

PFCC Decision Report

Report reference number: 051-24

Classification: OFFICIAL

Title of report: MIP 4 Boreham Infrastructure – Stage C Capital Bid

Area of county / stakeholders affected: Force wide

Report by: Kate Harley – Estates Senior Project Manager

Chief Officer: DCC Prophet

Date of report: 10th June 2024

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1. Executive Summary

This decision report seeks approval for £328,000 of capital investment to facilitate the rectification of serious electrical infrastructure issues at the Essex Police Boreham site, to mitigate the risk of an unplanned power outage, the significant impact this would have on operational teams' ability to maintain service delivery and to avoid the need to initiate full business continuity.

2. Recommendations

The recommendation to the PFCC is to approve the investment of £328,000 of capital funding for the replacement of the obsolete and faulty switch panel and associated infrastructure at Boreham. It should be noted that the capital costs are already budgeted in the MTFS 2024/25 - 2028/29 as part of the "subject to approval" capital projects.

3. Background to the Proposal

The Boreham site was purchased in August 2021. Boreham is currently used by the Operational Policing Command, the Fleet Workshop and the Force Support Unit.

Following a high-level electrical feasibility study at Boreham, the findings highlight a significant risk to business as usual due to the 'end of life' condition of the electrical

infrastructure supplying the whole site. The switch panel and infrastructure in question are believed to have been originally installed around 1944 – 1968. As such, the equipment is 55+ years old and has surpassed its life expectancy. Asbestos is also present in the switch panel and infrastructure. Both the switch panel and the infrastructure are now obsolete as replacement parts are not available. The switch panel has been identified to be faulty, whereby it is no longer possible to isolate the electrics supplying the blocks at Boreham safely, impacting Estate Services' ability to react swiftly to a power or equipment failure and rectify the issue, causing significant disruption to teams based at Boreham.

A key element of the Essex Police Estates Strategy is to invest in the Boreham site following its purchase in 2021, leading to more intensified use of the site. To enable the intensification, including projects such as the Joint Fleet Workshop, investment in the infrastructure is imperative to ensure the whole site is fit for purpose.

4. Proposal and Associated Benefits

A high-level electrical feasibility study outlines the disrepair of the existing switch panel and infrastructure at Boreham. It is proposed the switch panel and associated infrastructure are replaced, to mitigate the risk of an unplanned power outage, which would have significant impact on Essex Police's ability to maintain operational activity and normal service delivery.

The benefits of this proposal are:

- Provides mitigation against the risk of an unplanned power outage.
- Allows pre-planned enactment of business continuity plans where necessary.
- Dates for works can be scheduled around operational policing demand to reduce the impact on service delivery.
- A proactive approach allows time for a full procurement process to take place, ensuring competitive prices are obtained.
- Proactively scheduling this work avoids any revenue spend.

5. Options Analysis

1. Do Nothing - Business as usual option / as is option

An electrical feasibility study has identified serious concerns with the switch panel and faults with the infrastructure. Although there has not been an unplanned outage at Boreham, there is a significant risk that this could happen as the equipment is end of life, beyond any maintenance schedule and essentially operating on borrowed time. There is also the issue that the electrical supply cannot be isolated from the buildings safely due to the condition of the switch panel. Continuing with business as usual would be ignoring the issues highlighted in the feasibility study of the switch panel at Boreham and would not mitigate the identified risks.

2. Do Minimum Option – Replacement of switch panel

As a minimum, replacement of the switch panel is recommended to allow for the safe isolation of the electrical supply to the buildings at Boreham. However, this would not address the issue identified with the infrastructure faults,

therefore would not fully deal with the risk to BAU and reliability of the supply to the building. The estimated cost of this option is £250k.

3. Preferred Option – Replacement of the switch panel and associated infrastructure

The recommended option would be to replace the switch panel and the associated infrastructure. The location of the faults on the infrastructure has not been possible to identify so full replacement of the infrastructure would be required. Replacement of both parts of the electrical infrastructure would provide reassurance that the power supply is fit for purpose and therefore reduces the risk of any unplanned power outages. The expected life span of the replacement infrastructure is 40 years.

6. Consultation and Engagement

Consultation with the commands based at Boreham will commence once funding is approved. Once a design has been agreed upon, a project board with key stakeholders will be initiated to work through the implementation plan. Staff associations, Health and Safety and the relevant support networks will then be consulted with.

7. Strategic Links

In line with the Essex Police Estates Strategy, the Boreham infrastructure project will adhere to the Essex Police Estates Vision by "...ensuring our officers, staff and volunteers are ... equipped and enabled in their mission to prevent and detect crime, keeping the people of Essex safe..." as well as aligning to the strategic aims in the Plan on the Page to be skilled, equipped and enabled. By replacing the faulty and obsolete switch panel and associated infrastructure, the electrical infrastructure will be more robust and reduces the risk of power outages at Boreham therefore enabling commands at Boreham to carry out their activities as normal.

8. Police operational implications

The works to replace the switch panel and associated infrastructure will take place at Boreham, which is an operational policing site with the OPC, FSU and Transport based here. The power will need to be switched off for the works to be carried out. During this time, generators will be used to provide power to the buildings to retain normal operations.

Consultation will take place with commands at Boreham to schedule construction to have as minimal an impact on BAU as possible. There will be a command structure in place to manage the project, which will have the ability to postpone the works if an urgent police operation is active which could be detrimentally affected by potential power disruption. These will all be discussed during the project boards that will be set up with the operational stakeholders at Boreham to ensure the implications of the outage are minimised.

9. Financial implications

This proposal requires a one-off capital investment of £328,000 to invest in a more robust switch panel and associated infrastructure, ensuring it is fit for purpose. It should be noted that the capital costs are already budgeted in the MTF5 2024/25 - 2028/29 as part of the “subject to approval” capital projects.

	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Total
CAPITAL COSTS	£000'	£000'	£000'	£000'	£000'	£000'
(ESSEX ONLY)						
Stage B - budget setting	50.00	278.00	0.00	0.00	0.00	328.00
Stage C	0.00	328.00	0.00	0.00	0.00	328.00
Variance: Stage C compared to budget setting provision (if applicable)	(50.00)	50.00	0.00	0.00	0.00	0.00
REVENUE SET-UP COSTS SUMMARY						
(ESSEX ONLY)						
Stage B - budget setting	0.00	0.00	0.00	0.00	0.00	0.00
Stage C	0.00	0.00	0.00	0.00	0.00	0.00
Variance: Stage C compared to budget setting provision (if applicable)	0.00	0.00	0.00	0.00	0.00	0.00
REVENUE RECURRING COST SUMMARY						
(ESSEX ONLY)						
Stage B - budget setting	0.00	0.00	0.00	0.00	0.00	0.00
Stage C	0.00	0.00	0.00	0.00	0.00	0.00
Variance: Stage C compared to budget setting provision (if applicable)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PROJECT COSTS						
STAGE B - BUDGET SETTING	50.00	278.00	0.00	0.00	0.00	328.00
Stage C	0.00	328.00	0.00	0.00	0.00	328.00
NET IMPACT ON CAPITAL PROGRAMME-(SURPLUS)/DEFICIT *	(50.00)	50.00	0.00	0.00	0.00	0.00

There are no direct revenue costs associated with this project, however there are revenue costs associated with the cost of financing the capital expenditure.

This is a stage C business case requesting the approval of funding for the Boreham Infrastructure MIP4 remedial works profiled in 2025/26 incorporating the value within the stage B “subject to approval” capital programme approved as part of the 2024/25 budget setting process. The proposal costs are detailed in the above table. The requirements are £0.328m in 2025/26 for capital expenditure.

The above figures exclude the costs associated with financing/borrowing in respect of this project however it should be noted that this will lead to an increase in the force’s capital financing requirement (CFR). This will result in charges to the revenue account relating to minimum revenue provision (MRP) and interest payable. For this project these costs will equate to the capital investment value of £0.328m being charged as MRP in instalments over the useful economic life of the related asset. In respect of

interest payable for external borrowing it is assumed that the force will incur financing costs of approximately 5.75% for a period of 15 years. On the assumption the principal is not repaid in full until the end of the borrowing term, this will result in total charges to the revenue account of proceeding with this project of £0.611m, incorporating both the MRP and interest elements.

It should be noted that the above financing costs are already budgeted in the MTFS as part of the “subject to approval” capital projects, and these values are being provided for information only in respect of understanding the cost implications to the force of proceeding with this project.

10. Legal implications

There will be a procurement exercise, tender process and a contract award following the approval of funding by the PFCC. The contract award and execution will be subject to a further decision report in accordance with the Financial Regulations.

There are no other anticipated legal implications associated with this work.

11. Staffing implications

None identified at this time.

12. Equality, Diversity and Inclusion implications

There are no identified DEI implications currently. The recommendations within this decision report do not have any adverse equality, diversity or inclusion implications.

13. Risks and Mitigations

Risks associated with not approving the decision report:

- No mitigation against the risk of an unplanned power outage at Boreham due to the current switch panel and associated infrastructure being obsolete and faulty.
- Unplanned response would incur higher capital and revenue costs, would not allow time for a compliant procurement process and result in longer power disruption with significant impact to operational teams.
- Does not remove the asbestos from the site which is located within the infrastructure.

Risks associated with carrying out replacement of the switch panel and associated infrastructure:

- During the scheduled replacement works, an unplanned power outage could occur, if one of the generators (that supply the building’s power whilst the mains power is turned off) fails.
- The safety of staff, officers and visitors at the Boreham site would need to be ensured during replacement works as groundworks would be required.

Mitigation of these risks will be managed to an acceptable level as part of the detailed project planning yet to be undertaken and align to the operational teams’ requirements.

14. Governance Boards

Estates Change Board Business - 29/04/2024
Chief Officer Group (COG) - 01/05/2024
Estates Strategic Board - 13/05/2024
Strategic Board - 10/06/2024

15. Links to Future Plans

This investment would help with the early stages of the Boreham Masterplan, until a full electrical feasibility study is carried out to identify the future electrical requirements of the masterplan, including the Joint Fleet Workshop.

16. Background Papers and Appendices

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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: 28 May 2024

Chief Financial Officer

Sign:



Print: Janet Perry

Date: 29 May 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)

Subject to redaction, as set out below

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
NO

2. Of Appendix? YES
NO

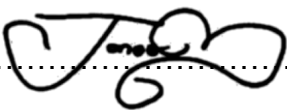
If 'YES', please provide details of required redaction:

Appendix has been marked as OFFICIAL SENSITIVE in accordance with the Government Security Classifications so is to be withheld from publication.

Date redaction carried out:

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.

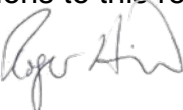
Sign: 

Print: Janet Perry

~~Chief Executive~~ / Chief Finance Officer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: Roger Hirst

PFCC

Date signed: 25/06/2024

I do not agree the recommendations to this report because:

.....
.....
.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed: