

# **Dyfed Powys Police**

## **Capital Strategy**

**2012 to 2016**

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## **1 Introduction**

- 1.1 This Capital Strategy sets out the principles that underpin the production of the Authority's forward capital programme. It shows how capital investment contributes to the delivery of the Authority's strategic aims and objectives and how the capital programme is delivered in partnership with others.
- 1.2 The Capital Strategy is a tool to support planning and corporate working. 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).
- 1.3 Dyfed Powys Police is geographically the largest police area in England and Wales covering 2/3rds of 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 Force area.
- 1.4 The Police Force and Police Authority, aims to have to do more with the resources available to ensure they can deliver the best service to our communities. In setting priorities for the coming year they have listened to your opinions by consulting with the public on what the priorities are and taken direction from the Governments in Westminster and Cardiff. The capital strategy will be delivered by focusing on providing value for money and the delivery of priorities outlined in the policing plan
- 1.5 The Authority and Force have established measures to gauge success in the delivery of these priorities. These have been identified by the Force and targets have been set by the Authority to help drive improvement in each area. The Authority gives a clear commitment to the public under the Annual Policing Plan that Dyfed Powys Police and Police Authority will continue 'Safeguarding our Community'. The priorities for the forthcoming year will be:
  1. To tackle Anti-Social Behaviour in all its forms
  2. To tackle Drug related Crime
  3. To ensure we protect the public and deal with serious criminality
  4. To ensure that the public can access services when they need them

## **2 Key Partnerships**

- 2.1 In delivering each element of the strategy, Dyfed Powys Police will 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 Dyfed Powys Constabulary recognises that all assets are vital to the delivery of efficient services and that they should be well managed and maintained. Strategies for Estates Management, IT and Vehicles underpin the Capital Strategy in providing the details for the longevity of these items. The current capital programme included as Appendix A to this document is based on a range of needs information.
- 3.2 The realities of the funding position are now clear following the announcement of the provisional settlement. A 20% reduction in revenue grants over the period 2010-11 to 2014-15 and some 40% in capital over the current two years will be extremely challenging. There is uncertainty pertaining to the funding position beyond 2012/13 and this has resulted in some strategic developments being delayed until the position becomes clearer.
- 3.3 The Capital budget outlined in appendix A is contributing to the future delivery of cashable efficiencies in the following ways;
- ◆ A reduction of £1.215 million in capital scheme expenditure planned for the period
  - ◆ A reduction in planned maintenance and potential additional sale proceeds through a programme of potential buildings rationalisation as outlined in the estates strategy
  - ◆ Ensuring that planned building maintenance is prioritised on the basis of risk and statutory compliance
  - ◆ A target reduction in the number of vehicles and better procurement through the Home Office fleet contract
  - ◆ Centralisation of custody in Carmarthenshire
  - ◆ Through a controlled roll out of mobile data and continued investment in IT systems and ANPR technology to maintain productivity and performance levels
  - ◆ By prioritising energy consumption reduction / generation schemes
  - ◆ Ensuring that opportunities for collaboration and sharing of buildings continue to be explored
- 3.4 Critical to this is a prioritised update of the Strategic Estate with the focus on improving operational facilities at the main larger police stations. The plan includes provision for the implications of the Estates Review to cater for improvements in custody and accommodation facilities particularly in Carmarthenshire. It also incorporates a provision for a new station at Llandrindod Wells and for the completion of the Strategic Command Centre project, one of three in Wales, utilising Assembly Strategic Capital Investment Fund (SCIF) monies. This builds upon major developments already undertaken in recent years at Haverfordwest, Cardigan, Newtown, Brecon and Aberaeron.
- 3.5 Austerity measures and reductions in funding have necessitated a rigorous prioritisation of planned capitalised maintenance and repairs. Within the budget it has not been possible to fund the totality of the £5.1 million planned 10 year maintenance programme referred to in the estates strategy in full.

Minor Buildings work included in the programme focus on statutory compliance issues and addressing the highest risk maintenance issues only.

- 3.6 The capital budget supplements a central revenue budget held by the Estates Department in respect of planned and cyclical major buildings works and revenue resources held and managed locally in Divisional budgets available for smaller scale repairs, upkeep, and maintenance initiatives / programmes. Diverting less essential maintenance and earmarked reserves towards significant maintenance issues may also need to be considered should any further issues emerge during the course of the plan. This position will continue to be monitored.
- 3.7 In terms of vehicles, Chief Officers have set a target reduction in vehicles of 10% over coming years. The Force is developing a replacement Programme around this and the cost implications are included in the forward capital plan. Vehicle requirements are considered in detail at the Force vehicle user group which is attended by operational and support representatives from the Force however the Force will continue to utilise the National Framework agreement to procure operational vehicles.
- 3.8 A modest recurring equipment budget is also included as part of the capital programme with the aim of reducing the impact of larger purchase requirements on revenue budgets. A bidding mechanism will be used for the allocation and use of this funding.
- 3.9 The IT Strategy includes provision for the roll out of mobile data and ANPR capabilities. It also caters for the replacement of Force desktop IT and servers on a replacement basis rather than a scheduled basis thus ensuring that capital investment in IT contributes to finding funding reductions.
- 3.10 This Capital Strategy therefore shows how assets will be maintained and developed as well as supporting service delivery and improvements in line with its corporate aims.

## **4 Capital Requirements and Resources**

- 4.1 The realities of the funding position are now clear following the announcement of the provisional settlement. A 20% reduction in revenue grants from 2010/11 to 2014/15 and some 40% in capital grant over recent years will be extremely challenging. There is uncertainty pertaining to the funding position beyond 2012/13 and this has resulted in some strategic developments being delayed 2013/14 until the position becomes clearer.
- 4.2 As part of its integrated service and financial planning the Constabulary estimates the level of capital resources available for subsequent years. It also estimates the level available for the following four years in order to draw up a forward capital programme.
- 4.3 The capital programme shown in Appendix A also shows available resources and this fully reflects government grant reductions announced to date. The

following table shows the scale of reductions in expenditure included in 2012 plan compared to the Programme approved in February last year (2011).

	<b>£'000</b>		
	<b>Feb 11</b>	<b>Feb 12</b>	<b>Change</b>
<b>Schemes Unaltered</b>	<b>34,192</b>	<b>34,192</b>	<b>0</b>
<b>Reduced Spending 11-12 to 14-15</b>			
Firearms Hubs / Training	2,650	165	-2,485
Strategic Command Centre	10,300	8,600	-1,700
Air Support Unit Pembrey	1,660	1,541	-119
Vehicles Reductions	7,370	7,240	-130
Project Costs / Business Change	375	300	-75
Planned Maintenance High Risk	680	680	0
System Replacement Storage	1,000	790	-210
Equipment Replacement Budget	1,130	1,101	-29
Mobile Data	2,658	2,358	-300
Capital Contingency	832	450	-382
	<b>28,655</b>	<b>23,225</b>	<b>-5,430</b>
<b>Additional Spending 11-12 to 14-15</b>			
VMU Roof Costs	170	185	15
Police Station Refurbishment	1,379	2,879	1,500
Enhanced Emergency Calls/Telephony	410	450	40
System upgrade-PEACE (HO funded)	0	30	30
Airwave Replacement Programme	2,867	3,052	185
ANPR	1,838	1,913	75
	<b>6,664</b>	<b>8,509</b>	<b>1,845</b>
<b>Expenditure for 2015/16</b>			
Vehicle Replacement Programme	0	750	750
Equipment / Airwave / ANPR	0	240	240
Police Station Refurbishment	0	500	500
Systems Replacement / Storage	0	210	210
Contingency	0	135	135
Project Costs / Business Change	0	75	75
Mobile Data (Grant Funded)	0	300	300
HQ Refurbishment / Bedrooms	1,438	1,518	80
Server / IT Replacement	1,205	1,285	80
	<b>2,643</b>	<b>5,013</b>	<b>2,370</b>
<b>Total</b>	<b>72,154</b>	<b>70,939</b>	<b>-1,215</b>

- 4.4 Through rigorous prioritisation, the Capital Programme outlined in Appendix A is fully funded through Home Office Grant, Capital Reserves, borrowing, the sale of assets and direct funding from revenue and reserves.
- 4.5 The reductions in expenditure result in a reduction in prudential borrowing requirement from £9.5 to £7.7 million. The Authority can meet the further capital grant reductions announced in December 2011.

<b>Capital Financing</b>	<b>£'000</b>
Borrowing Reductions	1,800
Capital Grant Brought forward	1,076
Home Office Grant reductions	160
Home Office – PEACE Grant	-30
Capital Receipts (NPAS)	-250
Capital Grant 15/16	-750
Revenue Financing 13/16	-271
Borrowing 15/16	- 520
<b>Total Reduction in Financing</b>	<b>1,215</b>

- 4.3 The profiled level of capital investment and external resources are also used to calculate the budget for investment income and short term borrowing. The strategy also feeds into the considerations that the Authority makes annually in setting prudent sustainable and affordable borrowing levels and indicators.
- 4.4 In addition to its own capital programme the Constabulary works with partners to secure additional capital and revenue resources to further partnership 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.

## **5 Identifying and Prioritising Capital Projects**

- 5.1 The attached capital programme has been prioritised by the Chief Officers and the Police Authority appraising these 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 Constabulary manages its capital strategy operationally through the strategic Force Programme Board, which oversees all major change projects for both capital and revenue. The detailed implementation work is overseen by the Estates and Vehicle User Groups and IS&T Change Advisory Board. Detailed monitoring against the Capital Plan is undertaken by the Police Authority Finance Resources and Information Management Committee.
- 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 Constabulary'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 tortuous 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 underspend on the approved Capital programme is identified during the year.

## **6 Implementing and Monitoring Capital Projects**

- 6.1 Once approved, the Constabulary manages its Capital Strategy operationally through the Force Programme Board, which is responsible for the implementation and monitoring phase of the capital programme on a “by exception” basis.
- 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 project report. This includes identifying at what stage the post project review will be carried out. The post project report is reviewed by the Force Programme Board and reported to the Authority 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. The Constabulary 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 Authority recognises the need to dispose of surplus or unsuitable assets to help the Constabulary achieve its corporate aims and deliver its capital programme and the detailed process for disposal of assets is included in the Forces Financial Regulations and Procedures.

## **9 Revenue Implications of Capital Investment**

- 9.1 Like many other Police Forces across the country Dyfed Powys Polices' day to day (revenue) spending resources are limited. This means that revenue funding for capital schemes is limited both in terms of funding the initial schemes and meeting on-going running costs.
- 9.2 Consequently particular attention is 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 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.