

PFCC Decision Report

Report reference number: PFCC/090/23

Classification: OFFICIAL

Title of report: Capitalised Maintenance Programme 2023/24

Area of county / stakeholders affected: Force-wide

Report by: Patrick Duffy – Head of Estates

Chief Officer: DCC Prophet

Date of report: 2nd June 2023

Enquiries to: Patrick.Duffy@essex.police.uk

1. Executive Summary

Since 2015 Estate Services has had a rolling programme of capitalised maintenance works. This is to ensure that key buildings receive the investment required to remain operational and fit for purpose to deliver our policing services.

The capitalised maintenance programme will continue on from that carried out over previous years in addressing areas of fire safety, asbestos abatement, replacement of obsolescent plant and equipment, statutory electrical services upgrades, and improving accessibility and maintaining the external fabric of our estate.

This decision report seeks approval of funding allocated within the capital programme and MTFS for 2023/24 of £1.325m in order to undertake the next phase of plant replacements and building improvements.

2. Recommendations

The recommendation to the PFCC is to proceed with approval of £1,325,000 for the 2023/24 capitalised maintenance programme.

3. Background to the Proposal

As part of the overarching transformation programme, the Estate Strategy outlines areas of significant estate investment. This is aimed at reducing the number of sites and sharing facilities with partners wherever possible to make the force's property estate fit for the future. The programme is reducing the number of police stations and buildings, many of which are aging and costly to maintain, in favour of modern, fit for purpose buildings strategically placed around Essex.

A key strand of this programme involves an ongoing investment of capital expenditure into our existing building stock to address essential back log maintenance items. The Essex Police estate had little improvement investment over the 10-15 years preceding the programme, as well as minimal investment in essential planned building maintenance beyond our statutory obligations causing emergency repair work to ever increase 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 staff and officers of Essex Police. These projects are prioritised against one another but are vital to ensure the estate is maintained appropriately and its value preserved.

The Estates Strategy 2018-2023 highlights the necessity 'to address urgent health & safety issues'; 'replace failing building components to improve resilience' and 'improve the current estate where it fails to meet the current minimum legislative and policy standards.' This programme of work will incorporate various projects which address these requirements and therefore support the strategy and future of the police estate.

4. Proposal and Associated Benefits

The funding will facilitate the continuation of an estate transformation across the county. This particular decision addresses urgent health and safety and resilience issues relating to the existing building stock, as well as making provision to replace outdated staff facilities. The funding prevents loss of buildings by ensuring there is sufficient funding available to replace failing components and plant.

The next block of capitalised maintenance will continue on from that carried out over the last two years in addressing areas of fire safety, asbestos abatement, replacement of obsolescent plant and equipment, statutory electrical services upgrades, improving accessibility and maintaining our estate from a wind and waterproof perspective.

5. Options Analysis

Do Nothing – The proposal addresses essential back log maintenance. Doing nothing is not an option as the back log maintenance will continue to increase creating further problems across the estate and property portfolio. The programme aligns with and compliments the estate strategy.

6. Consultation and Engagement

Consultation and engagement will be undertaken as required for individual projects that make up the programme. There is no consultation required as part of this decision report.

7. Strategic Links

The capitalised maintenance programme aligns to the Estate Strategy and MTFS.

8. Police operational implications

There are no direct operational implications arising from the decision report.

9. Financial implications

The expenditure has been incorporated into the overall capital programme and MTFS.

This decision report is for the 2023/24 capitalised maintenance programme, seeking approval for funding in 2023/24 with expenditure of £1.075m falling into 2024/25. The budget requirements to deliver the 2023/24 capital maintenance programme are £0.250m for 2023/24 and £1.075m for 2024/25 with the total funding requirements of £1.325m as detailed in the table above.

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 in year one, these costs will equate to the capital investment value of £1.325m 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 £2.219m, incorporating both the MRP and interest elements.

10. Legal implications

There are no legal implications arising from the decision report and approval of funding.

11. Staffing implications

There are no staffing or resource implications arising from capitalised maintenance programme and this decision report.

12. Equality, Diversity and Inclusion implications

There are no equality and diversity implications arising from this decision report. It is not considered that an Equality Impact Assessment is required for this capital investment programme.

The funding will however enable improvements to building accessibility and implementation of our diversity procedures where the work is required and classed as capitalised maintenance.

13. Risks and Mitigations

There are no direct risks associated with the decision report. Each of the individual projects within the programme will be managed through the force risk management system as appropriate.

If the decision report is not approved there will be insufficient funding to address aging and failing plant and equipment. This will also impact on proactive replacement of critical equipment impacting on frontline operational policing.

14. Governance Boards

- Estate Change Board – 12th April 2023
- Chief Officer Group – 31st May 2023
- Estate Strategic Board – 5th June 2023
- Strategic Board – 22nd June 2023

15. Links to Future Plans

The capitalised maintenance programme aligns to the Estate Strategy.

16. Background Papers and Appendices

Appendix 2 - Estate Strategy – OFFICIAL (*already published*)

<http://www.essex.pfcc.police.uk/finance-reporting/publications/police-estates-strategy/>

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	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>

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

None

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?	YES	<input type="checkbox"/>	2. Of Appendix?	YES	<input checked="" type="checkbox"/>
	NO	<input checked="" type="checkbox"/>		NO	<input type="checkbox"/>


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

Appendix 1 contains operationally sensitive information and is not for publication.

Date redaction carried out: 30/06/2023

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.

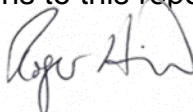
Sign: 

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

Date signed: 30/06/2023

I do not agree the recommendations to this report because:

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Sign:

Print:

PFCC/Deputy PFCC

Date signed: