

Devon and Cornwall Police Authority

Interim Capital Strategy 2008 - 2020

1 Purpose

1.1 The purpose of the Capital Strategy is: -

To support by way of capital investment, the Police Authority's strategies for the provision and improvement of policing services in Devon, Cornwall and the Isles of Scilly.

The overall purpose can be broken down into a number of objectives, these are:

1.2 *To link capital investment to the Police Authority's priorities and the Force Vision by:*

- ensuring that the capital strategy reflects Police Authority's mission and its statutory responsibilities
- establishing a clear link between the capital strategy and the achievement of the Force Vision
- establishing a clear link between the capital strategy and asset management plans once these are fully in place.

The capital strategy is linked to the following strategic documents:

The Police Authority Strategic Plan
The Force Vision
The Estates Strategy
ICT Strategy
Vehicle Strategy
Medium Term Financial Plan
Asset Management Plans (currently in draft)

1.3 *To provide a strategic framework for capital investment by the Police Authority over the medium to long-term by:*

- outlining at high level the major capital infrastructure needs
- identifying sources of funding and shortfalls so that a funding strategy is developed
- ensuring that the full costs of capital investment are reflected in the medium term financial plan
- applying the principles of the Prudential Code for Capital Finance
- setting a disposal and rationalisation policy that dis-invests existing assets where they no longer effectively support operational policing
- setting out how consultation on capital investment will take place
- identifying potential areas for partnership working
- establishing a set of strategic principles that will inform capital investment planning
- outlining the processes for implementation and delivery
- identifying the major risks so that plans can be put in place to overcome them.

1.4 *To use capital resources efficiently by:*

- undertaking thorough option appraisals for all new projects
- undertaking whole life costing before projects are approved
- securing value for money through the utilisation of the Police Authority's procurement policies

- 1.5 The Police Authority's definition of capital expenditure¹ means that the following assets will be covered by the Capital Strategy:

Property Assets
ICT Infrastructure
Vehicles
Other Major Equipment

2 The Police Authority Mission and Statutory Responsibilities

- 2.1 The mission of the Police Authority is to support our communities and improve our service by:

- Upholding the law, protecting life and property
- Reducing disorder, crime and the fear of crime
- Treating everyone fairly and increasing public confidence and trust in the police
- Improving customer satisfaction
- Engaging in partnerships and building safer communities

- 2.2 This translates into the following key objectives:

- Delivering neighbourhood policing to national standards
- Providing protective services to national mandated standards
- Providing a balanced and effective support infrastructure that provides value for money
- Working collaboratively with other Police Authorities and Forces and developing Shared Services.

3 The Force Vision

- 3.1 The strategic aim of the Force is to be a top performing Force within the next 5 years. The Force will measure its performance against the following objectives:

- Providing services to meet the needs of our citizens
- Embracing equality and diversity throughout the organisation
- Empowering and valuing our staff
- Transforming our business to be more effective and efficient
- Delivering our services to national policing standards

4 Specific Drivers of the Strategy

- 4.1 Demographics

The population of Devon and Cornwall has been rising over the last ten years at more than double the national average. In line with national trends people in Devon and Cornwall are living longer and there has been a significant rise in the 60+ population. The draft Regional Spatial Strategy predicts further population growth in the South West in the period to 2016 and a significant portion of the growth is expected take place in Devon and Cornwall.

At a more detailed level significant population changes have taken place since the last census in 2001 and although full data is not available on the changes some clear patterns can be identified. In particular there has been a rise in immigration from the

¹ The definition of capital expenditure will accord with Government regulations and Financial Reporting Standards. A detailed definition will be provided in the Corporate Operating Framework of the Force.

10 new countries that joined the EU in May 2004. Furthermore, population growth in the period 2008-2016 is likely to lead to increased diversity of people in Devon and Cornwall.

4.2 Geographic and Economic Factors

There are a number of geographic and economic factors that characterise Devon and Cornwall that need to be taken into account when formulating capital investment plans:

- we have a dispersed population which is a challenge for the effective delivery of policing services
- the distance between places in rural areas is large and the infrastructure is often inadequate this can affect the accessibility of policing services to the public
- Although Devon and Cornwall are perceived to offer a high quality of life we have significant pockets of deprivation and inequality
- Visitors to Devon and Cornwall change the demand for services according to the season.

4.3 Structure Plans and New Towns

The Regional Spatial Strategy sets out detailed development strategies for the South West region. It identifies an average net increase in dwellings of 7200 per annum through to 2016. This includes the development of new communities at Cranbrook, east of Exeter and at Sherford which is east of Plymouth. In addition to the new communities the following areas in Devon and Cornwall are identified as strategically significant cities and towns where new development will be focused:

- Barnstaple
- Camborne/Pool/Redruth
- Falmouth-Penryn
- Truro
- Exeter
- Plymouth
- Torbay

When developing investment plans it will be important to take into account the planned development identified in the Regional Spatial Strategy.

4.4 Force Strategic Assessment

The Force undertakes periodic Strategic Assessments to identify key threats and opportunities. Areas identified in the most recent Strategic Assessment are:

- Confidence and Satisfaction – there have been recent improvements in the level of satisfaction of those who use police services but there are still areas for improvements.
- Reducing fatal road traffic collisions is a key area for improvement
- Tackling crime – reductions in crime levels need to be matched by an equivalent reductions in the public's fear of such crimes
- Serious Crime – there is a need for a continued focus on organised crime, counter terrorism and protecting vulnerable people.
- Delivering local priorities – responding to the specific concerns of communities is a priority for the Authority and the Force.

4.5 Public Visibility and Accessibility

A primary objective of the Force Vision is to provide a service to meet the need of the citizens of Devon and Cornwall. This will be achieved by building the key principles of citizen focused policing into key aspects of service delivery. These principles are:

- improved accessibility to services via public contact areas: telephone, email, internet, face to face and front offices,
- improved responsiveness of service: timeliness and quality of response (according to need), visibility and follow-up,
- Improved engagement with communities: street briefings, involvement of integrated teams of Neighbourhood Beat Managers, response officers and investigators in problem solving.

Capital investment projects will be judged against how well they will deliver improvements in citizen focused policing.

4.6 Technology Changes

There are a number of operational factors driving the need for investment in technology:

- A growing and significant demand for storage, transmission and retrieval of digital images
- Management of Police Information (MoPI) creating tighter requirements for what data is held, for how long and when it is reviewed. This is beginning to dictate how we capture, store and retrieve non-structured data
- Digitisation of information currently captured as analogue information (e.g. video images and voice recordings)
- Requirement for greater resilience and ability to cope with disasters, leading to need to replicate systems and data
- Tightening information security protocols (to secure police information).
- Convergence of data and telephony networks.

5 Consultation

5.1 The Police Authority aims to be open and accessible in its decision making. The Authority and the Force regularly consult with the public on specific policing topics. Consultation with partners takes place through various partnership bodies. The full details of the range of different ways in which consultation takes place with the public is set out within the Annual Policing Plan.

5.2 Consultation will take place with local communities on all major estates projects. Details of how this will be arranged are provided in the Estates Strategy.

6 Strategic Principles Underlying the Capital Strategy

6.1 The capital strategy will incorporate the following principles:

- (i) Customer Focus

This means putting the users of services and the citizens of Devon and Cornwall at the heart of what we do. Capital investment projects will be evaluated in the light of citizen focused policing objectives.

(ii) Separating Use from Ownership

A key element of driving efficiency is to separate “use” from “ownership”. Ownership is a corporate responsibility, with standard specifications fully recognising operational needs and enabling procurement efficiency. Use is an operational responsibility. Operational users draw on or release resources according to their performance targets and operational requirements.

(iii) Partnering, Collaboration and Shared Services

The Police Authority will actively seek opportunities to work with a wide range of public entities and non-traditional partners, from local authorities to the commercial sector.

Key partners will include:

- local authorities, NHS organisations and the Fire and Rescue Services
- the Devon and Cornwall Local Criminal Justice Board, the Courts and other local criminal justice agencies
- other police authorities and forces
- local voluntary and community organisations
- local businesses and business support groups

In particular we will work with other organisations to develop shared services and benefit the socio-economic demographic of Devon, Cornwall and the Isles of Scilly.

(iv) Seeking Innovative Solutions to Operational Requirements

The Police Authority will be open to innovative solutions to operational requirements including consideration of mobile ‘premises’ shared with suitable partners to provide a visible presence at beaches, holiday resorts and transient events such as carnivals. Multi-media kiosks – 21st century Police boxes – shared or sponsored and sited in public spaces.

(v) Reduction of Our Carbon Footprint and Consideration of other Green Issues

The Police Authority is committed to reducing its carbon footprint and considering the full environment impact of its policies.

(vi) Socio/Economic Profile

The Authority’s annual budget is one of the largest of any public entity in the region in addition we are one of the regions major employers. The Capital Strategy will aim to ensure that the location of staffing and the infrastructure of the Authority give due consideration to the economic and social profile of the region. Local purchasing will be used whenever practicable with a view to providing income to the local economy and reducing our carbon footprint wherever possible.

7 Assessment of Our Capital Assets

7.1 Estates

- (i) The Authority currently has 160 buildings over 117 sites, which in space terms equates to 139,454m² gross and 104,681m² net. This space accommodates approximately 6000 employees, both officers and staff. The average building age is 45 years. Borrowing will be approximately £19 million

as at March 2008, compared with the total value of the Estate being £133 million.

- (ii) The Estate suffers from a unique set of difficulties due to its age and geographical distribution, which is probably made worse by the location of custody. Over time it has become more removed from operational requirements and in some cases it now imposes a restraint on the delivery of police services. Space is in short supply while staff numbers have increased in the past few years. Many properties are in the wrong location or of the wrong size and configuration and do not or can not offer the most appropriate services. There is limited accessibility and visibility on many sites.
- (iii) To do nothing is unrealistic; 'patch and mend' will perpetuate many of the Estate's inadequacies, leading to an accumulating constraint on operational policing. A complete reconfiguration is required and justified. An Estates Strategy has been developed the purpose of which is not only to reach a point where the Estate is fit for purpose, but also to put the Estate into flexible shape to face future demands, and to respond more efficiently to change. The Estates Strategy is a significant component of the overall capital strategy.

7.2 ICT Infrastructure

The Force is highly dependent on ICT infrastructure. The Force would not be able to operate without computerised Command and Control systems, effective communications technology and appropriate business systems. The major components of the ICT infrastructure are:

- (i) Data Network Components - the force has approximately 950 network assets (routers, switches etc). Many data network switches reached end of life (EOL) in 2007/8. Furthermore, they no longer met information security requirements and were identified as a security weakness. A replacement programme is underway in 2007/08 to replace these EOL switches. The new switches have a life of approximately 5 years.
- (ii) Telephony network and switches - the force has approximately 5000 telephone extensions, 58 telephone exchanges / switches, 300 fax machines. Voice recording equipment to capture radio and telephony in control rooms is forecast to reach the end of life in 2009/10.
- (iii) Software Integrated Command & Control System (SICCS) this integrates the radio, telephony and IT within the control rooms. The SICCS will require replacing in 2009-10.
- (iv) Computer Servers - the force has approximately 290 networked servers, 2007-08 saw the beginning of a rolling replacement programme of network servers (which handle printing, file storage and access rights).
- (v) Desktops / laptops - the force has Approximately 4800 desktops / laptops. For 2007-08 the replacement of approximately 3500 'P3' and 'P4' desktops is planned. From 2008-09 a rolling replacement programme will be instigated to refresh desktops every 4 years.

7.3 Equipment

- (i) Airwave equipment - the force has 4300 handheld terminals, 550 in-car Airwave terminals. Airwave terminals need periodic reprogramming. This can be done by recalling all terminals or by setting up a remote programming facility. Airwave terminals begin reaching end of life in 2009-10. A four year rolling replacement programme will then begin.

7.4 Vehicles

The Force fleet currently comprises 1,258 vehicles. The Force has a target to reduce this number to 1200 by 31 March 2008, this may be difficult to achieve as significant re-organisation and rationalisation of vehicle will be required. There is a legacy issue with regard to standardisation in that there are too many types of vehicles currently within the fleet. The ongoing replacement programme seeks to standardise the fleet as far as possible within national and regional standards. There is a need to reduce the environmental emissions from the fleet. The average replacement cycle for the fleet is 4 – 5 years depending on the level of mileage.

7.5 Helicopter

On 26 April 2007 the Resources Committee approved the replacement of the Force helicopter. A procurement process is underway and the costs of the new helicopter and the associated finance is included in the 3 year capital programme.

8 Realising Development Opportunities and Disposal Strategy

8.1 Dynamic management of the estate portfolio is essential to maximise the operational benefit realised from property assets. It is important that a strategic long term approach is taken to developing the portfolio. This involves:

- assessing future demands
- reviewing existing arrangements
- seeking opportunities to rationalise the estate.

8.2 The identification and acquisition of strategic locations as they become available (land banking) is essential in ensuring that the Force has a presence in the relevant locations that are part of the development programme.

8.3 Disposal is an essential but sometimes-overlooked element of asset management. Whole-life costs include the cost of disposal according to accepted best practices.

In general assets and resources will be disposed of:

When the asset or resource has come to the end of its useful working life;

- When proceeds from disposal could be used more effectively to support operational objectives;
- When the asset is no longer required for use, and no alternative use can be found within the short to medium term.

9 Prioritising Investment Requirements

Projects will be prioritised by conducting a full business case for all schemes.

The key elements of the business case are:

- defining objectives
- baseline assessment (including user specification and force standards)
- listing possible options
- broad assessment of viable options
- challenge and short listing by the Force Programme Board.
- detailed option appraisal
- review and solution selection by Resources Committee.

To achieve priority for capital funding a proposed scheme must demonstrate that it meets one of the following criteria:

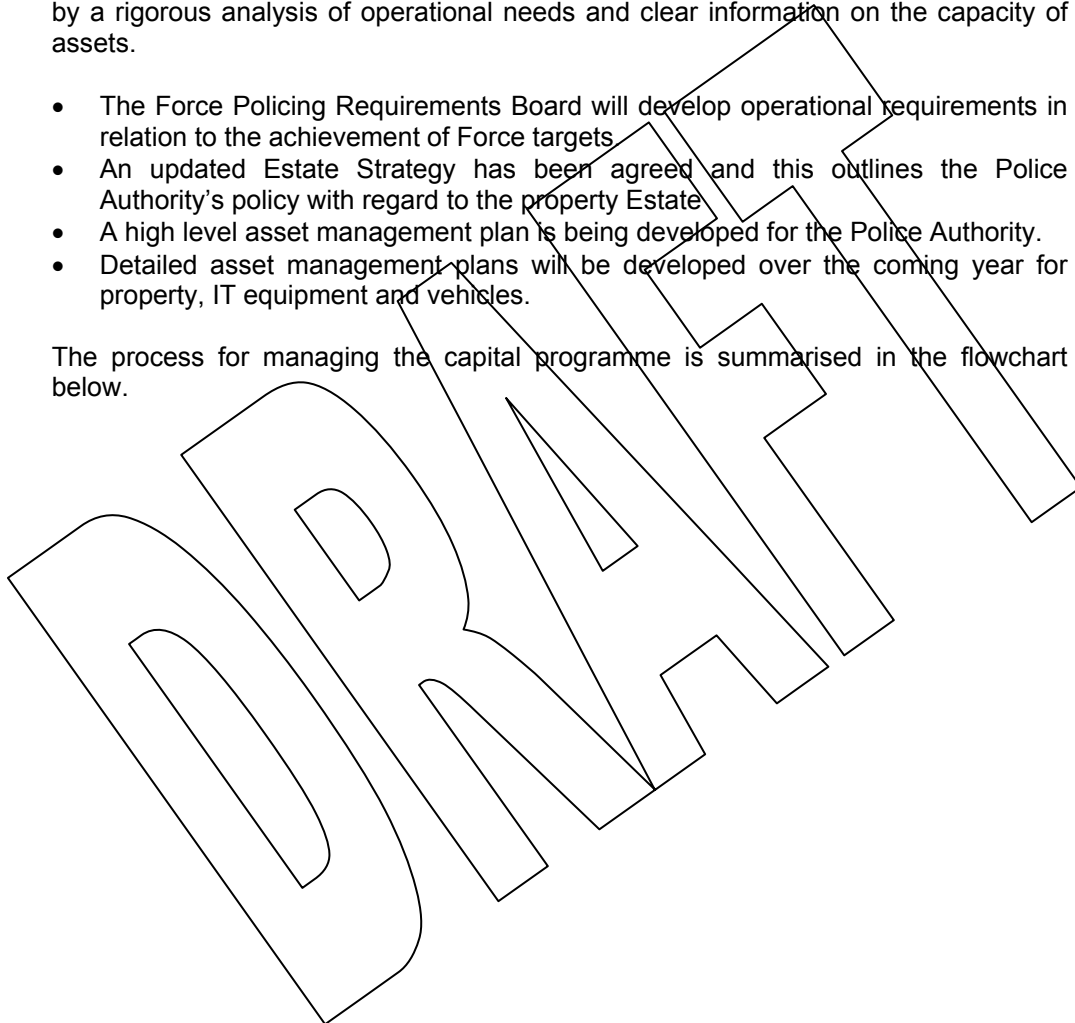
- It addresses a corporate objective as set out in the 3 year Strategic Plan and is most effectively delivered via capital investment
- It is necessary to maintain operational service delivery to the public
- It would facilitate the release of partnership funding
- It results from a business change arising from a recognised business risk

10 Framework for Developing the Capital Strategy and Annual Capital Programme

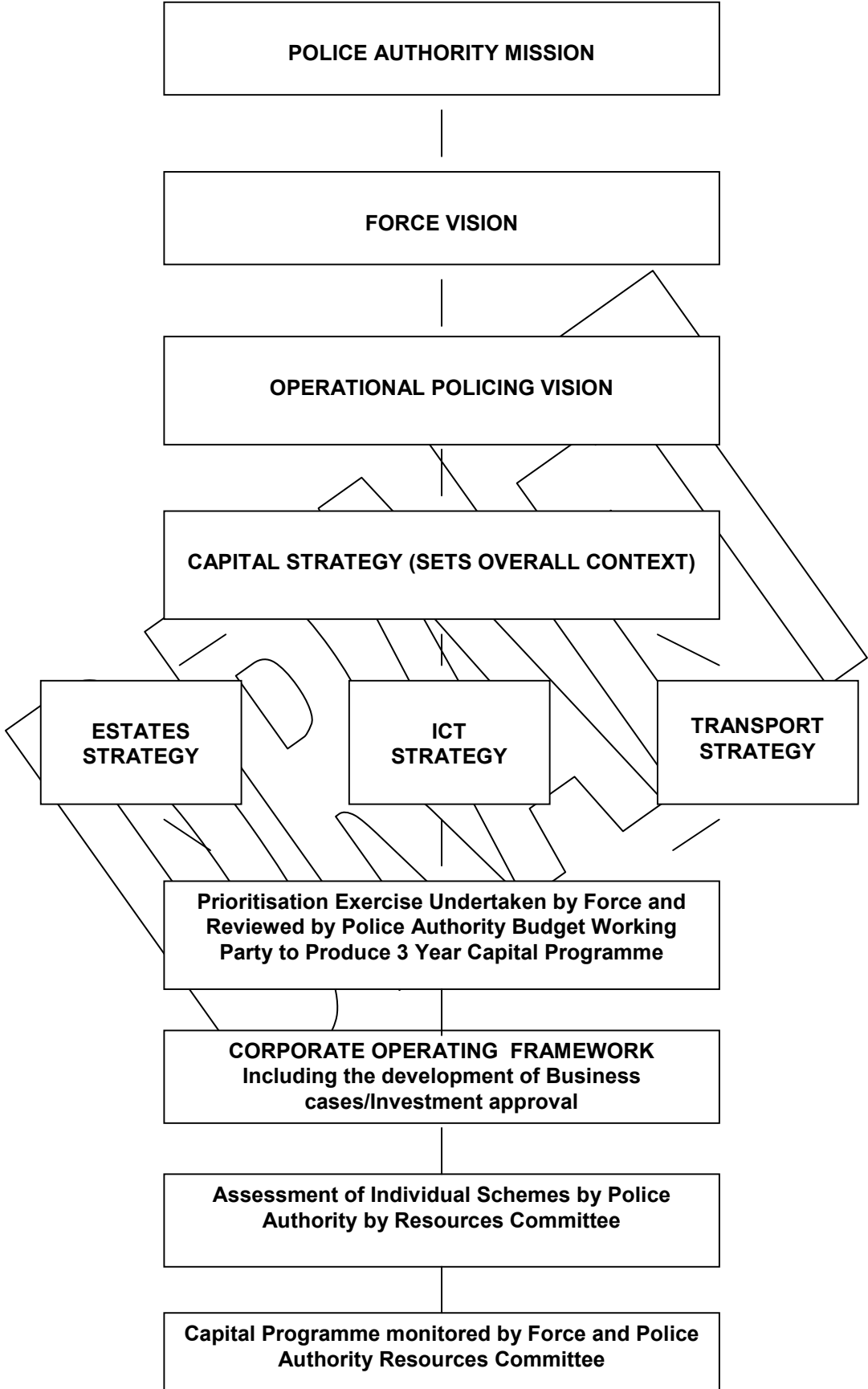
The following approaches will be used to ensure that the Capital Strategy is informed by a rigorous analysis of operational needs and clear information on the capacity of assets.

- The Force Policing Requirements Board will develop operational requirements in relation to the achievement of Force targets
- An updated Estate Strategy has been agreed and this outlines the Police Authority's policy with regard to the property Estate
- A high level asset management plan is being developed for the Police Authority.
- Detailed asset management plans will be developed over the coming year for property, IT equipment and vehicles.

The process for managing the capital programme is summarised in the flowchart below.



The Process for Managing Capital Investment



11 Major Capital Investment Needs

A Estates

11.1 Current schemes are set out in Appendix 1. The objectives for these schemes are as follows:

- (i) Bodmin Operation Policing Hub – this project provides an operational policing hub for East Cornwall. It facilitates the rationalisation of accommodation in the East Cornwall area and should lead to improvements in the policing of the local community.
- (ii) Plymouth, Devonport – the aim of this scheme is to rationalise the estate in Plymouth. The Devonport area of Plymouth is under going significant re-generation and this project provides the opportunity to improve the provision of policing services in an areas of the city that has suffered decline in recent years.
- (iii) Pool - Public Protection Unit – the accommodation for the public protection unit that serves West Cornwall is not fit for purpose. Providing appropriate accommodation for public protection facilities is essential in terms of meeting the needs of users of the service.
- (iv) Ashburton Operational Hub and Accommodation for the Major Crime Investigation Team in South and West – the Major Crime Investigation Team in South and West is currently located at Seale Hayne on the basis of a short term lease that will expire in July 2008. In terms of current accommodation no space is available in the South and West Devon area to accommodate the team. In addition there is a need to provide scope to progress the Estates Strategy objectives of dis-investing from poor quality accommodation and reviewing the use of the Middlemoor site. This project solves the problem of the location of the Major Crime Investigation Team and provides capacity to start realising some of the Estate Strategy objectives.
- (v) Neighbourhood Policing – Telnmouth replacement station and supporting “shop front” and Tivelton “shop front” are part of the programme to improve neighbourhood policing facilities. A particular emphasis is put on improving public access and visibility.

11.2 Appendix 2 provides a list of outline schemes. These schemes are focused on four objectives:

- (i) Updating the Forces Custody Provision – deficiencies in custody provision can have a significant adverse impact on achievement of force performance targets. Major investment in custody provision is required over the next 5 – 7 years if improvements in performance are not to be held back by lack of adequate custody facilities.
- (ii) Improving neighbourhood policing facilities.
- (iii) Addressing the shortage of accommodation on key sites.

- (iv) Reducing the concentration of services located at Middlemoor with the long-term aim of releasing some or all of the capital value of the site.

11.3 Appendix 3 provides a list of development schemes. These schemes are aimed at realising the value of sites where accommodation is no longer fit for purpose, is not in the optimum location or the value of the asset can be improved by investment. Capital receipts will be re-invested where appropriate in providing accommodation to meet current operational needs.

B ICT Infrastructure Requirements

11.4 The major drivers of the ICT investment plan are:

- Replacement of end of life equipment (described in paragraph 7.2)
- Changes in technology (described in paragraph 4 (vi))

11.5 In addition a number of invest to save projects would yield revenue budget savings:

- Consolidation of storage onto more cost effective 'SAN' & 'CAS' storage
- Virtualisation of servers to reduce the support costs of applications and their servers.
- Facilities to allow remote programming of Airwave terminals to avoid costly engineer visits.

11.6 Details of the proposed capital programme for ICT infrastructure are contained in Appendix 5.

C Equipment

11.7 Body Armour – the force body armour is not fit for purpose and urgently needs to be replaced.

11.8 Airwave terminals begin reaching end of life in 2009-10. A four year rolling replacement programme will then be required.

11.9 Details of the proposed capital programme for equipment are contained in Appendix 5.

D Helicopter

11.10 The Force Helicopter is scheduled for replacement in 2009-10

E Vehicles

11.11 Investment in vehicles is essential to deliver performance and to keep the revenue costs of running of the fleet at a minimum. An investment programme of £2.5m in 2008-09 and £3.5m in each of the subsequent years is recommended so that vehicles can be replaced at the optimum time.

12 Capital Resources

12.1 The following sources of capital finance are available to the Police Authority

12.2 Capital Receipts

The Police Authority's policy with regard to the disposal of surplus assets is outlined in paragraph 8. Appendix 4 provides details of the planned disposals and hence the capital receipts included in the financing of the 3-Year Capital Programme. Future possible schemes that may yield net receipts to be applied to finance the overall capital programme are listed in Appendix 3. As described in paragraph 13.3 below the financing of the 3-Year Capital Programme and the ongoing capital strategy are dependent on the release of property assets for sale, achieving the full investment programme will be dependent on progressing schemes listed on the development schedule or identifying alternative assets for disposal.

12.3 Capital Grants and Contributions

The main sources of grant funding is the annual capital grant from the Home Office for the 2008-09 this is £3.390m. It is forecast to remain at this level for the following two years. In addition grants and contributions may be received for specific purposes for example £930,000 will be received in 2008-09 to support the acquisition of a new force helicopter.

12.4 Use of Reserves

The Police Authority has a number of reserves that have been earmarked to fund capital expenditure. These include reserves held for financing specific assets for example the Helicopter Replacement Reserve and reserves that are held for general capital financing purposes for example the Capital Financing Reserve.

12.5 Borrowing

The Police Authority policy is to borrow only to finance capital expenditure on property assets. Shorter life assets are financed from other sources of funding. In setting the level of borrowing the Police Authority must consider what is prudent. This involves taking a long term view and evaluating the impact of borrowing on the medium term revenue budget and the council tax. Borrowing has been set a level that can be contained within the planned increase in council tax for 2008-09 to 2010-11 as set out in the Three Year Financial Strategy. The impact of borrowing on the Prudential Indicators is set out in the Three Year Financial Strategy.

The total resources available over the 3 year planning period are shown in the table below.

Forecast Capital Financing	2008-09 £000	2009-10 £000	2010-11 £000
Supported Borrowing	1,891	1,891	1,891
Prudential Borrowing	10,109	10,109	12,109
Total Borrowing	12,000	12,000	14,000
Home Office Capital Grant	3,682	4,254	3,390
External contributions	200		
Air Support Grant		930	
Reserves	1,811	3,404	44
Capital Receipts	575	2,417	1,300
Total grant, reserves, capital receipts and external contributions	6,268	11,005	4,734
Total Financing	18,268	23,005	18,734

13 3 Year Capital Programme 2008-9 to 2010-11

13.1 The proposed capital programme reflects the Police Authority's investment needs and the capital finance available. The overriding factor is the availability of capital finance; in particular, additional borrowing for capital expenditure is limited by the availability of revenue funding to meet the ongoing financing costs.

13.2 The table below sets out the summary capital programme.

Forecast Capital Expenditure	2008-09	2009-10	2010-11
	£000	£000	£000
Long Term Property Assets			
Property Schemes see Appendix 1	14,140	8,980	0
New Starts	0	3,020	14,000
Total Property schemes	14,140	12,000	14,000
Short Life Assets			
Equipment	1,030	3,970	1,530
ICT Infrastructure	2,738	3,859	1,279
Helicopter		4,250	
Vehicle replacment (subject to policy review)	2,500	3,500	3,500
Total Short Life Assets	6,268	15,579	6,309
Potential slippage / additional Capital financing	(2,140)	(4,574)	(1,575)
Total Capital Programme	18,268	23,005	18,734

13.3 A detailed schedule of capital programme spending is provided at Appendix 5. This schedule also sets out the earmarked funding for the individual elements of the programme. In each year of the programme the total spending exceeds the capital finance currently available. To balance the programme it will be necessary to either delay some capital projects to future years or to increase the capital finance resources available. Given the constraints within the revenue budget generating additional capital receipts is the most viable source of additional finance. Opportunities to generate additional receipts are listed in Appendix C.

13.4 The Resources Committee will receive a regular update on the progress of capital projects and the achievement of additional capital receipts. This will provide the information necessary for the Committee to consider the updating of the capital strategy.

14 Delivery Mechanisms

15 Management of Programme and Performance Indicators

16 Staffing and Skills Required

17 Risks