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**REPORT TO: Strategy, Budget and Performance Monitoring Committee**

**DATE: 6 February 2009**

**SUBJECT: Medium Term Financial Plan – 2009/10 to 2011/12**

**SPONSOR: Chief Constable**

**AUTHOR: Director of Finance and Corporate Services**

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**1. PURPOSE OF REPORT**

- 1.1 This purpose of this report is to set out proposals for the Medium Term Financial Plan (MTFP) for the period 2009/10 to 2011/12 as part of the overall Strategic Plan for BTP.
- 1.2 Also included in this report is the proposed capital programme for 2009/10 to 2011/12. The revenue implications of this programme have been included, where appropriate, in the revenue budget for the relevant year.

**2. BACKGROUND**

- 2.1 The meeting of the Police Authority on 27 January 2009 considered a report on the draft MTFP. The report set out revenue budget proposals for the three years 2009/10 to 2011/12 and a summary of the proposed Capital Programme for the same period.
- 2.2 The revenue budget projections incorporated the ongoing costs of existing services together with high priority growth proposals identified to help meet the Policing Pledge and targets included in the Policing Plan. The budget proposals that were considered by the Authority are set out in Appendix A with explanatory notes in Appendix B.



2.3 The priority growth proposals are set out in the table below:

<b>Revenue Budget - Service Development Draft Proposals 2009/10</b>	
	<u>£'000</u>
<b>Service Developments:</b>	
Additional Neighbourhood Policing Teams (3 - outside London)	1,070
Additional resources within the Technology Department to support continued growth in workloads and maintain service level required	180
Crime budget - to provide additional resources where budgets have not kept up to date with volume changes in respect of forensics, PNC access, telephone investigations etc	380
Establish a major incidents fund	300
NE Area - Nottingham - move to 24 hour operation	510
CCTV - Force Control Centre at Birmingham	170
Additional staffing required relating to workload of Taylor Reforms	135
Resource for Phase 2 - Control Rooms and Contact Management	98
Resource to develop purchasing and environmental management	101
<b>Total Service Developments:</b>	<b>2,944</b>

2.4 The projection also took account of an anticipated increase in funding in the PSA based on the existing understanding of increases limited to the RPI index in August each year. The increase allowed for in 2009/10 was 4.8% in line with the RPI index in August 2008. For 2010/11 and 2011/12, increases of 2% and 2.5% respectively were estimated.

2.5 The forecast identifies a shortfall in funding in each of the three years as follows:

	<u>£m</u>
2009/10	2.0
2010/11	3.7
2011/12	2.5



- 2.6 Discussion on the draft MTFP raised concerns arising from recent developments in the overall economic situation. The current situation is highly volatile with inflation rates falling and the prospect of the recession worsening into deeper depression. In these circumstances, the 4.8% increase in PSA in 2009/10 might be seen to be high when rates of inflation are falling rapidly.
- 2.7 In contrast with this, the prospect for an RPI based increase in 2010/11 might have serious implications for the force budget if inflation as measured by the RPI in August 2009 is minimal or even a negative factor. The Authority referred the draft MTFP to the Strategy, Performance and Budget Monitoring Committee to consider in the light of these issues.
- 2.8 The budget process allows for SBPM to scrutinise Budget proposals in the MTFP (as in this paper) and for it to make a recommendation to the March meeting of the Authority as to the level of budget to be set. Once the budget for the year is determined the force allocates it in accordance with operational objectives and strategic plan priorities. It is against these allocations that the monitoring process takes place.
- 2.9 The Authority also considered the forecast outturn for 2008/09 of a net underspend of £1.6m and options for treatment of this net saving. This issue is further considered below.
- 2.10 The Chief Executive makes the following comments and observations.
- 2.11 Issues of concern for the Authority in setting the budget for both 2009/10 and 2010/11 are around the future inflationary pressures as measured by the Retail Price Index (RPI). The Committee will recall that the Authority decided to restrict budget increases to no more than the rate of inflation measured by RPI in the month of August of the previous year to the budget. Consequently, because RPI for August 2008 was 4.8% the Chief Constable had been planning on a budget increase of no more than that for 2009/10.
- 2.12 At the Authority meeting in January, the possibility of negative inflation/deflation by this summer was raised. HM Treasury's comparisons of independent forecasts this year has an



average project for inflation (RPI) at a little over 2%<sup>1</sup> for August 2009, falling to minus 0.8% in December 2009.

- 2.13 The Authority has a statutory duty to ensure the efficient and effective policing of the railways and shall, in particular, have regard to any objectives set by the Authority in its Policing Plan and any performance targets which it has set. Being a statutory body, the Authority has to comply with its statutory duties. In complying with this, the Authority must act reasonably and take into account only those factors which are relevant and ignore any factors that are irrelevant. As I have advised the Authority in the past, the Act does not require the Authority to take into account the ability of the customer to pay.
- 2.14 Further, affordability has never been the basis for charging for policing. It was rejected as a methodology when the initial charging structure was put in place under the legislation. In making any decisions about budget, the Authority will need to balance its assessment of the Chief Constable's requirements to make sure effective and efficient policing against its perceptions of the risk attached to any budget figures that it sets and the impact upon performance. Policing is a required input into a PSA holder's business, and as a public body, there is a common law requirement on the Authority to consult before determining a budget. The consultations, and agreement, so far have been around a budget increase of no more than RPI.
- 2.15 In considering this report, the Authority will need to take into account risks in relation to policing and possible risks in terms of budget pressures for 2010/11 which have already been identified.

### **3 FORECAST OUTTURN 2008/09**

- 3.1 There is a projected net underspend of £1.6m in 2008/09 that arises from a number of, mainly minor, variations in budget outturn. However, the most significant item is the additional income

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<sup>1</sup> Forecasts of the UK economy – a comparison of independent forecasts. HM Treasury 21<sup>st</sup> January 2009



from the CTRL enhanced PSA. Income of £1.5m was received in 2008/09 in respect of services provided in 2007/08 and this sum had not been allowed for in the budget.

- 3.2 Also contributing to the net underspend is an amount of £0.225m arising from the temporary reduction in the VAT rate from 17.5% to 15% from December 2008. This has resulted in reduced expenditure on items subject to VAT.
- 3.3 The possibility of these funds being returned to the Train Operating Companies (TOCs) was discussed.
- 3.4 It would clearly be inappropriate to return the £1.5m additional income to CTRL as the charge was made to them for services rendered to that company in 2007/08. This income has not been raised from charges to other TOCs by way of the PSA and there would not be any rationale for paying this directly to any of the TOCs represented in the PSA.
- 3.5 The VAT saving of £0.225m arises from reduced expenditure on goods and services funded primarily by PSA income. Unlike most commercial organisations, BTP is not able to recover VAT input tax levied on its core policing services. The reduced VAT is therefore a real saving and is not offset by a reduction in the amount reclaimed from HMRC.
- 3.6 Were this to be refunded it would need to be spread between the 42 constituent TOCs – presumably in accordance with the ratios determined in the PSA for 2008/09. The current disputes over the allocation would add to the complexity of this.
- 3.7 The sums paid would vary considerably but overall the average payment would be £5,400. In returning this to the TOCs, the payment would not be VAT as such but a saving from reduced expenditure arising from the change in the VAT rate. It is difficult to differentiate this in principle from any other cost variation that applies to purchases during the year.
- 3.8 If no refund of the underspend is made, the money will be retained by BTP and carried forward in reserves to future years. It would then be available to ameliorate budget pressures in 2009/10, or perhaps more importantly 2010/11, when finances may be particularly difficult.



3.9 Given the pressures in 2010/11 the availability of this sum would be of considerable benefit as part of a strategic consideration of future years' budgets. The funds will therefore be of direct benefit to the TOCs in enabling BTP to maintain its policing services without adding to the funding requirement in the year that it is applied.

#### **4 BUDGET STRATEGY AND OPTIONS**

4.1 An increase in PSA funding in 2009/10 of 4.8% in line with the current understanding would not be sufficient to fund all of the growth proposals identified. However, recognising the general economic background at present, it may also be necessary to consider increases of less than 4.8%.

4.2 It is also important to bear in mind the potential implications of expenditure commitments incurred in 2009/10 on the budget for 2010/11 when additional funding through an increased PSA based on RPI fixed in August 2009 may be minimal or negative. Nevertheless, if the growth proposals identified are not progressed there will inevitably be consequences for the ability of the Force to meet it's Policing Plan objectives.

4.3 The financial implications for 2009/10 budget increases at various levels are as follows.

- A budget increase of 4.8% in 2009/10 would allow £0.871m of growth proposals from the table in paragraph 2.3 above to proceed so that £2.073m would need to be taken out from the draft budget.
- A budget increase of 4.35% would balance the budget if all the growth of £2.944m were taken out.
- A budget increase of 4.3% would mean that no funds were available for growth and £0.103m would need to be taken from baseline budgets.



- A budget increase of 3.8% would clearly also mean no funding for growth and the amount to be taken from baseline budgets would be increased to £1.066m.

## **5. IMPLICATIONS OF LIMITING GROWTH PROPOSALS**

Potential implications of not proceeding with the growth proposals are set out below.

- 5.1 **Additional Neighbourhood Policing Teams: £1.07m.** These were included in the budget proposals specifically to respond to the priority in the Policing Plan to develop this aspect of the service. Taking this out will prevent further development along these lines.
- 5.2 **Additional resources for Technology Dept: £0.18m.** The existing resources in the Technology Department are very low compared with other comparable police forces. Staff numbers in a recent baseline assessment identified 40 IT staff supporting 2,636 police officers compared with an average for the group of 75 IT staff supporting 2,686 police officers. Since the return was compiled, the numbers of police officers in BTP has risen to 2,885. Effective IT support is critical to maintaining policing performance and the increases proposed would still leave BTP with a very favourable ratio in comparison to other forces. Without this growth, the IT Dept will have difficulty in keeping up with demands for its services.
- 5.3 **Crime budget - additional resources to maintain budget: £0.38m.** This item is essential to meet the current level of spend and commitments on the Crime budget as identified in the overspend previously reported in Budget Monitoring reports. It cannot be avoided and will need to be funded in 2009/10.
- 5.4 **Major incidents fund: £0.3m.** This fund is needed to ensure resources are available to enable to deal with all major incidents that arise. The funds would not be allocated if demand were not present but based on current experience, there is likely to be a requirement for this level of funding. If funds are not found for this in the budget, investigation of major incidents would need to be funded by either a call on the general Contingency Fund or by abstraction of resources from Areas.



- 5.5 **NE Area Nottingham move to 24 hour operation. £0.51m.** This proposal reflects the fact that NE Area is under resourced to maintain an effective 24 hour capability. This is an important development to meet policing targets and provide an effective response in the Area. Without this investment the Area will continue having difficulty in delivering its service to the standards expected.
- 5.6 **CCTV – Force Control Centre at Birmingham. £0.17m.** Work is progressing on the development of a CCTV Control Centre funded by Network Rail at Ebury Bridge that will link with Network Rail's CCTV coverage across the whole network. This proposal would allow the Birmingham Control Room to have a link to this CCTV hub and would be a significant operational benefit..
- 5.7 **Additional staffing for the Taylor reforms. £0.135m.** These reforms are regulatory and will have be dealt with. It is considered that specialist staff will be required to support the implementation across the force. If no additional funds are available it will be necessary to accommodate the activity by diverting existing resources with an impact on service delivery elsewhere.
- 5.8 **Resources for phase 2 Control rooms and contact management. £0.098m.** The Central Control Room project in Birmingham has been successfully completed and it is now important to ensure that the resource is used as effectively as possible. This proposal would fund two staff to review operational practices and ensure that best use is made of the facilities available. Without this, there is a risk that inefficiencies will arise and the service will not optimised.
- 5.9 **Resource to develop purchasing and environmental management. £0.101m.** This proposal is to improve the management of Procurement Cards and to appoint an Environmental Officer to review the carbon footprint of BTP, ensure that energy usage is as efficient as possible and develop environmental awareness within BTP. If no resources are found it will clearly impact on BTP's ability to respond to pressures from DfT and others for taking account of environmental issues and making efficient use of the Procurement Card facility.





**6 OTHER GROWTH ITEMS**

- 6.1 Whilst it is recognised that there is considerable pressure on delivering the growth proposals identified above, the following items service development are now under way and will benefit BTP in London in 2009/10.
- 6.2 Funding of £3.2m per annum has been agreed by TfL for an additional 50 officers that will be deployed in seven locations in London. The first of these Neighbourhood Policing Teams was launched in January 2009 and all seven teams will be place by July 2009. The funding is at present time limited for 2009/10 and 2010/11 but will be subject to further discussion with a view to continuance in future years.
- 6.3 Within the Capital Programme, provision has been made for a new custody facility of 20 cells located in the North London Area. This project is now well advanced with invitations to tender under discussion with potential suppliers. This development will give significant operational benefits in the policing service and should lead to an improvement in achieving policing targets. The revenue consequences of this development have been incorporated into the MTFP projection with £0.845m in 2009/10 and a further £0.384m in 2010/11 as part of the revenue effect of the Capital Programme.

**7 CONSIDERATION OF BASELINE REDUCTIONS**

- 7.1 If the budget increase were to be set at a level where reductions in the baseline budget were required, consideration would be needed as to how savings could be achieved. This arises primarily in the option of a PSA increase limited to 3.8%, in which case savings of £1.07m would be required.
- 7.2 The initial response to this would be to protect front line services in Areas and focus savings on FHQ services or general overheads. However, if numbers of police staff are considered, comparisons with other forces indicate that BTP already has a very low staffing complement supporting police officers. Overall, the ratio is that there are 2.4 police officers for each



member of police staff. The overall average of forces generally is for 1.8 police officers to one member of police staff and BTP ranks 41<sup>st</sup> in a table of 44 forces that range from 1.1 officers per member of staff with just one force (City of London) having a worse ratio than BTP of 2.8 to 1.

- 7.3 FHQ services are also critical to the successful achievement of policing objectives including support units such as the Major Incidents Team, Operations Control Centres and Intelligence Units. The HR Department is already undergoing major restructuring to achieve cost savings and as noted in paragraph 5.2 above IT is already well below staffing norms to be found in other forces. The building accommodation provided by Estates and Facilities are essential requirements subject to long term leases that cannot readily be reduced. These are not, therefore, easy options to take.
- 7.4 Were the reductions to be found in police officer numbers, the saving required to deliver a 3.8% PSA increase would be 20 officers. This would reverse some of the development made in recent years, especially in Neighbourhood Policing Teams.
- 7.5 Efficiency savings are sought through the Frontlinefirst (FLF) programme. A separate item on this meetings agenda updates the Committee on progress. Significant sums have been identified in this programme but these are primarily non-cashable items that improve productivity but do not release cash. Where cashable savings have been identified these are generally reinvested in the Area from which the saving is found and have resulted in considerable performance improvements. This is necessary to maintain incentives in seeking areas in which savings can be identified. Other cashable savings have already been built into the budget proposals submitted as baseline adjustments offsetting other costs.
- 7.6 Nevertheless, the FLF programme can be utilised in 2009/10 to identify savings in support of the budget and work continues on this. At present, there are no proposals sufficiently advanced to incorporate in the budget process but opportunities may arise in year to release some resources.

**8 CONSIDERATION OF REVENUE BUDGETS 2010/11 AND 2011/12**



- 8.1 As noted above, with RPI inflation falling there is a prospect of the PSA increase in 2010/11 based on the current understanding with the TOCs falling to minimal or negative levels. For the longer term, it must be assumed that general inflation levels as measured by the RPI and the inflationary impact of pay awards etc on BTP finances will come broadly into line.
- 8.2 For 2010/11, however, there could well be a large difference as police officer pay awards have already been determined at 2.6% as part of a three year agreement. This is the major expense item in the BTP budget and even if inflation on other items is reduced there will still be a major cost pressure.
- 8.3 This discrepancy between RPI measured inflation and the actual impact on the BTP budget may continue further into 2011/12 but the trend of compatibility should by then be returning to more normal levels.
- 8.4 The current projection as per Appendix A is for a deficit of £3.707m in 2010/11. This is based on a projected PSA increase of 2%. Assuming that expenditure in 2009/10 is reduced to come within a PSA income based on a 4.8% increase, the deficit would be reduced to £1.662m. Any further reduction in PSA income in 2009/10 would also need to be matched by reduced expenditure so that the underlying deficit carried forward to 2010/11 remains unchanged. No further growth has been assumed for that year and the deficit would need to be found from current baseline resources.
- 8.5 If the projected rate of inflation is overstated at 2%, and current trends would indicate that this may well be the case, the deficit would be increased. Each reduction of 1% in the rate of inflation would reduce the PSA increase based on RPI by approximately £2m. Savings to match this level would clearly be very challenging.
- 8.6 In order to plan for this situation, it is proposed that the following issues need to be considered:
- In the event that the increase in PSA is fixed at lower than the current agreed basis of the August 2008 RPI, there should be a compensating enhanced increase in 2010/11 together



with a possible floor on the rate of increase at say 1%. With unavoidable pay awards of 2.6% this would still leave BTP with a very challenging financial prospect.

- The likely net underspend identified in 2008/09 (see paragraph 3 above) should be retained in general reserves to be applied in support of a funding deficit in 2010/11. Given the specific imbalance projected for that year with agreed pay awards well in excess of likely inflation, this action would be an appropriate use of reserves.
- During the course of 2009/10 further review of existing service delivery is required with a view to identify cost savings that will relieve the pressure identified in 2010/11. Any cost savings arising in that year should be retained to deal with the costs pressures in 2010/11 as a priority over funding growth proposals in 2009/10.

## **9. CAPITAL PROGRAMME**

- 9.1 The budget monitoring report for period 10 (ending 2 January 2009) which was presented to the Authority at its meeting on 27 January indicated that the capital programme for the current year is planned to spend at the £11m funding available – although it is accepted that a large proportion of the expenditure is due to be incurred in the last quarter of the year. This is not an unusual pattern in BTP’s recent history, and the Force has in the past managed to deliver its planned work within the relevant timeframe.
- 9.2 Appendix C attached sets out proposals for the capital programme for the next three years (i.e. 2009/10 to 2011/12). The funding available from DfT for 2009/10 is £13m and for 2010/11 is £9m (making up, with the £11m for the current year the £33m agreed this time last year). Appendix C assumes a similar level of funding for 2011/12.
- 9.3 Experience has shown that some of the projects within a capital programme will be delayed for unavoidable reasons; hence spending is not always in accordance with profiles for a programme which can be set up to 15 months before that expenditure is actually incurred. It is therefore considered prudent to “over programme” against the DfT funding, to ensure effective use of the DfT grant.



9.4 Appendix D sets out in more detail the projects / items included in the programme for the next three years. Inevitably this will change over the period of the programme as projects are worked up in more detail and estimates are refined. The regular monitoring reports to this Committee and the Authority will inform members of the latest position on the programme.

9.5 The revenue effects of this programme have been included as appropriate in the relevant revenue budget set out in Appendix A.

**10. RECOMMENDATIONS:**

It is recommended that the Committee

10.1 Consider the budget proposals as set out in this report and determine the level of PSA funding increase to be recommended to the Authority's meeting on 12 March.

10.2 Consider the implications of limiting growth in 2009/10 and the priorities for allocation of any resources available.

10.3 Consider the treatment of the projected £1.6m underspend in 2008/09 and agree its carry forward in reserves to be applied in support of the budget in future years.

10.4 In the event that an increase in the PSA for 2009/10 is recommended at less than the current understanding of a 4.8% rise in accordance with the August 2008 RPI increase, consideration should be given to a further recommendation as to the approach to compensating for this in 2010/11.

10.5 Review the Capital Programme as set out in para 9 and Appendices C and D and recommend its approval to the BTPA meeting in March.



**Appendix A**

Revenue Budget 2009/10	Revenue Budget	Revenue Budget Projections		Notes (in Appendix B)
	2009/10	2010/11	2011/12	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
<b>BTP Revenue Budget</b>				
<b>PSA Funding level brought forward</b>	<b>192,830</b>	<b>204,148</b>	<b>209,824</b>	1
<b>Inflation, accounting etc changes:</b>				
Inflation (pay awards as agreed)	4,725	4,760	4,755	2
VAT reduction to 15% (9 months only)	(500)	500		3
IFRS Capital financing costs	1,242	(136)	(34)	4
DfT Loan	200	100	(1,800)	5
	<b>5,667</b>	<b>5,224</b>	<b>2,921</b>	
<b>Full year effect of 2008/09 commitments:</b>				
NPTs	400			6
Case and Custody Project	106	(75)		
Force Control Centre Project	(432)	(130)		
Impact programme	684		(209)	7
HR Transformation - Project costs	(114)	(1,360)		8
Revised structure	(484)	100		8
Mobile data costs	364			9
PDA replacement programme		400		10
	<b>524</b>	<b>(1,065)</b>	<b>(209)</b>	
<b>One-offs in 2008/09 falling out</b>	<b>(707)</b>			11
<b>Revenue effect of capital programme</b>	<b>2,890</b>	<b>1,545</b>	<b>195</b>	12
<b>Service Developments:</b>				
See Table paragraph 2.3)	2,944	(28)	1,070	13
	<b>2,944</b>	<b>(28)</b>	<b>1,070</b>	
<b>Draft BTP Revenue Budget:</b>	<b>204,148</b>	<b>209,824</b>	<b>213,801</b>	
<b>BTPA provisional budget:</b>	<b>1,956</b>	<b>1,995</b>	<b>2,044</b>	14
<b>Draft PSA Funding Requirement</b>	<b>206,104</b>	<b>211,819</b>	<b>215,845</b>	
<b>Projected PSA funding:</b>				
Based on RPI of: 4.80%	204,031			
2.00%		208,112		
2.50%			213,314	
<b>Funding shortfall:</b>	<b>2,073</b>	<b>3,707</b>	<b>2,531</b>	



## Appendix B

**Note**  
(see  
Appendix A)

### Revenue Budget 2009/10 – Reasons for additions to Base Budget 2008/09

- 1 BTP Revenue Budget: This is the approved budget level funded from standard PSAs (excludes the BTPA budget which is added at the bottom of the table - see note 15). This is rolled forward each year based on the total BTP spend in the previous year. It is recognised that this includes for 2010/11 the roll forward of service development bids in total – these figures will be updated once the budget is finally agreed.
- 2 Pay awards and other inflation: This is based on the known pay awards for police officers (i.e. 2.65% in September 2008; 2.6% in September 2009 and 2.55% in September 2010) and similar awards for police staff. General inflation has been assumed at 2% where appropriate (this applies to non PSA income as well as those items of expenditure which are generally subject to price variances)
- 3 VAT Reduction: The reduction in the rate of VAT to 15% is until 31 December 2009 only. The saving in 2009/10 therefore falls out in 2010/11.
- 4 IFRS capital financing costs: This increase in 2009/10 is to bring capital financing and other charges in line with IFRS as required by the accounting rules under which BTPA operate. Once the base figure is updated there are minor adjustments year on year.
- 5 DfT Loan: The figures here reflect the repayment schedule agreed with DfT. The loan will be fully repaid in 2010/11.
- 6 Neighbourhood Policing Teams: This is the full year effect of the teams agreed in 2008/09. This does not include the cost of those Teams provided by the Mayor of London (50 officers / PCSOs) which are fully funded and therefore a net nil cost to BTP.
- 7 IMPACT Programme: IMPACT is a significant project to deal with the management of police information and making that information available to other police forces according to an agreed format and protocol. The project begins in 2008/09 and the costs shown for 2009/10 include the set up costs which will fall out in 2011/12.



- 8 HR Transformation Project: This project will be completed next year and the project costs will fall out in 2010/11. The revised structure for the HR Department has involved some severance costs and these will fall out in 2009/10
- 9 Mobile Data Costs: The provision of PDAs and other similar equipment allows for more efficient working but there are some costs with the associated access to computer systems.
- 10 PDA Replacement Programme: These devices are relatively low cost as individual items and it considered appropriate to fund their replacement from the revenue budget (the original supply was funded by Home Office grant). This will not apply until 2010//11
- 11 One-offs falling out: This represents those items funded as on-offs in 2008/09 or previous years which have now been removed from the budget for future years.
- 12 Revenue Effect of the Capital Programme: This figure represents capital charges (depreciation etc) and other revenue costs (such as rents and rates on buildings provided) as a result of items included in the capital programme in this and past years.
- 13 Service Development Proposals: These are listed in the table in the report (paragraph 2.3) and represent the Force's highest priority items. Further details will be provided for SBPM's consideration of the budget options at its February meeting.
- 14 BTPA Budget: For the purposes of this report the Authority's budget has been increased by the same percentage as the PSA income.





**Appendix C**

<b>Summary Capital Programme 2009/10 to 2011/12</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Total</b>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
TOTAL LAND & BUILDINGS (See Appendix D)	6,670	5,140	3,500	<b>15,310</b>
TECHNOLOGY (See Appendix D)	4,996	2,588	2,370	<b>9,954</b>
TOTAL AIRWAVE	747	1,083	747	<b>2,577</b>
PLANT & EQUIPMENT	189	252	250	<b>691</b>
TOTAL MOTOR VEHICLES (The vehicle replacement programme is based on a replacement cycle as per the agreed strategic plan)	1,900	2,500	1,650	<b>6,050</b>
<b>TOTAL PROPOSED SPEND</b>	<b>14,502</b>	<b>11,563</b>	<b>8,517</b>	<b>34,582</b>
PROPOSED DFT ALLOCATIONS	13,000	9,000	11,000	33,000
<b>Surplus / (Deficit)</b>	<b>(1,502)</b>	<b>(2,563)</b>	<b>2,483</b>	<b>(1,582)</b>



**Appendix D**

**Capital Programme - Land and Buildings**

	2009/10	2010/11	2011/12
	£'000	£'000	£'000
<b>Corporate</b>			
Blundell St - CT relocation	700		
Blundell St Adaptations	1,000		
Blundell St/Central St relocation - Landlord contribution	(1,200)		
Birmingham Axis building HR accom	180		
Tadworth (potential replacement)	450		
Minor works, security etc	375	300	300
<b>London North</b>			
London North Custody	3,400		
Stratford Police Station	1,000	1,000	
Liverpool Street		350	
<b>London South</b>			
Ebury Bridge (Victoria) adaptations (CCTV)	300		
Lon South custody		1,700	1,700
Holmes Place (Waterloo) relocate E Bridge Staff			1,500
Various Police Station improvements		550	
<b>Wales and Western</b>			
Various Police Station improvements	15	940	
<b>North Eastern</b>			
Leeds Police Station improvements	300	300	
<b>North West</b>			
Liverpool Custody suite	150		
<b>TOTAL LAND &amp; BUILDINGS</b>	<b>6,670</b>	<b>5,140</b>	<b>3,500</b>



**Appendix D (continued)**

<b>Capital Programme - Technology</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Network development	897	148	30
ICCS		380	600
Identity Access Management Project (IAMP)	506		
EDRMS Solution	500		
Server and PC Replacement Programme	1,060	1,060	1,060
Infrastructure and information management	481	400	80
Minor IT system development	500	500	500
Minor equipment replacement	100	100	100
Crime - Case and Custody	245		
Force Control Centre - CCTV suite	230		
Other CCTV and Tech Support	477		
<b>TOTAL TECHNOLOGY</b>	<b>4,996</b>	<b>2,588</b>	<b>2,370</b>