

<b>Police and Crime Commissioner for Gwent Decision</b>	
<b>PCCG-2019-072</b>	<b>Police and Crime Commissioner for Gwent Decision</b>
<b>Subject</b>	<b>Voluntary Termination of the Private Finance Initiative Contract</b>
<b>Summary</b>	<b>To record the decision of the Police and Crime Commissioner regarding the voluntary termination of Ystrad Mynach Police Station Private Finance Initiative Contract (PFI)</b>

## **DECISION**

1. **The Ystrad Mynach Police Station PFI Contract incorporates 31 cells and also office and ancillary accommodation for other police functions. The contract was signed on the 9<sup>th</sup> June 2004 with service commencement on the 9<sup>th</sup> September 2005.**
2. **In early 2011, as a direct result of the 2010 Comprehensive Spending Review (CSR), the Treasury issued guidance on savings which could be achieved from operational PFIs. Following this, on 19<sup>th</sup> July 2011, the Commercial Secretary to the Treasury announced the Government's intention to deliver at least £1.5bn of savings from the existing stock of PFI projects, via 'Making Savings in Operational PFI Contracts'.**  
  
**Local Partnerships<sup>1</sup> therefore began to work with the Home Office to support police forces in reviewing their operational PFI contracts for implementable savings, with the intention to share the lessons and outcomes with the wider sector.**  
  
**In the summer of 2013, the Police and Crime Commissioner and the Chief Constable of Gwent Police agreed to participate in such a review to identify savings opportunities in respect of the Ystrad Mynach Police Station PFI Contract.**
3. **In order to justify a decision to voluntarily terminate the contract, the expert services of a specialist PFI consultant were awarded in May 2018 to undertake the necessary work and due diligence to produce a voluntary termination business case; this business case (attached) was received by the Police and**

<sup>1</sup> Local Partnerships LLP is jointly owned by HM Treasury and the Local Government Association. As Local Government's commercial taskforce, they provide the public sector with expertise, assurance and value for money know-how. They work exclusively with the public sector to equip it with commercial skills to deliver value. Their work covers asset management, social enterprises, waste, carbon reduction, health and wellbeing, PFI/PPP and other local infrastructure projects.

Crime Commissioner in May 2019. The business case was determined on a 'worse-case scenario', however, the actual costs of termination were lower than those included in the business case, amounting to £7.213 million as opposed to £7.396 million. The savings to the Police and Crime Commissioner over the remaining term of the contract amount to £5.2 million.

4. The Police and Crime Commissioner for Gwent agreed to progress with the termination of the contract on the 10<sup>th</sup> June 2019 at the Estate Strategy Board.

The business case, which also included the maintenance of the existing PFI credits, was agreed by the Welsh Government on 26<sup>th</sup> September 2019. The CFO therefore undertook the voluntary termination of the PFI scheme at Ystrad Mynach on 31<sup>st</sup> January 2020.

**Jeff Cuthbert B.SC., MDIPD, Police and Crime Commissioner for Gwent**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct. Any such interests are recorded below.

The above request has my approval.

Signed 

Date 6/3/20

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**Background papers**

**Business case**



Welsh Government 5  
Case Model - YM PFI