

APPENDIX 1 (iii)

DYFED-POWYS POLICE AND CRIME PANEL

FINANCE SUB -GROUP

REPORT REGARDING LAND AND BUILDINGS HELD BY THE POLICE AND CRIME COMMISSIONER

Section A - Background

1. In the Annual Report issued by the Police and Crime Panel for the period 2022-2023 the Panel identified as one of its priorities for the upcoming year the scrutiny of the level of police precept proposed by the Police and Crime commissioner ('the PCC') for the 2024-2025 financial year.
2. As part of that scrutiny process the Panel identified the land and buildings held by the PCC as an area that required additional scrutiny. These land and buildings are collectively known as the police estate.
3. The panel delegated this piece of work to a subgroup of 7 members, led by Councillor Keith Evans of Ceredigion County Council. The full membership of the subgroup is.

Councillor Keith Evans (Ceredigion County Council) – Chair
Professor Ian Roffe (Independent co-opted member)
Councillor Dot Jones (Carmarthenshire County Council)
Councillor William Denston Powell (Powys County Council)
Councillor Simon Hancock (Pembrokeshire County Council)
Councillor Les George (Powys County Council)
Councillor Elizabeth Evans (Ceredigion County Council)

4. It must be stressed at this stage that whilst the PCC is the legal owner of land and buildings used by Dyfed-Powys police, decisions regarding whether a particular building is required for operational use is a matter for the Chief Constable, not the PCC. The role of the Panel is to scrutinise the PCC, not the Chief Constable and therefore the Panel has no remit to scrutinise such decisions.

Section B - Objectives

5. The objectives of this piece of work were to
 - (a) Establish the nature and quantity of land and buildings held by the PCC.
 - (b) Establish how these assets impact upon the overall budget available to the PCC.
 - (c) Gain an understanding of how these assets impact upon the delivery of the Police and Crime Plan
6. It is intended that these objectives will feed into the wider piece of work being undertaken by the subgroup in relation to the setting of the precept for 2024-2025.

Section C - What have we done?

7. In carrying out this piece of work, members of the subgroup have taken the following steps.
 - (a) Received a presentation from Mr. Heddwyn Thomas, Head of Estates.
 - (b) Attended a Finance Seminar hosted by the PCC and Chief Constable
 - (c) Reviewed relevant publicly available documents relevant to this issue, including the PCC's Estates Strategy
 - (d) Scrutinised decisions made by the PCC at quarterly Police and Crime Panel meetings.
 - (e) Attended meetings of the Policing Accountability Board held between the PCC and Chief Constable

Section D - What land and buildings does the PCC hold?

8. The most recent annual statement of accounts published on the PCC's website reveals that the net book value of the police estate as of 31st March 2022 was £56.1million for buildings and £6.8million for land.
9. These assets vary considerably in size and value, from large buildings such as the Police HQ in Llangunnor, Carmarthen, to single radio masts and include 43 police stations or former police stations.
10. These assets are spread across the whole force area. Several of the buildings are old having been built at a time when communities and policing were very different to what they are now.

11. Several buildings are shared with other public bodies and one former police station is leased to a food bank.

Section E – How does the PCC manage these assets.

12. The PCC's Estates Strategy states that the aim is *"to provide a cost effective and operationally relevant estate that supports and complements the service we provide to the community."* It also contains a commitment to modernise the police estate.
13. The Strategy describes the vision for the estate as being 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.*
 - *Provide an accessible service which enables multi-agency working and promotes visible policing.*
14. The Strategy goes on to set out the guiding principles which will govern decisions regarding the investment in the estate, including their location, public facing status, overall condition, and financial burden. These principles align with the objectives set out in the Police and Crime Plan.
15. The ultimate aims of the strategy are to
 - provide accommodation that responds to the demands of modern policing.
 - improve the economy, efficiency, effectiveness and sustainability of the estate, releasing financial resources for re-investment.
16. The Strategy states that these aims will be achieved by
 - Keeping a flexible approach and making changes to operational bases to reflect policing need.
 - Taking a risk-based approach to capital projects
 - Determining the future of individual properties through an assessment of their operational suitability and their condition.
17. Sites are categorised according to their overall condition, how well they meet operational requirements and the extent to which they are accessible to the public. A building which is in poor condition and does not meet operational requirements would be an obvious candidate for disposal.
18. Governance arrangements include strategic and operational joint management groups consisting of representatives from both the police force and the PCC's office which meet on a bi-monthly basis. Significant decisions

requiring further approval are taken to meetings of the Policing Board for review by the Chief Constable and PCC.

Section F - What impact do these assets have upon the overall budget?

19. Aside from the substantial capital investment that the police estate represents (£62.9million as of 31st March 2022), it is also a focus of considerable revenue expenditure and, to a much lesser extent, a source of income.
20. As with any buildings, the police estate requires regular repair and maintenance. Buildings also need heating and lighting, in some cases 24 hours a day 365 days a year. Members of the subgroup are very aware that heating costs have risen considerably in recent times and that therefore it is desirable, in the interests of keeping those costs to a minimum, that the police estate be as energy efficient as possible.
21. The most recent statement of accounts published on the PCC's website does not give specific figures for the maintenance and upkeep of the police estate but does refer to 'Premises costs' of £4.2 million for 2021-2022.
22. The presentation received by the subgroup from Mr. Heddwyn Thomas revealed that there had been a 147% increase in the unit price of energy in the year up to August 2023 and that electricity accounted for 72% of all utilities costs. This highlights again the importance of having a police estate which is as energy efficient as possible as every pound spent on these costs is a pound less that can be spent on operational policing in our communities.
23. The subgroup recognises however that investment in the police estate to enable it to meet operational requirements and be energy efficient is itself a significant drain on the resources available to the PCC.
24. Constructing new buildings or refurbishing existing ones is extremely expensive. These works are required to meet the usual Buildings Regulations and other technical standards that are in force from time to time. In addition, buildings which contain custody suites for the detention of prisoners must also meet certain standards specified by the Home Office. A small village police station with one or two cells which was built over 100 years ago will not meet those standards and therefore cannot be used for that purpose.
25. The Police and Crime Plan and most recent Statement of Accounts evidence a significant capital investment programme in the police estate, as demonstrated by the new award-winning police station and custody suite on the outskirts of Llanelli.

Section G - What impact do these assets have on the delivery of the Police and Crime Plan?

26. As indicated in paragraph 14 the Estates Strategy is aligned with the objectives of the PCC's Police and Crime Plan.
27. The priorities in the Plan are.
 - Ensuring victims are supported.
 - Preventing Harm
 - Ensuring the justice system is more effective.
28. Pages 18-19 of the Police and Crime Plan address the management of the resources available to the PCC, including the capital investment programme and the modernisation of police stations to make them fit for the future.
29. As was stressed in paragraph 4 above decisions as to whether a particular building is required operationally by the police is a matter for the Chief Constable. However, the Chief Constable is accountable to the PCC for the delivery of the Police and Crime Plan and the provision of an efficient and effective police force in Dyfed-Powys. Where an operational decision is taken that a particular police station is no longer required the governance arrangements outlined in the Estates Strategy facilitate a robust challenge to the Chief Constable as to the impact of that decision on the Police and Crime Plan and the efficiency and effectiveness of the force.
30. As mentioned in earlier paragraphs there are obvious financial reasons to modernise and rationalise the police estate. However, there is some academic research which highlights the negative impact of such rationalisation on crime outcomes.
31. A 2022 article in the Journal of Public Economics by Sebastian Blasse and Andre Diegmann (*Blasse.S and Diegmann.A 2022. The place-based effects of police stations on crime: Evidence from station closures. Journal of Public Economics 207 (2022) 104605*) looked at the impact of the rationalisation of police stations in parts of Germany and concluded that there was evidence that the closure of police stations did result in an increase in residential burglary and car theft and that the concentration of officers from those closed stations into enlarged stations elsewhere did not result in improved crime rates in those areas.

Section I - Acknowledgements

32. Members of the subgroup would like to thank Heddwyn Thomas, Director of Estates and Carys Morgans Chief Executive for the Police and Crime Commissioner for the open, transparent and constructive way in which they have provided information to the subgroup and answered the many questions posed by its members.

Section J - Conclusions

33. There are strong financial reasons justifying the modernisation of the police estate including the disposal of assets for which there is no operational need.

34. However, there is academic research which suggests a link between police station closures and crime outcomes which should not be ignored.

Section K - Recommendations

35. That proper consideration be given to the academic research highlighted above and any other similar research when formulating Police and Crime Plans and Estates Strategies.