

RECORD OF DECISION

TITLE: Redditch Combined Hub – Funding and Contractor Appointment

Ref: PCC/D/2023/02

EXECUTIVE SUMMARY

Plans for a new combined police and fire hub in Redditch have been developed and approved at numerous stages, by the PCC, West Mercia Police (WMP) and both the Hereford & Worcester Fire and Rescue Service (HWFRS) and governing Fire Authority.

All pre-commencement conditions have now been discharged in connection with planning consent.

Following completion of RIBA Stage 4 Designs, and approval of the design by WMP and HWFRS, Speller Metcalfe submitted their Stage Two tender for construction of the new facility in September 2022. This has been reviewed and challenged by external cost consultants resulting in a recommended construction contract sum of £17,647,200.52 which represents a total project cost of £20,157,819.48. This has been demonstrated to represent good commercial value in the current economic climate.

It is proposed that the overall costs for the development will be split between OPCC (64.05%) and HWFRS (35.95%) on the basis of the proposed final floor area allocated to each service. HWFRS element of the costs will be reimbursed through a lease agreement

To progress to delivery of the project, it is now recommended that the PCC approve the total project budget, as well as appointment of contractors to construct the facility.

PROPOSAL

It is proposed that:

1. The PCC approves the total budget for the overall project, of £20,157,819.48,
2. The PCC approves the appointment of Speller Metcalfe Ltd under a JCT Design and Build Contract for the sum of £17,647,200.52 to undertake

works to construct the new West Mercia Police and Hereford & Worcester Fire and Rescue Service Hub in Redditch.

**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

WMP and HWFRS have committed to development of plans for the construction of a new joint services hub in Redditch on land adjacent to the existing fire station at Middlehouse Lane.

In respect of WMP, the current police station in Redditch has been shown to no longer be fit for operational purpose. It has also been established through proper processes that refurbishment is not a financially viable option and would not represent best use of public money. The proposal around a new, fit for purpose facility in collaboration with emergency service partners brings economic and service benefits for local communities. It also supports delivery of key objectives within the PCC's Safer West Mercia Plan, such as accessibility of services to communities, reform of the police estate and reducing the carbon footprint associated with policing.

Following a first stage procurement process via the Pagabo framework in December 2021, Speller Metcalfe Ltd was selected as the preferred contractor to take forward the RIBA Stage 3 design to a fully designed and costed scheme for the construction of the new facility.

The scheme was submitted for full planning permission on 29 December 2021 and permission was granted on 16 June 2022. A number of pre-commencement conditions were imposed by the Local Authority in relation to remediation and ecological matters, all of which have now been discharged.

Speller Metcalfe, in conjunction with the design team, WMP, HWFRS and OPCC Estates Project Management Team have developed the design through the RIBA stage process to completion of RIBA Stage 4 (Technical Design). This design has been fully co-ordinated with representatives of WMP and HWFRS and both parties have signed off the proposed plans at Stage 4 as meeting operational requirements.

Following completion of RIBA Stage 4, Speller Metcalfe Ltd submitted their commercial proposal (Stage 2 tender) for the construction of the new facility in September 2022. This proposal was reviewed from a technical perspective by OPCC Estates and the design team, and from a commercial perspective by Walker Cotter (Cost Consultants). Following a period of negotiation and agreement on a number of technical matters, a report was prepared by Walker Cotter, recommending that OPCC/HWFRS accept the proposal as a commercially acceptable proposal for the works. A copy of the recommendation report is included at Appendix A.

The recommendation is the acceptance of the contract value of £17,647,200.52. The report details the pricing process and methodology and provides detail of the negotiation points.

Subject to approval, it is intended to enter a contract with Speller Metcalfe Ltd for a value of £17,647,200.52 under a JCT Design and Build Contract Agreement.

The above figure represents only the construction cost of the new facility excluding fees, land purchases, demolition, and other project costs. A breakdown of all project costs is included at Appendix B and demonstrates a total project cost of £20,157,819.48.

Overall costs for the development will be split between OPCC (64.05%) and HWFRS (35.95%) on the basis of the proposed final floor area allocated to each service. The site and premises would be owned by the Police and Crime Commissioner, with the HWFRS element of the costs reimbursed through a 40 year lease agreement. Formal agreement to these terms and allocation of budget by HWFRS has been confirmed.

It is anticipated that following approval and subject to contract, works would commence on site within a 6 week period with would be anticipated to last 86 weeks.

Proposed designs and costings have been shared with WMP Chief Officers at multiple junctures and have been operationally supported.

STRATEGIC CONSIDERATIONS

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

- | | |
|--|--|
| <input type="checkbox"/> Putting Victims and Survivors First | <input checked="" 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:

- Provision of a modern purpose-built facility to provide fit for purpose accommodation for policing and Fire & Rescue Services to serve the public of Redditch, replacing dated and unsuitable facilities.

- Ensuring policing remains at the heart of local communities and is accessible to the public.
- Replacing inefficient and outdated facilities with new purpose built and more energy efficient buildings, resulting in reduced operating costs and more efficient working practices.
- Partnership working with HWFRS colleagues, maximising the benefits of co-location in reducing costs and improved working practices.
- Providing police and fire services with high quality accommodation allowing them to focus on delivering the best possible services to the community.

BENEFITS AND THEIR REALISATION

- Service transformation and integration with partner organisations
- Redevelopment of unused land for the benefit of the local community
- Provision of fit-for purpose modern facilities to support policing and fire and rescue services leading to operational efficiencies
- Collaborative working opportunities between emergency services
- Promotion of modern methods of construction
- Reduction in carbon emissions
- Generation of efficiencies through reduced maintenance and running costs
- Create economic growth
- Measured social value benefits through an agreed social value plan to be developed with the Principal Contractor to support local communities

AUTHOR

Name Chris O'Hara – Head of Estates OPCC

Date 20th December 2022

FINANCIAL AND TREASURER COMMENTS

The proposed total project costs for the scheme, including surveys, fees, land purchase, demolition and construction are £20,157,819.48. This is detailed in Appendix B and summarised below:

Construction Works	£17,647,200.52
Pre Contract Fees & Costs (Stage 1 Tender)	£367,360.66
Professional Fees	£691,952.03
Surveys & Other Costs	£141,790.54
Land & Demolition Costs	£1,309,515.73
Total	£20,157,819.48

The Contractor's Proposals have been reviewed and challenged by OPCC Estates Team, Cost Consultants (Walker Cotter) and a full report on the submission and recommendation is included in Appendix A. This includes details and responses to queries raised.

It is proposed that the overall costs for the development will be split between OPCC and HWFRS on the basis of the proposed final floor area allocated to each service. The total project cost split is therefore as follows:

Organisation	Percentage	Value
OPCC	64.05	12,911,038.38
HWFRS	35.95	7,246,736.10
Total		20,157,774.48

The PCC will take ownership of the site and be responsible for the development. HWFRS contribution to the cost of construction cost will be made over the life of the lease agreement with the PCC to use the asset. Overall sources of funding are yet to be agreed as there is a need to identify whether any grant funding may be available to support the scheme. However, most of the funding is to be provided from borrowing.

Assuming the entire cost of the scheme is funded by borrowing, then based on a 40-year life and current interest rates of 4.63% including certainty factor, the annual average revenue cost of borrowing would be £986,265. When split between WMP and HWFRS this represents annual borrowing costs of:

WMP - £629,141
HWFRS - £353,124

The Force and HWFRS have confirmed that they understand the funding implications.

The above figures are based on the currently agreed split of usage of the building and the amount and rates that of borrowing. This may be subject to review on completion of the project to allow for any design development during the process.

It should also be noted there is a currently an estimated planned maintenance minimum requirement of circa £370K associated with the existing police station at Redditch over the next 5 years. Any planned maintenance from years 5 to 15 will require far more significant levels of financial investment, that would run into £millions, given the ongoing age, and deteriorating condition.

The project figures quoted in this Decision Notice do not include any costs associated with the temporary relocation of police services from the existing station which will be required from October 2023. This forms the basis of a separate feasibility study and costs/options will be brought forward in a further paper in January 2023.

In summary the scheme will provide a modern, fit for purpose police facility in Redditch, replacing the current Police Station which is no longer fit for purpose. Walker Cotter have provided assurance that the costs of construction are reasonable in the current economic climate and that WMP and HWFRS are recommended to support the scheme and have the resources available to meet ongoing annual financial commitment.

Treasurer



Signature

Date 16/01/23

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

A handwritten signature in black ink, appearing to read "Geoff Ball", written in a cursive style with a horizontal line underneath.

Date 16th January 2023