

# Record of Decision

<b>ORIGINATOR:</b> Chief Executive	<b>REFERENCE:</b> OPCC.D.034.23
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<b>TITLE:</b> PFI North Kent Police Station
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<b>OPEN</b> <input checked="" type="checkbox"/> <b>CONFIDENTIAL</b> <input type="checkbox"/>	<b>Reason if Confidential:</b>
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**EXECUTIVE SUMMARY**

Throughout the UK during the 1990's and 2000's, a significant number of public sector buildings such as hospitals and police stations were built under what is termed a Private Finance Initiative (PFI). Kent Police had two such stations built, North Kent and Medway.

The buildings were built through private finance investment, then contractually over a 30 year period the properties are managed and annual charges (known as unitary charge) are paid by the public body for the duration of the contract, thereby paying back the investment and profit over the term of the contract. At the conclusion of the contract the property passes back into the possession of the public sector body.

Throughout the life of the contract there are obligations on the contractors to maintain the building to certain contractual standards. It was intended that, by reference to the contract any disagreements on maintenance and repairs could be remedied between the parties.

North Kent Police Station has developed numerous faults, the most significant are the roof and the ground source heating system. Despite extensive engagement with the contracting company, Kent Police were not able to achieve any meaningful repairs to the building, which subsequently led to Kent Police withholding payments of the unitary charge as allowed for within the contract.

The contracting company Justice Support Services (JSS) were placed into administration on the 6 December 2022 and Administrators were appointed. Despite extensive engagement between Kent Police and the Administrators, it was not possible for both parties to come to an agreed outcome.

Contracts for PFI's are extremely complex, the PCC, Chief Constable and their statutory officers have been guided throughout by legal advisors. The position that can be publicly shared at this time is that the contract terminated for 'Contractor Default' on the 31 August 2023 and North Kent Police Station passed back into the ownership of the Kent PCC and the control of Kent Police on that date.

The parties remain in dispute and due to ongoing legal proceedings, it is not possible to share further detail publicly at this time. However the PCC wished for the Panel to be made aware of this significant development.

**RECOMMENDATION**

The PCC is recommended to terminate the North Kent Police Station PFI Contract.

**DECISION**

To terminate the PFI contract at North Kent Police Station.

**Chief Finance Officer:**

**Comments:**

**Signature:** ..... **Date:** .....

**Chief Executive:**

**Comments:** Having had legal advice throughout the course of this process, I am assured that this course of action is the most appropriate in all the circumstances. This is as much information as can be shared publicly at this time due to ongoing legal proceedings.

**Signature:** 

**Date:** 9 October 2023

**POLICE AND CRIME COMMISSIONER FOR KENT**

**Comments:**

This is a significant development; I have been fully briefed throughout and am satisfied that this is the appropriate course of action.

**Signature:** 

**Date:** 9 October 2023

**BACKGROUND DOCUMENTS:**

Held by Kent Police.

**IMPACT ASSESSMENT:**

Police and Crime Plan  
*(please indicate which objectives decision/recommendation supports)*

Supports delivery of the Commissioner's priorities by ensuring the operational policing estate is fit for purpose and securing value for money on behalf of Kent taxpayers.

Has an Equality Impact Assessment been completed?

Yes  No  *(If yes, please include within background documents)*

Will the decision have a differential/adverse impact on any particular diversity strand?  
*(e.g. age, disability, gender reassignment, race, religion/belief, sex, sexual orientation, marriage/civil partnership, pregnancy/maternity)*

Yes  No   
The decision is administrative in nature. Therefore, it does not have a differential/adverse impact on any particular strand of diversity.