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COMISIYNYDD
HEDDLU A THROSEDDU
DYFED-POWYS
POLICE AND CRIME
COMMISSIONER

REPORT / SUMMARY DECISION SHEET

PURPOSE: COMMISSIONER DECISION

Timing: Urgent – before the start of the 2018/19 financial year

Title: Capital Strategy 2018/19 – 2023/24

Category of Decision / Business Area Impact: Finance

Executive Summary:

This document sets out the PCC's Capital Strategy for 2018/19 – 2023/24 following scrutiny at the Joint Audit Committee meeting of the 19th March 2018.

Police and Crime Commissioner for Dyfed-Powys

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Nolan Principles for Conduct in Public Life.

The above request has my approval.

Signature:

Date: 19th March 2018



COMISIYNYDD
HEDDLU A THROSEDDU
DYFED-POWYS
POLICE AND CRIME
COMMISSIONER



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Diogelw ein Cymuned - Safeguarding our Community

PURPOSE: For the Joint Audit Committee

Timing: The Capital Strategy must be in place by 1st April 2018

Title: Capital Strategy 2018/19 – 2023/24

Category of Decision / Business Area Impact: Statutory Requirement - Finance

Executive Summary:

This Capital Strategy sets out the principles that underpin the production of the Police and Crime Commissioner's forward capital programme. It shows how capital investment contributes to the delivery of the Police and Crime Plan by the Commissioner and the Chief Constable.

Recommendation:

The Joint Audit Committee to consider the Capital Strategy 2018/19 – 2023/24.

Report of Chief Finance Officer (PCC) to the Joint Audit Committee

Capital Strategy

1 Introduction

1.1 This Capital Strategy sets out the principles that underpin the production of the Police and Crime Commissioner's (Commissioner) forward capital programme. It shows how capital investment contributes to the delivery of the Police and Crime Plan by the Commissioner and the Chief Constable (CC).

1.2 The priorities for policing in the local area are detailed in the Police and Crime Plan (PCP). This document is compiled by the PCC in consultation with the CC. The priorities take account of the views of local people and partners as well as the Commissioner's priorities as the elected representative. The Commissioner published his PCP on 31st March 2017. His priorities are:

- Priority One: Keeping our communities safe;
- Priority Two: Safeguarding the vulnerable;
- Priority Three: Protecting from serious harm;
- Priority Four: Connecting with communities.

1.3 The Commissioner and CC also take account of Strategic Policing Requirements issued by the Home Secretary. The CC is responsible for supporting the Commissioner in the delivery of the priorities set out in the PCP and has developed a Police & Crime Delivery Plan to support the PCP. His operational delivery, performance monitoring frameworks and financing decisions focus on these priorities. Five key delivery principles will support the PCP:

Priorities	Delivery Principles
Keeping our communities Safe	Delivering value for money
Safeguarding the vulnerable	Public engagement
Protecting our communities	Working together
Connecting with communities	Supporting victims
	Strong leadership

1.4 The Capital Strategy is a tool to support planning and corporate working across the two Corporations Sole. It also helps us use and manage our assets well. The Capital Strategy shows how we

prioritise, monitor, deliver and evaluate our capital programme using the basic principles of the project methodology (PRINCE 2).

- 1.5 Dyfed Powys is geographically the largest police area in England and Wales covering over half the landmass of Wales. It is particularly affected by the challenges associated with policing a largely rural area which includes two significant Ports, the major installations at Milford Haven and a vibrant tourist industry. Capital Assets, whether Police Stations, Police Houses, Radio Masts, Vehicles or IT and Other equipment play a vital role in the delivery of policing services across the area and in terms of delivering Police and Crime Plan priorities.

2 Key Partnerships

- 2.1 In delivering each element of the strategy, the Commissioner plans to take due account of the continuing collaboration agenda and will take every opportunity to engage with neighbouring forces and other constituent Authorities in developing strategies to counter common problems. This Capital Strategy takes account of the continuing need to invest in these key priority areas working with partners in the future.

3 Capital Programme

- 3.1 Assets are vital to the delivery of efficient services and should be well managed and maintained. Strategies for Estates Management, IT and Vehicle replacements underpin the Capital Strategy in providing the details for the longevity and the optimum replacement cycles for these items. The current capital programme included as Appendix A to this document is based on a range of needs information.
- 3.2 The Commissioner holds the CC to account for delivering services cost effectively. This involves reviewing existing spending and decision-making processes as well as looking at additional opportunities to improve services provided to the public and ensuring value for money for the future.
- 3.3 The Capital budget outlined in Appendix A is contributing to cashable efficiencies in the future delivery of policing in the Dyfed Powys area in the following ways:
 - A reduction in revenue expenditure through a programme of potential buildings refurbishments and rationalisation as outlined in the estates strategy;
 - Ensuring that planned building maintenance is prioritised on the basis of risk and statutory compliance;
 - Centralisation of custody in Carmarthenshire;
 - Through the delivery against the Digital Policing Strategy and Roadmap which entails investing in mobile data, digital policing and continued investment in IT systems and ANPR

technology to maintain productivity and performance levels;

- Ensuring that opportunities for collaboration and sharing of buildings and other assets continue to be explored.

3.4 Critical to this is a prioritised update of the estate including provision for improving custody facilities in Carmarthenshire which is expected to cost in the region of £8.0m. The project is seeking to deliver an 18 cell complex with ancillary office accommodation and Police station facilities on the outskirts of Llanelli. The project is currently at design Royal Institute of British Architects (RIBA) stage 3 which in principal denotes preparing and issuing the proposed design for planning with aligned site ecological and geotechnical surveys which will progress during spring 2018. Subject to ground condition surveys and planning approvals, the project timescales are envisaged to be 18 to 20 months with public consultation planned for early summer with construction commencing in early 2019.

3.5 Significant refurbishment works to other stations around Dyfed Powys and across all four counties will amount to a further £7.8m over the next 6 years. Due to the deteriorating condition of the existing facility in Brecon, provision of £4m has been included for a potential collaborative opportunity. Discussions are ongoing and this Project is currently at the early investigation / business case stage.

3.6 In addition to this, there will be a rolling custody upgrade programme and a continuing planned maintenance programme funded from revenue spending of just over £1m. Custody upgrades have been carried out to date in a phased approach based on risk and include the replacement of toilet and hand wash facilities, low level cell privacy wall removal, CCTV upgrades, fabric/additional ligature point improvements and other corrective actions as identified during HMIC audits. Work at a number of facilities have already been completed with a programme to cover the remaining sites. Condition surveys have been carried out across the whole estate determining the level of investment required at each location by each sub fabric element, based on risk aligned to condition of fabric and risk to the occupant. This has resulted in an informed decision making process on what scope of work to carry out and in what timescale. This level of information has also informed the Estates Strategy determining which properties to retain and where future moves and accommodation changes need to be planned.

3.7 The Commissioner has procured the support of external consultants to lead and manage these works which are being undertaken in fives packages. The work is now in its third phase called Regional work with the first package of boiler works and second package of urgent works both being essentially complete. The remaining packages are the territory package (excluding Powys), Powys territory works and Carmarthen Headquarter works. Prioritisation of

the works within the future packages are currently being reviewed and aligned with operational priorities and business continuity risk to the business.

- 3.8 The capital budget supplements a centralised revenue budget for planned and cyclical major buildings works which are programmed based on risk and future strategies for each building. Revenue resources are also held and managed locally for smaller scale repairs, upkeep, and maintenance initiatives/programmes. Investment has been prioritised within the capital programme to achieve efficiencies and reap reductions in revenue expenditure within the estate. A number of procurement arrangements will also be reviewed during 2018 to ensure the efficient and effective use of resources in maintaining the estate.
- 3.9 In relation to Fleet, telematics devices have been fitted into the Forces' vehicles during the course of 2017/18. This provides the Force with real time fleet utilisation and driver behaviour data which will be used to determine operational fleet deployment, locations and operational driver training requirements from 2018/19. An initial replacement programme has been developed and the cost implications are included in the forward capital plan.
- 3.10 A Strategic Fleet Management Group meets quarterly to provide overall governance and operational assurance which in turn reports into a Joint Assets Board. Vehicle requirements are considered in detail at the vehicle user group which is attended by operational and support representatives. The Force continues to utilise the National Framework agreement to procure operational vehicles. Currently the replacement programme is on target to fully spend the budget for the 2017/18 financial year. The Force is actively pursuing workshop and procurement collaboration opportunities and is fully engaged with the National Police Chief's Council work in relation to fleet efficiency and collaboration.
- 3.10 The Force has a Digital Policing Strategy Document which covered the period up until 2017/18 is now being updated. This updated document will set out the IT Strategy for the Force for the period 2018/19 to 2023/4.
- 3.11 The Force has been prioritising the implementation of a new Wide Area Network which is a prerequisite for the delivery of a new CCTV infrastructure across the four counties. It is also needed to support increased data flows which are occurring in relation to body worn cameras and new digital policing requirements such as the provision of digital evidence and case files. The Force has also needed to invest in replacing circuitry, switches and infrastructure in order to ensure compliance with data security and business continuity requirements.
- 3.12 The Force has continued to roll out digital capabilities via its Mobile Terminals which are carried by Police Officers and Police Community

Support Officers and to date some 29 policing processes can be completed on the devices. The aim of this project has been to improve visibility and process efficiency. The Force has also expanded its capacity in relation to fixed and mobile Automatic Number Plate Recognition (ANPR) with a focus on more rural parts of the Force area. Significant investment has also been made in relation to Cyber and Digital Crime capabilities in relation to ICT infrastructure.

3.12 The forward capital strategy takes account of National Programmes of work that are being taken forward by the National Police Chief's Council. There are some 17 schemes being taken forward nationally including the following:

- National Law Enforcement Database programme which will replace the Police National Computer and database,
- Digital Public Contact – which is seeking to standardise web enabled processes across policing,
- Digital First – which is seeking to facilitate video enabled justice and digital prosecution files nationally,
- Digital Investigations and Intelligence – a programme looking to enable digital crime prevention and detection
- A National ANPR Service
- An enabling Programme to introduce Office 365 productivity tools, National Identity Management and Cloud Storage as well as a National Security Operations Centre to respond to cyber threats
- Emergency Services Mobile Communications Programme to replace the existing Airwave radio system
- Home Office Biometrics

3.14 The Force is actively considering its own internally developed suite of operational systems and is assessing this against commercially available Records Management Systems. This work will influence the longer term development of ICT within the Force and will result in a prioritised development or implementation plan. It is envisaged that the work underway in relation to CCTV, the Wide Area Network, improvements to the call handling services as well as those underway to improve infrastructure in terms of data security and business continuity will be completed during the 2018/19 financial year which will leave the Force capacity to capitalise on the benefits of Nationally enabled programmes and activities as well explore some more innovative technology options such as artificial intelligence, facial recognition and augmented reality technology etc. during the latter part of the developing plan.

4 Capital Requirements and Resources

4.1 There has been a significant reduction in core capital funding allocated by the Home office over recent years. In 2018/19 a total capital grant of £318K will be available for the Commissioner. In addition, central funding will be available to part fund the ESMCP

programme, although £2.5million of the future costs of this programme will fall on the Commissioner to fund.

The Commissioner and Chief Constable have prioritised investment in the capital programme towards strategic priorities, unavoidable spending and towards areas that reduce future revenue expenditure.

- 4.3 As part of his integrated service and financial planning arrangements, the Commissioner estimates the level of capital resources available for subsequent years in order to draw up a forward capital programme.
- 4.4 An outline capital programme was approved by the Commissioner and the Police & Crime Panel in January 2018. The total approved capital programme for 2018/19 to 2023/24 was £36.153 million. Full details of the capital programme are included within Appendix A.
- 4.5 In order to meet future capital investment requirements and mitigate the reductions in capital grant funding, the medium term financial plan and capital programme include revenue contributions to capital from 2019/20 and also external borrowing requirements to support the Carmarthenshire Custody development and other infrastructure developments.
- 4.6 The profiled level of capital investment and external resources are also used to calculate the budget for investment income and both short and long term borrowing. The strategy also feeds into the considerations that the Commissioner makes annually in setting prudent sustainable and affordable borrowing levels and indicators. These are considered alongside investment considerations separately under the prudential code.
- 4.7 In addition to their own capital programme, the Commissioner and CC work with partners and the Home Office to secure additional capital and revenue resources to further partnership and transformational objectives. These are dealt with through complementary processes. The resources levered in are not included in the capital programme unless they form part of a direct Dyfed Powys Police led project. Innovation and transformation fund bids will also be considered to bolster further capital projects in future years.

5 Identifying and Prioritising Capital Projects

- 5.1 The attached capital programme has been prioritised by the Force Chief Officer Group which appraises requirements against strategic priorities. The processes recognise the varying scale and complexity of capital projects and incorporate a proportionate approach to capital project appraisal, monitoring and evaluation.

- 5.2 The Commissioner manages his capital strategy operationally through the Policing Board, which oversees the major change projects for both capital and revenue. In addition as part of the changes being implemented to the Corporate Governance arrangements of the Force, the Joint Assets Board will support delivery and monitor specific programme risks. Detailed implementation work is assigned to key individuals and overseen by the Strategic Estates and Vehicle User Groups or a specific Project Board.
- 5.3 Major projects are managed in accordance with project management best practice in terms compliance with PRINCE 2 project methodology. Links have been established between benefits management on key projects, efficiency planning and costing information.
- 5.4 The Capital project proposals are considered and prioritised with reference to a business case and are considered against the following factors:
- Strategic importance - how the bid supports the Commissioner's priorities and wider national and regional priorities;
 - The outcomes that will be achieved and the specific benefits and impacts;
 - Sustainability – whether costs are realistic and the level of future revenue implications;
 - What options have been considered?;
 - What other funding sources may be available;
 - The degree to which the proposals support partnership working.

Prioritisation is then made, based on four categories, which are listed below in order of priority:

- Unavoidable (statutory, contractual or tortious liability);
- Corporate Priority (relating directly to the Corporate Aims and priorities for improvement);
- Service Priority (meeting stated service priorities);
- Other (payback, invest to save, leverage of external funding etc).

Lower priority projects which cannot be delivered within available resources can only be considered and undertaken if additional resources or an under-spend on the approved capital programme is identified during the year.

6 Implementing and Monitoring Capital Projects

- 6.1 Progress against capital schemes is reported on at least a quarterly basis to the Policing Board and the Force Executive Board.
- 6.2 Following approval of the capital programme, a project manager and a user representative is identified for each capital project. The project manager is responsible for managing the project implementation and delivering its objectives. For all projects within the capital programme an officer is identified as project sponsor.
- 6.3 The user representative is responsible for representing users and customers and for defining the quality requirements. Both roles reflect the underlying principles of the PRINCE 2 project management methodology. The project manager produces a project plan for approval. Progress against the project plan is reported to the Programme Management Board and Project Sponsor.

7 Evaluating Completed Capital Projects

- 7.1 Once projects have been completed the project manager completes a post implementation review for the major capital projects. This includes identifying at what stage the post project review will be carried out. The post project report is reviewed by the Joint Assets Board and escalated to the Policing Board if required.
- 7.2 To evaluate the actual success and outcomes of capital projects a post project review is also carried out. The depth of this review is proportionate to the scale of the project and the benefits set out in the initial Project Initiation Documentation.
- 7.3 This review is in effect a check of performance against the original proposal. It focuses on the outcomes achieved, the extent to which the benefits claimed are being realised, the actual costs, both revenue and capital, and the impact of other funding and partnership working. Dyfed Powys can then use this information to learn lessons and make any improvements identified during project implementation.
- 7.4 The ongoing success of projects is monitored through a number of mechanisms such as officer feedback, public consultation and customer feedback.

8 The Disposal of Assets

- 8.1 The Commissioner and Chief Constable recognise the need to dispose of surplus or unsuitable assets to help achieve its corporate aims and deliver its capital programme and the detailed process for disposal of assets is included in the Corporate Governance Framework. A number of properties were disposed of during 2017/18 with plans to market further redundant properties in due course.

9 Revenue Implications of Capital Investment

9.1 Particular attention has been paid to on-going revenue costs stemming from capital projects within the appraisal process. All potential capital bids identify ongoing revenue costs and consider how these can be met. Once approved, revenue costs stemming from capital schemes including any prudential borrowing requirements are built into the medium term financial plan.

10 Conclusion

10.1 This Capital Strategy considers all aspect of capital management and sets out the methods for assessing capital projects and assets. The strategy should be read in conjunction with the detailed Estates and IT Strategies and annual Vehicle Replacement Plan.

11. Impact Considerations

Implication	Impact Considered (Yes/No)	Impact Identified
Legal	YES	None
Contribution to Police and Crime Plan	YES	As identified in Report
Risk Analysis	NO	Assessed at each project level as they progress
Equality	NO	Assessed at as each scheme progresses
Human Rights	YES	None
Children & Young People	YES	None
Environmental and Sustainability	YES	As identified in Report
National Park	YES	None
Media	NO	Media Strategy around publication needs to be considered by OPCC

12. Appendices

Appendix A – Detailed Draft Capital Programme

13. Contact details

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14. Public Access to Information

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Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) including the exemptions set out within the Act and other relevant legislation. Where the exemptions or other restrictions are applicable, this form will be edited prior to being made available on the OPCC website within 5 working days of consideration by the Policing Board.

15. Officer Approval

Chief Finance Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this an appropriate request to be submitted to the Policing Board

Signature

A handwritten signature in black ink, appearing to be 'B. J.', written over a horizontal line.

Date 12/3/2018

6. Capital Programme 2017/18 to 2023/24

	2017/18	Revised Year end Out-turn 2017/18	Revised Budget 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	New Scheme Total
	£	£	£	£	£	£	£	£	£
Estates Projects									
Lanelli Custody Programme	3,000,000	0	3,500,000	3,500,000	1,000,000	0	0	0	8,000,000
Recurring Custody Spending	100,000	0	300,000	150,000	150,000	150,000	150,000	150,000	1,050,000
OPCC Estates Strategy Group Works	2,500,000	1,915,500	1,884,500	1,000,000	2,200,000	2,200,000	400,000	200,000	7,884,500
Planned Maintenance Programme	90,189	0	0	0	0	0	0	0	0
Further Phase - HQ Refurbishment	100,000	0	0	0	0	0	0	0	0
Total Spending	5,790,189	1,915,500	5,684,500	4,650,000	3,350,000	2,350,000	550,000	350,000	16,934,500
Vehicles									
Vehicle Replacement Programme	972,000	987,792	953,208	962,000	975,000	1,050,000	1,050,000	1,050,000	6,040,208
Boat Replacement Programme	0	0	0	0	120,000	0	0	0	120,000
	972,000	987,792	953,208	962,000	1,095,000	1,050,000	1,050,000	1,050,000	6,160,208
Major ICT Projects									
CCTV Project	500,000	140,000	910,000	400,000	0	0	0	0	1,310,000
Wide Area Network Project	150,000	676,418	131,000	0	0	0	0	0	131,000
RMS Project / National Programmes	50,000	0	150,000	100,000	100,000	100,000	100,000	100,000	650,000
Emergency Services Network (Airwave Replacement)	215,000	100,000	260,667	442,621	1,000,000	553,839	7,831	230,386	2,495,343
Public Service Network Compliance - Hardware	190,000	190,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Mobile Data - Device Replacement / End of Life	150,000	150,000	326,250	217,500	150,000	150,000	150,000	150,000	1,143,750
Digital Interview Recording -- End of Life Replacement	40,000	10,000	300,000	0	0	10,000	0	0	310,000
Body Worn Video - Device Replacement/ End of Life	40,000	5,623	0	0	0	200,000	0	0	200,000
Telematics Project	25,000	0	25,000	0	0	200,000	0	0	225,000
IP999 Upgrade - CISCO End of Life Products	240,000	240,000	0	0	0	0	400,000	0	400,000
In-Car Video	0	0	250,000	0	0	0	0	250,000	500,000
Central Data Information Store	0	0	0	100,000	0	0	0	100,000	200,000
Programme Developers / Technicians	70,000	70,000	100,000	100,000	100,000	30,000	0	0	330,000
	1,670,000	1,582,041	2,502,917	1,410,121	1,400,000	1,293,839	707,831	880,386	8,195,093
Recurring ICT Capital Requirements									
Disaster Recovery	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Crime Integration / Storm / PNC Audit / Interface	50,000	44,750	55,250	50,000	50,000	50,000	50,000	50,000	305,250
Core ICT Desktop Replacement Programme	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	450,000
Server - Replacement programme	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	450,000
Storage & Backup Capacity	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Airwave - Handset Replacements @ End of Life	50,000	14,922	85,078	75,000	0	0	0	0	160,078
Firewall Replacements	0	0	0	50,000	0	0	50,000	0	100,000
	400,000	359,672	440,328	475,000	350,000	350,000	400,000	350,000	2,365,328
Cyber Crime Storage / Equipment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Ad Hoc Operational Equipment (Capital >£6K)	100,000	99,996	100,004	100,000	100,000	100,000	100,000	100,000	600,004
ANPR - Current Infrastructure Replacement	239,400	239,400	166,350	307,900	292,950	297,090	148,500	285,300	1,498,090
Digital Photography - Replacement	0	0	0	0	0	100,000	0	0	100,000
	389,400	389,396	316,354	457,900	442,950	547,090	298,500	435,300	2,498,094
	9,221,589	5,234,401	9,897,307	7,955,021	6,637,950	5,590,929	3,006,331	3,065,686	36,153,223
Funding Available									
Police Capital Grants	-318,000	-318,000	-318,000	-318,000	-318,000	-318,000	-318,000	-318,000	-1,908,000
Revenue Contribution to Capital	-300,000	-300,000	0	-512,425	-1,000,000	-1,500,000	-2,000,000	-2,500,000	-7,512,425
NPAS Capital (Panel)	-68,000	-68,000	-23,000	0	0	0	0	0	-23,000
Capital Receipts (Panel)	-1,500,000	-140,000	-2,000,000	-25,000	-25,000	-25,000	-25,000	-25,000	-2,125,000
Capital Reserves (15183)	-7,035,589	-4,408,401	-7,556,307	-3,218,292	0	0	0	0	-10,774,599
Total	-9,221,589	-5,234,401	-9,897,307	-4,073,717	-1,343,000	-1,843,000	-2,343,000	-2,843,000	-22,343,024
Borrowing - Llanelli	0	0	0	-3,455,050	-4,544,950	0	0	0	-8,000,000
Borrowing - Other	0	0	0	-426,254	-750,000	-3,747,929	-663,331	-222,686	-5,810,199
	-9,221,589	-5,234,401	-9,897,307	-7,955,021	-6,637,950	-5,590,929	-3,006,331	-3,065,686	-36,153,223
Total Annual Borrowing									
			0	3,881,304	5,294,950	3,747,929	663,331	222,686	
Cumulative Borrowing									
			0	3,881,304	9,143,910	12,739,440	13,190,447	13,193,291	12,973,403
Repayment @60 Yrs	0	0	0	32,344	152,398	212,324	219,841	219,888	
Interest @4% per annum	0	0	0	77,626	365,756	509,578	527,618	527,732	
	0	0	0	109,970	518,155	721,902	747,459	747,620	
Annual Increase			0	109,970	408,185	203,747	25,557	161	