

## PFCC Decision Report

**Report reference number:** PFCC/011/23

**Classification** OFFICIAL

**Title of report:**

Contract Two Award – Boreham Internal Refurbishment (7F2021-P064)  
Contract Two and Contract Three Funding – Boreham Infrastructure MIP4

**Area of county / stakeholders affected:** Users of Boreham C Block

**Report by:**

Patrick Duffy – Head of Estates  
Emma Saunders – Senior Category Manager, 7 Force Commercial Services  
Jo Putt – Project Manager – Estate Services Department

**Chief Officer:** DCC Andrew Prophet

**Date of report:** 16<sup>th</sup> February 2023

**Enquiries to:** [emma.saunders@kent.police.uk](mailto:emma.saunders@kent.police.uk) / [jo.putt@essex.police.uk](mailto:jo.putt@essex.police.uk)

### 1. Executive Summary

This decision report outlines the procurement process and recommended contract award for the internal refurbishment of Boreham C Block plus approval for the drawdown of future years' funding from the Boreham Infrastructure Major Investment Project 4 (MIP4) funding which has £2,400,000 earmarked within the capital programme.

### 2. Recommendations

The first recommendation to the PFCC is to approve further capital funding of £2,025,000, taking the total project value to £3,159,000 to be funded from:

- £1,134,000 already approved through decision reports PFCC/027/21 and PFCC/022/22 of which there is £475,000 remaining following the award of Contract One (for two modular units), leaving a shortfall of £2,025,000. It is proposed to fund the shortfall by drawing down £2,025,000 "subject to approval" funding from the Boreham Infrastructure MIP4 programme, of which

£2,400,000 has been earmarked subject to approval in the capital programme. This will leave an unallocated “subject to approval” budget of £375,000 within the Boreham Infrastructure MIP4 programme.

The second recommendation is that the PFCC executes the attached JCT D&B 2016 contract as a Deed under seal for the internal refurbishment of Boreham C Block, following the completed procurement process using the Essex County Council Framework 2 for the value of £1,495,000.

The PFCC is asked to note that there will be a third procurement process for Contract Three, which relates to the external refurbishment, currently estimated at a value of £1,005,000, which will bring the value to £3,159,000.

The detail of these contracts and the funding required and earmarked is shown in the table below

Scheme	A Original Earmarked Capital	B Funding approved and to be approved by this DR	C Actual/ Forecast	D (B-C) Balance of Approved	D (A-C) Balance of Earmarked Capital	Contract
Boreham C Block Refurbishment (Approved)	£1,134,000	£1,134,000	£659,000	£475,000	£475,000	1
<b>Total</b>	<b>£1,134,000</b>	<b>£1,134,000</b>	<b>£659,000</b>	<b>£475,000</b>	<b>£475,000</b>	
Boreham Infrastructure MIP4 (Earmarked Subject to Approval)	£2,400,000	£2,025,000	£1,495,000 £1,005,000	(£475,000)	(£100,000)	2 3
<b>Total</b>	<b>£2,400,000</b>	<b>£2,025,000</b>	<b>£2,500,000</b>	<b>(£475,000)</b>	<b>(£100,000)</b>	<b>3</b>
<b>TOTAL</b>	<b>£3,534,000</b>	<b>£3,159,000</b>	<b>£3,159,000</b>	<b>0</b>	<b>£375,000</b>	

### 3. Background to the Proposal

The Boreham Complex, now in our ownership, is currently used by Operational Policing Command, Fleet Workshops, and the Force Support Unit. The additional funding will enable completion of infrastructure works to intensify its use for various specialist facilities from other locations, thus facilitating the release of surplus buildings for disposal.

Following a recent Stock Site Condition Report, to ensure our sites are fit for the purpose of operational policing, a number of maintenance and compliance items require completion in advance of the 2023/24 Strategic Plan.

The two modular units (Contract One) are currently being installed at the rear of Boreham C Block. If approved, our intention is to commence the internal refurbishment with the contractor in mid-February 2023. We are seeking approval at the Strategic Estate Board on 10<sup>th</sup> February 2023 with the decision noted at the Strategic Board on 1<sup>st</sup> March 2023.

If supported by governance, it is anticipated the external works can commence in Spring 2023 with a programme of six months. There are interdependencies in relation to other force projects as this is enabling the disposals programme.

The history of the funding and contract awards for this block are:

- Capital investment of £1,048,200 for the implementation of full agile working, facilities upgrade and new locker room provision at the Boreham Complex was approved in report PFCC/027/21.
- Capital investment of £86,100 and one-off revenue of £5,000, totalling £91,100, was approved via decision report PFCC/022/22 for the specialist drying facility.
- The contract award of £654,580 was approved within report PFCC/094/22 for the two modular buildings. This contract is referred to as Contract One. You will note the final figure of £659,000 differs from that written in the approved DR (£654,580) due to additional professional fees.

#### **4. Proposal and Associated Benefits**

In relation to the contract award, Contract Two will support the implementation of agile working by the provision of flexible working spaces, interactive meeting rooms, one to one spaces and facilities upgrades. Completion of internal fire compliance and DDA items will ensure we meet building regulations. The space will then be suitable to accommodate officers from Stanway RPU and South Woodham Ferrers to support our disposals programme.

In relation to the request for funding approval, Contract Three will procure a contractor to produce a design for:

- New insulated roof
- Window replacements
- External door replacements
- Fascia replacements
- Over-cladding of panels, screens and prefabricated concrete panels
- External DDA and fire compliance etc. works

These items will provide improved energy efficiency thus reducing our carbon footprint. Following completion, there will be financial savings, however these cannot be quantified at this stage due to the nature of the project being design and build. It is our intention to arrange thermal modelling and to carry out a case study of this project post completion to quantify these benefits.

The building fabric improvements will additionally provide increased confidence in business continuity and an improved environment for those working within the building.

#### **5. Options Analysis**

- Do nothing - Doing nothing is not an option. As part of our Estates Strategy, we are working to dispose of buildings to support our improvement of our remaining estate. Without completion of this work, we would not be able to

facilitate the move of Stanway RPU to Boreham RPU. The Stock Condition Survey highlighted areas of the building that are either past their life expectancy or reaching its end. The work documented within this report is required to ensure our buildings are suitable to support operational policing.

- Spend the balance of funding available from Contract One and the Capitalised Maintenance (£975,000) to complete the single office refurbishment for the transfer of RPU, roof and heating work only. Although this is an option, there would still be a requirement to complete the refurbishment at a later date and there will be concerns in relation to the number of toilets and showers available within the building.

## **6. Consultation and Engagement**

Following purchase of the site, we are now in a position to commission a feasibility study identifying operational priorities at the site for improvement in line with the core principles of the Estate Strategy.

Strategic Change are currently completing a review to identify operational priorities at the Boreham Complex in preparation for the overarching Estate Services Boreham Master Plan.

The Operational Policing Command has been fully consulted and engaged with around this proposal.

## **7. Strategic Links**

This application reflects the ambition within the 2018-2023 Estates Strategy to:

- Continue to improve our estate.
- Start addressing our backlog maintenance - We will allocate a sum each year for capitalised maintenance to undertake major repairs and replacements at retained sites in accordance with the priorities highlighted within our condition surveys.
- Using the proceeds from the disposal programme, invest to improve our existing portfolio of police buildings. We will start with those buildings with the greatest need, and which will deliver the best value and benefit for both the public and our police officers, staff and volunteers.

Additionally, this work supports the strategic management of our estate by 'Replacing failing building components to improve the resilience, cost efficiency and energy performance of our buildings' and 'Improving the current estate where it fails to meet the current minimum legislative and policy standards'.

## **8. Police operational implications**

The works will be phased to ensure operational policing can continue during construction.

## **9. Financial implications**

The additional capital funding of £2,025,000 is required to complete Contract 2 (£1,495,000) and Contract 3 (£1,005,000) in addition to contract 1 that is already complete (£659,000), taking the total project value to £3,159,000.

The revised overall funding requirement of £3,159,000 already has funding of £1,134,000 already approved through decision reports PFCC/027/21 and PFCC/022/22.

Of the “approved” funding, there is £475,000 remaining following the award of Contract One.

It is proposed to fund the shortfall by drawing down £2,025,000 from future years’ funding from the Boreham Infrastructure MIP4 of which there is £2,400,000 earmarked within the capital programme.

The cash flow forecasting for the allocation of £1,134,000 of “approved funding” has already been forecast based on the assumption of approval of this decision report. The additional allocation of £2,025,000 will need to be re-forecast. Table 1 shows the “Approved” project and Stage 1 capital bid for Boreham Infrastructure MIP4, capital forecasting included within the MTF5. Table 2 shows the re-profiled capital forecast following approval of this decision report. It should be noted that the surplus of £0.375m from stage B will remain in the subject to approval capital programme to allow for a future draw down to fund the installation of a perimeter fence following the purchase of the property.

Table 1

Detail of Spend	Previous Years £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
C Block Refurbishment “Approved”	659	475					1,134
Fencing of new land “Earmarked”		200	200				400
Refurbishment costs incorporating FFE, professional and statutory fees. “Earmarked”		200	470	1,330			2,000
<b>Total:</b>	<b>659</b>	<b>875</b>	<b>670</b>	<b>1,330</b>			<b>3,534</b>

Detail of Spend	Previous Years £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
C Block Refurbishment "Approved"	659	475					1,134
C Block Refurbishment "Earmarked"		2,025					2,025
<b>Total:</b>	<b>659</b>	<b>2,500</b>					<b>3,159</b>

Detail of Spend	Previous Years £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Net difference between Table 1 & 2	0	1,625	(670)	(1,330)			(375)

The above figures exclude the costs associated with 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 £1.625m 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 4.5% 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 £2.722m, incorporating both the MRP and interest elements.

It should be noted that the above financing costs are already budgeted in the MTF5 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 are no legal implications arising from the contract award and budget increase associated with this decision report, however, the construction work will upgrade the building to improve the carbon footprint. It will also ensure compliance with current Building Regulations, the Fire Safety Order 2005 and the latest Fire Regulations.

## 11. Staffing implications

Strategic Change will support the movement of staff around the building to ensure operational policing is not impacted.

The project facilitates the relocation of Stanway RPU and South Woodham Ferrers CRU officers to Boreham. This will be managed under our normal officer posting process.

## **12. Equality, Diversity and Inclusion implications**

The recommendations within this decision report do not have any adverse equality, diversity and inclusion implications.

Undertaking the entire scheme will offer additional support to individuals due to the work to lower counter tops, provide accessible toilet facilities and improve ramp access to the building.

## **13. Risks and Mitigations**

The roof has already failed and has been temporarily repaired whilst we await a funding decision.

There are multiple rooms where the heating has failed and is not repairable. The site has been provided with temporary heaters whilst we await the contract award decision.

If progression is not expedited, the contractor has confirmed increased costs to Contract Two if the contract is not awarded before 20th February 2023. The proposal is to seek approval of the decision at the Strategic Estate Board on 10<sup>th</sup> February 2023 and note the recommendation and decision at the Strategic Board on 1<sup>st</sup> March 2023.

## **14. Governance Boards**

PFCC Strategic Board – 18<sup>th</sup> March 2021 (Signature dates) – DR 027-21

PFCC Strategic Board – 8<sup>th</sup> March 2022 – DR 022-22

PFCC Strategic Board – 11<sup>th</sup> March 2022 – DR 094-22

Estates Change Board – 13<sup>th</sup> January 2023

COG – 8<sup>th</sup> February 2023

PFCC Strategic Estates Board – 10<sup>th</sup> February 2023

PFCC Strategic Board – 1<sup>st</sup> March 2023

## **15. Links to Future Plans**

This proposal is linked to future disposal of Stanway RPU and South Woodham Ferrers as aligned to our disposals ambition.

## **16. Background Papers and Appendices**

### **Appendix A**





## Appendix B



## Appendix C



## Background papers

Decision Report PFCC/027/21  
Decision Report PFCC/022/22  
Decision Report PFCC/094/22





**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: 24 February 2023

Chief Financial Officer

Sign: 

Print: Janet Perry

Date: 01 March 2023

**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)

None

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:

Details within the appendices are operationally sensitive not for publishing.

Date redaction carried out: 15th March 2023

**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/Deputy PFCC**

**Date signed: 15<sup>th</sup> March 2023**

I do not agree the recommendations to this report because:

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

Sign:

Print: