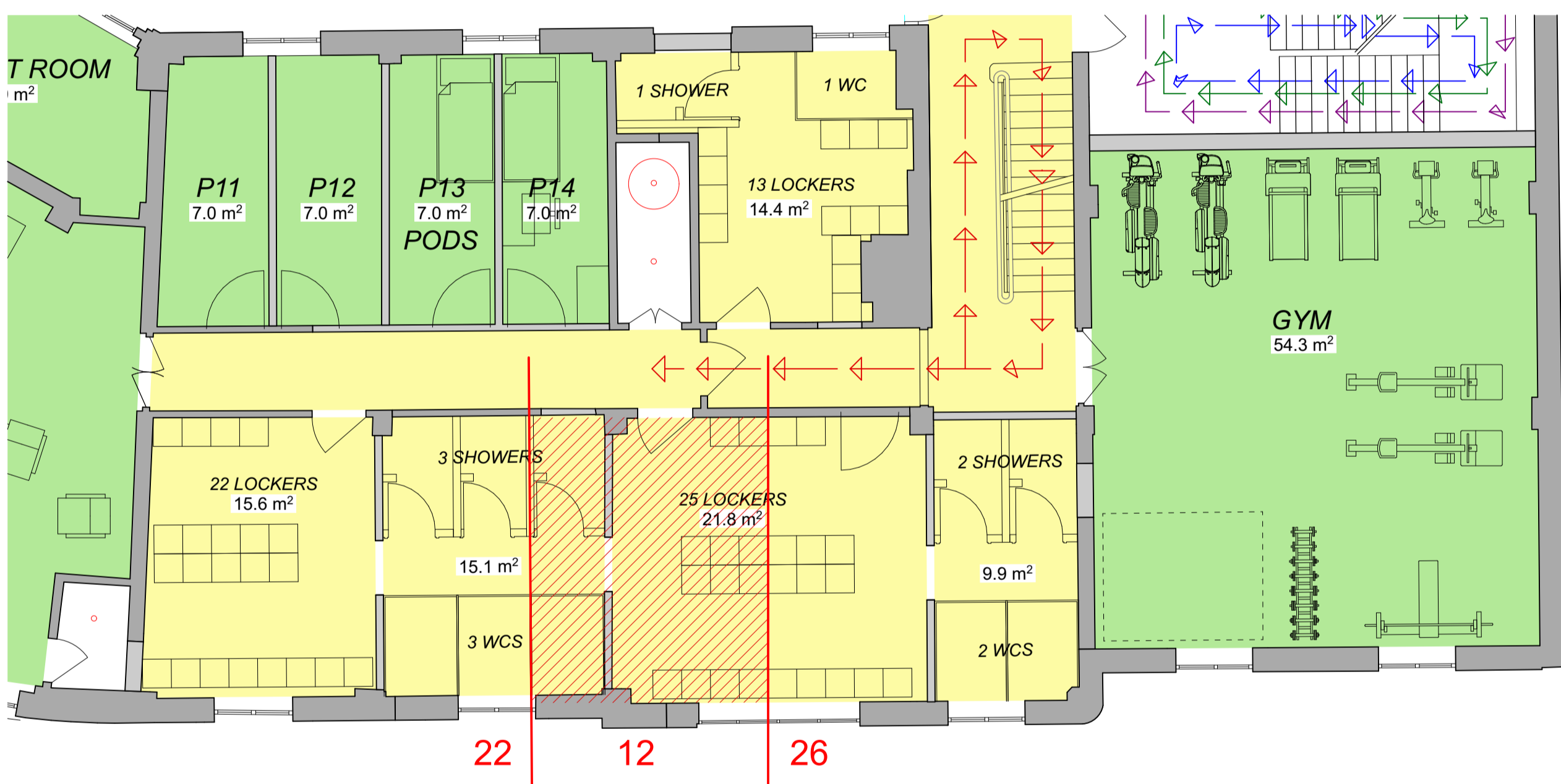
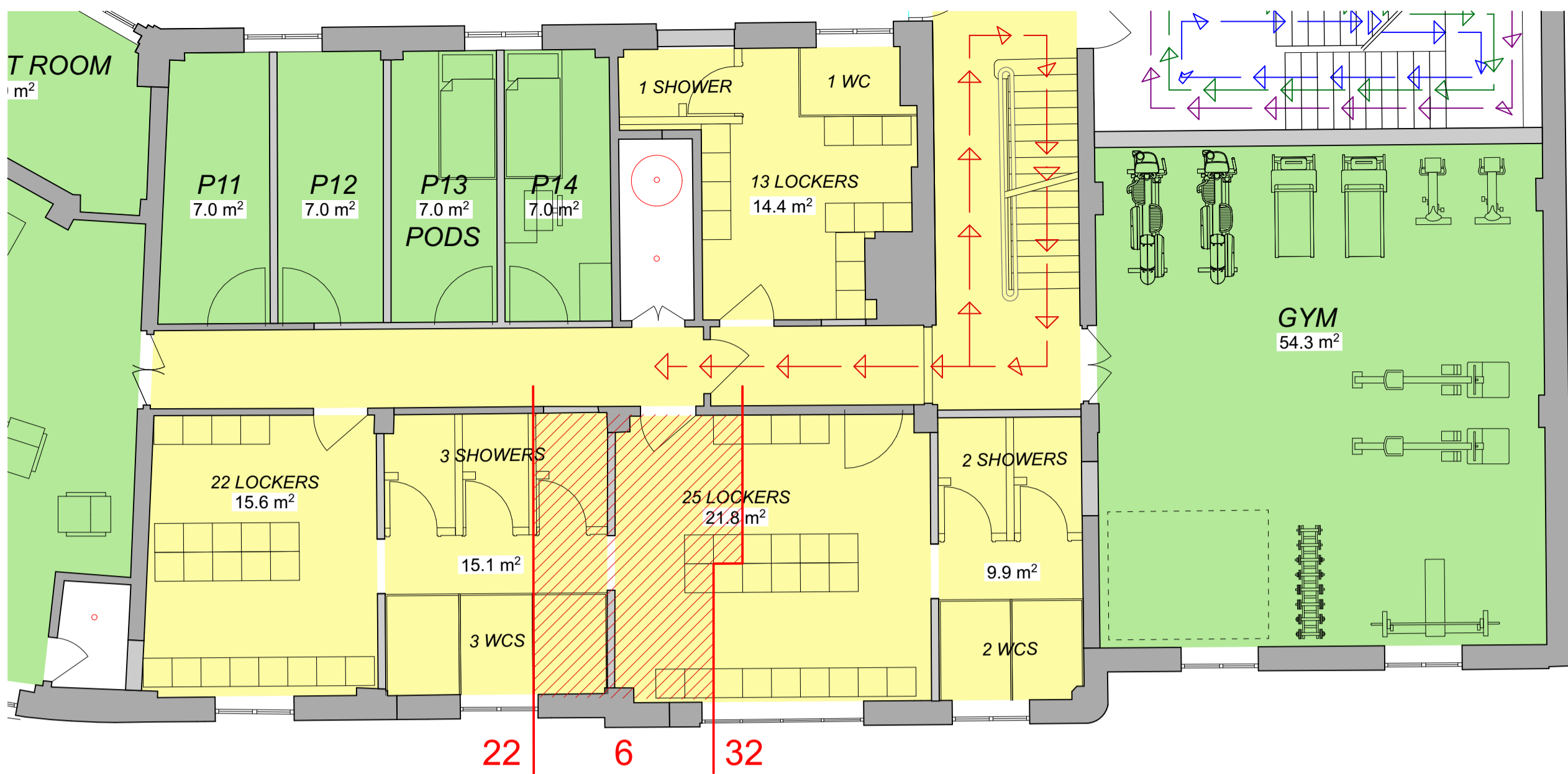
CLIENT: **ESFRS**
PROJECT NAME: **Preston Circus station reorg**
LOCATION: **Preston Circus Community Fire Station
Preston Circus Brighton BN1 1NZ**
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A	06/06/18	Gym and lockers layout updated
REVISION	DATE	DESCRIPTION

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CLIENT: **ESFRS**

PROJECT NAME: **Preston Circus station reorg**
LOCATION: **Preston Circus Community Fire Station
Preston Circus Brighton BN1 1NZ**

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EAST SUSSEX FIRE & RESCUE SERVICE

Preston Circus Fire Station
Feasibility Estimate Rev 2

13th July 2018



AUDIT, CHECKING & VERIFICATION PAGE

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0	04/01/1900	First Issue	H. Moon	C. Bond	S. Jackson
1	14/10/2016	Addendum	H. Moon	K. Gutcher	S. Jackson
2	08/11/2016	Rev 1	H. Moon	K.Gutcher	S. Jackson
3	13/07/2018	Rev 2	N. Twyman	E Mountford	S. Jackson

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Section 1

Executive Summary

Section 1: Executive Summary

The purpose of this Feasibility Estimate is to give a magnitude of capital cost to East Sussex Fire and Rescue Service (ESFRS) for the proposed New Build Roof Extension, Remodelling and Refurbishment of Preston Circus Fire Station.

Following completion of the last feasibility study in November 2016, which considered conversion to office or residential spaces and the addition of a third floor, ESFRS selected to develop option 2A 'Office conversion to 2nd floor with added 3rd floor (with sleeping pods). This revised feasibility estimate now updates the cost for this preferred option based upon current updated design information.

As illustrated in Section 2 the overall forecast cost has risen from **£3.730m** to **£4.233m**, an increase of approximately £500k. Of this value approximately £320k is attributable to increases in the M&E budget costs (incl. BWIC allowance) with the remainder due to general development of the design and rates thereof, together with consideration of inflation in prices over the time that has elapsed (3Q16 to 3Q18) between cost estimates.

From this total cost we have separated out the ESFRS areas from the new partner office areas. The split in total costs equates to **£2.503m** for the ESFRS areas and **£1.721m** for the public sector partner office areas and community use.

Potential Office Rental income

Given the direction advised by ESFRS that the office accommodation is likely to be offered to other public sector partners first, rather than on the open market, we have not been back to the local agents to update their previous advice for the potential rental income. We have previously been advised by local agents that should ESFRS decide to let the office space on the open market that offices in this area achieve lower rental values when compared to more central offices say in the Queens Road area.

Based on the previous advice, ESFRS could anticipate achieving between £15/ft² to £20/ft² if the areas of the building were converted to office space to achieve the following rental income per annum:

	Minimum Rental Per Annum £15.00/ft²	Medium Rental Per Annum £17.50/ft²	Maximum Rental Per Annum £20.00/ft²
Potential Rental Income			
Option 2A - Office Space (5,400 ft ² useable space)	£81,000.00	£94,500.00	£108,000.00

Please note that there will be Taxes, Estate Agent Fees and other costs to take into consideration if the offices are let. These are currently excluded from our costings and the above figures are based on gross rental incomes. This income would need to be offset against the capital costs of £1,721,000 for the non ESFRS areas leading to a long pay back period with the risk of periods of no rental income a possibility. This also offers no potential for a contribution towards the costs for the ESFRS areas.

Section 1: Executive Summary

Procurement

The present forecast has a clear margin between its value and that of the current OJEU threshold and therefore this should not provide a restriction of tendering routes, subject only to ESFRS procurement policy.

We would propose consideration of either a single or two stage design and build route. The value of this scheme could be delivered by several main contractors within the Brighton and east and west sussex, and is of a value that is likely to be accepted for tender on a single stage basis, although the level of complexity in working around the live fire station would benefit from early contractor involvement into the design process, particularly the phasing of how areas could be remodelled to keep the fire station operational. The alternative two stage approach, whilst taking longer to arrive at a fixed price contract sum and removing an element of the competition compared to a single stage approach, would allow earlier contractor involvement providing benefit of buildability and design advice, which may also lead to an improved construction period with fewer risks, and thus inherently best value for money. In our experience two stage tenders have more commonly lead to a higher final tender value, although on a scheme such as this the complexity and risks could see single stage tenders being loaded with risk if tenders are invited on a design and build basis, before these risks have been fully understood and worked through with the design. In our opinion a two stage design and build with earlier contractor involvement would more likely provide best value for money on a scheme such as this.

Conclusion

Subject to the work being undertaken to explore other public sector use of the surplus office areas, the office conversion is unlikely to generate sufficient income to support a contribution towards the costs of the refurbishments and remodelling of the ESFRS areas. Following the advice contained in both this report and our previous report on private commercial office space in the area and potential rent levels, the current option will also present higher risks to ESFRS in terms of recouping the initial investment on the additional office space created, and potentially higher risks of the space remaining dormant if demand is not forthcoming.

We do however understand that a residential led scheme is not the preferred option for ESFRS, and that ESFRS have acknowledged that the additional office areas are unlikely to generate enough income to make the project self financing in either the short or long term and thus a capital contribution will be required.

Section 2

Cost Summary

Section 2: Office Cost Summary		Rev 1 - Nov '16	Rev 2 - July '18	ESFRS	Partner Space
Ref	Description	Option 2a Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)	Preferred Option (2a) Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)	Preferred Option (2a) Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)	Preferred Option (2a) Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)
1.1	New Build Roof Extension, Remodelling and Refurbishment	2,199,750	2,505,925	1,445,715	1,060,210
1.2	Sub Total	2,199,750	2,505,925	1,445,715	1,060,210
1.3	Main Contractor's Prelims	329,963	375,889	216,857	159,032
		2,529,713	2,881,814	1,662,572	1,219,242
1.4	Main Contractor's Profit and Overheads @ 6%	151,783	172,909	99,754	73,154
1.5	Total Construction Cost	2,681,495	3,054,723	1,762,327	1,292,396
1.6	Professional fees, Surveys and expenses	402,224	458,208	264,349	193,859
1.7	Planning and building control	20,000	20,000	10,000	10,000
		3,103,720	3,532,931	2,036,676	1,496,255
1.8	Design Development Contingency @ 15%	465,558	529,940	305,501	224,438
	Total Project Cost	3,569,277	4,062,871	2,342,177	1,720,694
1.9	TOTAL PROJECT COST (based on current day prices excluding ICT & loose FF+E and Phasing of Works)	3Q16 3,570,000	3Q18 4,063,000	2,343,000	1,721,000
1.10	Inflation Programme currently undetermined	Excl.	Excl.	Excl.	Excl.
1.11	TOTAL PROJECT COST (including inflation to excluding ICT & loose FF+E and Phasing of Works)	3Q16 3,570,000	3Q18 4,063,000	2,343,000	1,721,000
1.12	Extra Over for Phasing of Works	160,000	160,000	160,000	-
1.13	TOTAL PROJECT COST (including inflation & Phasing of Works excluding ICT & loose FF+E)	3Q16 3,730,000	3Q18 4,223,000	2,503,000	1,721,000
	Client Items Not Included in Total Project Cost				
1.14	Allowance for ICT, Loose Furniture & Equipment	Excl.	Excl.	Excl.	Excl.
1.15	Client Design Change Contingency	Excl.	Excl.	Excl.	Excl.

Section 3

Preferred Option (2A) - Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)

Section 3: Preferred Option (2A) - Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)

Ref	Description	Qty	Unit	Rate £	Amount £
1	Remodelling and Refurbishment				
1.1	East Sussex Fire and Rescue areas				
1.1.1	Strip out allowance	1,320	m ²	100	132,000
1.1.2	Allowance for making good	1,320	m ²	25	33,000
1.1.3	Dry lining and partitioning; including skirtings	420	m ²	75	31,500
1.1.4	Allowance for internal glazing	1	item	5,000	5,000
1.1.5	Internal single doors	64	nr	800	51,200
1.1.6	Internal double doors	10	nr	1,200	12,000
1.1.6	Internal double doors; to drop shafts	3	nr	1,200	3,600
1.1.7	Internal single doors; to drop shafts	3	nr	1,000	3,000
1.1.8	Double doors to risers	4	nr	500	2,000
1.1.9	Decorations to plasterboard partitions/linings	4,000	m2	8	32,000
1.1.10	Allowance for tiling to wet areas	310	m2	75	23,250
1.1.11	Allowance for fixed signage; room and wayfinding	1	item	1,000	1,000
1.1.12	Allowance for decorations to balustrades and handrails	1	item	1,500	1,500
1.1.13	Allowance for new stair nosings	1	item	1,250	1,250
1.1.14	Allowance for latex	930	m ²	10	9,300
1.1.15	Carpet Tiles	397	m ²	35	13,895
1.1.16	Vinyl flooring	533	m2	30	15,990
1.1.17	Resin floor to appliance bay	253	m2	60	15,180
1.1.18	Allowance for barrier matting	1	item	500	500
1.1.19	Sealant finish to plant rooms and ancillary areas	67	m ²	15	1,005
1.1.20	Suspended lay in panel ceiling	791	m ²	55	43,505
1.1.21	Paint to exposed concrete	609	m ²	10	6,090
1.1.22	New Kitchen	1	item	33,500	33,500
1.1.23	Allowance for sanitaryware incl cubicle partitions	1	item	43,450	43,450
1.1.24	Replacement of appliance bay doors	7	nr	7,500	52,500
1.1.25	Allowance for curtain walling to hot briefing room and infill to bin store	1	item	12,000	12,000
1.1.26	Allowance for new external doors	7	nr	2,000	14,000
1.1.27	Allowance for making good external walkway	1	item	10,000	10,000
1.1.28	Lockers and benching	1	item	20,000	20,000
1.1.29	Mechanical services as per PJR costs dated July 2018	1	item	305,000	305,000
1.1.30	Electrical services as per PJR costs dated July 2018	1	item	291,000	291,000
1.1.31	Enabling works as per PJR costs dated July 2018	1	item	100,000	100,000
1.1.32	O&M Documentation & record drawings as per PJR costs dated July 2018	1	item	4,000	4,000
1.1.33	O&M Documentation & record drawings as per PJR costs dated July 2018	1	item	25,000	25,000
1.1.34	Allowance for BWIC @ 5% related to items 1.1.29 - 1.1.33	1	item	36,250	36,250
				sub-total £	1,384,465

Section 3: Preferred Option (2A) - Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)

Ref	Description	Qty	Unit	Rate £	Amount £
1.2	Office Areas				
1.2.1	New Build Offices on Roof	332	m2	650	215,800
1.2.2	Allowance for construction of lift and riser extension	1	item	50,000	50,000
1.2.3	Allowance for structural works for new stairs	1	item	25,000	25,000
1.2.4	Allowance for new stairs	3	nr	10,000	30,000
1.2.5	Replacement of flat roofs	105	m2	150	15,750
1.2.6	Allowance for terrace and walkways finish	52	m2	80	4,160
1.2.7	Allowance for access ladder	1	item	1,500	1,500
1.2.8	Allowance for new external single doors	1	nr	1,000	1,000
1.2.9	Strip out allowance of existing	484	m ²	100	48,400
1.2.10	Allowance for making good	484	m ²	25	12,100
1.2.11	Dry lining and partitioning; including skirtings	210	m ²	75	15,750
1.2.12	Internal single doors	18	nr	800	14,400
1.2.13	Riser doors	2	nr	500	1,000
1.2.14	Allowance for fixed signage; room and wayfinding	1	item	1,000	1,000
1.2.15	Decorations to plasterboard partitions/linings	980	m2	8	7,840
1.2.16	Allowance for tiling to wet areas	185	m2	75	13,875
1.2.17	Allowance for decorations to balustrades and handrails	1	item	3,000	3,000
1.2.18	Allowance for latex	717	m ²	10	7,170
1.2.19	Allowance for acoustic insulation to all floor areas	717	m ²	25	17,925
1.2.20	Carpet Tiles	616	m ²	35	21,560
1.2.21	Vinyl flooring	101	m2	30	3,030
1.2.22	Allowance for sanitaryware incl cubicle partitions	1	item	39,900	39,900
1.2.23	Sealant finish to plant rooms and ancillary areas	30	m ²	15	450
1.2.24	Suspended lay in panel ceiling	410	m ²	55	22,550
1.2.25	Paint to exposed concrete	75	m ²	10	750
1.2.26	Allowance for new lift for offices	1	item	50,000	50,000
1.2.27	M&E as per PJR costs dated July 2018	1	item	381,000	381,000
1.2.28	Provision of Photovoltaic array to satisfy Approved Document Part L/Planning conditions	1	item	20,000	20,000
1.2.29	Allowance for BWIC @ 5% related to items 1.2.27 - 1.2.29	1	item	20,050	20,050
				sub-total £	1,044,960
1.3	External Works				
1.3.1	Allowance for alterations to entrance areas	1	item	15,000	15,000
1.3.2	Allowance for minor patch repairs to existing hard surfaces	1	item	20,000	20,000
1.3.3	Allowance for external lighting	1	item	7,500	7,500
1.3.4	Allowance for cycle hoops	1	item	3,000	3,000
1.3.5	Provision of new mains cold water supply by Southern Water to serve the office accommodation, including infrastructure charges	1	item	3,000	3,000
1.3.6	Provision of new electricity supply by UKPN to serve the office accommodation and circulation areas.	1	item	8,000	8,000
1.3.7	Up lift on utility supplier costs for traffic management due to the services being extended from Viaduct Road.	1	item	20,000	20,000
				sub-total £	76,500

Section 3: Preferred Option (2A) - Office Conversion to 2nd Floor with added 3rd Floor (with Sleeping Pods)

Ref	Description	Qty	Unit	Rate £	Amount £
1.4	Site Associated Risk Items				
1.4.1	Allowance for diversion of existing services including; foul and surface water, potable water, gas, comms ducts		@ say		Excl.
1.4.2	Allowance for highways improvement works		@ say		Excl.
1.4.3	Allowance for consequential improvements		@ say	10%	Excl.
				sub-total	£ -
1.5	Total of Items 1.1 - 1.4.3 above			sub-total	£ 2,505,925
1.6	Main Contractor's Prelims		@ say	15.0%	375,889
				sub-total	£ 2,881,814
1.7	Main Contractor's Profit and Overheads		@ say	6.0%	172,909
1.8	Total Construction Cost			sub-total	£ 3,054,723
1.9	Professional fees, Surveys and expenses		@ say	15.0%	458,208
1.10	Planning and building control		@ say	20,000	20,000
				sub-total	£ 3,532,931
1.11	Design Development Contingency		@ say	15.0%	529,940
				Total	£ 4,062,871
1.12	TOTAL PROJECT COST (based on current day prices 2Q18 excluding ICT & loose FF+E and Phasing of Works)	2Q18			£ 4,063,000
1.13	Inflation Programme currently undetermined				Excl.
1.14	TOTAL PROJECT COST (including inflation to 3Q 2018 excluding ICT & loose FF+E and Phasing of Works)	3Q18			£ 4,063,000
1.15	Extra Over for Phasing of Works				£ 160,000
1.16	TOTAL PROJECT COST (including inflation & Phasing of Works to 3Q 2018 excluding ICT & loose FF+E)	3Q18			£ 4,223,000
	Client Items Not Included in Total Project Cost				
1.17	Allowance for ICT (fixed and loose), Loose Furniture & Equipment				Excl.
1.18	Client Design Change Contingency				Excl.
1.19	Allowance for M&E services to support BREEAM accreditation if required				40,000.00

Section 4

Notes, Basis, Assumptions & Exclusions

Section 4: Notes, Basis, Assumptions & Exclusions

Notes and Basis

A Costs are based upon the following information:

Mackellar Scherdt
Drawings:

8893 / SK06.1a	Plans EXSTG AND ALTS layout E GROUND MEZZ and FIRST FLRS
8893 / SK06.2a	Plans EXSTG AND ALTS layout E SECOND and THIRD FLOORS
8999 / SK001a	Proposed Ground and First Floor Plans
8999 / SK002a	Proposed Second and Third Floor Plans
8999 / SK003a	WC/Lockers Layout
8893 / SK08.1-	Plans PHASE 1 works areas
8893 / SK08.2-	Plans PHASE 2 works areas
8893 / SK08.3-	Plans PHASE 3 works areas

B All costs are based at 3Q 2018 rates. No allowance has been made for inflation as the programme for the works is currently unknown.

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E A 15% design development contingency allowance has been included within the total project cost.

Key Assumptions

F Site does not contain contaminated land, abnormal ground conditions, unexploded bombs or antiquities.

G There will be no delays in obtaining planning approval.

H The contractor will have sufficient space on site for accommodation, welfare facilities etc.

J Works will be competitively tendered using a two stage design & build procurement route.

K The existing building foundations will be able to support an additional storey to the building without the need to upgrade or pile.

L The existing building frame will be able to support an additional storey to the building with the need to upgrade.

M Loose fire service FF&E will be procured directly by client.

N We assume an area within the site will be made available for contractors accommodation.

P Existing uPVC windows are to be retained.

Q We have assumed that the existing water and electricity supply will have sufficient capacity and will not be required to be upgraded.

Exclusions

R VAT, Legal and agency fees.

S Storage costs off site.

T Temporary accommodation.

U Local Authority Fees.

V Ground stabilisation, grading of levels or increased foundations.

W Implications of any Environmental Surveys.

X Out of hours working.

Y Identification and Removal of hazardous / deleterious materials and contaminated land including asbestos.

Z Costs associated with lettings i.e. Agent Fees or any other associated costs relating to the letting of the office accommodation

AA Loose FF&E.

AB No works are required to the yard, tower and generator room.

AC Parking bay suspensions for off site accommodation.

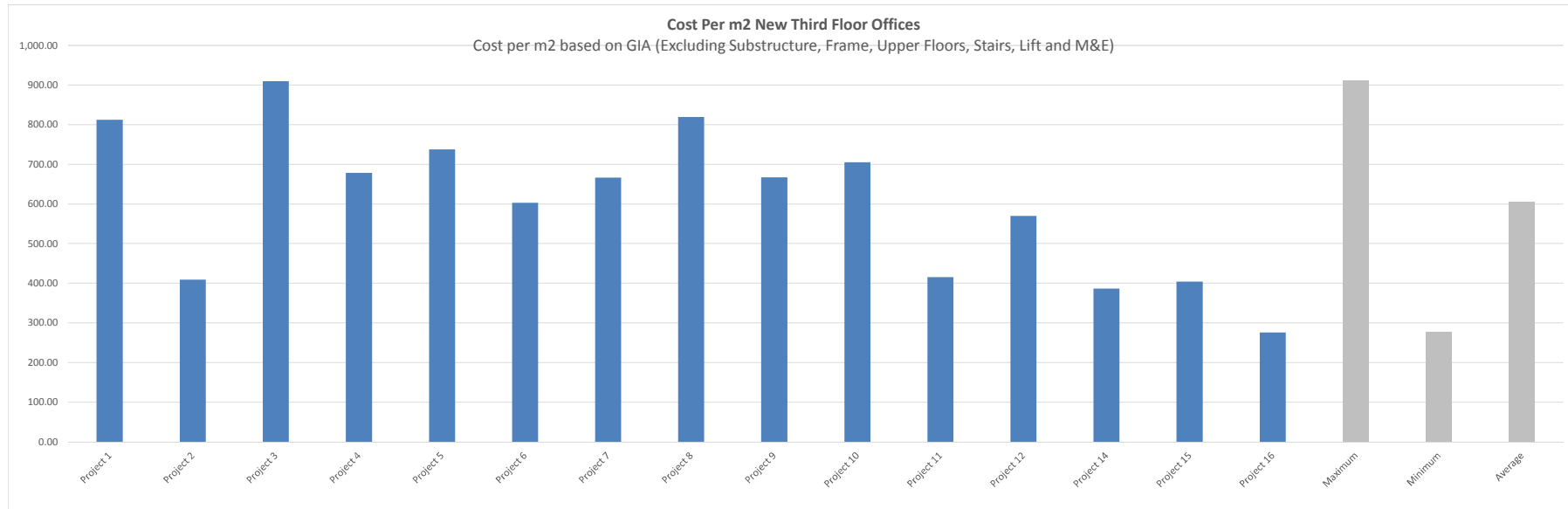
Section 5

Office Benchmarking

Section 5: Offices Benchmarking Data

Ref	Substructure	Frame & Upper Floors	Roof	Stairs & Ramps	External Walls, Windows & External Doors	Internal Walls, Partitions & Doors	Internal Finishes & Fittings	M&E	Lifts	Building Total	External Works	Main Contractor's On - Costs	Total Construction Cost	Cost Per M2 New Third Floor
														Total Excl Subs, Frame, Upper Floors, Lift, Stairs, M&E & External Works
Project 1	96.88	439.70	43.63	22.87	349.94	80.96	337.89	336.00	59.00	1,766.86	0.00	416.91	2,183.77	812.41
Project 2	102.18	187.84	26.54	21.81	278.14	27.62	76.96	178.74	54.61	954.43	54.89	179.70	1,189.02	409.26
Project 3	96.88	322.05	117.01	13.08	382.14	75.06	335.98	327.00	52.00	1,721.20	0.00	406.43	2,127.63	910.18
Project 4	54.36	326.52	38.52	27.34	453.10	74.67	112.36	321.08	61.14	1,469.09	0.00	347.53	1,816.62	678.64
Project 5	6.81	434.33	61.53	14.29	505.30	56.33	114.96	350.90	91.24	1,635.70	0.00	431.17	2,066.87	738.12
Project 6	73.81	320.33	66.11	15.08	362.75	63.86	110.42	400.90	42.93	1,456.20	18.20	245.90	1,720.31	603.14
Project 7	104.49	383.93	34.63	17.93	414.85	79.25	137.86	437.72	59.87	1,670.53	53.62	233.65	1,957.80	666.59
Project 8	191.50	298.60	61.41	15.97	459.28	78.06	221.19	720.83	70.17	2,117.01	27.42	525.60	2,670.03	819.93
Project 9	85.94	131.40	40.46	11.49	394.22	98.61	134.16	253.96	214.18	1,364.42	184.20	255.63	1,804.25	667.45
Project 10	338.80	490.83	73.67	22.22	456.35	57.61	117.57	561.3637311	26.87	2,145.29	0.00	548.77	2,694.06	705.20
Project 11	113.04	121.01	59.35	23.02	215.79	25.65	115.03	301.49	10.18	984.55	154.56	231.81	1,370.92	415.81
Project 12	51.37	265.22	69.70	21.59	302.03	43.61	154.56	516.19	82.29	1,506.57	0.00	313.36	1,819.93	569.91
Project 14	82.41	86.42	67.17	10.96	214.73	34.47	70.73	239.77	6.65	813.30	135.31	54.23	1,002.84	387.10
Project 15	104.00	223.77	37.66	7.34	264.26	25.63	76.66	248.88	30.33	1,018.52	10.01	399.18	1,427.71	404.20
Project 16	24.31	51.86	63.10	10.11	66.17	52.05	94.52	274.12	19.39	655.62	7.23	189.52	852.38	275.83
Maximum	338.80	490.83	117.01	27.34	505.30	98.61	337.89	720.83	214.18	2,145.29	184.20	548.77	2,694.06	910.18
Minimum	6.81	51.86	26.54	7.34	66.17	25.63	70.73	178.74	6.65	655.62	0.00	54.23	852.38	275.83
Average	101.79	272.25	57.37	17.01	341.27	58.23	147.39	364.60	58.72	1,418.62	43.03	318.63	1,780.27	604.25

Section 5: Offices Benchmarking Data



CONSTRUCTIVE EXPERTISE

FGOULD.COM

Equality Impact Analysis Record (Inclusion Risk and Benefits)

This form should be completed in conjunction with EIA Tip Sheet and Key EIA Considerations

Part 1 – The Document

1.	Name of Policy, Procedure, Activity, Decision or Service:	Preston Circus Refurbishment		
	Status of PPADS (please tick)	<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> UNDER REVIEW	<input type="checkbox"/> CHANGING <input type="checkbox"/> EXISTING
2.	a. Main purpose of PPADS:	The Authority has included a project to refurbish Preston Circus Fire Station in its Capital Asset Strategy. The project has been developed in line with the Service's draft Design Guide which is being developed as part of its new Estates Strategy.	b. Project Manager and Process owner:	SRO - Mark Andrews ACFO Senior User - Nigel Cusack GM West Area Senior Supplier - Maureen Cherry, Estates Manager.
	c. Project/processes this PPADS is linked to:	N/A		
3	List the information, data or evidence used in this analysis:	The project is at RIBA Stage 2 (concept design) and approval is being sought to mobilise the project. The concept design is based on the Service's draft Design Guide. There has been initial consultation with the FBU and engagement with local staff. Proposals have been considered by the Preston Circus Steering Group before submission to Senior Leadership Team and P&R Panel.		

Part 2 - Analysis

Characteristics	Neutral Impact (x)	Negative Impact* (Risk Assess & score)	Positive Impact (x)	Narrative Section, detail below why and how you scored impact, you should consider: What are the risks &/or negatives, benefits and or opportunities to that Protected Characteristic? You <u>will</u> need evidence to support your Analysis.
A person of a particular age	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes provision of lift access to all floors of the building improving access for staff, potential partners and to community facilities.
A disabled person	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes provision of lift access to all floors of the building improving access for staff, potential partners and to community facilities.
A person of a particular sex, male or female	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes: • bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work

				<ul style="list-style-type: none"> • Flexible male/female facilities, with ability to easily and affordably respond and adapt to changes in male/female ratios; • Individual sleeping rooms/pods with single bed, side table and locker;
Pregnancy, Maternity, Marriage or Civil Partnership	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes a bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work
A person of a gay, lesbian or bisexual sexual orientation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a particular race	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
A person of a particular religion or belief	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<p>The proposal includes:</p> <ul style="list-style-type: none"> • bookable Multi-function office that can support various uses such as a medical, occupational health, prayer, mother/ baby room, 1-2-1s and private/sensitive work

Transgender a person whose gender identity/expression does not make their assigned sex	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Community considerations Application across communities or associated with socio-economic factors considering the 10 dimensions of Equality	<input type="checkbox"/>		<input checked="" type="checkbox"/>	The proposal includes provision of a community use facility with improved access. There will be community engagement as part of the project and these proposals and the impact on the surrounding community will be considered.
Criminal convictions	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Rural living	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Human rights	<input checked="" type="checkbox"/>		<input type="checkbox"/>	

Part 3 – The results			
	Yes	No	
Are there negative scores in Low ? (see guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, list any actions required to adjust the activity and any mitigation you will implement in the action plan below in section 6</i>
Were positive impacts identified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>If No, I & D will contact you about this</i>
Are some people benefiting more than others? If so explain who and why.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Are one or more negative scores in Medium or High ? (See guidance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>If Yes, Contact I & D for further consultation</i>

Part 4 - Consultation, decisions and actions

If medium or high range results were identified who was consulted and what recommendations were given?

Describe the overall decision on this Policy, Procedure, Activity, Service or Decision:

The project is at concept design stage and employee and community engagement will shape the final design proposals.

List all actions identified to address/mitigate negative risk or promote positively

Action	Responsible person	Completion due date

When, how and by whom will these actions be monitored?

.

Part 5 – Sign Off

Created by (Print Name): Duncan Savage	Department: on behalf of Preston Circus Steering group
Signature**Duncan Savage	Date: 15-10-2018
To be completed by Equalities Team	
Signature**	EIA number:
Assessment date:	Review date:

**** Please type your signature to allow forms to be sent electronically****

Part 6 - Equality Improvement Plan

Issues Area of adverse impact and Reasons	Solution Action What can be done to mitigate impact, what can be done to obtain further information	Responsibility/Lead Manager Who will be responsible for this action	Target Timescales When will this be completed Financial factors	Comments Corporate Risk Factors
Potentially adverse impacts have been identified and mitigated by the actions set out above	A review of the mitigating actions post implementation is required to ensure that proposed positive impacts have the desired effect.	Duncan Savage	Review to take place of mitigation action in conjunction with EIA at 3 and 6 months post implimentation.	If policy is not reviewed the corporate risk is that we may implement a policy that adversely affected minority groups