

**Digital Manufacturing and Innovation Centre (DMIC) – Appointment of Contractor for Stage 4 Designs**

Relevant Portfolio Holder	Cllr Sharon Harvey
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Rachel Egan, Assistant Director Regeneration & Property
Report Author: Neil Batt	Job Title: Regeneration Manager Email: neil.batt@bromsgroveandredditch.gov.uk Contact Tel: 07484 546690
Wards Affected	Central Ward
Ward Councillor(s) consulted	Cllr Sharon Harvey
Relevant Council Priority	Economy and Regeneration
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**The Executive Committee RESOLVE that:-**

- 1. Officers procure a Design and Build Contractor (for Stage 4 Design Work Only for the Innovation Centre) in line with the Council’s procurement process up to the value of £400,000.**
- 2. Authority be delegated to the Deputy Chief Executive (Section 151 Officer) and the Assistant Director for Regeneration and Property; and**

**RECOMMEND that**

- 3. The contract to be awarded through the procurement exercise detailed at resolution 1 above be funded through the Town Deal Programme.**

**2. BACKGROUND**

2.1 In June 2021, Redditch secured an historic investment of £15.6 million Town Deal funding. The Town Deal is the result of the submission to government through the Towns’ Fund. The Redditch submission was based on a vision for the transformation of the town summarised in the Town Investment Plan. This investment plan was successful in securing funding for the following projects:

- Digital Manufacturing Innovation Centre (£8,000,000)
- Redevelopment of Redditch Library Site (£4,200,000)

- Redditch Public Realm (£3,000,000)
- Programme Management Costs (£400,000)

***TOTAL: £15,600,000***

2.2 The decision to cancel the redevelopment of Redditch Library site was taken by the Council in 2024, initially leaving a £4,200,000 underspend. A PAR (Project Adjustment Request) has since been submitted and signed off by the Ministry for Housing, Communities and Local Government (MHCLG) to allocate the majority of this underspend to develop an expanded DMIC with a smaller amount also going towards Redditch Public Realm. The revised Town Deal budget is therefore as follows:

- Digital Manufacturing Innovation Centre (£11,937,000)
- Redditch Public Realm (£3,267,000)
- Programme Management Costs (£400,000)

***TOTAL: £15,600,000***

Note that a request for extended timescales has also been approved by MHCLG which allows until the end of March 2027 to spend the funding.

2.3 Design work for DMIC progressed rapidly throughout 2024 and was previously on track to commence construction in Spring 2025. However, the project was paused whilst options were considered for utilising underspend from the library site and developing an expanded Innovation Centre. A revised programme has been developed with construction profiled to commence in Quarter 4 2025/26.

2.4 In consideration of the above, DMIC is currently being redesigned to increase the building in size resulting in additional economic benefits and overall sustainability. The additional design team and project management costs (associated with the expanded development) were agreed by the Executive Committee on 13<sup>th</sup> May 2025.

2.5 Stage 3 Designs are already nearing completion and due to be finalised in July 2025. It is now necessary to appoint a design and build contractor that can work with the project team to complete Stage 4 designs and more accurately determine the likely costs of construction.

2.6 Note this paper requests sign off for the appointment of a design and build contractor for Stage 4 designs only. This work will be contracted via a JCT (Joint Contracts Tribunal) Pre-Construction Services Agreement (PCSA) or NEC4 (New Engineering Contract Suite) equivalent. A further report will be brought forward for consideration by

the Executive Committee, prior to appointment of a contractor for main construction works.

- 2.7 Officers have utilised input from Gleeds costs consultants to estimate the costs of bringing a contractor on board for Stage 4 designs.
- 2.8 Note that the building design will continue to be tailored in line with available budget, utilising cost consultancy input within the design team in combination with the appointed design and build contractors. Contingency sums have been built into the construction estimates, alongside additional contingency held client side, to further safeguard against potential cost increases.

**3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications for the Council in relation to this report as work is covered by Town Deal Funding.
- 3.2 Officers have utilised input from Gleeds costs consultants to estimate the costs of bringing a contractor on board for Stage 4 designs. It is anticipated this work will cost between £250,000 and £300,000, although this remains unknown prior to sourcing updated quotations. This report therefore requests delegated authority to agree a contract value of up to £400,000, thus providing sufficient headroom and contingency.

**4. LEGAL IMPLICATIONS**

- 4.1 It is proposed that we continue to utilise the Procure Partnerships framework to make the required appointment. The Council's procurement and legal team will remain involved with this process to ensure that best value is demonstrated in line with the Council's Contract Procedure Rules.
- 4.2 Note that a competitive tender exercise for the above work was carried out in October 2024, based on the original building designs. This tender exercise will be reviewed as per Appendix 1.
- 4.3 As above, the work will be contracted via a JCT Pre-Construction Services Agreement (PCSA) or NEC4 equivalent. Officers will work closely with legal services in determining the most appropriate contractual arrangements.

**5. OTHER - IMPLICATIONS**

**Local Government Reorganisation Implications**

- 5.1 There are no direct implications for Local Government Reorganisation.

**Relevant Council Priority**

- 5.2 The proposals detailed in this report align with the Council's Corporate Priority "Economy and Regeneration". It is a key project for the Council and will support delivery of objectives to support and encourage new start-up businesses, attract businesses to locate in Redditch and increase footfall in the town centre.

**Climate Change Implications**

- 5.3 AHR Architects are the lead designers of the building and therefore ensure that designs are environmentally friendly and in line with local and national climate change policies. The design has been through a whole life carbon assessment to minimise the embodied carbon within the building. The super structure has been designed to bring maximum efficiency and reduce material weight. Achieved by reducing spans where possible to reduce the size of beams and columns. High carbon materials like aluminium have been avoided in favour of long-life and recyclable products like brick.
- 5.4 The building will follow a fabric first approach to maximise the sustainability credentials through: a regular, efficient form factor; highly insulated walls (0.15 W/m<sup>2</sup>K), floor (0.15 W/m<sup>2</sup>K), and roof (0.15 W/m<sup>2</sup>K); high-performing windows (1.3 W/m<sup>2</sup>K) and doors (1.6 W/m<sup>2</sup>K); and passive solar measures to reduce overheating. It will be fully electric and follow its ventilation, heating, cooling and water systems, which will be low-energy, efficient systems that follow sustainable principles. It will be a sealed (air tightness target 3.5m<sup>3</sup>/hm<sup>2</sup> @50Pa), mechanically ventilated building that has a high degree of control to individual spaces that seeks to maintain a consistent and comfortable internal temperature. Heat recovery, whilst ventilating the building, is done through individual Mechanical Ventilation and Heat Recovery (MVHR) units within tenant spaces and central air handling for landlord spaces. Air source heat pumps provide low-temperature heating to spaces via fan-coil units or wet radiators depending on the space. The building seeks to gain a NABERS (National Australian Built

Environment Rating System) accreditation of 4.5 stars in addition to statutory requirements.

- 5.5 Note that the designs have allowed space for a photovoltaic (PV) array on the roof of the building.

**Equalities and Diversity Implications**

- 5.6 There are no direct equality or diversity implications arising as a result of this report.

**6. RISK MANAGEMENT**

- 6.1 There is an up-to-date risk register which is held by the project team and reviewed at Town Deal Board meetings.

**7. APPENDICES and BACKGROUND PAPERS**

**Background Papers:**

“Digital Manufacturing Innovation Centre – Proposed Project Changes” report to the Executive Committee considered on 13<sup>th</sup> May 2025:  
[Agenda for the Executive Committee 13/05/2025](#)

“Appointment of Design Team and Project Managers – Towns Fund Schemes”, report to the Executive Committee considered on 9<sup>th</sup> January 2024: [Link to the covering report to the Executive Committee - 9th January 2024](#)

Town Investment Plan: [Town Investment Plan submission | Redditch Town Deal](#)

**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Cllr Sharon Harvey	
Lead Director / Assistant Director	Rachel Egan (Assistant Director Regeneration and Property Services)	June 11 <sup>th</sup> 2025
Financial Services	Debra Goodall (Assistant Director Finance and Customer Services)	11 <sup>th</sup> July 2025
Legal Services	Nicola Cummings, Principal Solicitor – Governance Claire Green, Principal Solicitor – Contracts, Commercial and Procurement	16 <sup>th</sup> June 2025
Policy Team (if equalities implications apply)	Rebecca Green	N/A
Climate Change Team (if climate change implications apply)	Matthew Eccles	