

RECORD OF DECISION

TITLE: Sale and lease back of Redditch Police Station

Ref: PCC/D/2021/13

EXECUTIVE SUMMARY

A new Police and Fire Blue Light Hub is planned for Redditch with delivery for 2023. That will enable and necessitate the disposal of the current near end-of-life station. The current site's value is offset entirely by the estimated costs of demolition of the current building.

Redditch Borough Council have secured a government grant for the development of an Innovation Centre on the site of the current police station, with conditions that it has to be spent within the 2020-21 financial year. To make the most of this opportunity the Council have offered to buy the site and pay for the demolition costs out of the government grant, leasing back the site to the PCC at peppercorn rent until the site is handed over to the Council.

To comply with other conditions of the grant to deliver the Innovation Centre the site will have to clear by 31st March 2024, requiring vacation of the current police station by 31st October 2023 to allow time for demolition. This coincides with the projected availability of the new Redditch Blue Light Hub.

PROPOSAL

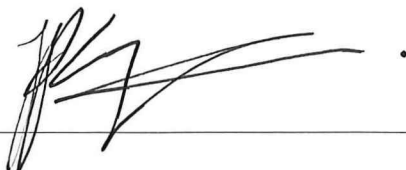
It is recommended that:

1. The sale, lease back and demolition arrangements are approved.
2. Authority to finalise the legal agreements is delegated to the Chief Executive.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

1. Background

- 1.1. A new Police and Fire Blue Light Hub is planned for Redditch with delivery for 2023. That will enable and necessitate the disposal of the current near end-of-life station.
- 1.2. The current site's value has been estimated by professional valuers on behalf of both the PCC and Redditch Borough Council. These valuations are set out in the Part 2 Report. A full quote for demolition costs has been obtained and is also in the Part 2 Report. The value of the site is offset entirely by the estimated costs of demolition of the current building.
- 1.3 Redditch Borough Council have secured a government grant for the development of an Innovation Centre on the site of the current police station, with conditions that it has to be spent within the 2020-21 financial year, for the Innovation Centre to be delivered in 2026. To make the most of this opportunity the Council have offered to buy and lease-back the site (at a peppercorn rent) and pay for the demolition costs out of the government grant on the condition it will be available from 31st March 2024

2. Timescales

- 2.1. To comply with other conditions of the grant to deliver the Innovation Centre the site will have to clear by 31st March 2024, requiring vacation of the current police station by 31st October 2023 to allow time for demolition. This coincides with the projected availability of the new Redditch Blue Light Hub.
- 2.2. The lease-back arrangements will allow the Police to occupy the property until 31st October 2023. Thereafter and until the end of the term will be for the purpose of carrying out the demolition works
- 2.3 To allow for unforeseen delays or problems with the new Blue Light Hub, under this proposal if it is believed that the new Blue Light Hub will not be available to allow the Police to cease using the current site by 31st October 2023 the Council must be notified as soon as possible and by no later than 30th December 2022. In the event that the Council is notified in such a manner, and the PCC is unable to find alternative accommodation, then the Council has agreed to make alternative premises available to the Police on commercial terms. If such alternative premises are not acceptable to the PCC, both parties shall use reasonable endeavours to find an acceptable

compromise. In any event the Police will not occupy the current site operationally beyond 31st October 2023

3. Demolition arrangements

3.1. The quote for demolition is at 2021 prices, but the ultimate cost of demolition will be determined after a full procurement process and will reflect 2023 prices

3.2 Under this proposal, the detail of the demolition works is to be agreed between the parties no later than 31st December 2022, allowing time to then procure the works. The PCC will act as the contracting party for the demolition works, allowing the Council to approve the demolition contract and contractor. The PCC will have to obtain all the necessary consents/approvals required for the demolition

4. Safeguards

4.1. There are as yet unidentified risks potentially relating to planning consents, construction and demolition. To protect the position of the Council it is proposed that should the land not be made available within the required time frame, and consequently the grant require repayment, the PCC shall return the sums paid to the Council. To protect the PCC it is proposed that in those circumstances the title of the land shall revert to the PCC

STRATEGIC CONSIDERATIONS

This decision supports the following element(s) of the Safer West Mercia Plan:

- | | |
|--|--|
| <input type="checkbox"/> Putting Victims and Survivors First | <input type="checkbox"/> Building a More Secure West Mercia |
| <input checked="" type="checkbox"/> Reforming West Mercia | <input checked="" type="checkbox"/> Reassuring West Mercia's Communities |

The decision supports this/ these objective(s) through the following

- Maintenance of a strong policing presence in Redditch
- Economic and efficient use of public resources to enable disposal of a near end-of-life police building

FINANCIAL COMMENTS

The proposal is self-funding, through receipt of monies from Redditch Borough Council to cover the demolition and disposal of the current site. The PCC will have to provide the opportunity costs of the management and delivery of the proposal, which will be through the new Estates Service.

TREASURER COMMENTS

This proposal offers the opportunity to secure a capital receipt for the sale of the site and a contribution to demolition costs before the site is no longer required for operational purposes and before alternative accommodation has been secured.

The proposal brings significant organisational, operational and financial risks. In particular the PCC and the Police Force must vacate the site by October 2023 and the building be demolished by March 2024. As yet no site has been purchased, planning permission has not been obtained nor have tenders been advertised for the construction of new premises. The Force may therefore require alternative premises in the short term let on a commercial basis. This is provided for in the agreement with Redditch Borough Council.

There is a contribution towards demolition costs supported by estimates (attached), but costs could be higher due to the construction and condition of the existing building. There is a risk that taxation, accounting and audit regulations and standards may change by 2024.

It is difficult to assess the impact of the current COVID19 pandemic on these arrangements. Should restrictions continue or be strengthened the timescales for delivery of the new building and the demolition of the existing building could lengthen as well as the costs increase.

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land).

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in a separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

Signature 

Date 30th March 2021