

PFCC Decision Report

Report reference number: 034-24

Classification: OFFICIAL

Title of report: Taser X2 Purchase

Area of county / stakeholders affected: Essex Police – Operational Policing

Report by: Ch/Supt Simon Anslow

Chief Officer: ACC Rachael Nolan (Operational Policing & Contact Management)

Date of report: 24/02/2024

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1. Executive Summary

- 1.1. Essex Police currently utilises the Taser X2 device and has made the operational decision to extend use of those devices for an additional two years beyond their five-year warranty. The current fleet will start to go out of service in May 2026.
- 1.2. Axon is the provider of Taser to all Police Forces in the UK and has announced that the X2 device will end production after 31st March 2024. The force has identified an opportunity to mitigate against attrition of out-of-warranty devices and to realise a significant saving against planned revenue budgets by purchasing 10 new Taser devices and accessing a pricing plan that allows the purchase of two years' supply of Taser cartridges at discounted rates.
- 1.3. A decision is sought to allow the force to make a capital purchase of £47,285 for the Taser devices (not previously budgeted for) and a revenue spend of £553,514 in each of the next two years (£1.1m total) for the required cartridges and other consumables and equipment. This revenue spend is a £334k saving on the current planned budget. With the capital spend offset, this offers the force a total saving of £287k.

- 1.4. To realise the savings identified, the force needs to place an order for the new Taser devices and all consumables by 31st March 2024. The payment will be made on delivery and Axon offers a pricing plan that allows the costs to be spread across the next two financial years (aligned to when the equipment is required).

2. Recommendations

The PFCC is asked to approve the following:

- A. Expenditure of £47,285 (capital) to purchase 10 Taser X2 devices, to ensure necessary resilience within the force's Taser fleet over the next two years and allow the force to access the discounted pricing for Taser cartridges over that period (please see 'B' below). The order will need to be placed by 31st March 2024, and payment will be made on receipt. This is a new capital expense which is to be funded from the 'Small Capital Projects' budget within the existing 'Subject to Approval' capital programme.
- B. Expenditure of £1,107,028 (revenue) over the 2024/25 and 2025/26 financial years (£553,514 in each year) to purchase consumable items required for the utilisation of the Taser X2 device. This includes live and training cartridges, batteries and other items / expenses required for training. This pricing plan can only be achieved upon approval of 'A' (above) and the order being placed by 31st March 2024. Payment will be made on receipt. This will be funded from the existing Taser budget and represents a saving on that budget of £334,242 over two years (£167,121 per year).

3. Background to the Proposal

- 3.1. Essex Police currently utilises the Taser X2 device. Axon is the provider of Taser to all police forces in the UK and has announced that the X2 device will end production after 31st March 2024.
- 3.2. The Chief Officer Group has decided to extend the life of the current fleet of X2 devices from five to seven years rather than adopt the alternative T7 model. It is anticipated that the newer T10 model will also be available before the current X2 fleet becomes operationally obsolete (from May 2026), giving the force replacement options.
- 3.3. The X2 device attracts a manufacturer's warranty for the first five years of use. The device is licensed for use for a further two years beyond that, but not under warranty. On average, the force sees breakages of 5 X2 devices a year, so anticipates that 10 existing devices will become unusable over the next two years.
- 3.4. To maintain our Taser capability across the force for the remaining lifespan of our current fleet, a quantity of batteries and cartridges is required for both training and operational use. These are purchased from Axon (the sole

provider), which offers a variety of pricing plans and options. The force has budgeted for the necessary revenue purchases over the next two financial years, based on the current pricing plan.

- 3.5. In developing the options for Taser over the next two years, the force has identified a pricing plan option that allows the force to access Taser cartridges (effectively the ammunition) at a discounted rate following purchase of Taser devices (known as Taser handles in the Axon catalogue).
- 3.6. On 21st February 2024, the Chief Officer Group agreed that the force should purchase 10 Taser handles to mitigate against attrition over the two non-warranty years and to access the discounted pricing plan for the next two years' worth of cartridges (both live and training).
- 3.7. There is no change to current processes surrounding the training and operational use of Taser within the force; this proposal is solely to highlight and explore a revenue budget cost-saving opportunity for the force.

4. Proposal and Associated Benefits

- 4.1. As introduced above, this proposal seeks to take advantage of a pricing plan that will allow the force to purchase sufficient devices to mitigate against attrition of current X2 devices that are out of warranty, whilst accessing the required number of cartridges for the next two years at a discounted rate.
- 4.2. Axon has a number of pricing plans and options available. Enquiries with them have confirmed that the force can access the T60 Premium Plan if purchasing one or more X2 handles, allowing purchase of cartridges at a lower price point.

Figure 1 – Price plan comparison

Off Plan Cartridge Price	T60 Premium Plan Price	Price Saving (per cartridge)
£43.77	£34.20	£9.57

- 4.3. The force has confirmed that the number of cartridges purchased is not limited to those reasonably required for the number of X2 handles purchased. This means that the force can purchase 10 X2 handles and then access the required cartridges for all 275 existing X2 devices for the next two years.
- 4.4. The projected purchase requirements per financial year are:

Figure 2 – Projected purchase requirements

	Initial Course	Refresher Course	Operational	Firearms	Totals
Cartridges (Live)	1,056	5,580	100	300	7,036
Cartridges (Halt)	864	5,580	0	300	6,744

- 4.5. The T60 pricing plan also allows the force to purchase other required consumables and supporting equipment (batteries and targets) for the entire X2 fleet, albeit these are not offered at any discount, so will be acquired at the previously anticipated cost.
- 4.6. Axon offers the opportunity to spread the cost of those purchases over a period of up to five years with no financial implication, with the order itself being split for delivery over that same period. The items ordered are payable upon fulfilment, but the purchaser is protected from any further price increases as the order has already been agreed in advance. For example, an order can be placed for stock requirements anticipated across the two financial years 2024/25 and 2025/26 and half delivered in the first financial year and the other half delivered in the following financial year, split as required by the customer.
- 4.7. Purchasing an additional 10 Taser X2 handles at this stage has the benefit of ensuring we can maintain our current Taser Strategic Risk Assessment with 90 Taser Handles falling outside of the manufacturer's warranty in May 2024 and a further 50 in November 2024. These 140 Taser handles will have to be removed from use in May / November 2026 respectively due to NPCC requirements. On average, 5 Taser handles a year are returned to Axon for repair currently.
- 4.8. **Axon has announced that it will cease production of the X2 Taser handle on 31st March 2024 and therefore any order must be placed prior to that date.**
- 4.9. There is a separate revenue budget held by Learning and Development for the purchase of Taser equipment, which is sufficient to finance the ongoing revenue costs, if the additional capital spend (£47k) is approved. This overall proposal also offers the opportunity to achieve revenue budget cost-savings against current budget allocations over the two-year period.

5. Options Analysis

- 5.1. With the operational decision made to extend the operational life of the current X2 fleet, there are two credible financial options available to enable the use of that fleet:

Option 1

No change – Purchase no additional Taser handles and continue to purchase cartridges at the 'off plan' price. This would attract a budget pressure of £7,531 over the next financial year, owing to inflationary price rises set by Axon. This budget pressure had been accounted for in the 2024/25 budget setting process. This option does not include purchasing new Taser handles to mitigate attrition of devices that are out of warranty.

Option 2

Purchase 10 new X2 handles and the required cartridges and consumables for the next two years under the T60 Premium Plan, with a payment plan to spread the cost over the two financial years. This would require an initial capital outlay of £47,285 for the Taser handles (not previously budgeted for) and a revenue spend of £553,514 in each of the next two years (£1.1m total). This revenue spend is a £334k saving on the current budget. With the capital spend offset, this offers the force a total saving of £287k.

- 5.2. Chief Officers were asked to consider an option that did not spread the cost across the two financial years, instead requiring the whole two-year supply of cartridges to be purchased in 2024/25. This was discounted, so is not presented here.
- 5.3. Option 2 is the preferred option of the Essex Chief Officer Group as it allows the force to make a total saving of £287k against the currently budgeted position, whilst improving resilience of the X2 fleet that is outside of warranty (through the purchase of 10 new X2 handles).

6. Consultation and Engagement

- 6.1. This decision report has been prepared following internal consultation with Corporate Finance and Learning and Development (responsible for delivery of Taser training, maintenance of our operational fleet and budget holder for Taser). Option 2 is supported by both areas of business as it offers an opportunity to deliver the same operational effect at reduced cost.
- 6.2. The Federation was consulted as part of other operational decisions related to Taser fleet and availability but, as this decision does not relate to the operational availability or deployment of Taser, it has not been specifically consulted on the preferred financial option.

7. Strategic Links

- 7.1. The number of officers equipped with Taser is determined by way of a Strategic Threat and Risk Assessment, which is reviewed every six months. The number of Specially Trained Officers (STOs) is set to ensure there is appropriate availability of Taser to protect the public and police personnel from threats that cannot be safely mitigated by those equipped with normal personal protective equipment, and to provide a less lethal option to the deployment of firearms.
- 7.2. Deployment of an appropriate number of STOs supports a number of priorities identified within the current Police and Crime Plan:

Reducing drug driven violence – ensures that police personnel are appropriately equipped to tackle the threat of serious violence regularly associated with drug dealing and supply.

Protecting vulnerable people and breaking the cycle of domestic abuse – ensures that the force has officers who are equipped to safely mitigate the risks presented by those presenting the highest levels of violence, either towards the public or police personnel. Provides a less lethal option to safely detain those who are vulnerable but present a serious threat of violence towards officers and the public.

Reducing violence against women and girls - ensures that the force has officers who are equipped to safely mitigate the risks presented by those presenting the highest levels of violence.

Supporting our officers and staff – ensures that officers and staff are able to safely deploy across Essex and are able to appropriately mitigate threats posed to them, their colleagues and the public.

8. Police operational implications

- 8.1. The Chief Officer Group has made the operational decision to continue with the X2 fleet for another two years, rather than transition to the T7 device that is currently available or place an advance order for the new T10 device (yet to be Home Office approved). The T7 device does not offer significant operational advantages compared with the current X2 and the cost of changing the fleet and training officers is significant. The T10 device is likely to have operational advantages once it becomes available (likely to be in 2025), putting the force in the best position to protect the public and personnel beyond the current life of our X2 fleet.
- 8.2. The decision to support the option presented in this paper will give some operational resilience to the fleet through the purchase of 10 new Taser handles. This will mitigate against the likely attrition of X2 devices over the next two years and ensure we can maintain availability and deployment of sufficient STOs to protect the public and police personnel.

9. Financial implications

- 9.1. The key elements of the financial position have already been described in section 5 above. The revenue and capital forecasts are presented in the table below:

Figure 3 – Option 2 forecast set against currently allocated budget

	2024/25			2025/26			Two-year total		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
Revenue	720,635	553,514	(167,121)	720,635	553,514	(167,121)	1,441,270	1,107,028	(334,242)
Capital	0	47,285	47,285	0	0	0	0	47,285	47,285
Total	720,635	600,799	(119,836)	720,635	553,514	(167,121)	1,441,270	1,154,313	(286,957)

- 9.2 The preferred option requires a one-off capital outlay of £47,285 for 10 Taser handles. This is essential in order to access the T60 Premium Plan price for cartridges.
- 9.3 The preferred option requires revenue spend of £553,514 per year, a saving of £167,121 per year on the current revenue budget.
- 9.4 In comparing the preferred option to option 1, the estimated financial impact on making taser cartridge purchases off-plan rather than with a premium plan is summarised in Figure 4 below. This indicates that whilst there would be capital cost avoidance of £47,285 if option 1 was pursued, over the two-year period the force would incur higher revenue costs estimated at £405,619.

Figure 4 – Cost comparison of the two options
Premium Plan (Option 2) vs Off Plan (Option 1)

	2024/25			2025/26			Two-year total		
	Premium Plan forecast	Off Plan forecast	Variance	Premium Plan forecast	Off Plan forecast	Variance	Premium Plan forecast	Off Plan forecast	Variance
Revenue	553,514	728,166	174,652	553,514	784,481	230,967	1,107,028	1,512,647	405,619
Capital	47,285	0	(47,285)	0	0	0	47,285	0	(47,285)
Total	600,799	728,166	127,367	553,514	784,481	230,967	1,154,313	1,512,647	358,334

- 9.5 The Taser budget is currently owned by Learning and Development. This budget allows for the purchase of Taser devices and consumables, purchase of training equipment and venue hire for training. The projected Taser budget for the next two years is set out in the below table:

Figure 5 – Taser budget breakdown for preferred option (option 2)

Total expenditure (two-year period)			
	Quantity	Unitary cost	Cost
X2 premium plans	10	4,728.45	47,285
Live carts	14,072	34.20	481,262
Halt carts	13,488	34.20	461,290
APPM Batteries	320	95.57	30,582
SPPM Batteries	450	122.16	54,972
Other items			
Helmet visors	12	95.00	1,140
Targets	12	132.00	1,584
Venue	2	36,099.00	72,198
Misc role play/suits	2	2,000.00	4,000
		Two-year total	1,154,313
		Capital	47,285
		Revenue	1,107,028
		Annual revenue	553,514

- 9.6. The capital expenditure is new but can be funded from the 'Small Capital Projects' budget within the existing 'Subject to Approval' capital programme (£250,000 is included each year specifically for bids that are less than £50,000). The revenue budget, owned by Learning & Development, is in place and agreed for 2024/25.
- 9.7. As described in paragraph 5.3 above, the preferred option allows the force to make a total saving of £287k against the currently budgeted position.
- 9.8. Outside of the revenue savings identified for the next two years, there are no other anticipated medium or long-term impacts of this decision. The transition to a new Taser device by 2026 will attract significant costs and will be the subject of a future business case and decision report.

10. Legal implications

- 10.1. There are no identified legal implications to this decision. Axon is the current provider for Taser to UK policing and pricing plans and purchases have been routinely agreed previously without legal implications or ramifications.

11. Staffing implications

- 11.1 There are no direct staffing implications to this decision.

12. Equality, Diversity and Inclusion implications

- 12.1 The equality, diversity and inclusion implications to this decision have been considered, but there are none identified relevant to the matters to be decided upon.

13. Risks and Mitigations

- 13.1 As described above, the force typically sees attrition of 5 Taser devices per year. From May 2024, the force will see current X2 devices move out of their warranty period so, in the event of a fault, they will not be replaced by Axon. Over two years, this could see 10 of our 275 devices made unavailable, with a small risk that some STOs would not have a device available to them when they deploy. The proposed purchase of 10 new Taser handles would mitigate against this anticipated attrition and ensure availability.
- 13.2. The advance order of cartridges for the next two years does attract a risk that the force could under or over order for future use. The projected number of cartridges has been based upon analysis of use over the last two years and the professional opinion of the Taser Training Team (which administers the ordering of Taser equipment). There is no anticipated change in demand or operational use of Taser that would see additional cartridges or batteries utilised, or a systemic reduction in the number required. The projection has erred on the side of over-ordering rather than risk having insufficient to meet operational demand. In the event that the force has surplus cartridges or batteries in the future, there may be an opportunity to sell them on to other

forces still utilising the X2 device (they are not transferrable to other devices). Whilst the risk of over-ordering is acknowledged, this should be viewed in the context of the overall saving available.

- 13.3. There are no identified risks in relation to the storage of the cartridges or batteries ordered as the pricing plan allows us to take delivery in stages, rather than bulk delivery. Existing storage and security are appropriate.
- 13.4. Axon is a major international company and is well established in the UK policing market, also supplying body worn video extensively. It is unlikely that it will be unable to honour any order placed over the next two years.

14. Governance Boards

- 14.1 The proposal set out in this paper has been considered and approved by the Chief Officer Group on 21st February 2024.
- 14.2. This decision report will be presented to the Strategic Board on 5th March 2024.

15. Links to Future Plans

- 15.1 The force's X2 fleet will start to go out of service from May 2026. Devices are not approved for use once they reach seven years old.
- 15.2. Axon currently manufactures the T7 device and awaits Home Office approval for its T10 device. The latter appears to offer operational advantages above the current X2 and T7 devices. If given Home Office approval, the T10 is likely to be the best available option to replace the force's X2 fleet. This approval is expected by 2025.
- 15.3. The force will develop options for the end of life of the X2 fleet ahead of the 2026/27 budget setting process (the financial year in which the transition from the current fleet must take place). The transition is expected to attract significant capital and opportunity costs, with some impact on revenue budgets. Further decision reports will be presented to the Strategic Board as required.

16. Background Papers and Appendices



Report Approval

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign:

Print: P. Brent-Isherwood

Date: 27 February 2024

Chief Finance Officer

Sign:

Print Janet Perry

Date: 28 February 2024

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

The DR is suitable for publication however the business case is protectively marked Official-Sensitive, and the COG paper cannot be published as it contains operational details.

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?

YES

2. Of Appendix?

YES

NO

NO

If 'YES', please provide details of required redaction:

For the reasons set out above, the business case and COG report should not be published.

Date redaction carried out: 15/03/2024

Chief Finance Officer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

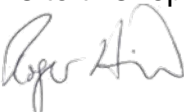
Sign: 

Print: Darren Horsman - Deputy MO

Chief Executive / Chief Finance Officer

Decision and Final Sign Off

I agree the recommendations to this report: Considered and recommended at Essex Police Strategic Board March 2024

Sign: 

Print: Roger Hirst

PFCC

Date signed: 15/03/2024

I do not agree the recommendations to this report because:

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.....
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Sign:

Print:

PFCC/Deputy PFCC

Date signed: