

Report of the Monitoring Officer

Urgent Decision - Redditch Fire Station

Purpose of report

1. To advise Members of an urgent decision that has been taken since the last meeting of the Policy and Resources Committee in relation to the redevelopment of Redditch Fire Station.
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Recommendation

It is RECOMMENDED that the decision taken under the Urgent Decisions Procedure to further increase the budget allocation for the redevelopment of Redditch Fire Station, be noted.

Introduction and Background

2. The Urgent Decisions Procedure has been adopted for occasions when it would be impractical to call a meeting of the Authority. The procedure is set out under Article 9.6 of the Authority's Constitution. Where the Monitoring Officer, in consultation with the Chairman, agrees the matter is urgent, the Chief Fire Officer will consult on the matter with Group Leaders and is then authorised to make a decision having regard to the outcome of the consultation. Finally, the use of the Urgent Decision Procedure is then reported back to the next meeting of the actual decision-making committee or to the Authority.

Urgent Decision

3. Members will be aware that recent Property Update reports have referenced the UK construction tender price index, and the associated inflationary pressures being seen across the building sector. This has had an impact on the projected costs for the redevelopment of Redditch Fire Station.
4. Due to tender cost variations and fixed tendering timescales for the project, and in accordance with the Urgent Decisions Procedure the Chief Fire Officer consulted the Chair and Vice Chair of the Authority, together with Group Leaders to agree the revised project costs.
5. The replacement of Redditch Fire Station has been part of the Authority's approved capital programme for at least 13 years. The current fire station building is outdated, suffers from a number of structural difficulties and is beyond its useable lifespan. Plans for a new combined Police/Fire facility have been in development and approved at

numerous stages with Hereford & Worcester Fire and Rescue Service (HWFRS), and West Mercia Police (WMP).

6. A final tender was submitted for the construction of the new facility in September 2022. This proposal was reviewed from a technical perspective 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 HWFA and the PCC accept the proposal as a commercially acceptable sum for the works.
7. A capital budget of £5m was approved by the Policy & Resources Committee on the 16 September 2020. It should be noted that the paper emphasised however that the estimated costs, at that time, were subject to detailed design and tender prices being developed. Furthermore, it was noted in para 9 that all project costs would be shared pro-rata to the respective areas of the building. This proportion has been calculated and agreed as HWFRS 35.95% and WMP 64.05%.
8. This capital budget was not sufficient to cover the agreed scheme costs, and it was therefore proposed that the capital allocation be increased. Following a review of capital financing costs as part of the annual budget process the Treasurer confirmed that this cost was expected and could be contained within the current budget allocation. Following consultation with Group Leaders, an urgent decision was taken to approve the increase. Details of the revised costs are included in a confidential appendix.

Ownership

9. It was originally envisaged that the Fire Authority would hold the freehold of the new building and lease to the PCC for West Mercia, similar to (but the reverse of) the arrangements at Bromsgrove joint Police/Fire Station. However, due to the total project costs and proportions allocated between HWFRS and WMP, it is now agreed for the PCC to finance the project and have full ownership of the building. This was also due to the significant taxation implications of the original proposal and this new proposal provides the most cost-efficient solution to tax-payers.
10. The PCC will therefore fund all of the capital costs and recoup these by means of a fixed annual rent/charge to the Fire Authority. The Treasurer is satisfied that the proposed rent/charge has the same revenue cost as the currently budgeted capital financing provision, and demonstrates value for money and does not put the Authority at risk. The Monitoring Officer will ensure a detailed lease agreement will be put in place to ensure longevity of the fire service tenancy.

Conclusion/Summary

11. Following consultation with the Chairman, Vice-Chairman and Group Leaders, a decision has been taken in accordance with the urgent business procedure to further increase the budget allocation for the redevelopment of Redditch Fire Station in order that the scheme can proceed as quickly as possible.

Corporate Considerations

<p>Resource Implications (identify any financial, legal, property or human resources issues).</p>	<p>Note reference to the UK construction tender price index, and the associated inflationary pressures being seen across the building sector.</p>
<p>Strategic Policy Links & Core Code of Ethics (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).</p>	<p>Details underpin a number of key property priorities for the Authority.</p>
<p>Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>None.</p>
<p>Consultation (identify any public or other consultation that has been carried out on this matter).</p>	<p>None.</p>
<p>Equalities (has an Equalities Impact Assessment been completed? If not, why not?).</p>	<p>None.</p>
<p>Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling).</p>	<p>None.</p>