



Mae'r ddogfen hon ar gael yn Gymraeg yn ogystal â Saesneg.

This document is available in Welsh as well as English.

Capital Programme & Strategy

1 Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2021 requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in-line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 This Capital Strategy sets out the principles that underpin the production of the Police and Crime Commissioner's (Commissioner) forward capital programme. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of the governance arrangements for approval and monitoring of capital expenditure, outlines how associated risk is managed and considers the implications for future financial sustainability.
- 1.3 The priorities for policing in the local area are detailed in the Police and Crime Plan (PCP). This document is compiled by the Commissioner in consultation with the Chief Constable. 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 new PCP in December 2021, the following priorities will underpin and be central to all aspects of operational and organisational delivery:
 - Victims are supported.
 - Harm is prevented.
 - Our justice system is more effective.
- 1.4 The Commissioner and Chief Constable also take account of Strategic Policing Requirements issued by the Home Secretary. The Chief Constable is responsible for supporting the Commissioner in the delivery of the priorities set out in the PCP and has developed a Police and 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:
 - Delivering value for money
 - Public engagement
 - Working together
 - Supporting victims
 - Strong leadership
- 1.5 The Capital Strategy is a tool to support planning and corporate working across the two Corporations Sole helping to ensure that assets are used and

managed well. The Capital Strategy shows how we prioritise, monitor, deliver and evaluate our capital programme using the basic principles of the project methodology.

- 1.6 The Dyfed-Powys area 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 Information Technology and other operational equipment play a vital role in the delivery of policing services across the area and in terms of delivering PCP 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. Financial Sustainability

- 3.1 For many years Dyfed-Powys Police has benefitted from significant levels of capital reserves which have been supplemented by the sale of operational buildings or police houses.
- 3.2 These reserves have historically underpinned capital investment, but recent years the position moves away from the use of reserves into a position of funding through either direct revenue financing or borrowing. This therefore adds pressures to the revenue budget and consequentially to the council tax precept. It must also be noted that is in a continued period of revenue pressures, increased demand and funding uncertainty.
- 3.3 The strategic approach is therefore to invest in core infrastructure now, that will not only offer overall service improvements to the public, but also maximise revenue savings into the future, through more efficient and mobile use of police personnel, enabled by improved Information and Communication Technology systems and other core infrastructure, for example, connected vehicle fleet and building assets.
- 3.4 Capital investment will also be influenced by and take account of national visions for policing, the strategic policing requirement and both regional and local priorities.
- 3.5 All project proposals and business cases for capital investments will focus very clearly on business benefit realisation both from a financial perspective and also from a non-financial perspective, which will provide a sound basis to inform critical decision making.

4 Environmental Sustainability & Decarbonisation

- 4.1 In 2019, the Welsh Government declared a Climate Emergency for Wales, to help trigger more action to address the climate change challenge. The Welsh Government reinforced the ambition for the Public Sector in Wales to be carbon neutral by 2030 and published the report 'Prosperity for All: A Low Carbon Wales (2019)', setting out 100 policies and proposals to decarbonise Wales. This Strategy provides Welsh Police Forces with a framework for prioritisation and support a clear plan of action that can be delivered locally and/or in collaboration by and beyond 2030 and seeks to introduce a series of planned interventions and improvement measures.
- 4.2 As part of an all-Wales approach, Dyfed-Powys are firmly committed to playing their part and have developed a Strategy setting out the ambition for decarbonisation and committed to a long term, future sustainable police service. Achieving net zero carbon will require a thorough transformation of the systems that make up the backbone of our operations, including transport, energy use, procurement of goods and services and the built environment.
- 4.3 Dyfed-Powys is very conscious of its obligations in relation to environmental sustainability and these considerations will form an intrinsic part of all capital investment proposals.

5 Capital Programme

- 5.1 Assets are vital to the delivery of efficient services and should be well managed and maintained. Strategies for Estates Management, Information and Communication Technology (ICT) and Vehicle replacements underpin the Capital Strategy, in providing the details for the longevity and the optimum replacement cycles for these items.
- 5.2 The Capital Programme and financing which covers the revised position for 2022/23 through to 2027/28 is summarised below:

Table 1- Capital Programme 2022/23 – 2027/28

Capital Programme	22/23	23/24	24/25	25/26	26/27	27/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Land and Buildings	15,610	11,199	16,351	12,839	2,411	2,366	60,775
Vehicles	1,918	1,280	2,014	1,680	1,875	1,834	10,600
IT and Other Strategic Spending	5,097	5,754	3,260	4,668	5,705	4,291	28,774
Capital Expenditure	22,625	18,233	21,624	19,187	9,991	8,491	100,151
Grant Funding	-203	-50	-50	-70	0	0	-373
Borrowing	-15,610	-11,199	-17,962	-15,354	-3,749	-2,249	-66,123
Contributions from Revenue Account	-2,948	-2,306	-2,675	-3,711	-6,192	-6,192	-24,024
Capital Receipts	-50	-400	-500	-50	-50	-50	-1,100
Earmarked Reserves	-3,814	-4,514	-204	0	0	0	-8,532
Capital Financing	-22,625	-18,233	-21,624	-19,187	-9,991	-8,491	-100,151

5.3 Work has continued through the MTFP Group and Finance and Strategy Board to consider financial and investment requirements over a longer time frame. Whilst it contains a number of assumptions and uncertainties, this Capital Strategy includes a capital programme, shown at Appendix G, which has been extended to cover a 10-year period. This programme will be revisited as clarity arises and annually, as part of the formal budget and precept setting.

6 Estates

6.1 The Commissioner has an Estates Strategy which provides clear guidance and direction around the future strategic and operational Estates requirements for the Dyfed-Powys Force and provides clarity for budget allocation and future investment requirements.

6.2 The aim of this strategy is to:

- Create an efficient, fit for purpose and sustainable estate that delivers value for money and facilitates flexible working in-line with the Police and Crime Plan
- Deliver an estate which provides an appropriate level of security for officers and staff and information
- Provide a visible and accessible service which enables multi-agency working and promotes visible policing

6.3 The main focus will be:

- Investment in the portfolio, as required, to maintain full operational effectiveness.
 - Sale of vacant and redundant properties.
 - Construction of the new Carmarthenshire Custody and Station facility in Dafen Llanelli.
 - Consolidation and collaboration with Local Service Board members and partners.
 - Delivering the new Brecon facility to provide collaborative Policing and Custody facility in South Powys.
 - Agreement on the future of buildings that might require major investment/replacement, in order to continue servicing the needs of the community.
- 6.4 Governance arrangements around Estates have been reviewed and have continued to strengthen during 2022/23. This has ensured that all stakeholders are better represented and the inherent linkage between operational requirements and estate provision are better aligned to support policing services.
- 6.5 All intended investment and decisions will be assessed to consider the following criteria:
- Location: Operationally Fit for Purpose
 - Public Facing Status - Customer Facing
 - Overall Condition of Property and Financial Burden
- 6.6 The Strategic Estates Group continue to use the Project Risk Based Assessment Criteria to assist with the prioritisation of capital investment aligned with financial affordability criteria:
- Risk to operational effectiveness (to include smarter working)
 - Risk to not meeting a legislative or statutory requirement including International Standards Organisation (ISO) accreditation
 - Risk to building fabric/system, which increases cost with long term implications
 - Risk to Force & Commissioner Reputation (including partnership arrangements)
 - Risk to Health & Safety
 - Risk to the Security of the Site
- 6.7 Critical to the provision of policing within Dyfed-Powys has been the requirement for improved custody and station facilities in Carmarthenshire. This project has been ongoing for a number of years and has faced a number of challenges along the way. The project seeks to deliver an 18-cell complex, with ancillary office accommodation and Police station facilities on the outskirts of Llanelli. The Construction phase of the project commenced in October 2021 where ground clearance and stabilisation

works commenced, the last year has seen significant development with the main structure and external infrastructure, aligned with internal partitions and 1st fix infrastructure already in place. The project is expected to cost in the region of £18.6M and remains on financial plan within the approved budget value. It is programmed to be completed mid-May 2023, with occupation soon after. The Project continues to have formal governance arrangements in place under the Director of Finance's direction.

- 6.8 Significant refurbishment works and investment has taken place over recent years to address a considerable programme of condition survey works across the estate, however the extent and inherent deterioration of the estate means that continued investment is required across all four counties.
- 6.9 The previous condition survey has helped inform the Estates Strategy in determining which properties to retain and where future moves and accommodation changes need to be planned to meet operational requirement. The future property strategy aligned with force crime demand analysis data is a priority for the organisation. This work will provide clarity on the optimum operational location of policing hubs, and will provide direction for future collaboration opportunities, reducing revenue costs where it is deemed that other estate solutions are viable, and complement future policing in a more effective way than the current estate. The Pembrokeshire Estate Strategy is a key area of focus which will be reviewed in greater detail in the coming year, this will determine possible future capital and revenue implications, aligned with the current condition of the estate.
- 6.10 Aligned with operational policing needs by site, the Force have agreed the geographic policing requirements across each territory. This process involved structured crime pattern data, response timescales, cost of running the estate, and condition of the estate. These requirements will be reviewed by the Estates function and Governance, and the future of each asset aligned with collaboration activities will be determined and validated for future investment need.
- 6.11 Due to the deteriorating condition of the existing facility in Brecon, provision of £7.8m has been included for a potential new build. A full intrusive condition survey confirmed that it was cost effective to build new versus refurbishment of the current building, alternative options have been investigated and we are currently progressing a collaborative facility with partners for the possible occupation of an existing office building where a new custody and Vehicle maintenance facility will be built. The operational requirements have been critically reviewed and have assessed that a considerably smaller footprint is required within Brecon. Whilst this may cause delays in its planning, given the scale of investment, ensuring full

due diligence of all options, and progressing with the most cost effective and future proofed solution remains paramount to all involved. The timing of the scheme delivery is currently being validated, but currently anticipated to be across the 2023/24 and 2024/25 financial years.

- 6.12 The requirement for a firearms training facility to support the southern Welsh Forces collaborative Joint Firearms Unit was identified during 2018/19. The existing range has been deemed not fit for purpose and a new facility is required to meet the very extensive training needs and legal requirements for firearms officers. Considerable discussion has taken place between Commissioners and Forces, with a full business case being produced to consider a range of options and potential locations for a new facility. Extensive due diligence has been undertaken and negotiations on land purchase have been finalised. Total costs of circa £56M have been identified with £15.1M being Dyfed-Powys Police's share of costs profiled over the next three financial years. The effects of the Covid-19 pandemic on the scheme in terms of material pricing, along with land acquisition delays, have meant that progress has been impacted. Significant cost increases have arisen on the scheme attributed to the above caused by the rise in inflation, ground remediation works and ecological constraints relating to the site.
- 6.13 In addition to these major developments, there will be a continued risk assessed programme for planned and reactive maintenance. Prioritisation of works is reviewed based on risk factors aligned to condition of fabric and to the occupant, legislative requirements and business continuity considerations, which inform the decision-making process and timescales. Condition surveys have previously been carried out across the whole estate determining the level of investment required at each location by each sub fabric element. Custody upgrades are carried out in a phased approach based on risk and corrective actions as identified during HMICFRS audits and national custody design guide standards.
- 6.14 It is also worthy of note that ISO accreditation of Scientific Support facilities has attracted capital investment, this is to ensure that fit for purpose and compliant facilities result to maintain operational policing and compliance standards.
- 6.15 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 where possible.

- 6.16 Significant financial pressures on utilities and rates have affected in-year and future budget management and setting, this continues to be focussed upon with income generation opportunities and further saving initiatives being investigated to mitigate as much cost to the organisation as possible.
- 6.17 The organisation continues to embed agile and efficient ways of working. This approach will have further longer-term implications for both the estate and for Information Technology (IT), which may require some upfront investment to facilitate longer term efficiencies. Assessments of these where required have been included with the capital programme.
- 6.18 A Sustainability Group was established during 2019, their terms of reference seeking to explore and maximise sustainability opportunities. This work has continued in 2021/22, with an all-Wales strategy and resource pool being used to provide a national unified approach and direction, aligned with BlueLight Commercial initiatives and direction. The forward capital programme includes provision for a number of initiatives, which as well as considering environmental and sustainable considerations, will also seek to achieve financial and sustainability efficiencies. To-date, the Decarbonisation Plan for the Headquarters site continues to be mobilised with LED Lights, enhanced insulation, heating/environmental controls, and presence detection having been installed. This was grant funded to the value of £879k and delivered in 2021/22. Savings forecasted of £90k per annum are being realised in energy saving.
- 6.19 Further structured investment to save Capital allocation for reducing the environmental impact of the Estate continues, aligned with the HQ decarbonisation plan on other large consumer sites and allocation for comparable schemes are planned in the MTFP for each site respectively. These will be assessed on the return on the investment and ability to reduce the force carbon footprint, aligned with the wider decarbonisation to be net zero by 2050 target set. Grant funding will be sought where possible to deliver such schemes.
- 6.20 The Facilities Management Contract commenced in spring of 2019 on a 3year +1+1 term. A mid contract review was undertaken in 2021, confirming that the arrangements mobilised delivered statutory compliance, but fell short on key aspects of customer service. The future of service provision was further examined in 2022/23, aligned with the option to extend the contract a further year, this review concluded that the contract would cease mid-2023 and the provision of services would be direct, with smaller specialist suppliers for future provision. The demobilisation and mobilisation phase are currently being progressed by the Estates Facilities

Management team to ensure continuity of service and the process is being used to validate future service level agreements in tandem.

7 Fleet

- 7.1 The Force has a good understanding of the demand for fleet through telematics. Arrangements are in place to ensure that the Fleet make-up continues to match demand and the evolving operational requirement through the Fleet User Group and the Strategic Fleet Management Group.
- 7.2 A significant reduction in mileage across the marked and unmarked fleet was experienced in 2020/21 as the Force dealt with the pandemic. Whilst the 2023/24 mileage volumes are expected to show an increase from 2020/21, a 10% reduction in mileage is anticipated from the normal baselines as a result of a number of initiatives.
- 7.3 The Force has already utilised telematics data to reduce the fleet from 415 vehicles in 2017/18 to 404 in 2021/22 and anticipated 385 vehicles by 2024 as a result of the changes including the End-to-End project and smarter working. The 10-year capital programme fully reflects the replacement requirements, based upon value for money considerations around replacements versus servicing costs.
- 7.4 Dyfed-Powys is aware of its obligations in terms of sustainability and has started to invest in electric vehicles and charging infrastructure. Further work is being undertaken collaboratively with BlueLight services and other public sector partners to scope and plan the requirements, particularly in relation to carbon neutrality and phasing out of diesel vehicles. The four Welsh Forces have written the "All-Wales police Sustainability and Decarbonisation Strategy" which sets the objectives for the vehicle and fleet arenas of all Welsh Forces. There is a timeline against the Policy and in 2023, 20% of non-operational vehicles are to be electric, 2024/25 50% of vehicles procured to be at least plug-in hybrid electric or fully electric for appropriate locations. 2026 onwards, all non-operational vehicles to be ultra low emission (hybrid and/or electric).
- 7.5 The Force continues to exploit collaboration through a shared fleet management system across southern Wales, as well as meeting servicing requirements of partner agencies

8 Information Technology

- 8.1 The current Force Information and Communication Technology (ICT) Strategy ends in 2024. This strategy has served the force well and has provided clear direction in terms of the Force's ambitious digital transformation aims and the essential ICT infrastructure upgrades required

to deliver a robust, resilient and performant platform, with increased capacity to support the Force's needs over the period. The strategy continues to set out the objectives and projects for the coming year. In 2023, the Force ICT strategy will need to be reviewed and a new updated version produced in readiness for 2024, building on the successes achieved in the previous strategy, and clearly setting out the digital aspirations and supporting infrastructure required for the next four years. It will also need to reflect the changes brought in by the new Chief Constable and incorporate the aims of the National Police DDAT (Digital, Data and Technology) Strategy.

- 8.2 The Force also has an accompanying Digital Transformation Strategy which spans 2021–2026, focussing on exploiting the potential benefits that are possible through the utilisation of emerging digital technology. This has been the focus of much attention due to the Force Review, where automation in its various guises is seen as a realistic and proven approach to deliver savings and increase resource capacity. So far, robotic processing automation (RPA) has been successfully used to automate processes in the vulnerability hub, in particular domestic cases - another 22 processes have been identified from across the force and these will be considered for automation during 2023. Similarly, the area of 'Power Applications' and 'Power Automate' will be further exploited during 2023, looking to develop our own apps in a managed and controlled way, but also looking at what other forces have done and re-using these for our purposes where it delivers benefits for the business.
- 8.3 We are joining the West Coast Collaboration Niche RMS instance in May, they are also using RPA to assist with the automation of a number of Niche processes, we will be contributing financially to the collaboration for us to onboard and benefit from this RPA work, this includes the ongoing cost of digital workers, the support required to maintain them moving forward and also supporting the development of future automated processes.
- 8.4 The security of the supply of Information and Communication Technology (ICT) assets has been affected by Brexit, Covid-19 and the war in Ukraine, this has led to delays in getting some equipment (e.g. failure to produce sufficient chips and essential gases and materials are in short supply, which are essential to the manufacturing process of Information Technology (IT) equipment). The situation with infrastructure equipment is proving difficult to get - still long lead times on delivery and as such is having a knock-on effect on the delivery of some of our digital projects. Everything is being done to expedite the matter with suppliers looking at alternate products which are available in the channel, however it is very much problematic. Cost of ICT equipment is also spiralling with some suppliers increasing from

between 10 and 20%, which will impact on what can be purchased from within budget.

8.5 The forward capital strategy takes account of a number of local strategic IT projects and also a number of re-procurement projects involving technologies and IT solutions that have reached the end of contract or end-of-life of essential equipment. The key IT capital projects which are planned for the 2023/24 period are:

8.5.1 The implementation of the Niche RMS is planned to go-live in May of 2023 and significant progress has been made in many areas such as:

- The to-be processes are complete and the necessary changes have gone to Niche for them to provide up to three upgrades prior to going live, the second upgrade will be available in early 2023 for testing. Only minor changes will be allowed for the final upgrade and if absolutely necessary to go-live.
- Significant progress has been made in terms of data quality/de-duplication activities, with only a small number of left to be dealt with.
- BRC (Back Record Conversion) work is largely complete, with formal iterative testing and continuous refinement taking place. They are meticulously reviewing the data loaded into Niche, ensuring that everything is as expected and that all Niche business rules are complied with.
- The Force has agreed the detailed project plan for go-live with the West Coast region, with Dyfed-Powys Police being given the go-live slot of May 2023. Detailed planning with key stakeholders is taking place in force, so that all are fully sighted on what will happen at the point of transition and which systems will be available to them post go-live.
- Formal training of staff has commenced and will run through leading up to go-live.
- Consultation is taking place with key external stakeholders such as the Crown Prosecution Service (CPS), Courts, Police National Database (PND) etc. to ensure that all of these areas are covered, interfaces testing and that everything works.

8.5.2 The new Contact Management System project has moved to the implementation stage, there are three elements to the new system, emergency telephony, Integrated Communication Control System (ICCS) and CRM (Customer Relationship Management). The intention is to deliver the solution in stages with the emergency telephony and ICCS being made available and due to go live in Mid-2023, this is dependent on the circuits being in place and we are awaiting finalisation dates. The CRM part is planned for quarter 1 of 2024. The new CMS will integrate with both Niche and Sopra Steria Storm system.

8.5.3 Work has been carried out as part of the Commissioner's reinvestment in CCTV provision across the Force with phases one to three complete. There are two towns remaining, namely Narberth and Aberaeron, with work planned to be completed by April 2023, with handover to force communications centre as part of business as usual.

- 8.5.4 The Smarter working project is being delivered in phases, with roles being defined as either fixed or agile, leading to the decision as to the right Information Technology (IT) equipment for each role. The project will define agile working areas across the force and determine the correct equipment needed. This will include identifying all roles that require laptops as agile workers, and improvements in technology/infrastructure to accommodate the increase. The capital program includes a provision for laptop and desktop computer replacements.
- 8.5.5 The force has procured a Digital forensics technical solution which will be implemented in 2023 and will deliver an extensible and sustainable digital media storage solution for the Digital Crime Unit, meeting both current and future needs - in a compliant way and also ensuring storage growth being catered for by the contracted supplier.
- 8.5.6 The Force has made a 10-year commitment to standardise the Digital Evidence Management System platform for the storage of all digital evidence material with the plan to integrate with Niche to provide a seamless experience for the officer. This will see capital spend in terms of hardware required for digital interview, in car video and Body Worn Video (BWV).
- 8.5.7 In 2023, we will be negotiating a new MFD (Multi-Factor Devices) contract, in-line with the savings needed by the force. Due to Covid-19 and the lack of use of the current devices, it should be possible to extend the life of these devices and, as such, much of the current kit won't need replacing. High usage devices will need replacing, such as the MFDs in the Custody Suites.
- 8.5.8 A reserve of additional laptops/desktops have been purchased to ensure the supply chain threat can be mitigated as much as is reasonable to do so. Hopefully, we have sufficient for the remainder of 2022/23 and will look to minimise any spend in 2023/24, the aim will be to use the assets for longer and reduce the spend in this area as much as possible.
- 8.5.9 The current backup solution is reaching end of life, consideration is being given to the replacement backup solution this financial year as costs will inevitably go up 20% next year. The latest modern advanced backup solutions are being considered, these provide ways of protecting the data from ransomware attacks and re-introduce tape backups as part of the solution creating an air gap.
- 8.6 The forward capital strategy takes account of national programmes of work that are being taken forward by The National Police Chiefs Council (NPCC) and the Home Office. There are numerous schemes being taken forward nationally including the following:
- 8.6.1.1 National Law Enforcement Database (NLED) programme has adopted a new approach to deliver the replacement for PNC. They are taking a product centric approach which is proving to be very successful and is

well liked by the forces, who are able to influence change in the product. They are currently progressing the following areas and as an early adopter force, we should see the delivery of the following during 2023/24:

- Property Service
- Roadside Driver Check
- Vehicle Check
- Wanted on Court Warrant – which is the first product under development within the “Person” domain.

8.6.1.2 NIAM – National Identity Access Management is largely implemented in force and is due to go live in early 2023. This will allow the force to consume new national services, such as NLED. Digital Public Contact – Single Online Home has a detailed future capability roadmap that is planned over the next few years, which will require continued support from the organisation to ensure our public facing website develops in-line with the national programme and has the latest advancements.

8.6.1.3 A National Automatic Number Plate Recognition Service, there is a lot of change happening at national level and this is being monitored closely.

8.6.1.4 The National Enabling Programme has now come to a close and the work is progressing under three strands:

- The force has rolled out the Microsoft365 (M365). We are currently in the process of rolling out the full functionality of MS Teams and Teams Voice. This includes simple compliant methods for requesting a guest and a team, also progressing good information management governance around file management and retention ensuring it is properly aligned with national policies. The project team are developing a roadmap for the introduction of further M365 applications.
- IAM – Identity and Access Management is now embedded with work ongoing with South Wales Police (SWP) and Gwent Police to assist with collaboration across the region. The Connect project has been set-up which sets out the clear scope and aspirations for this project and is being driven forward by Assistant Chief Constable (ACC) for Collaboration.
- NMC – National Monitoring Centre has been in place for some time and is functioning well, alerting of any issues which are then addressed by us in force.

8.6.1.5 Emergency Services Network (ESN) Mobile Communications Programme is going through another programme reset with re-lotting taking place for certain key services. The delivery date for ESN is slipping ever further to the right, with no realistic foreseeable delivery dates. This has led to the need to consider at a national level Airwave sustainability, how best to keep the Airwave network fit for purpose until 2026 and beyond (2030 being muted). This means we will continue to need Airwave radios and Mobile Data Terminals (MDTs) for the foreseeable future.

8.6.1.6 Current MDTs are nearing end of life, their fixed batteries are degrading and not lasting a full shift. The force is investing in new MDTs which have replaceable batteries and are cheaper.

- 8.6.1.7 In respect of Airwave handsets, the Force continue to buy stock of both vehicle and pocket sets to add to our pool of devices to protect us against the programme slippage for ESN.

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 with only £85k being received for 2021/22. The funding settlement for 2023/24 announced that all capital funding directly to Commissioners will cease and be redirected to national projects. This erosion has caused additional burden on revenue budgets with capital funding needing to be met from reducing capital reserves, increased direct revenue contributions from revenue and prudential borrowing, which brings long term additional burdens on the revenue budget to fund both interest and minimum revenue provisions.
- 4.2
- 4.3 In addition to the array of investment requirements for critical local and regional infrastructure, there are also financial burdens arising from a number of mandatory national Information Technology projects, which in the main, are outside of the control of Dyfed-Powys. These projects continue to cause concern both in terms of delays and cost increases, with much dialogue continuing between the APCC, the NPCC and the Home Office. HMICFRS State of Policing report for 2021 also made specific critical comment.
- 4.4 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.
- 4.5 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 and a revised capital programme for 2022/23 to 2027/28 totalling £100.151M.
- 4.6 In order to meet future capital investment requirements and mitigate the cessation of capital grant funding, the medium-term financial plan and capital programme include an increasing trajectory of revenue contributions to capital with external prudential borrowing to support investment in critical infrastructure.
- 4.7 The profiled level of capital investment and external resources are used to assess the need for 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.
- 4.8 Local Authorities, including the Police, can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. Borrowing costs are not supported by the Government, so Dyfed-Powys Police needs to ensure it can fund the repayment costs. The

authority's Minimum Revenue Provision (MRP) Policy sets out a prudent approach to the amount set aside for the repayment of debt. These are set out separately under the Treasury Management Strategy, which is considered and approved by the Joint Audit Committee. The Code is explicit that the authority must not borrow to invest primarily for financial return.

- 4.9 In addition to their own capital programme, the Commissioner and Chief Constable work with other partners to secure additional capital and revenue resources to further partnership, transformational and sustainability objectives wherever and whenever possible. These are dealt with through complementary processes.

5 Governance Arrangements

- 5.1 As outlined the capital programme has been prioritised by the Commissioner and Chief Constable, who appraise 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, the Finance and Strategy Board will support delivery and monitor specific programme risks. Detailed implementation work is assigned to key individuals and overseen by the Strategic Estates, Strategic Information and Communication Technology (ICT) and Strategic Vehicle User Groups or at specific Project Boards, including the Capital Build Group, which are established to oversee and govern major capital schemes.
- 5.3 Major projects are managed in accordance with project management best practice in terms of compliance with PRINCE 2 project methodology. Links have been established between benefits management on key projects, efficiency planning and costing information.
- 5.4 A project proposal form has been developed to capture project considerations, risks, costings, timescales and business benefits in a consistent manner across the organisation. All project proposals will be considered by the Recovery, Change & Transformation Group.
- 5.5 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;
 - Financial Sustainability - whether costs are realistic and the level of future revenue implications;
 - Environmental Sustainability;
 - What options have been considered;
 - What other funding sources may be available;
 - The degree to which the proposals support partnership working.

- 5.6 Particular consideration is given to ongoing 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. Revenue costs stemming from capital schemes including any prudential borrowing requirements, are built into the medium-term financial plan.
- 5.7 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.).
- 5.8 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.
- 5.9 Progress against capital schemes is reported as part of financial reporting to the Finance and Strategy Board, Policing Board, Force Executive Board and quarterly to the Policing Accountability Board. Specific projects and reports are also considered by the respective governance groups, which sit below these Boards i.e. Strategic Estates Group, Capital Build Group, Strategic IT Group and Strategic Fleet User Group, with risks and highlight reporting escalated through the governance structure as appropriate.
- 5.10 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.
- 5.11 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.
- 5.12 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 implementation report is reviewed by the Change and Transformation Group and escalated to the Policing Board if required.
- 5.13 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.
- 5.14 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.

5.15 The ongoing success of projects is monitored through a number of mechanisms such as officer feedback, public consultation and customer feedback.

6 The Disposal of Assets

6.1 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 have already been disposed of and plans to market further properties will be done in conjunction with delivering the Estates Strategy in-line with the Commissioners wider responsibilities.

7 Conclusion

8.1 This Capital Strategy considers all aspects of capital management, sets out the methods for assessing capital projects and assets and outlines the revised capital programme for the period 2022/23 to 2027/28, with wider outlook to 2031/32. The strategy should be read in conjunction with the detailed Estates, Information and Communication Technology (ICT) and Fleet Strategies, Sustainability & Decarbonisation Strategy and the Treasury Management Strategy which covers the requirements of CIPFAs Prudential Code.

	Revised 2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Land and Buildings	15.610	11.199	16.351	12.839	2.411	2.366	2.175	2.175	2.175	4.666	71.967
Fleet and Transportation	1.918	1.280	2.014	1.680	1.875	1.834	1.916	2.003	2.094	2.190	18.804
Infrastructure and Other Equipment	5.097	5.754	3.260	4.668	5.705	4.291	5.374	4.931	4.886	3.817	47.783
Total Capital Spending	22.625	18.233	21.624	19.187	9.991	8.491	9.465	9.109	9.156	10.673	138.555
Direct Revenue Financing	-2.948	-2.306	-2.675	-3.711	-6.192	-6.192	-6.192	-6.192	-6.192	-6.192	-48.790
Capital Receipts	-0.050	-0.400	-0.500	-0.050	-0.050	-0.050	-0.050	-0.050	-0.050	-0.050	-1.300
Grants and Contributions	-0.203	-0.050	-0.050	-0.070	0.000	0.000	0.000	0.000	0.000	0.000	-0.374
Borrowing	-15.610	-11.199	-17.962	-15.354	-3.749	-2.249	-3.224	-2.868	-2.914	-4.432	-79.560
Other and Reserves	-3.814	-4.279	-0.438	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	-8.532
Total Capital Financing	-22.625	-18.234	-21.624	-19.187	-9.991	-8.491	-9.465	-9.109	-9.156	-10.673	-138.555