

## PFCC Decision Report

<b>Report reference number:</b> PFCC/092/23 <b>Classification</b> OFFICIAL
<b>Title of report:</b> Contract Three Award – Boreham External Refurbishment (7F-2021-P064)
<b>Area of county / stakeholders affected:</b> Force-wide
<b>Report by:</b> Patrick Duffy – Head of Estates Olubusola Shotunde – Senior Category Manager - 7 Force Commercial Services Jo Putt – Project Manager – Estate Services Department  <b>Chief Officer:</b> DCC Andrew Prophet  <b>Date of report:</b> 2 <sup>nd</sup> June 2023  <b>Enquiries to:</b> olubusola.shotunde@kent.police.uk / jo.putt@essex.police.uk

### 1. Executive Summary

This decision report outlines the procurement process and recommended contract award for the external refurbishment of Boreham C Block identified as Contract Three.

### 2. Recommendations

The recommendation is that the PFCC executes the attached JCT D&B 2016 contract as a Deed under seal for the external refurbishment of Boreham C Block, following the completed procurement process using the Essex County Council Framework 2, for the value of £998,748.

Funding of £3,159,000 was approved for this project under decision PFCC/011/23. The award of Contract 3 at the value within the above recommendation is within the total programme budget.

### **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.

We have recently completed the installation of two modular buildings to facilitate specialist drying facilities and house lockers (Contract One).

We commenced the internal refurbishment of C Block on 15<sup>th</sup> May 2023 (Contract Two).

Following a recent Stock Site Condition Report, to ensure our sites are fit for the purpose of operational policing, several maintenance and compliance items require completion in advance of the 2023/24 Strategic Plan. If supported by governance, it is anticipated the external works will commence immediately with a programme of six months (Contract Three). 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 via decision report PFCC/027/21.
- Capital investment of £86,100 and one-off revenue of £5,000, totaling £91,100 was approved via decision report PFCC/022/22 for the specialist drying facility.
- The contract award of £654,580 was approved within decision 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. This was highlighted within the subsequent additional funding approved through DR PFCC/011/23.
- Contract Two and Contract Three Funding – Boreham Infrastructure MIP4 to the value of £2,025,000 was approved on DR PFCC/011/23.
- Contract Two Award of £1,495,000 – Boreham Internal Refurbishment (7F2021-P064) was approved on DR PFCC/011/23.

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

Contract Three will support the rectification of issues raised in the Condition Report ensuring the resilience of the fabric of the building including:

- 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

The space will then be suitable to accommodate officers from Stanway RPU and South Woodham Ferrers to support our disposals programme.

These items will provide improved energy efficiency thus reducing our carbon footprint. Following completion there are expected to be financial savings in the running costs of the building, however these cannot be quantified at this stage due to the nature of the project being designed and built. 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**

- Doing nothing is an option, but to take this approach and not improve the building fabric is likely, in the near future, to leave the building in a state where it cannot be occupied and used operationally. This is thus not considered to be a viable option.
- The preferred option is to undertake the recommended works. The Stock Condition Survey highlighted areas of the building that are either past their life expectancy or reaching their end. The work documented within this report is required to ensure our buildings are suitable to support operational policing. The original tender return for contract 3 was circa £1.5m, and a value engineering exercise has already been undertaken with the supplier to refine the scope of work, amend material selection and remove non-essential work.

## **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 Estates Strategy:

- Continue to improve our estate.
- Address 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 Boreham Infrastructure project (MIP4) is an amalgamation of several projects. It initially received approval as the Boreham C Block refurbishment, to which was added the specialist drying facility and now a wider refurbishment of C Block is included under the banner of Boreham Infrastructure (MIP4).

The overall capital funding requirement for the Boreham Infrastructure (MIP4) project is £3.159m. There is also a minor revenue budget requirement of £0.005m. Approval for the inclusion of these budgetary requirements has already been agreed through DR PFCC/011/23 and the budgets are approved and incorporated in the Medium-Term Financial Strategy (MTFS). The budgetary position is summarised as per the table below.

<b><u>Funding through the approved capital programme</u></b>			
<b>Project</b>	<b>Revenue budget £m</b>	<b>Capital budget £m</b>	<b>PFCC approval</b>
Boreham C Block		1.048	PFCC/027/21
Specialist drying unit	0.005	0.086	PFCC/022/22
Boreham infrastructure - MIP4		2.025	PFCC/011/23
<b>Total</b>	<b>0.005</b>	<b>3.159</b>	

*Note: Revenue budget is recurring & table rounded to '000*

Initial capital works for this project were undertaken through Contract 1, which has been completed. Works for Contract 2 are currently under construction. This decision report seeks approval to award Contract 3 at the value of £998,748 following the

conclusion of the procurement process. The summary contractual costs are included in the table below, setting out the budget position for the overall programme and that the award of Contract 3 remains within budget.

<b><u>Contract awards against the approved programme</u></b>			
<b>Contract</b>	<b>Contract number</b>	<b>Contract value £m</b>	<b>PFCC approval</b>
Two modular buildings	One	0.659	PFCC/094/22
Boreham C Block internal refurbishment	Two	1.495	PFCC/011/23
Boreham C Block external refurbishment	Three	0.999	Awaits
To be allocated	N/A	0.006	Awaits
	<b>Total</b>	<b>3.159</b>	

*Note: Table rounded to '000*

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 MTFs, 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 this contract award 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 planned improvements to access to the building.

## **13. Risks and Mitigations**

The roof has already failed and has been temporarily repaired whilst we await the contract signature.

If progression is not expedited, the contractor has confirmed there will be an eight week delay due to the requirement to place orders for the windows; this is due to a planned factory shutdown over Summer 2023. The proposal is to seek approval of the decision at the Strategic Estate Board on 5<sup>th</sup> June 2023 and note the recommendation and decision at the Strategic Board on 21<sup>st</sup> June 2023.

## **14. Governance Boards**

PFCC Strategic Estates Board – 5<sup>th</sup> June 2023  
PFCC Strategic Board – 21<sup>st</sup> June 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** - Reg 84 - OFFICIAL SENSITIVE (*not for publishing*)



Reg 84 Report -  
Signed.pdf

**Appendix C** - JCT Design & Build 2016 Contract – OFFICIAL SENSITIVE (*not for publishing*)



Boreham\_C\_Externa  
l\_Refurbishment\_D8

**Appendix C** – Decision Report PFCC/011/23 - OFFICIAL 011-23-Boreham-C-Block-v0.5-signed\_Redacted.pdf (pfcc.police.uk) (*already published*)

**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: 2 June 2023

Chief Finance Officer

Sign:

Print: Janet Perry

Date: 06 June 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)

Subject to redactions, 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

2. Of Appendix?

YES

NO

NO

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

The Regulation 84 contains commercially sensitive information so is not to be published.

Contracts are marked Official Sensitive and not for publishing.

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: .....

**Chief Executive / Chief Finance Officer**

**Decision and Final Sign Off**

I agree the recommendations to this report:

Sign:



Print:

R.C. Hesel

**PFCC/Deputy PFCC**

Date signed:

8 June 2023

I do not agree the recommendations to this report because:

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

Sign:

Print:

**PFCC/Deputy PFCC**

Date signed: