



National Audit Office

The Estate Strategy of the Police Service of Northern Ireland

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SUMMARY

This report looks at the plans of the Police Service of Northern Ireland (PSNI) to modernise and rationalise its estate. The plans, part of a five year estate strategy approved by the Northern Ireland Policing Board in May 2005, are being taken forward by the PSNI against a challenging background. It occupies a large estate with many old and fortified buildings, a legacy of the security situation, and as part of the security normalisation process the military is withdrawing from sites it shares with the PSNI. Against this backdrop the report looks at the PSNI's progress so far in implementing its plans and identifies ways it can develop its approach to estate management. Our methods are explained in more detail at Appendix 1.

Our main findings are as follows:

- As the PSNI recognises, the police estate in Northern Ireland is larger and more expensive to run than the estates of other police forces in the UK. The PSNI is implementing plans to build and refurbish police stations, upgrade the condition of the estate and soften the look of police stations. The PSNI is also reviewing the need for almost half of its 135 police stations. It is spending £60 million on the estate in 2006-07.

Summary text continued

- Work to modernise the estate is leading to visible improvements, although overall progress is behind where the PSNI intended at this stage. In addition to the security normalisation process, the restructuring of local government in Northern Ireland, which is leading to changes in the PSNI's district command structure, is having an impact on the PSNI's original plans. Cost increases and delays to modernisation projects are also having an effect on the programme.
- Reviewing stations for closure is sensitive and, as at November 2006, 24 have been reviewed, with 20 approved for closure by the Northern Ireland Policing Board, the owner of the police estate. Nine of the 20 stations have been sold. Receipts from the disposal of police stations are required to partly fund the modernisation of the estate.

Our overall conclusion is that while the PSNI is taking steps to strengthen its estate management, on current progress it has much to do if it is to deliver on time its five year plan to transform, and deliver better value for money from, the estate. There are interdependencies between restructuring, modernisation, rationalisation and funding to be managed so clarity about needs, priorities and timings will be essential.

Recommendations

The final section of this report (Paragraph 29 onwards) sets out a number of areas the PSNI should give particular attention to in further developing its approach to estate management. The following will be key:

In taking stock of the estate strategy the PSNI should:

- establish a clear view of future requirements under its revised command structure and convert these into a programme of timetabled and costed plans, prioritised within available funding (Paragraphs 30 and 32); and
- take forward plans to rationalise its headquarter and support sites, and prepare individual strategies for its largest sites (Paragraph 30).

In planning the rationalisation programme the PSNI should:

- prepare a clear timetable for its review of stations and referral to the Policing Board, as circumstances at individual stations permit, which shows the likely value and timing of sales, as the disposal of stations impacts on funding available for modernisation of the estate (Paragraph 31); and



- plan for managing an increase in the number of disposals. In continuing to improve conveyancing information on buildings, giving priority to those stations due to be reviewed for closure would help speed up disposals (Paragraph 46).

In developing project management, the PSNI should:

- work to minimise design changes largely driven by end users, which can impact on cost and time. Using design and build contracts will help in this respect (Paragraph 38); and
- consult all stakeholders early to prevent delays and later design changes (Paragraphs 39 to 41).

In monitoring performance the PSNI should:

- build on its external benchmarking against other police forces by internally benchmarking costs and space usage across the estate (Paragraphs 47 to 50);
- regularly seek the views of estate users, for example through periodic surveys (Paragraph 51); and
- establish a performance management framework to support day-to-day management of the estate and forward planning, and to enhance reporting of progress on the strategy to senior management and the Policing Board, as illustrated in Figure 6 (Paragraph 54).



Introduction

1 The report of the Independent Commission on Policing in Northern Ireland (the Patten Report) in 1999 led to the Royal Ulster Constabulary becoming the Police Service of Northern Ireland (PSNI) and had significant implications for the management of the police estate. Amongst other things, the report recommended that subject to the security situation in their areas police stations should become less forbidding, more user-friendly for the general public and more congenial for officers and civilian staff to work in.

The Northern Ireland Policing Board owns the estate and it is managed by the PSNI

2 **Figure 1** outlines the key roles and responsibilities for the estate. For the purposes of this report the key points are:

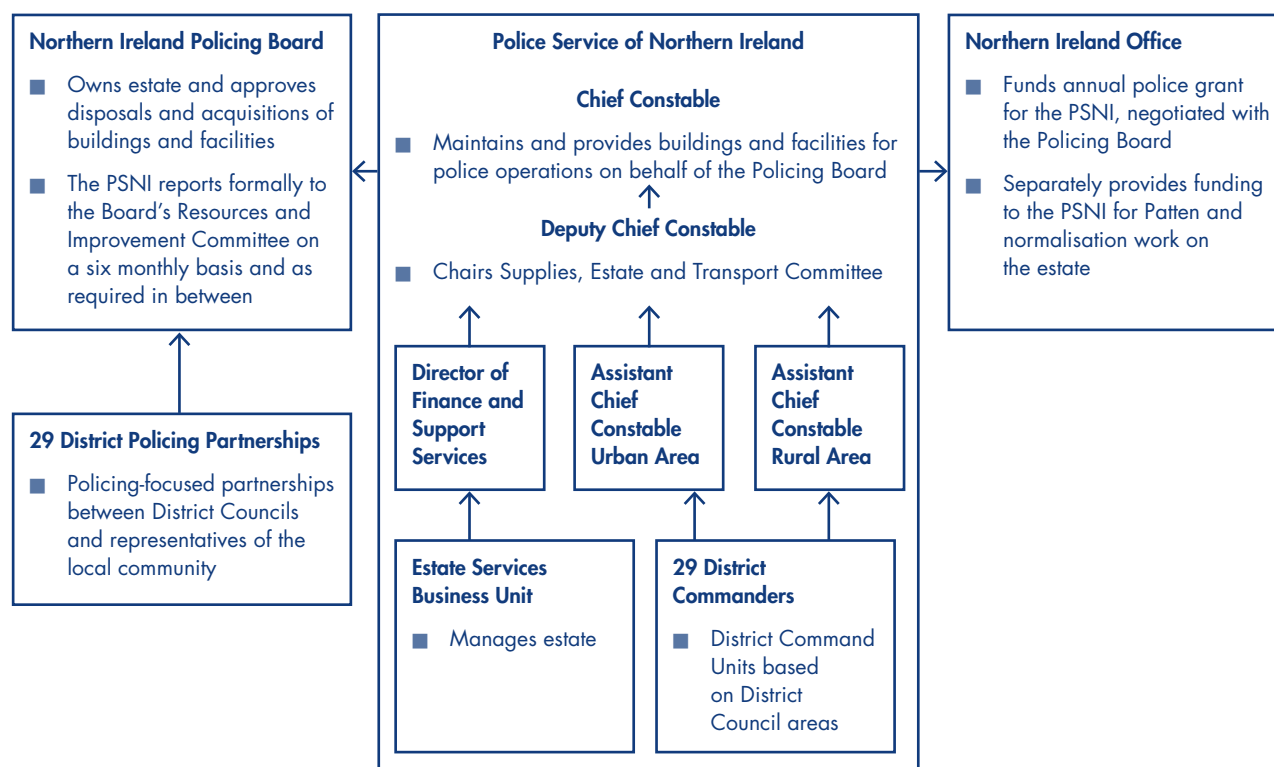
- The Northern Ireland Policing Board, (the Policing Board) an independent body set up in 2001 to oversee policing in Northern Ireland, owns the police estate and is responsible for approving the acquisition and disposal of land and buildings;
- The Chief Constable of the PSNI has delegated authority from the Policing Board under the Police (Northern Ireland) Act 2000 for the day-to-day administration of the police estate. The PSNI is therefore responsible for the provision and maintenance of buildings for police purposes on behalf of the Policing Board. The PSNI is made up of 29 District Command Units, reflecting local district council boundaries (with four District Command Units in Belfast);

- The Supplies, Estates and Transport Committee was set up within the PSNI in April 2005 to strengthen corporate governance by considering and approving annual plans for the estate and reviewing estate performance. It is chaired by the Deputy Chief Constable and attended by the PSNI's senior officers; and
- The PSNI's Estate Services Business Unit manages the police estate and reports to the Director of Finance and Support Services. Over recent years steps have been taken to make this Unit a leaner organisation, and it now has some 50 per cent fewer staff than in 1999. The Unit comprises 21 staff, including estate and property professionals, and contracts out the delivery of many services on the estate. The Unit is managing increasing expenditure on the estate, which in 2006-07 is some £60 million.

The PSNI is taking forward its plans to modernise and rationalise the estate

3 A legacy of the security situation in Northern Ireland is a large police estate with many old and fortified buildings. The estate covers 340,000 square metres and includes 135 police stations (almost 50 per cent are limited opening stations), and 14 headquarter and support sites. Over half of the buildings on the estate are more than 50 years old, and the PSNI's condition surveys show that many buildings require work. The estate is predominantly freehold and was valued at £400 million in 2004.

1 Roles and responsibilities for key stakeholders in managing the police estate



Source: National Audit Office

4 Although the police service has reduced in size by a third since 2001 the estate has remained virtually unchanged. Through benchmarking its estate against those of other UK police forces, the PSNI is aware that its estate is comparatively larger and more expensive¹. The estate:

- provides 76 per cent more space per person than the average of other forces, although space per person at each PSNI building varies;
- accounts for some 4 per cent of the PSNI's total cash expenditure compared to an average of 2.95 per cent for other police forces; and
- costs an average of £1,872 per full time employee compared to £1,400 at other forces.

5 In December 2004 chief officers of the PSNI endorsed a five year strategy for the estate and it was approved by the Policing Board in May 2005. The strategy brings together District Commanders' plans for the local stations under their command. The strategy covers the period 2005 to 2010 and sets out the PSNI's objectives to modernise the estate and review the need for 61 police

stations. The map at Appendix 2 sets out these plans in more detail. The strategy also includes plans to construct a new police college, taking forward a key Patten recommendation, although it does not form part of our review as the project is still at a very early stage.

6 In taking forward the strategy the PSNI is planning to spend significantly more on its estate over the coming years. Funding for the estate comes from the Northern Ireland Office as shown in Figure 1. **Figure 2 overleaf** sets out expenditure on work on the estate (excluding rates and utilities) from 2002-03 to 2006-07. In the years prior to the strategy, the PSNI was spending around £30 million each year for work on its estate. In the first year of the strategy (2005-06) expenditure rose by 17 per cent to almost £36 million. In 2006-07 the PSNI plans to spend some £60 million on the estate in total, £46 million on estate works and over £14 million on rates and utilities. The PSNI anticipates increasing expenditure on work on the estate over the period 2007-08 to 2009-10, with funding to be agreed with the Northern Ireland Office.

¹ The PSNI benchmarks the size of its estate and its building mix against 10 other UK police forces, and its estate costs against 38 other UK police forces.

2 Expenditure on the PSNI estate from 2002-03 to 2006-07 (£ million)

	Pre Strategy			Strategy	
	Actual spend	Actual spend	Actual spend	Budget	
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Budget Area ^{1, 2}					
Major Works	9.9	10.0	9.5	10.4	17.0
Minor Works	4.1	3.8	3.8	4.3	4.0
Maintenance	7.8	8.2	9.1	9.3	9.0
Energy Projects	0.5	0.5	0.6	0.5	0.5
Professional Fees	3.0	3.9	4.1	4.1	5.2
Security Works	0.0	0.0	1.1	2.6	4.0
Normalisation Works ³	0.0	0.0	0.0	0.0	4.3
Patten Works ⁴	5.3	3.3	2.4	4.6	2.5
Totals	30.6	29.7	30.6	35.8	46.5

Source: The Estate Services Business Unit, the PSNI

NOTES

- 1 Rates and utilities expenditures excluded from the table. Current annual rates expenditure is £9.1 million with utilities budget of £5.7 million.
- 2 Acquisitions and disposals expenditures excluded although the actual works associated with preparing a site for disposal are included within the Security Works budget and/or Minor Works budgets.
- 3 The Northern Ireland Office is providing direct funding for estate works relating to normalisation requirements (see paragraph 8).
- 4 The Northern Ireland Office is providing direct funding for Patten requirements. Patten works includes the softening of existing police stations, video recording in custody suites and development of the project for the police college. PSNI has agreed funding of £12.3 million for 66 projects to specifically soften the appearance of police stations, of which the PSNI had spent £2 million by 2005-06. Work valued at £1.1 million has subsequently been cancelled due to review and potential closure of stations concerned.

Progress to date is mixed

7 Overall progress is behind where the PSNI intended to be at this stage although it recognised from the outset that implementation of the strategy would not be straightforward. Reviewing police stations for potential closure would be inherently sensitive and the *security normalisation* process and the *Review of Public Administration* in Northern Ireland had the potential to have an impact on the strategy. From our discussions with senior PSNI officers it is clear that this is proving to be the case.

8 As part of the Government's plans to achieve *security normalisation* by August 2007, when military support for the police in Northern Ireland will formally end, the military is withdrawing from the sites it shares with the police. The Estate Services Business Unit is having to meet urgent demands from District Commanders for work on these sites, including security works, and is reviewing the status of stations on the shared sites. The need for these urgent security works has caused diversion of resources from other work programmes.

9 The *Review of Public Administration* in Northern Ireland, completed in November 2005, proposed a slimmer local government structure for Northern Ireland. In response, the PSNI is reviewing its own structure. It is likely to reduce the number of District Command Units from 29 to eight, largely coterminous with the new local government boundaries.² As this will have an impact on the future location and status of police buildings, the PSNI has put some estate projects on hold until the picture is clearer.

10 Against this background we examined the PSNI's progress, measured against its strategy, on:

- new buildings and major refurbishments;
- improving the condition of the estate;
- softening the appearance of the estate;
- developing a strategy for headquarters and support sites; and
- station review and disposals.

2 The Review of Public Administration proposes seven local councils, including one council for Belfast.

New buildings and major refurbishments

11 The PSNI's plan is to build six new police stations, two major extensions to existing buildings and up to eight upgraded custody facilities over the five years of the strategy. The PSNI is spending £27 million on this work during the first two years of the strategy (2005-06 and 2006-07), with figures for future years under consideration as shown in figure 2. Overall these projects are not as far advanced as originally planned in the strategy and the PSNI attributes this largely to the effects of the Review of Public Administration and the security normalisation process.

12 Another factor is that although the strategy sets out an indicative timetable for the delivery of projects, it does not set out the costs of planned projects and how they will be prioritised within available funding. As a result the PSNI is having to re-phase the delivery of some major projects to match available funding which is leading to delays. The current position is:

- Work on five out of the six new stations should be underway, although construction has started on only one – a £14.7 million District Command Unit Headquarters at Omagh – and will commence at a second at Musgrave Street in central Belfast in early 2007. The projects at Ballymoney, Downpatrick, Cookstown and Craigavon are delayed due to the planned District Command Unit restructuring. Since the approval of the strategy, the PSNI is considering plans to build a further two new stations at Ballymena and Crossmaglen respectively.
- Work on the two major extensions at Armagh and Castlereagh is yet to start. The PSNI plans to start the Castlereagh extension at the end of 2006-07, although this is over a year later than originally planned.
- A new custody suite is being built at Bangor police station costing £3.1 million and scheduled for completion mid-2007, a year later than planned. Plans for the other custody facilities are on hold although the PSNI set a timeframe of up to seven years to deliver the custody works, beyond the five-year period of the strategy.

13 As the PSNI has put some major capital projects on hold, this has freed up funds. The PSNI is bringing forward some smaller capital projects and spending money where it considers there will be less risk from the effects of the Review of Public Administration and the security normalisation process.

14 Work at the PSNI's support sites, which are also less affected by the Review of Public Administration, has progressed more in line with plans. For example the new central armoury and the special exhibits and murder archive stores were completed on time for a total cost of £5.5 million in 2005-06. And the new combined operational training centre at Magilligan is due for completion on time in November 2006 at an estimated cost of £3 million.

Maintenance work

15 The PSNI is spending some £8 million a year on routine maintenance of the estate, including work to meet statutory requirements, such as Health and Safety standards. All buildings on the estate are surveyed on a cyclical basis to identify the works required to meet the above needs and a prioritised programme of work is established each year. However this programme is subject to change due to new requests from District Commanders for local work.

Softening the appearance of the estate

16 The work being done to 'soften' the appearance of the estate (as part of the Patten work) includes lowering perimeter walls or replacing them with railings so police stations are visible to the public, and removing sangars³ and wire meshing. The nature and extent of the work is dependent on the local security assessment. As shown in figure 2, the Northern Ireland Office is funding work to meet Patten recommendations that includes approved funding of £12.3 million for 66 projects to soften existing police stations. Of these the PSNI:

- had completed 21 projects by the end of 2005-06 at a cost of £2 million;
- plans to deliver a further 27 projects in 2006-07 at a cost of £3.1 million; and
- had cancelled 12 projects due to the potential closure of the stations concerned.

17 In June 2006 the Oversight Commissioner⁴ reported that although improvements have been made to stations, progress on those in many smaller communities had been limited.

³ A sangar is a protected sentry post, normally located around the perimeter of a base/site.

⁴ The Office of the Oversight Commissioner is responsible for overseeing the implementation of recommendations from the Patten Report.

Headquarters and support sites

18 There are 14 headquarters and support sites on the estate and, as mentioned in paragraph 14, work on these sites is progressing generally to plan, although it is not being carried out as part of an overarching strategy with the risk that the work is piecemeal and may not meet the PSNI's long-term requirements. The PSNI estimated that the recent construction of a central armoury could lead to savings of £2 million through the rationalisation of over 150 local armoury facilities, but the new facility is not being fully utilised.

19 The PSNI completed a review of its headquarter estate in April 2006. This review, endorsed by chief officers, addresses the medium term future of the PSNI's principal support sites, although likely changes to headquarter departments, following the planned District Command Unit restructuring may impact on some of these sites. The PSNI therefore plans to re-visit the review of the headquarters estate in 2008-09. However, some of the support sites are in effect small estates in their own right and large enough to benefit from having their own strategy. For example, Seapark, a logistics site at Carrickfergus, covers 35,000 square metres, a tenth of the whole PSNI estate. In response to operational needs, in recent years a number of projects have been carried out to improve and provide new facilities there, in what was a disused tobacco factory. The PSNI has confirmed that this work has been carried out as part of a long-term plan for the site, although the plan has not been documented.

Station review

20 Reviewing police stations for closure is a sensitive matter. The Northern Ireland Policing Board, as owner of the estate, is required to approve any closures, based on the recommendation of the Assistant Chief Constables and ultimately the Chief Constable. District Commanders are required to prepare business cases based on consultation with the local community including District Policing Partnerships (figure 1) and policing operational requirements. They must also consider and outline the options for providing alternative policing facilities, such as mobile units, shop fronts and police surgeries, for the local community if a station closes. The process is outlined in **Figure 3**.

3 Police Station Review Process

Policing Board approves or rejects closure of station. It may also approve closure and demolition of station, pending a future decision on the land use.

Assistant Chief Constable submits business case to the Northern Ireland Policing Board for consideration of closure.

District Commander presents business case to urban or rural Assistant Chief Constable for consideration.

District Commander prepares business case for reviewing police station based on consultation with the local community and District Policing Partnerships, including consideration of alternative policing arrangements in the event of closure.

Source: National Audit Office

21 In its estate strategy the PSNI proposed 61 stations for review (45 per cent of all stations), depending on District Commanders' assessments of operational need. Since May 2005, when the strategy was approved, six of the 61 stations have since been taken off the review list in the light of the planned restructuring of District Command Units (paragraph 9) and changes to operational requirements. District Commanders had identified periods of anywhere between one and five years, when each station on the list could be reviewed. Based on these broad assessments up to 40 stations were potentially eligible for review by the end of 2005.

22 By November 2006, the PSNI had put forward proposals to close 24 stations, of the 61 listed in the estate strategy, to the Policing Board and the Board has approved the closure of 20 stations. Three of the 20 police stations – Castledawson, Cullybackey and Andersonstown – were reviewed by the Policing Board and agreed for closure in 2004, while the estate strategy was being prepared but before it was formally approved by the Board in May 2005. The PSNI has withdrawn its proposals to close four stations in Irvinestown, Newtownbutler, Crossmaglen and Newtownhamilton. Progress so far is set out in **Figure 4**.

4 Progress in reviewing stations for closure – 2004 to 2006

2004 Pre-Strategy

The Policing Board approves the closure of three stations – Castledawson, Cullybackey and Andersowntown – included in the 61 stations for review in the PSNI's estate strategy.

June 2005

The PSNI refers 17 stations to the Policing Board. The Policing Board approves the closure of nine stations, but defers a decision on the remaining eight, pending further local consultation.

September 2005

Following further consultation the PSNI decides to withdraw proposals to close two of the eight stations. The Policing Board approves the closure of the remaining six stations.

February 2006

The Policing Board approves the closure of a station in Middletown, County Armagh.

Source: National Audit Office

June 2006

The Policing Board defers a decision to close Coalisland station in County Tyrone, and requests more information from the PSNI on plans to deliver policing to the community if the station is closed.

September 2006

The Policing Board endorses the PSNI's proposal to close and demolish the police station at Coalisland, County Tyrone, pending a future decision on the land use.

October 2006

The PSNI withdraws proposals to close Crossmaglen and Newtownhamilton stations.

December 2006

The Policing Board is due to consider the future of Gilford station.

23 To help simplify and formalise the reviews of police stations the Estate Services Business Unit has developed a template to assist District Commanders in preparing business cases.

Disposals

24 The funding for implementation of the PSNI's estate strategy is predicated in part on the savings and receipts from the closure and disposal of stations. Having received approval for the closure of 20 stations (paragraph 22), by the end of November 2006 the PSNI had sold nine sites for a total of £4.3 million. Two further disposals at Ballinamallard, and Moneymore are planned by the end of 2006. The costs of disposals are met by the PSNI.

25 In the period up to and including 2007-08, the PSNI anticipates running cost savings of £4 million to £5 million, and disposal receipts of £7 million to £10 million if it fully implements the review and closure of stations as set out in the estate strategy. Precise costs savings and receipts depend on the timing and local market conditions for the disposal of sites.

The work being done to modernise the estate is having a positive impact

26 The main fieldwork for our study was undertaken a little under a year after the PSNI's estate strategy was approved, and none of the larger scale capital expenditure projects had been completed.

27 So to see for ourselves 'live' examples of what the PSNI is working to achieve, we visited a number of locations where work had been underway in the run up to the approval of the strategy. We visited three police stations which had either been re-built or undergone major refurbishment – a District Command Unit Headquarters at Coleraine (new build) and stations in Ballycastle and Magherafelt (major refurbishments). We also visited some support sites, including the new central armouries and the special exhibits and murder archives stores at the PSNI's logistics site at Seapark, and the site for the new combined operational training centre at Magilligan. For contrast, we went to stations where no significant work had been done, including New Barnsley, Ballymoney and Bushmills.

28 The visible improvements were obvious. For example, the new training centre at Magilligan is replacing dilapidated accommodation, including portacabins, and the station at Coleraine, which the PSNI sees as something of a flagship, is a modern building with a low perimeter wall and clearly visible from the street. The PSNI has also been working to make reception areas at the new and modernised facilities more welcoming and accessible, and compliant with Disability Discrimination Act requirements. Senior officers and other staff we spoke to were generally positive about the changes.

Going forward, the PSNI can further develop its approach to estate management

29 The work done to prepare a five year strategy for the estate, coupled with the strengthening of the Estate Services Business Unit (paragraph 2) has brought a more professional and forward thinking approach to the management of the police estate. And based on our early review of the implementation of the strategy, there are matters to which the PSNI should give particular attention as it continues to develop its approach.

Taking stock of the strategy

30 The fact that implementation of the plans for the estate are not as advanced as intended means that the PSNI has an early opportunity and need to take stock.

- The PSNI needs to establish a firm view of what its requirements for police stations, headquarter and support sites will be following significant changes to the command structure in response to the Review of Public Administration (paragraph 9). Uncertainty about future requirements brings the risk of money being spent on modernisation where there is no long term need. Although major projects have been put on hold where the future needs are unclear, there is also a risk in bringing forward smaller scale capital projects before long-term needs are clear.
- In taking forward plans to review its headquarter and support sites, to support a consolidation of the PSNI's business support functions, the PSNI needs to consider any spending proposals in the context of a longer term plan in preference to the piecemeal development of sites. For larger headquarter sites it should also consider developing a series of 'mini' estate strategies within its wider plans.

31 The PSNI also needs to establish a clearer view of the likely progress of its rationalisation programme, as circumstances permit.

- The PSNI should consider whether the plans to review the continuing need for some police stations could be set in a timetable that gives a clearer view of when, circumstances permitting at individual stations, reviews will be carried out and the results reported to the Policing Board. At present the plans are represented in broad terms over a number of years (paragraph 21). Yet the rate at which savings and income from the rationalisation programme become available impacts on the funding available for the modernisation programme. It may therefore also be helpful for the timetable to include the likely value and timing of the receipts if stations are to be sold.
- The PSNI should continue to pursue its longer-term vision for shared facilities on its estate, to provide alternative policing arrangements when stations close, as the security situation allows. The PSNI are developing police shops at two locations and are considering further options. There are examples of similar initiatives at other police forces. Lancashire Constabulary have identified over 100 opportunities to share space with, for example, local authorities, libraries, schools, health trusts, universities and housing associations. And Surrey Police plans to retain a small office and public counter in a new development after selling the site to a private developer.

32 Having established a clear view of future estate requirements, the PSNI will need to consider the resource implications of these requirements, particularly if they are to deliver to the original timetable set out in the estate strategy.

- The PSNI will need to have a clear idea of the priority, timing, interdependencies and costs of projects and how they link to available funding. It will then be clear which projects should, for example, be developed, put on hold or even cancelled when funding pressures arise. In progressing the current strategy the PSNI is having to reschedule the delivery of projects until funding is available.
- While the Estate Services Business Unit as a professional adviser has a lead role for the delivery of the estate strategy, going forward, the PSNI's Supplies, Estate and Transport Committee (paragraph 2) should ensure that the strategy and the way it progresses reflect corporate priorities.

Further developing project management

33 We reviewed the nine major capital projects where construction was either on site or had been completed in the last two years, and found that:

- between outline design stage and estimated final account stage, costs rose on seven out of the nine projects. Across these seven projects costs rose by £9 million, a 38 per cent increase on initial estimates. Cost increases for individual projects ranged from £70,000 (6 per cent more) for the murder archive store at Seapark to £4.7 million (48 per cent more) for the new District Command Unit Headquarters currently under construction at Omagh; and
- between tender and final account stage costs rose on five out of the nine projects by £2 million, a five per cent increase on costs from the tender stage. Cost increases for projects ranged from zero to £1.2 million.

34 These cost changes set out above largely reflect the time elapsed between the outline design stages for projects to the start of construction, but cost increases were also due to design changes. **Figure 5** sets out details of the individual projects reviewed.

35 As stated in paragraph 14, work at the support sites has progressed generally in line with original plans but there have been delays in building new and refurbished police stations. The PSNI initially planned to start on-site work at a major station refurbishment in Magherafelt in September 2001 and complete the project by November 2002 but changing operational requirements and changes in local command led to a delayed start in July 2003 and completion in January 2005, over two years late. The new station at Omagh is set for completion at the end of 2008, against a forecast of the first quarter of 2008-09.

36 As the PSNI takes on more major projects, some larger and more complex, there is scope to develop its approach in the following areas.

5 Cost variances on major projects

Project	Description	Status	Actual or estimated final cost variance	
			...against outline design stage	...against tender stage
Police stations				
Bangor	New custody suite and office accommodation	Under construction	£0.9 million (+43 per cent)	£0.02 million (+1 per cent)
Coleraine	New District Command Unit Headquarters	Completed 2004-05	£1.9 million (+32 per cent)	£1.2 million (+18 per cent)
Magherafelt	Major refurbishment of District Command Unit Headquarters	Completed 2004-05 but in extended defect liability stage	£0.8 million (+30 per cent)	– £0.03 million (– 0.8 per cent)
Omagh	New District Command Unit Headquarters	Under construction	£4.7 million (+48 per cent)	Under construction
Support sites				
Magilligan	New combined operational training facility	Under construction	– £0.15 million (– 5 per cent)	Under construction
Seapark	New Central Armoury	Completed in 2005-06	£0.5 million (+53 per cent)	£0.5 million (+ 53 per cent)
	Relocation of Weapons Control	Completed in 2005-06	£0.09 million (+10 per cent)	£0.06 million (+ 7 per cent)
	Murder Archive Store	Completed in 2005-06	£0.07 million (+ 6 per cent)	£0.1 million (+ 11 per cent)
	Special Exhibits Store	Under construction (98 per cent complete)	– £0.08 million (– 4 per cent)	Under construction

Source: The PSNI

Controlling design changes

37 In our sample of nine projects examined above, the cost increases were due in part to changes to the design of the accommodation after contracts were let as mentioned at paragraph 34. These changes were generally at the request of local users, particularly when senior personnel changed.

38 One way to reduce the risk of design changes after contracts are let is to integrate design and construction, which is recommended good practice⁵ for public sector projects. The PSNI has traditionally adopted a non-integrated approach and let separate contracts for the design and construction of buildings. The PSNI is however planning to use an integrated design and build approach for its new District Command Unit Headquarters at Musgrave Street in Belfast, thereby restricting the ability of end users to initiate scope revisions post contract award, and confirmed that it is considering this approach for all major construction projects in the future.

Identify and communicate with all stakeholders

39 Good practice in project management requires identifying, communicating with and influencing all those who may have an impact on or be affected by a project. The PSNI's projects have many and varied internal and external stakeholders including staff, suppliers and members of the public and on major building projects the PSNI has a defined process for engaging with internal stakeholders.

40 By not identifying and engaging with stakeholders in the local community at an early stage, the PSNI has seen some projects held up by, for example, local planning issues. The PSNI has developed a template for use by District Commanders in reviewing stations for closures, including approaches for consulting with stakeholders in the local community (paragraph 23), and similar approaches could be used to consult communities on planning issues on major building works. But although it has recently started to hold community evenings to take this forward, the PSNI explained that detailed engagement with local communities can be limited due to security considerations. As the PSNI plans to use the design and build approach on major construction projects in the future, there will however be a greater need to consult all stakeholders as early as possible in projects (paragraph 38).

41 Our interviews with the PSNI's contractors on major projects also highlighted that an earlier indication of projects coming up would be helpful in planning their own work and allowing them to make available the best resources to bid for contracts.

Strengthening post-project reviews

42 It is good practice to build systematic post-project review into the project management cycle to help ensure lessons are learned and taken forward. At the PSNI, the Estate Services Business Unit carries out customer satisfaction surveys and evaluations six months after the end of each project. These reviews can provide lessons for new work. For example, lessons on the need for more storage space in recently completed stations have been reflected in the design for the new station at Omagh.

43 The PSNI could also draw on the experience of others to develop its approach to post-project reviews. At West Mercia Constabulary, for example, a workshop is held six months after the completion of projects. Key stakeholders including users, IT representatives, the design team and the contractor attend the workshop and discuss and individually score key elements of the project. Overall scores for each element of a project enable the estate team to identify areas for improvement and to set targets for future improvements. Developing its approach to the review of projects would allow the PSNI to focus on recurring issues which it needs to address on projects such as the control of design changes, cost and time over-runs.

Strengthening the disposal of assets

44 The disposal of police stations is the responsibility of the Estate Services Business Unit. As mentioned in paragraph 24, the PSNI has sold nine stations from the 61 included for review in its estate strategy. It sold four stations in 2005-06, including one station not on the review list. We looked at these four sales in more detail as part of our work. On average it has taken 22 months to sell the stations from the time of the Policing Board's approval, with individual sale times ranging from 15 months to 36 months. With a further 11 approved for closure and due for disposal (paragraph 22) and potentially more depending on future reviews, the PSNI needs to be well placed to handle what is a growing disposal programme, especially as modernisation of the estate is to be funded in part from sale proceeds.

45 Good practice in asset sales, when a site has development potential, is to sell with outline planning permission if the planning process would not cause undue delays or attach any conditions making the sale unattractive to the market. Generally the PSNI has not sought outline planning permission on the basis that the sites sold have been relatively small and regarded as having limited potential and that it considers the time

⁵ Office of Government Commerce/ The Committee of Public Accounts report - "The BBC's White City 2 Development", twenty-fourth report of Session 2005-06, HC 652.

taken to gain planning permission could hold up the sale. With larger volumes of property being sold in the future, the PSNI should explicitly consider in each case whether there would be any merit in selling a site with permission and, if not, whether there is scope to use a clawback provision to secure part of any subsequent increase in value obtained by the purchaser.

46 Regardless of the approach to extract value from the property, one way likely to speed up the disposals process would be to ensure that the legal documentation is accessible for sites approved for closure and for those due to be reviewed for closure. As the PSNI has found that legal titles to land are not always in place, and that this can hold up the sales process, the Estate Services Business Unit is already taking steps to improve the conveyancing information it holds.

Monitoring performance

47 The PSNI needs to have good information to support day-to-day management of the estate by the Estate Services Business Unit. The same information could also help the PSNI's senior management, through the Supplies, Estate and Transport Committee (paragraph 2), in making decisions on the future of the estate and in monitoring the delivery of the estate strategy.

48 The PSNI already holds a range of information on the costs and characteristics of its estate and uses some of this information to benchmark the costs and size of its estate against other police forces (paragraph 4). The PSNI also holds information on projects completed and underway and on the sale of its assets. As shown below, however, there is more that the PSNI could do to collect and use the information in a way that supports the management of its estate. And as the Review of Public Administration will lead to fewer District Command Units and rationalisation to fewer buildings on the estate, it should become simpler for the PSNI to construct local cost indicators in the future.

Cost

49 The PSNI uses cost information to manage budgets for the estate as a whole and benchmarks the performance of its total estate against other police forces using the indicators below:

- Rent per square metre;
- Rates per internal square metre;
- Cleaning per internal square metre;
- Estate management costs per square metre;
- Energy (gas/electricity/oil) per internal square metre;
- Maintenance costs per internal square metre;
- Total estate costs as a percentage of total police service revenue costs; and
- Total estate costs per full time employee.

However, although it holds central cost information for individual sites, the PSNI does not use the same indicators for internal benchmarking to compare the costs of running individual buildings. Costs could be compared by constructing indicators which show both average values and a range of values. For example, not only the average cost per square metre but also the minimum and maximum values for the estate to provide a clear picture of the variation in costs.

Use of space

50 The use of space on the estate also drives costs. The PSNI's external benchmarking indicators include a measure of the use of space in terms of square metres per person. But as with the cost indicators, the external benchmark provides no insight to performance at a local level. The PSNI could again use this measure and monitor the use of space at buildings across the estate and could also include metrics on the number of workstations per person and the amount of surplus space on the estate.

Customer and users

51 Getting value for money from an estate depends on not only the cost and use of space but also on whether it provides a suitable working environment and meets the needs of other users such as the general public. The Estate Services Business Unit seeks feedback from staff as part of its review of projects, and customer satisfaction is regularly measured as part of its maintenance contract. However, a regular staff survey across the estate could measure wider customer satisfaction particularly in relation to the use of space and accessibility. Periodic surveys of a sample of users across the estate could seek their views on, for example, the extent to which the buildings they occupy:

- are easily accessible for staff, service users and visitors;
- are appropriate for their needs;
- are appropriate for service users'/visitors' needs;
- are appropriately secured to protect people and property; and
- have a clear point of contact for any building or accommodation related queries.

52 Given that much of its estate is accessible to the public, the PSNI could also consider setting indicators to monitor the performance of the estate for non-staff users. For example, it could now report as a measure the percentage of buildings which are used by the public in which all public areas are suitable for, and accessible to, disabled people, for which it already has information available.

The estate management function

53 Measures on costs, the use of space and customer or user satisfaction are useful in managing cost-efficiency and the needs of users. Tracking the progress of the delivery of the estate strategy will also be important. There is currently routine reporting of progress on the estate strategy to the PSNI's senior management and the Policing Board and the information the PSNI holds on its projects and the sales of its assets could be used to develop indicators to enhance its reporting. Indicators could include:

- percentage of capital projects completed to time, to cost and to quality;
- number of disposal targets without sound legal conveyancing documentation;
- average time taken for disposals;
- progress against annual capital receipt target; and
- cost of property management function in terms of costs per square metre and as a percentage of running costs.

54 For illustrative purposes we have brought together these suggestions for indicators, covered by paragraphs 49 to 53, at **Figure 6**. These are not costly proposals as, with the exception of the user survey, most of this information is already available within the Estate Services Business Unit.

6 An illustrative series of performance indicators to support the PSNI's estate management

Use of assets

- Occupied space (square metres per full time employee)
- Space utilisation (workstations/staff numbers)
- Proportion of surplus space on the estate

Customer/user

- Indicator of customer satisfaction i.e. suitability of spaces/environment for functional requirements
- Percentage of buildings which are used by the public in which all public areas are suitable for, and accessible to, disabled people

Costs

- Total property costs per square metre and individual costs per square metre – rent, rates, facilities management services (including cleaning)
- Total property costs per person
- Total annual energy consumption – electric, gas and oil (e.g. kWh per square metre)
- Maintenance costs per square metre
- Total estate costs as a percentage of the total police service revenue costs

Estate Management Function

- Percentage of capital projects completed to time, to cost and to quality
- Number of disposal targets without sound legal conveyancing documentation
- Average time taken for disposals
- Progress against annual capital receipt target
- Cost of property management function in terms of costs per square metre and as a percentage of running costs

Source: National Audit Office

APPENDIX ONE

The methods we used

1 Our fieldwork took place between April and August 2006. The main elements of our work were as follows:

- A review of the PSNI's estate management plans;
- A review of the PSNI's property management information;
- Case examples of six building projects and the disposals of four stations;
- Semi-structured interviews with the PSNI and other key stakeholders; and
- A review of good practice in estate management at other UK police forces and elsewhere in the public and private sector.

2 We commissioned PricewaterhouseCoopers to provide support and advice on our work and in particular our review of the PSNI's property management information and good practice in estate management.

3 Our methods are described in more detail in the following paragraphs.

Review of estate management plans

4 We examined the PSNI's plans for its estate up to 2010 including:

- its estate strategy approved by the Northern Ireland Policing Board in May 2005;
- the Estate Service Business Unit's annual business plans for the estate for 2005-06 and 2006-07; and
- actual and anticipated expenditure on the estate over the period 2002-03 to 2009-10.

5 To measure the PSNI's progress in implementing its strategy we compared the PSNI's plans for the estate, as set out in the strategy, against projects completed and underway and the number of stations reviewed.

6 To assess the extent to which projects are being delivered to budget we looked at the nine major capital projects completed in the last two years or underway to compare initial cost forecasts and cost forecasts at tender stage against actual or estimated final costs.

Review of property management information

7 We reviewed the PSNI's property management information against good practice based on PricewaterhouseCoopers best practice and benchmark material from their work with public and private sector organisations in relation to delivering estate strategies. The assessment was based on a review of the following documents:

- Estate condition survey database;
- Property management performance reports;
- Progress notes for forward maintenance register and minor works; and
- 2004-05 benchmarking data as part of the UK Police Property Managers Group.

Case Examples

New buildings and refurbishment

8 Based on our review of the PSNI's plans for its estate, we selected six sites where projects were either recently completed or underway. The sites were selected to provide examples of the PSNI's approach to estate management in the following areas and to identify good practice and lessons for future project delivery:

- **Construction of new build police station:** New District Command Unit Headquarters at Coleraine completed in 2005;
 - **Major refurbishment of police station:** District Command Unit Headquarters at Magherafelt completed in 2005;
 - **Minor refurbishment of police station:** Sector station in Ballycastle completed in 2004;
 - **Construction of new support facility:** New combined operational training centre at Magilligan due for completion in the autumn of 2006;
 - **Minor refurbishment of support facility:** Existing police station at North Queen Street, Belfast refurbished to provide accommodation for centralised crime operations team and support, completed in 2004; and
 - **Construction of a number of facilities at one support site:** New central armoury, special exhibits store, murder archives store and incinerator at Seapark logistics site, Carrickfergus, completed or due for completion in 2005-06.
- 9** For each example outlined above we:
- carried out a file review which included examining business cases, budgets, project monitoring data, and available post-project reviews to identify outcomes in terms of time, cost and quality; and
 - visited each site to see the work carried out and interview project sponsors and local users of the facilities to get feedback on the projects.

10 To compare the early impacts of the PSNI's programme of modernisation against the condition of the original estate we also visited sites at New Barnsley, Ballymoney and Bushmills where no significant work had been done.

Disposal of police stations

11 We looked in detail at the disposal of four police stations at Andersontown, Castledawson, Cullybackey and Corry Square, which were sold by the PSNI in 2005-06. We reviewed the files relating to the sale of each station to examine:

- the disposal process including final sale price; and
- the length of time taken to dispose of the site and the reasons for any delays.

Semi-structured interviews

12 We conducted face-to-face interviews with key stakeholders in the management of the police estate and the delivery of the estate strategy. Our interviews covered the following areas:

- Roles and responsibilities in relation to the delivery of the strategy;
- Views on progress made in delivering the strategy in terms of new buildings and refurbishment; maintenance work; softening of the estate and the review of stations for closure and disposals;
- Key risks to the delivery of the strategy; and
- Lessons for strategy going forward.

We interviewed senior officers and managers at the Police Service of Northern Ireland including:

- The Deputy Chief Constable;
- Director of Finance and Support Services;
- Head of the Estate Services Business Unit;
- Assistant Chief Constables of the Rural region and the Urban region; and
- Senior officers at the District Command Units in Ballymena, Ballymoney, Coleraine, Foyle, Magherafelt, Newry and Mourne, and Omagh.

13 We also conducted interviews with representatives of:

- The Northern Ireland Policing Board;
- The Northern Ireland Office;
- The Office of the Oversight Commissioner; and
- Major contractors working on the PSNI estate.

Good practice review

14 We commissioned PricewaterhouseCoopers to carry out a review of good estate management practice with a focus on UK police forces to identify lessons for the PSNI's management of its estate going forward. PricewaterhouseCoopers conducted semi-structured interviews with the Heads of Estate of six UK police forces and reviewed their estate strategies and supporting documentation. The six forces were Hertfordshire, Kent, Lancashire, Norfolk, Surrey and West Mercia and were selected as they satisfied at least one of the following criteria:

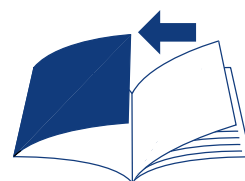
- Strong performance in the 2005 Police Performance Assessments "Use of Resources".
- Good estate practice highlighted in recent Her Majesty's Inspectorate of the Constabulary Reports on police estates.
- Featured as strong performers in the 2004-05 benchmarking data from the UK Police Property Managers Group.

15 We also drew on wider good practice in police estate management covered in *Action stations – Improving Management of the Police Estate*, the Audit Commission (1999) and *Design Quality for Police Buildings*, the Home Office (2005).

16 To identify lessons for the PSNI's major building projects we examined building project guidance including *Getting Value for Money from Construction Projects through Design: How Auditors Can Help*, NAO, the Commission for Architecture & the Built Environment (CABE) and the Office of Government Commerce (OGC), in association with the Audit Commission (2005).

APPENDIX TWO

Map of Estate Development Plans 2005-10



Map overleaf

PSNI Estate Development Plan 2005-2010

- Disposals already approved 2005-2006
- Stations to be reviewed during 2006-2010
- New Build Programme 2005-2010
- Patten 53 Programme 2005-2007
- Maintenance Upgrade Works 2005-2007



Source: The PSNI