

Strategic Board

Report to: the Office of the Police, Fire and Crime Commissioner for Essex

Title of Report:	Estates Capitalised Maintenance Programme 2020/21 & 2021/22
Agenda Number:	3 ii
Chief Officer:	DCC Mills
Date Paper was Written:	28th October 2020
Version Number:	V1.2
Date of PFCC Strategic Board Meeting:	17th December 2020
Author on behalf of Chief Officer:	David Spencer
Meeting & Date of Approval	COG 18.11.20
Date Approved by Finance (Colin Cooper/Matthew Tokley/Kate Whittaker)	30th October 2020 (Debbie Martin)
Document Classification:	OFFICIAL

All papers must be presented to COG unless otherwise agreed by the DCC

DETAILED INVESTMENT BUSINESS CASE STAGE 2

Project Title: Estates Capitalised Maintenance

Joint/Single Force Bid:	Essex Only
Report Author:	David Spencer
Report Owner: Requesting Department:	Patrick Duffy Head of Estates
Date of Business Case:	28/10/2020
Version:	1.2

Section 1 – Executive Summary

Please include the following (*one page maximum*):

- a. High level description of proposal
- b. Why it is required
- c. Operational benefits and outcomes/what will it achieve
- d. Timescales including critical dates
- e. High level interdependencies or enablers provided across other force projects
- f. Cost summary including capital, revenue set up and annual consequences

The Essex Police estate has had little or no improvement investment over the past 10 years, as well as no investment in essential planned building maintenance beyond our statutory obligations and emergency repair work which is ever increasing across the estate, this in turn causes significant demand issues on the Estate team and our suppliers not to mention the significant disruption and morale of our customers, the employees of Essex Police. The capitalised maintenance is used to cope with unforeseen emergencies due to reduced reactive maintenance provisions in the revenue budgets. This assists in catering for emergencies such as Asbestos strip out or H&S requirements.

With the Estate Strategy formally approved and certain buildings needing financial investment to provide the basic level of resilience, various projects have been identified which support the strategy and future of the police estate.

Asset Management Surveys have been completed by Atkins of what were originally our POLs and SOLs to support where our investment would be best directed and supported the start of the programme. Each item on the programme supports different aspects of the Estate Strategy. The condition survey are on a 5 year rolling programme.

The Stage 1 Capital bid was for £1m per annum for the next 5 years this stage 2 bid covers the financial years 2020/21 and 2021/22. This Stage 2 bid re-profiles the annual allocations to reflect the annual forecast expenditure to £380k, £1.16m and £460k for 2020/21, 2021/22 and 2022/23 respectively.

Fire Safety - A number of buildings require investment in replacing ageing fire alarm systems or providing additional automatic fire detection coverage to existing buildings as highlighted within the Fire Risk Assessments produced by Health and Safety. Works also encompass fire protection works to the building fabric as highlighted on the above mentioned FRA's.

Asbestos abatement works – removal or encapsulation of asbestos highlighted within the management surveys. Works prioritised on risk and in conjunction with project work.

Staff Welfare / Refurbishment works - Staff kitchen facilities are generally inadequate and have not been reviewed since main canteen facilities closed many years ago. In order to show an ongoing commitment to the welfare of staff, it is the intention to refurbish a kitchen or toilet facility, in particular those within the areas where stations will be intensively used as part of the move to hot-desking. Works are also required to both houses at the rear of Rayleigh station following failures of building services plant and the presence of asbestos.

H&S Compliance - Following the carrying out of safety inspections / condition surveys, numerous radio masts have been found to require structural repairs and/or other remediation works to be undertaken in order for a safe to climb certificate to be issued. There are outstanding leases on the masts which cannot be completed until the work is undertaken. Car wash facilities require upgrade to comply with new regulations.

HQ A Block DDA access – It is intended to replace the unsatisfactory and currently out of use DDA lift with a suitably constructed and compliant ramp to enable direct access to the main A Block entrance from street level.

Lifts – A number of lifts, including the main HQ A Block lift, are constantly failing, replacement parts are difficult to source, so need urgent replacement.

Business Continuity - Various ageing UPS and generators need to be updated as part of an ongoing programme of replacement. This will provide improved resilience in the ability of back-up systems to maintain service continuity at times of unplanned power failures.

Boiler replacements – Plant currently runs to failure therefore a number of boilers are in urgent need of replacement, due to age and lack of replacement parts. Replacing them with modern efficient boilers will reduce the fuel consumption and ensure no significant failures occur.

f. SUMMARY OF COSTS <i>Please double click to edit</i>							
(Page 9 for detail costings)							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
		£000	£000	£000	£000	£000	£000
Capital		380	1160	460			2000
Revenue -							
	Set up						0
	Recurring						0
TOTAL	Costs	380	1160	460	0	0	2000

Section 2 – Strategic Context

Explain why the proposal is required and explain why it is a priority against the criteria (a – g) below:

a. Police and Crime Plan Priorities	The investment would show a commitment to valuing our staff, ensure best use of our resources, allowing our staff to focus on ensuring we achieve our priorities.
b. Force Management Statement (FMS), if not, state reasons why not included	Section 10.8 states the need for continued investment to maintain the Force's physical assets.
c. Strategic Reviews for IT, Estates, Transport	All investment shall be towards properties which will form part of the long term Estate Strategy, align with the Asset Management Plan and seek the greatest overall impact and benefit realisation.
d. Strategic Transformation Programme	N/A
e. Addresses a risk on the Force Risk Register or assists in maintaining business continuity	N/A

<p>f. Assists with compliance of external mandates i.e. legislation, standards or professional guidance</p>	<p>We are receiving more and more regular challenges under the Health & Safety at Work Act 1974 relating to the poor condition of our buildings and environmental conditions. The investment would go a small way to reversing the trend.</p>
<p>g. Supports collaborative or national requirement</p>	<p>The Essex Police Estate is in a considerably worse condition than both Kent Police and Essex Fire, our accommodation and facilities are always being compared to our collaborative partners and is considerably worse. This will impact on future collaboration and the desire for partners to share properties with us.</p>

Section 3 – Commercial Strategy

*To be completed in conjunction with relevant procurement lead. Please contact Procurement Services on 838 for assistance. NB: **Early contact is required to ensure adequate time is available to fully complete this section.***

a. Is a procurement process required to support this requirement?
(If not please explain why)

Yes, where elements of the programme exceed financial limits as identified in Financial Regulations and Contract Standing Orders, 7F Procurement team will lead on the procurements and advise the most cost effective route to market.

b. Collaboration Opportunities: Is this viable for 7 Force, Bluelight or other procurement collaboration? *(If not, please explain why.)*

Although the investment requirements are specific to Essex, many of these works are required generally across the region e.g. Asbestos management & removal, Lift replacement & maintenance. 7F Procurement will advise the Estates team, on the most cost effective route to market.

Some elements of the programme, e.g. gates/barriers improvements, boiler replacement, have already been through a collaborative procurement process as part of the regular re-tendering of service provision.

c. Outline of required products and/or services.
(Please consider and document any interdependencies)

Replacement of specific building services and construction services as outlined in Section 1.

d. Pre-market engagement strategy (if applicable)

This will be managed on an individual procurement project basis, if required.

e. Proposed Route to Market

Combination of competitive quotation and tender routes, dependent on estimated value of provision.

f. Estimated procurement time frames

Dependent on service provision required & selected route to market.

Section 4 – Outcomes and Benefits

a. Outcomes - Please detail SMART (Specific, Measurable, Achievable, Realistic, Timely) objectives

Explain the outcomes to be achieved by the proposal and the benefits to be delivered. Please use prioritisation scoring matrix, page 8 for completing Section 4

Capability/Deliverable	Qualitative Outcome	Quantitative Outcome £k	Interdependencies (<i>what is impacted if the proposal does not go ahead or is delayed</i>)
Upgrading of non-compliant fire safety systems	Fully compliant fire safety systems	N/A	Potential for litigation should upgrades not take place
Reduced risk of contamination through removal or encapsulation of asbestos identified as high priority	Compliance with asbestos management survey recommendations	N/A	Potential for fines, litigation should it be considered we do not manage the existence of asbestos correctly
Improvement in staff morale, they can see that the force is committed to investing in improvements to the facilities that directly affect them.	Staff appreciate the investment within their station and start to see reduced failures and better facilities.	N/A	N/A
Improved access to buildings and masts for staff & contractors	Staff & contractors benefit from compliant solutions to access issues	N/A	Potential for loss of mast income should masts be deemed to be inaccessible
Reduced risk of critical systems failures through replacement of obsolete plant & equipment	Increased reliability of business-critical systems	For boiler replacement 15% increase in efficiency of the appliance, possibility of reduction in gas consumption of up to 15%	Increased likelihood of failure of business-critical systems

Section 4 – Outcomes and Benefits

b. Benefits						
FINANCIAL YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Scoring Matrix (see page 8)
Cashable Savings (£k) <i>Actual savings to be removed from budget line</i>	NIL	NIL	NIL	NIL	NIL	N/A
Non-Cashable incl. quantifiable efficiency where can be expressed in £k	NIL	NIL	NIL	NIL	NIL	N/A
Cost Avoidance (£k) <i>Future costs to not be incurred</i>	NIL	NIL	NIL	NIL	NIL	N/A
Total (£k)						
Non-Financial Quantifiable i.e. Efficiencies Enablers Risk Mitigation	N/A	N/A	N/A	N/A	N/A	N/A

Scoring Matrix

Criterion	No Benefits Achieved (0)	Low Level Benefits (score 1)	Medium Level benefits (score 3)	High Level Benefits (Score 5)	Very High Level Benefits (score 10)
Savings delivered	No ongoing savings delivered	Investment will deliver on-going financial savings (or cost avoidance) 1 - 49k	Investment will deliver significant on-going financial savings (or cost avoidance) 50k-249k	Investment will deliver on-going financial savings (or cost avoidance) 250k-499k	Investment will deliver on-going financial savings (or cost avoidance) essential to meeting the fiscal challenge to 2019/20. 500k +
Operational requirement/Efficiency	Investment is not linked to achieving PCC/Force Priorities or delivers significant efficiencies	-	Investment will contribute to achieving PCC/Force Priorities or delivers significant efficiencies	-	Investment is essential to achieving PCC/Force Priorities or delivers significant efficiencies
Contractual requirement	Investment is not linked to any existing contracts	-	Investment is related to existing contracts	-	Investment is a mandated contractual requirement
National priority initiative/legislative change	Investment is not linked to a national priority initiative	-	Investment is related to a national priority initiative	-	Investment is essential to complying with a national initiative
Critical Infrastructure	Investment does not contribute to the maintenance of current force systems and services function and performance	-	Investment will contribute to the maintenance of current force systems and services function and performance	-	Investment in infrastructure is critical to maintain current force systems and services function and performance.
Risk	No mitigation for a recorded Organisational Risk	-	Significant mitigation for a recorded Organisational Risk	-	Mitigates a recorded Organisational risk

Section 5 – Estimated Costs and Savings

FORECAST SPEND PROFILE	Asset Renewal	YEAR 1				TOTALS					TOTAL £000
		QTR 1	QTR 2	QTR 3	QTR 4	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	
COSTS											
(a) Capital Costs - analysis below											
Fire Safety Improvements					100	100	250	250			600
Asbestos Abatement works					50	50	150	0			200
Staff Welfare / Refurbishment works					20	20	180	0			200
H&S Compliance works					50	50	210	0			260
DDA Access / Lift Replacement					45	45	50	200			295
Business Continuity					100	100	260	10			370
Decommission Old Custody Suites & Equipment					15	15	60	0			75
Total Capital costs					380	380	1,160	460	0	0	2,000
<i>Asset Renewal - Expected life of asset</i>											
<i>Estimated replacement cost</i>											
(b) Revenue Costs - analysis below											
<i>(i) Set Up -</i>						0.0					0.0
<i>(i) Recurring -</i>						0.0					0.0
Total Revenue costs					0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital and Revenue costs					0.0	0.0	0.0	0.0	0.0	0.0	2,000
Sources of Funding - (see page 10 below)											

<i>(i) Capital</i>						1,000	1,000				2,000	
<i>(ii) Revenue Set Up</i>											0.0	
<i>(iii) Revenue Recurring</i>											0.0	
Total Sources of Funding			0.0	0.0	0.0	0.0	1,000	1,000	0.0	0.0	0.0	2,000
BENEFITS												
(i) Cashable Savings												
						0.0					0.0	
						0.0					0.0	
						0.0					0.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(ii) Non-Cashable Savings												
						0.0					0.0	
						0.0					0.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Benefits			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Costs/(Benefits)							1,000	1,000	0.0	0.0	0.0	2,000

SOURCES OF FUNDING TO BE COMPLETED

CAPITAL FUNDING –

(a) – Has a Stage 1 Template with indicative capital costs been completed previously?

YES

(b) – If YES to **(a)** explain the reasons for the increase/decrease in capital costs over Stage 1 -

NO CHANGE

(c) – Is the proposal included in the ‘Subject to Approval’ category of the Capital Programme approved by the PFCC and thus within the current Medium Term Financial Strategy?

YES

REVENUE FUNDING: Set Up and Recurring -

(d) – Has a Stage 1 Template with indicative revenue costs been completed previously?

Not applicable

(e) – If YES to **(d)** explain the reasons for the increase/decrease in revenue costs over Stage 1

Not applicable

(f) – Are the revenue consequences included in the ‘Subject to Approval’ category of the Capital Programme approved by the PFCC and thus within the current Medium Term Financial Strategy?

Not applicable

Section 6 – Project Milestones

Milestone	Projected date	Projected spend £k	Actual spend
<i>[Key milestones, relating so far as possible to project deliverables] (If document / spreadsheet already available then a link can be provided)</i>		<i>[Costs should separately identify Revenue and Capital spend. Final total should include all funding & partnership contributions.]</i>	<i>[To be completed as part of the Evaluation Plan process]</i>
The capitalised maintenance programme is made of of multiple projects that will be assessed once approved. This will be worked through with our suppliers and key stakeholders such as Procurement.			

Section 7 - Risks & Mitigation of undertaking proposal

Risk	Probability	Severity	Risk Management/Mitigation <i>(How proposal will mitigate the risk if we proceed)</i>

Sign off Sections 8 – 15 for Completion

For Sections 9, 10 and 13 the approval MUST make reference to supporting proposed capital & revenue costs. These sections MUST be completed fully before Corporate Finance can review the business case.

Section 8 - Business Case submitted by:

Name: David Spencer

Position: Estates Resource & Contracts Manager

Division / Department: Estate Services

Date: 28/10/2020

Section 9 - Head of Originating Department sign off:

Name: Patrick Duffy

Position: Interim Head of Estates

Division / Department: Estate Services

Proposed Costs / Funding Requirement Support: *To be completed*

Date: 30/10/2020

Section 10 - Head of Supplier Department (IT, Estates, Transport) sign off:

Name: Patrick Duffy

Position: Interim Head of Estates

Division / Department: Estate Services

Proposed Costs / Funding Requirement Support: *To be completed*

Date: 30/10/2020

Section 11 – Information Security sign off:

Name:

Position:

Date:

Section 12 - Head of Procurement sign off:

Name: Dave Levy

Position: 7 Force Head of Strategic Procurement

Date: 30/10/2020

Section 13 – Chief Officer of Originating Department sign off:

Name: DCC Mills

Position: Deputy Chief Constable

Proposed Costs / Funding Requirement Support: *To be completed*

Date: 02/11/2020

Section 14a – Corporate Finance Business Case Review

Name: Colin Cooper

Position: Technical Capital Accountant

Review Update: Proposal is in the Subject to Approval category of the capital programme with £1m pa set aside for 2020/21 and 2021/22.

FUNDING SUMMARY	CAPITAL	REVENUE SET UP	REVENUE RECURRING – PER ANNUM
	£000	£000	£000
STAGE 1 -			
2020/21	1,000	-	-
2021/22	1,000	-	-
STAGE 2 -			
2020/21	380	-	-
2021/22	1,160	-	-
2022/23	460	-	-
VARIANCE: FUNDING OVERSPEND / (UNDERSPEND)	-	-	-

Date: 30 October 2020

Section 14b – Chief Finance Officer of the Chief Constable sign off:

Name: Debbie Martin

Position: CFO

Date: 30/10/20

Section 15 – Strategic Change Team sign off:

Name: Anna Hook

Position: Head of Change: Programmes and Projects

Date: 02/11/2020

Section 16– COG sign off:

Date of Meeting: 18/11/2020

Approval to proceed to Strategic Board: YES