



RECOMMENDATION REPORT

DECISION: 08/2025	DATE: 27.05.2025
TITLE: CHORLEY POLICE STATION – Stage 2 (construction element) RIBA 5 – 7 contract award	
AUTHOR: ANIA KWIECINSKA - PROJECT MANAGER	
<p>Executive Summary</p> <p>This paper provides an update on the New Chorley Police Station project and requests the PCC to approve the final costed design (RIBA Stage 4) and move to RIBA Stages 5-7, construction and handover.</p> <p>A period of enabling works on site has allowed the contractor to undertake more intrusive surveys and some essential remedial works on the building. Whilst this has identified previously unknown structural issues, it has also enabled the contractor to provide a more fully developed final costed plan, with provisional sums and contingencies reduced.</p> <p>Eric Wright Construction (EWC) submitted a substantially market tested tender for the main construction works on 25th April 2025, at a value of £20,200,407.50. This has been robustly scrutinised by Pick Everard, as Quantity Surveyor acting on behalf of Lancashire Constabulary.</p> <p>The total project cost is now forecasted at £24,974,979.94</p>	
<p><u>Decision required</u></p> <p>The Police and Crime Commissioner is asked to agree the award of Stage 2 (construction element) RIBA 5 – 7 contract in the amount of £20,200,407.50, to Eric Wright Construction.</p>	

PART II

1. Background

Background to budgetary position

The original approved project budget for the refurbishment project was £19.27m. This budget was established in 2023 using an estimated m² cost only, at the inception of the project, and it was identified from the outset this was likely to increase following intrusive surveys of the building and detailed design works.

Spend to date

1. Building purchase -	£3,328,893.21
2. Pre-construction cost -	£880,471.12
3. Enabling works -	£1,642,541.88
4. Project/ design fee -	£276,946.50
5. Other project costs -	£144,946.30

In April 2025 EWC submitted its final project cost at £22,723,420.50, this figure is derived from the following:

• EWC's adjusted Main Works submission	£20,200,407.50
• Enabling Works cost	£1,642,541.88
• The Pre Construction Service Agreement cost	£880,471.12

Project Cost Summary vs Pick Everard Total Project Cost Forecast ¹

Following the agreement on the adjusted EWC submission, a comparison has been made between the Project Cost Summary and Pick Everard's Total Project Cost Forecast dated 14th March 2025.

<i>Element Description</i>	<i>PE Total Project Cost Forecast 14.03.25.</i>	<i>PE Project Cost Summary 30.04.25.</i>	<i>Difference (£)</i>
<i>Preliminaries Main Works</i>	<i>£1,563,689.00</i>	<i>£1,685,954.09</i>	<i>£122,265.09</i>
<i>Main Works Measured Works</i>	<i>£13,361,573.00</i>	<i>£16,592,080.04</i>	<i>£3,230,507.04</i>
<i>Main Contractor Design Fees Inc. PCSA</i>	<i>£971,251.00</i>	<i>£1,188,514.37</i>	<i>£217,263.37</i>
<i>Contingency @ 3%</i>	<i>£476,895.82</i>	<i>£557,582.32</i>	<i>£80,686.50</i>
<i>OHP @ 4%</i>	<i>£654,936.41</i>	<i>£765,746.39</i>	<i>£110,809.98</i>
<i>Inflation</i>	<i>£452,411.00</i>	<i>£291,001.40</i>	<i>-£161,409.60</i>
<i>Sub-total: Construction Costs</i>	<i>£17,480,756.23</i>	<i>£21,080,878.61</i>	<i>£3,600,122.39</i>
<i>EWC Total Work Cost</i>	<i>£19,112,271.73</i>	<i>£22,723,420.49</i>	<i>£3,611,148.86</i>

As an overview, and to highlight some of the key factors contributing to the increase in construction costs, the following changes have been identified. Please note that this is not an exhaustive list; full details can be found in the Shift Statement provided by EWC.

¹ Extract from Pick Everard QS report – 240408 NCPS Main Works Tender Report Issue 01 07.05.25, Appendix 1

<i>Latent defect in extension steelwork requiring additional firestopping</i>	<i>£55,000</i>
<i>Umbrella (Fire Stopping) details to Frame</i>	<i>£50,000</i>
<i>Additional concrete repairs</i>	<i>£160,000</i>
<i>Soffit cracking repairs</i>	<i>£50,000</i>
<i>Concrete slab repairs</i>	<i>£173,000</i>
<i>Shot blasting and over boarding of flaking lead paint on ceilings</i>	<i>£217,000</i>
<i>Additional drainage repairs</i>	<i>£153,000</i>
<i>Substation capacity upgrade to 500kVA</i>	<i>£267,000</i>
<i>Programme extension and additional preliminaries due to increased scope</i>	<i>£222,000</i>

In addition to the construction cost increase, several other items have significantly contributed to the fluctuations in the overall cost position. These are outlined below:

<i>Project/ Design Fee – client changes</i>	<i>£614,399.16</i>
<i>Other project cost (FF&E, security, mast dressing)</i>	<i>£911,813.15</i>
<i>Client Risk Allowance –</i>	<i>£695,407.13</i>

LanCon Finance Department has provided the following project budget report:

	<u>Current Budget £</u>
Per tender report	24,139,458
Addition for 24-25 - Enabling Posts	195,507
Additions as part of the 2025-26 MTFS reforecast	2,147,598
Addition for Enabling posts 2025-26 onwards	233,071
Current budget for financing purposes	26,715,633
Less actual costs of acquisition costs	3,366,379
Remaining budget for financing purposes	23,349,254
Cost per tender report	24,974,980
Additional budget requirement	1,659,184

2. Options

Chief Officer Team (COT) has been presented with 4 options for consideration on the 27.05.25.

The options were as follow:

1. Continue with the project as per the final costed design, uplifting the project budget by £1.7m.
2. Retender the construction element to test market opportunities.
3. Review and significantly descope the project to achieve affordability within existing budget.

4. Cancel the project.

The COT has agreed to proceed with option 1 - with an uplift in borrowing of circa £1.7m. Option 1 meets all operational requirement and carries the least ambiguity as to time, budget and viability. The project would require an increase in the capital budget of circa £1.7m to bring it to £24.9m. This budget would cover the construction, commissioning and fit out of the new station.

The option in detail described the fact that value engineering opportunities have been identified by EWC and the project team at the RIBA stage 3; however, these were discounted as savings were minimal, and solutions were not deemed operationally suitable.

3. Links to the Police and Crime Plan

The programme is compatible with the Police and Crime Plan's aim to invest in the replacement, maintenance and refurbishment of the Estate to deliver assets that meet statutory health and safety requirements and provide accommodation which ensures operational efficiency and effectiveness is achieved.

4. Consultation

To date, extensive routine consultation has occurred with a wide range of stakeholders to ensure that the design and development provides improvements in service delivery and are organisationally focussed to deliver operational changes required by the Chief Constable and the PCC.

A communication plan has been developed by Media and Engagement in collaboration with the PCC's office and Estates. This details the internal and external communication strategy. It is currently under review to reflect the current programme.

5. Implications:

- a. **Legal** - these have been considered in detail at every stage of the proposals including detailed discussions with the various regulatory bodies such as the local planning and transport authorities.
- b. **Financial** - The total project cost is now forecasted at **£24,974,979.94** which exceeds the (revised) approved project budget of £23,349,254. This means that the Constabulary would have to secure an additional **£1,659,184** to facilitate the construction of this project through EWC, based on the current design and scope of works.

The decision to award the *Design and Build Contract JCT 2016* will incur cost of **£1,659,184** from within the approved existing project budget.

- c. **Equality Impact Assessment** – n/a

d. Data Protection Impact Assessment – n/a

6 Risk Management

Risk	Mitigating Actions
The current programme is based on the confirmed availability of the supply chain for these dates and the quotes are fixed to the end of June. Depending on the decision timeframe in contracting with EWC this may result in a price increase across subcontractor quotes.	To minimise costs the contract should be agreed as soon as possible.
Financial – the cost of additional borrowing will need to be incorporated into financial plans.	Agreement to any project funding increase must be agreed at programme/strategic level.
Delays to proceed with the main contract will mean that site security and maintenance responsibility for the site will revert to the Constabulary, resulting in ongoing costs until it is sold or repurposed.	If the likelihood of proceeding with the contract is high, the current (Contractor) security can be maintained at cost. If another option is chosen, security will be commissioned by the Constabulary to maintain insurance liability.

7. Background Papers

<u>Document Name</u>	<u>Author</u>
240408 NCPS Main work Tender Report Issue 01 07.05.25	Matthew Singleton
Appendix A – EWC Initial Submission	Matthew Singleton
<u>Appendix B – Tender Queries Tracker</u>	Matthew Singleton
<u>Appendix C – EWC Adjusted Submission</u>	Matthew Singleton
<u>Appendix D – Project Cost Summary</u>	Matthew Singleton
<u>Appendix E – EWC Shift Statement</u>	Matthew Singleton
<u>Appendix F – NCPS Power – support paper</u>	Ania Kwiecinska
<u>COT Decision – NCPS RIBA 5-7 V3(1)</u>	Ania Kwiecinska

8. Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Officer declaration	Date
LEGAL IMPLICATIONS –	
FINANCIAL IMPLICATIONS –	
EQUALITIES IMPLICATIONS –	
CONSULTATION – As above	
Author and Date Ania Kwiecinska 27.05.2025 Sponsor and Date Leah Watson 29.05.2025 	
Gillian Routledge – Chief Operating Officer <div>Signature  Date 29/5/2025</div>	
Chief Finance Officer to the Office of the Police and Crime Commissioner <div>Signature Anna Hopkins Date 19/06/2025</div>	

Chief Executive to the Office of the Police and Crime Commissioner (Monitoring Officer)

Signature

Date