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REPORT TO: British Transport Police Authority
DATE: 11 March 2010
SUBJECT: Capital Programme 2010/11 – 2012/13
SPONSOR: Chief Constable
AUTHOR: Director of Finance and Corporate Services

1. PURPOSE OF PAPER

1.1 This report reviews the level of resources available for capital projects and presents proposals for the Capital Programme 2010/11 to 2012/13 for Member approval.

2. BACKGROUND

2.1 A provisional draft Capital Programme for 2010/11 to 2012/13 was included in the report on the Medium Term Financial Plan (MTFP) submitted to the Strategy, Budget and Performance Monitoring (SBPM) Committee on 11 November 2009. This was based on a very early consideration of likely requirements and it was noted that a further report would be submitted to Members early in 2010.

2.2 Since that report was submitted, further consideration has been given to the demands for capital expenditure and Departments have submitted proposals for capital projects to be reviewed and prioritised by the Strategic Command Team (SCT). The proposals now submitted for approval are based on the review recently carried out by SCT.

2.3 As indicated in the previous report, The Department for Transport (DfT) have confirmed a capital expenditure allocation of £9m in 2010/11. This is based on the balance remaining of the agreed programme of £33m over the period 2008/09 to 2010/11. For future years they have also confirmed that capital resources are likely to be limited to £10m per annum.

2.4 Nevertheless, recognising the tendency for capital expenditure to slip as a result of unforeseen delays, the DfT have stated informally that they would be unlikely to object to a

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programme initially totaling up to £10m in 2010/11. The Capital Programme submitted with this report reflects that flexibility.

2.5 Similarly, the DfT have accepted a gross figure of £14.2m for the outturn in 2009/10. Where possible, consideration will be given to applying that increased allocation to meet costs that might otherwise fall into 2010/11. For example, additional vehicles have been ordered in 2009/10 that would have required replacement in 2010/11.

2.6 As indicated in the Chief Executive's report on 21 January 2010 regarding the 2010/11 PSA Charge, discussions have taken place with the DfT regarding the financing of capital expenditure and they have concluded that the arrangements currently in place for payment of capital grant need to be revised. Further discussions are taking place with the DfT and the National Audit Office (NAO) on the future arrangements and a report will be submitted on the outcome in due course.

3. CAPITAL PROGRAMME PROPOSALS

3.1 The limitation of the resources in 2010/11 to £9m does represent a severe constraint on the programme demands. The overall total of expenditure initially proposed by individual departments was £15.8m and this has been scaled back by SCT to £9.97m. Details of the specific proposals are set out in **Appendix A**. The main elements included in the programme and an indication of the schemes deferred are as follows:

Estates Projects

3.2 The overall Estates programme amounts to £2.955m. Within that, the London North Custody Suite at Brewery Rd is now under contract and works started this year. The scheme will be completed by July 2010 and expenditure of £1.5m will fall into 2010/11. This scheme will therefore preempt 50% of the funds allocated to Estates projects.

3.3 Other contractually committed schemes include the relocation works at Leeds and the new station requirements at Newport. Costs relating to the enforced relocation of PSD staff at

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York are also included at a minimum level to achieve basic requirements. Allowance is also required for the capitalisation of staff salaries approved as part of the revenue savings in the MTFP.

- 3.4 High priority developments not yet committed include the following items. Premises are urgently required for the Neighbourhood Policing Team based at Clapham Junction. Tenders have been received for these works and this can be progressed as soon as funding is confirmed.
- 3.5 Derby police station has been recognised as in need of significant investment due to the extremely poor standard of the existing facilities and accommodation and this is seen as major priority within the programme. The total cost is included at £450,000 but works will need to be phased over the two years 2010/11 and 2011/12 to fit within the finances available.
- 3.6 The Professional Standards Department (PSD) is to be relocated into the Camden St premises released by the moves of HR Dept into Spring House. This will relieve pressure on the FHQ building and meeting room facilities. Initially £350,000 was considered to carry out the works but this has been reduced to £100,000 to allow the move to take place with basic minimum requirements.
- 3.7 Provision is made for building works associated with disaster recovery facilities. This links to proposals within the Technology Dept for disaster recovery capacity. This is essential development to mitigate a major risk and protect operational resilience. Works to improve the environment in the FHQ Server Room are also needed to reduce the risk of breakdown of the hardware running the Force IT systems.
- 3.8 Recent incidents of break-ins have identified the need for a programme of improvement works to address security issues. It is proposed that £250,000 is allocated annually for this item. Similarly, there are many locations where minor works are required to meet building standards for Health and Safety and environmental works. An annual programme of



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£300,000 is normally allowed for this but this will need to be restricted to £150,000 in 2010/11 to keep within resources available.

- 3.9 A number of other locations remain in need of refurbishment and are reflected in the three year programme but have had to be phased back into later years. The premises at Blundell St. include space that could be brought into use to the benefit of the force. Consideration has been given to its use for storage accommodation that could lead to revenue budget savings. This would be subject to a detailed Business Case but there would be a cost involved in adaptation works currently estimated at £500,000. In view of this any work on the project will need to be deferred to 2011/12.
- 3.10 Provision will also be required in that year to provide replacement premises for Holmes Place which is currently occupied on a short term lease. No detailed proposals are in place for this yet and a provisional sum of £1.5m is set aside for this requirement.
- 3.11 Proposals for new custody facilities in London South have been deferred to 2012/13. The facilities in London North are costing £4m overall and the £2m allocated for London South in 2012/13 would only allow for part costs of a scheme on the same scale.
- 3.12 Provision for a new police station at Stratford is reflected in the programme but deferred to 2012/13 to take place after the Olympic and Paralympic Games have taken place.

Technology Programme

- 3.13 The Technology Programme includes investment in CCTV facilities and IT infrastructure. The major project included is the development of the CCTV hub at Ebury Bridge mainly funded by Network Rail. A Funding Agreement is now in place and works commencing on this project. A BTP contribution of £1m to the project is required in order to attract the £6m contribution being made by Network Rail.
- 3.14 In order to make full use of the new hub, it will be necessary to develop the network infrastructure to carry the CCTV images. A major upgrade of the Wide Area Network (WAN)

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is also required for voice and data transmissions. This is an essential investment as the existing infrastructure is no longer fit for purpose. Options will, however, be considered for integrating the CCTV network requirement into the WAN upgrade. The resources allowed in the programme of £650,000 on 2010/11 and £500,000 in 2011/12 are based on initial estimates of the requirements for voice and data transmissions. CCTV capacity will be built in to the development if resources permit.

- 3.15 Significant further resources are likely to be required for full national coverage of a CCTV network. These will need to be reflected in the Capital Programme in due course when costs have been further assessed and clarified. Provision of £400,000 is reflected in the programme for 2011/12 for Control Room improvements and CCTV feeds from rail industry facilities.
- 3.16 Provision of £200,000 is made for investment in disaster recovery facilities. At present there is lack of an adequate back-up facility in the event of a major IT breakdown. This represents a serious risk that needs to be addressed.
- 3.17 The provision for Server and Desktop Virtualisation reflects the IT strategy for replacement of individual workstations with centrally based server capacity. This will reduce future costs of maintaining and replacing equipment. Replacement programmes are also included for laptops and Airwave equipment. These are essential to maintain current service facilities.
- 3.18 A new version of the Integrated Communications and Command Switch (ICCS) system for Control Room operations is required as the existing system is being replaced with a new release. This will require £1m of investment spread over 2010/11 and 2011/12.
- 3.19 Provision has been made in previous Capital Programmes of £500,000 per annum for minor systems developments required to enhance operational activity in various locations. Demands on this funding are usually oversubscribed but it has been necessary to reduce the amount allocated to this to £350,000 in 2010/11 to keep within resources available.



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- 3.20 The limited resources have also resulted in the implementation of the Electronic Data Management and Recording (EDRMS) system being deferred to 2011/12. This will be an essential development to ensure that BTP is compliant with the Monitoring of Police Information (MOPI) requirements. It is important therefore that provision is made for this development as soon as possible.

Vehicle Fleet Programme

- 3.21 The vehicle fleet replacement programme is based on life cycles for replacement related to the age and mileage of individual vehicles. On this basis, replacements of £2,875,000 would be required in 2010/11 after allowing for the early purchase of some vehicles against the 2009/10 capital allocation. In order to further reduce costs next year it is proposed to delay a proportion of the replacements into 2011/12.
- 3.22 This is likely to increase servicing and repair costs that will have to be contained within the existing revenue budget provision. The delay will, however, smooth the value of replacements required in 2011/12 and future years. Vehicles will be selected for deferred replacement based on criteria focused at minimising additional costs arising from the delay.

Other Plant and Equipment

- 3.23 Various items of other plant and equipment have been identified as high priority and are included in the programme as detailed in Appendix A.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 The resources available for the Capital Programme in 2010/11 are very limited in the basic allocation of £9m in DfT funding. Improved flexibility can be obtained initially by over programming against that total and this is reflected in the Capital Programme outlined in Appendix A. This programme will need to be reported to the DfT for inclusion within their expenditure forecasts and funding arrangements.



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- 4.2 It is recommended that Members:
- i) Consider and approve the schemes proposed for inclusion in the Capital Programme as outlined in Appendix A.



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Appendix A

DRAFT CAPITAL PROGRAMME 2010/11 - 2012/13

SUMMARY	2010/11	2011/12	2012/13
	£000	£000	£000
LAND & BUILDINGS	2,955	3,882	4,050
INFORMATION TECHNOLOGY	4,747	4,411	2,671
FLEET	2,200	2,175	2,750
OTHER PLANT & EQUIPMENT	69	460	520
TOTAL	9,971	10,928	9,991
Approved DfT allocation:	9,000		
Preliminary estimate of DfT allocation		10,000	10,000
Difference	(971)	(928)	9



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LAND & BUILDINGS	2010/11	2011/12	2012/13
	£000	£000	£000
Contractually Committed schemes			
London North Custody	1,500		
Leeds relocation	150		
PSD York	100		
Newport	40		
Capitalised staff costs	50	50	50
Retentions from previous years	50	50	50
Other High Priority Schemes			
Clapham Junction NPT base	65		
Derby refurbishment	250	200	
Camden St - Relocation of PSD	100		
Disaster recovery works	150		
FHQ Server room	100		
Security upgrades	250	250	250
Minor Works projects	150	300	300
Corporate Image		100	100
King Cross redevelopment		100	
London North - building adaptations		162	
Stoke refurbishment		70	
Sunderland - upgrade layout		150	
Wales and West AHQ reconfiguration		100	
Liverpool St		350	
Blundell St - bringing vacant space into use		500	
Holmes Place replacement		1,500	
London South Custody			2,000
New St Birmingham - relocation by Network Rail			300
Stratford - New station			1,000
TOTAL LAND & BUILDINGS	2,955	3,882	4,050



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	£000	£000	£000
Contractally Committed			
Ebury Bridge CCTV Hub			
Project costs	6,300	700	
Less Network Rail funding	(5,400)	(600)	
BTP Contribution	900	100	
Case and Custody project			
Base system - balance of project costs	269		
Associated system development and installation	393		
Other high priority schemes			
WAN Replacement and CCTV network upgrades	650	500	
Disaster Recovery investment	200	200	100
Server and Desktop Virtualisation	600	500	400
Airwave replacements and upgrades	407	747	747
ICCS system upgrade	400	600	
CCTV enhancements	216	84	74
Minor Projects	350	500	500
Information Management systems	80	80	80
Laptop and minor equipment replacement	200	200	200
Informant Management System	60		
Procurement Card software	22		
EDRMS		500	200
CCTV Control Rooms improvements		220	180
Rail industry CCTV feeds		180	190
TOTAL INFORMATION TECHNOLOGY	4,747	4,411	2,671

FLEET	2010/11	2011/12	2012/13
	£000	£000	£000
Vehicle replacement Programme	2,200	2,175	2,750
TOTAL FLEET	2,200	2,175	2,750



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OTHER PLANT & MACHINERY	2010/11	2011/12	2012/13
	£000	£000	£000
Scanners for Custody Units	11		
Dry photographic minilab	38		
Passenger screening equipment	20		
Quickdon PPE replacement programme		270	
Gas tight suits		70	
Bio detection capability		120	
Remote operating vehicle			170
Detection Identification equipment			350
TOTAL PLANT & MACHINERY	69	460	520