

Telford Central Fire Station Redevelopment – Financial Review as at 31 March 2025

Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 258915 or Joanne Coadey, Head of Finance, on 01743 260215.

1 Purpose of Report

This report advises members on the current position with the capital scheme for Telford Central Fire Station's redevelopment and confirms the funding strategy for the project. The report also seeks approval for further spend which did not form part of the original funding for the scheme.

2 Recommendations

The Fire Authority is asked to:

- a) note the current financial position of the redevelopment at Telford;
- b) approve further expenditure from the remaining capital scheme, and
- c) note the change in funding strategy for the redevelopment.

3 Background

At its meeting in February 2021 the Fire Authority approved a capital scheme for the redevelopment of Telford Central Fire Station, with completion expected in August 2022.

A report presented to the Authority by Entrust, project managers appointed to manage the project, detailed anticipated expenditure as follows:

- Contract Award, including General and specific contingencies included in the contract (£9,243,633)
- Technical project manager, architect's fees and clerk of work's costs (£600,270)
- Site investigation and survey costs (£65,779)
- Approval and consent costs (£30,000)
- An assessment of other support costs, and nominal costs for essential furniture and ICT equipment (£231,560)

This gave an anticipated total of £10,171m compared to an authorised budget of £12.0m.

This figure excluded any costs associated with:

- Any risks not specifically identified
- The relocation of Fire Control and any ICT implications
- Provision of additional loose furniture and fittings in the temporary or permanent accommodation
- Renewal of classroom-based training equipment

It was recommended that the Fire Authority recognise these potential additional costs and maintain the proposed budget at £12m for financial planning purposes.

During the redevelopment, some challenges were encountered which have had financial and time impacts on the project. At its meeting in October 2023, the Fire Authority received a report detailing these challenges and approved an increase of £4m to the overall budget. Debt charges associated with the increased budget were contained within the revenue budget due to delays in the project and further contributions into reserves.

4 Review

Capital expenditure on construction of the training centre and fire station at Telford began in 2018/19, and was completed in 2024/25, with a retention of £192,600 outstanding.

The redevelopment was completed during 2024/25, and the buildings are now in use.

Expenditure to 31 March 2025 can be reported as follows:

	£000
Construction works and additional costs	12,928
Professional fees	730
Site investigations and specialist consultants	38
Approvals and consents	11
Direct orders:	
IT infrastructure and AV system	210
Furniture	61
Legal fees	190
Clerk of Works	8
Tender fees	10
Sub total	14,186
Less retention	-192
Total spend to date	13,994

As indicated in the report presented to the Authority by Entrust in February 2021, there are a number of areas that were not included in the initial costings for the project:

ICT – Meeting spaces, including some offices, have been equipped with audio visual equipment – this facilitates a virtual collaboration platform which allows teams to connect regardless of their physical proximity. On the top floor, equipment has been installed to provide a virtual reality training suite that enables staff to enhance their competence and expertise through simulation. This expenditure has been included within the costs shown above.

Replacement networking equipment is required to complete ICT works on the site; this will cost £25,000.

Fire Control – whilst the redevelopment at Telford was designed with the long-term view of incorporating Fire Control, no specific allocation was made for equipping the control room or the adjacent significant incident room until the command and control system replacement project was more advanced. With the progression of that project, requirements necessary to support a fully operational control environment are now becoming clearer.

Work is currently underway to establish infrastructure, equipment and technology resources required, and the associated budget, to facilitate this move. Options which include specialist furniture, desk hardware and video wall facilities, will be presented to the Service's Senior Management Team and a decision made on how to proceed. The budget required is likely be around £400,000.

Furniture and fittings – the original scheme provided for a basic provision of furniture; however, the full requirement was not included. Costs have been incurred on office furniture, fixtures and fittings, and further expenditure is anticipated to complete the refurbishment. This will include signage, appliances for the appliance bay and drying room, groundwork and furniture. Remaining expenditure is expected to be in the region of £48,000.

The Fire Authority is recommended to approve the additional expenditure in the areas shown above, to complete the refurbishment at Telford Central, from the remaining budget allocation.

A full debrief of the Telford Central project will be undertaken in September, following which a closedown report will be brought to the Fire Authority.

5 Funding the Telford Redevelopment

The capital programme for each financial year is reviewed and approved as part of the budget setting process. Schemes are approved in line with the Fire Authority's prudential indicators and funding streams are agreed. Major improvements to the training centre and fire station in Telford were approved and the first tranche of work was added to the capital programme in 2019/20.

The Fire Authority had approved the posting of surpluses and underspends to the Major Projects Reserve to maximise funds available for the scheme, thereby reducing capital charges into future years.

As the refurbishment scheme was approved, Members were advised that the Major Projects Reserve would be the main source of funding for the scheme, attracting no additional charges other than an opportunity cost of using the reserve.

Local authorities are required to contribute to replace its assets as part of the debt charges assigned to capital schemes. This contribution is made over the life of the asset and therefore costs are clearly higher for those schemes with a short life. For example, a replacement fire appliance costing £350,000 would have its MRP calculated over 15 years, and costs for replacement firekit at over £1m would be calculated across 10 years.

With a useful life of 40 years, it is more efficient to apply future borrowing against the major refurbishments at Telford, as the required contribution would be greatly reduced. The decision to fund building improvements from borrowing, rather than other schemes with shorter lives, releases funds into the revenue budget and has contributed towards efficiency targets set by the Home Office, with no change required to the capital aspirations of the Service.

The Fire Authority were notified of this change in funding strategy at its meeting in October 2023.

6 Financial Implications

The financial details are shown in the report.

7 Legal Comment

The Fire Authority is responsible, under the Financial Regulations to consider matters relating to expenditure in the sums set out within this report. There is a requirement for officers to report any changes to approved budgets that are more than minor. In considering this report, the Authority is discharging its legal responsibilities.

Legal advice will be provided on an ongoing basis for any matters arising from this report.

8 Initial Impact Assessment

An Initial Impact Assessment form has previously been completed.

9 Appendix

There are no appendices attached to this report.

10 Background Papers

Shropshire and Wrekin Fire and Rescue Authority

26 February 2021 – Paper 4 -Telford Central Fire Station and Training Centre
Build Programme – Award of Contract

11 October 2023 – Paper 16 – Telford Redevelopment - Cost and Time
Impacts