

Report of the Head of Legal Services

10. Evesham Fire Station

Purpose of report

1. To advise Members of unforeseen additional work required to deliver the new Evesham fire station and to gain approval for funding to complete the project.
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Recommendations

It is recommended that:

- i) the additional costs of this scheme be noted and the budget allocation be adjusted accordingly; and*
- ii) that a further report is presented to the Committee when the final costs are known.*

Introduction and Background

2. Members will recall that in March 2013, following an approach from Wychavon District Council, this Committee agreed in principle to the sale of the existing Evesham Fire Station to the Council in order to facilitate the development of a Waitrose supermarket in the Town and for a new fire station and strategic training facility (STF) to be built on land adjacent to the Evesham Leisure Centre off Abbey Road.
3. Further reports were presented in January and March 2015 when it was noted that the new site was a challenging one from a development perspective because of its former uses as a sewage treatment works (there were subterranean concrete structures to be removed), land fill and a Council depot. There had also been Japanese Knotweed on the site, which the new buildings would need to be protected against.
4. Following the results of a ground investigation survey, additional remediation costs had been identified and in order to manage the risks for both parties, it was agreed that these additional costs would be shared equally between the Fire Authority and Wychavon District Council. At that stage (March 2015), the potential cost to the Fire Authority was estimated at up to £495,000 but the report noted that the nature of the ground conditions and the necessary remediation works were such that we will not be sure of the eventual costs until the works are complete. There was therefore an element of risk in the scheme and the eventual figure could be more or less than this.

5. The final tender for the ground remediation works and construction of the new fire station was higher than expected, but still within the envelope agreed by the Committee, due in part to the fact that we were unlikely to now require a temporary fire station. Because of the significant ground investigations completed, it was felt that there was no reason not to commence with the project as all risks known at that stage were accounted for.

Current Position

6. Construction on the new fire station commenced in February 2016 and is due for completion in November 2016. As indicated above, the conditions of the site were known to be poor but Place Partnership, who are managing the scheme on our behalf, have now advised us that a number of additional issues have materialised that could not have been foreseen prior to commencement, as follows:
 - ground contamination and extent of subterranean structures (including remains of concrete sewer penins) turned out to be significantly greater than expected at tender stage (initial samples to establish the degree of ground contamination could not be taken from under the dwelling until it was demolished, for obvious reasons). A greater volume of TPH (Total Petrochemical Hydrocarbons) and PAH (Polycyclic Aromatic Hydrocarbons) contamination was discovered during the course of the groundworks phase, so a greater amount of spoil was required to be removed;
 - the costs for water run-off attenuation requirements were not known prior to commencement (the water company could not advise within the timescales and delays to the project would have incurred significant penalty fees from the overall agreement with Wychavon District Council);
 - there has been a significant increase in the tax rate for contaminated spoil removed from the site. During the construction phase the tax rate increased from £98.45 per Tonne at tender stage to £186.45 and there has been a further increase to £188.43 per tonne since April 2016. This is the single largest factor in the overall costs increase and was a completely unforeseen element in the delivery of this project.
7. The additional costs are in part off-set by the fact that we are unlikely to now require a temporary fire station.
8. As the Committee were advised in March 2015, the eventual costs for these works will not be fully known until they have been completed. Although the works are on-going at the time of writing, it is clear that the costs will be in excess of the sum previously approved by the Committee. A further report will be presented to the Committee when actual final costs have been determined but it is currently estimated that the final sum will be approximately £694,000 as follows:

	Mar 2015	Tender	Aug 2015	<i>Change from 2015</i>
Construction, Normal Groundworks & Fees	2,940,000	3,321,922	3,319,290	379,290
IT / Comms Fit out, Furniture			90,000	
Ground Remediation & Abnormals (in excess of PC sums)	700,000	378,557	570,364	-129,636
Sewer Diversion		119,257	119,249	119,249
Temporary Fire Station (if necessary)	200,000	-	-	-200,000
	3,840,000	3,819,736	4,098,903	258,903
Wychavon DC Funding	3,345,000	3,308,536	3,404,431	59,431
Fire Authority Funding	495,000	511,200	694,472	199,472

9. Although costs have increased, these are still lower than the estimated back-log maintenance requirements of the old fire station. The new scheme will provide much improved facilities, a building that is better designed to meet modern needs and in an excellent location. The scheme still represents good value for a new fire station.

Conclusion/Summary

10. The Committee will obviously be disappointed in this additional increase in costs and as the project is at such an advanced state, there is no option but to continue with the works. However, the Committee has been made aware of the risk associated with this project and the potential for costs to increase due to the difficult nature of the ground conditions. The scheme overall is still advantageous for the Fire Authority.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The annual revenue costs of financing the additional capital expenditure amount to £11,000 and can be contained within the existing capital financing budget. This budget being subject to review as indicated in the Budget Monitoring report to this Committee.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	'Our Strategy' is to provide appropriate premises in the right locations that enable our staff to carry out their roles effectively
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None

Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	None identified
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Supporting Information

Background papers – Previous reports to Policy & Resources Committee

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