AGENDA ITEM 5 – APPENDIX C

BRITISH TRANSPORT POLICE

Report to:	**Finance Group**
Agenda item:	**5**
Date:	**16 January 2012**
Subject:	**Proposed Capital Programme 2012/13 – 2014/15**
Sponsor:	**Director of Corporate Resources**
For:	**Information / Decision**

1. PURPOSE OF PAPER

1.1 This report sets out the proposed Capital Programme for 2012/13 – 2014/15 based on the prioritisation by BTP's Capital Programme Review Board of all scoping bids received from across the Service.

1.2 A full Business Case will need to be produced for those items that are to be included in the Capital Programme in accordance with the corporate governance requirements before they can be cleared to proceed. For schemes costing in excess of £200k Business Cases will need to be approved by the BTP Strategic Command Team and those above £1m by the British Transport Police Authority.

2. BACKGROUND

2.1 Each year the DfT is required to notify the BTPA of the amount included in their authorised spending programme known as the Departmental Expenditure Limit (DEL) for capital expenditure. The allocation advised for 2012/13 is currently £9.6m. This is a significant reduction from the 2011/12 allocation of £11.2m and further representations are proposed to have the amount increased.

2.2 The proposals for capital expenditure are summarised in Table 1 below with detailed sheets for each area of spend in Appendices A(i) to A(iii). The total value of schemes proposed in 2012/13 is £11.2m. Discussions with DfT indicate that it may be possible for the DEL limit to be increased to the normal level of spend i.e. circa £11.2m if a robust case can be made.

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2.3 In demonstrating to the DfT that a robust process has been followed to determine the proposed programme it will be possible to show that there has been a full initial scrutiny on all scoping bids submitted and that in formulating the programme within the £11.2m ceiling difficult decisions have been required, namely:

a. a number of Estates projects have been deferred to later years i.e. the London South and Glasgow Custody projects
b. a number of Estates and Information Technology projects have been included in the Capital Programme at reduced amounts from those originally bid for. Although delivering the schemes within these reduced allocations will be challenging they are considered achievable by those sponsoring the schemes.

2.4 In the event that it is not possible to persuade the DfT to increase the provisional DEL allocation it will be necessary to review the Programme again and find possible reductions of circa £1.6m. Although detailed consideration has not been given to this, any reduction is likely to have a significant impact on the ability to maintain business as usual across the Force.

Table 1 – Proposed Capital Programme

SUMMARY CAPITAL PROGRAMME			
Type of capital expenditure	2012/13	2013/14	2014/15
	£000	£000	£000
Estates	5,220	4,619	6,275
Information Technology	2,500	2,130	2,130
CCTV	199	282	34
Fleet	2,750	2,720	2,281
Other Equipment	444	775	0
Contingency	87	674	480
TOTAL DfT FUNDED CAPITAL PROGRAMME	**11,200**	**11,200**	**11,200**

Provisional DfT Capital Delegation	**9,555**	**9,860**	**10,190**
+ over Delegation/- under Delegation	**1,645**	**1,340**	**1,010**

Possible DfT Capital Delegation with justification	**11,200**	**11,200**	**11,200**
+ over Delegation/- under Delegation	**0**	**0**	**0**

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2.5 The BTPA has previously stressed that the programme submitted for approval must not exceed the DEL allocation so that no allowance for slippage in capital spending is made. BTPA has also requested that the Capital Programme should include an element for contingency, in line with best practice it is proposed that an element for contingency is held corporately rather than allocating this to each individual schemes as this becomes much harder to manage and increases the likelihood of significant underspending across the Programme. As proposed the Programme includes a small element for contingency of £87k in 2012/13, it may be possible to increase this amount if any of the schemes' final costs are lower than their estimated costs as the full business case is developed.

2.6 The appendices to this report show where Business Cases need to be developed and submitted for approval and once the Capital Programme is approved at a high level the development of these Business Cases will proceed.

2.7 The appendices also show an estimate of the likely on-going revenue impact of the schemes included. In most cases there will be no revenue impact as any additional revenue costs will be managed within budget however in developing the business cases for those schemes where this is required a full assessment of revenue impacts will be made and submitted for approval as part of the overall approval process.

3. PROPOSED CAPITAL PROGRAMME

The main elements of the draft programme are as follows:

Estates

3.1 The largest project included in the Estates element of the Capital Programme for next year is the Estates Rationalisation Programme at a total cost of £2.8m with £2.3m falling next year. A detailed Business Case will be submitted to the BTPA for approval in due course but in summary the scheme is intended to consolidate existing occupations at FHQ to release two floors for alternative uses, thereby freeing off other leased premises (Caledonian road and Blundell Street). This realises significant annual revenue savings in the short term and maximizes the use of space at FHQ. Works are required to support the intensification of use and enable changes to be made in the ways of working. The works, which will be detailed in the Business Case, will provide reconfigured accommodation, supporting meeting rooms, breakout areas, improved security and storage arrangements.

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3.2 Also included for Estates is the provision of Custody facilities in London South with £1.5m included in 2013/14 and a further £4m in 2014/15. This proposal will need to be reviewed in the light of experience at the similar facility opened in 2011 in London North and of projections of demand for custody facilities across London.

3.3 Scoping Bids have been submitted for improved Custody facilities at Edinburgh and Glasgow. These are costed at £365k and £294k respectively totalling £659k. The improvements are required to comply with Home Office guidance. As outlined above it has been necessary to defer the Glasgow Custody scheme to 2013/14 in order to propose a Capital Programme within the overall £11.2m ceiling.

3.4 In addition to the above items there are a number of smaller schemes considered by Property Board that have been identified as their current priorities for 2012/13.

Information Technology

3.5 The IT capital programme is reduced in 2012/13 following the completion of the WAN project. Most of draft programme relates to cyclic maintenance and replacement of equipment. The largest item is the annual programme for replacement of Airwave radio equipment at £650k (reduced from the original £750k submission). Provision is also included for the on-going virtualisation of desktops and servers and the replacement of laptops.

3.6 An upgrade of the Integrated Command and Control System (ICCS) is being undertaken in 2011/12, £100k of this is anticipated to slip into 2012/13. After the upgrade, an ongoing provision of £100k per year is included to meet requirement for minor replacements.

3.7 Provision is included in the draft programme for Minor Projects of £400k (reduced from the £500k original submission); Minor Equipment Replacement of £100k; and Information Management Systems of £100k. These provisions are allocated by Information Management Board in year dependant on bids submitted.

3.8 Provision is included in the 2012/13 programme for the roll out of the Microsoft Sharepoint system to provide an Electronic Data Records Management System. This replaces previous proposals for a bespoke system and uses industry standard facilities to provide a system for

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storing documents electronically. This is significantly cheaper that the earlier proposal. The amount included relates to the hardware and licences required to provide the IT facilities. Specific projects to transfer current paper storage to electronic storage would need significant project management and set up costs are not covered by this provision. Any such proposals would need to be supported by a Business Case and resources allocated to meet requirements. It is, however, understood that there are a number of potential applications including HR records that are in a position to proceed as soon as the IT environment is available.

CCTV

3.9 Major investment in CCTV has been funded in recent years with Network Rail investment, schemes to build on this development are included in the proposed Capital Programme. The major item in the three year programme is for 2013/14 and is for an Events Room and Network links in Scotland at £249k.

Fleet

3.10 The Fleet programme is based on the Fleet Manager's assessment of the requirements to replace the existing fleet in accordance with the established criteria related to age and mileage. No expansion of the fleet is included in the draft programme.

Other equipment

3.11 A range of other purchases proposed are outlined in Appendix A(iii). These take account of the ongoing threats from terrorist organisations and hi-tech requirements to deal with specialist crime.

4. CONCLUSIONS

4.1 The draft Capital Programme based on the bids submitted is currently £11.2m which is £1.6m in excess of the DEL allocation advised by the DfT for 2012/13.

4.2 Members are asked to note the content of the report and seek agreement that the BTPA Finance Director make representations to the DfT for an increase in the DEL available. Should these representations be unsuccessful the programme will need to be cut back to keep resources allocated.

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PROPOSED CAPITAL PROGRAMME A(i)

ESTATES							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Estates Rationalisation Programme	EstSBD21	Full - BTPA	Corp Res - Leigh Stringer	2,300	500	0	to be conf
Edinburgh Custody	EstSBD17	Full - SCT	Corp Res - Leigh Stringer	365	0	0	0
Southampton	EstSBD7	Full - SCT	Corp Res - Leigh Stringer	300	0	0	0
Reading	EstSBD13	Full - SCT	Corp Res - Leigh Stringer	300	0	0	0
Cambridge	EstSBD10	Full - SCT	Corp Res - Leigh Stringer	270	0	0	0
Security upgrades	EstSBD1	Full - SCT	Corp Res - Leigh Stringer	250	250	250	0
New St Birmingham	EstSBD6	Full - SCT	Corp Res - Leigh Stringer	243	0	0	0
Ashford	EstSBD2	Full - SCT	Corp Res - Leigh Stringer	230	0	0	0
Minor Works projects	EstSBD4	not required	Corp Res - Leigh Stringer	200	500	500	0
Air Conditioning System Upgrades (Legal Req)	EstSBD8	not required	Corp Res - Leigh Stringer	100	100	100	0
Capitalised staff costs	EstSBD5	not required	Corp Res - Leigh Stringer	75	75	75	0
CRC Cardiff	EstSBD15	not required	Corp Res - Leigh Stringer	75	0	0	0
Nottingham	EstSBD3	not required	Corp Res - Leigh Stringer	55	0	0	0
Stratford	EstSBD11	Full - BTPA	Corp Res - Leigh Stringer	50	1,000	1,000	to be conf
Gloucester	EstSBD12	not required	Corp Res - Leigh Stringer	50	0	0	0
Force Control Room London - stamp duty	EstSBD9	not required	Corp Res - Leigh Stringer	45	0	0	0
London South Custody	EstSBD16	Full - BTPA	Corp Res - Leigh Stringer	0	1,500	4,000	to be conf
Glasgow Custody	EstSBD18	Full - SCT	Corp Res - Leigh Stringer	0	294	0	0
Guildford	EstSBD19	Full - SCT	Corp Res - Leigh Stringer	0	0	300	0
Liverpool Street	EstSBD20	Full - SCT	Corp Res - Leigh Stringer	0	350	0	0
Retentions/Outstanding from previous years							
- London North Custody	EstSBD24	not required	Corp Res - Leigh Stringer	170	0	0	0
- London North Custody	EstSBD22	not required	Corp Res - Leigh Stringer	92	0	0	0
- Other schemes	EstSBD23	not required	Corp Res - Leigh Stringer	50	50	50	0
TOTAL ESTATES				**5,220**	**4,619**	**6,275**	**0**

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PROPOSED CAPITAL PROGRAMME A(ii)

INFORMATION TECHNOLOGY							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Airwave replacements and upgrades	ITSBD4	Full - SCT	Corp Res - Paul Day	650	750	750	0
Server and Desktop Virtualisation	ITSBD2	Full - SCT	Corp Res - Paul Day	500	500	500	0
Minor Projects	ITSBD7	Full - SCT	Corp Res - Paul Day	400	500	500	0
Sharepoint (former EDRMS)	ITSBD9	Full - SCT	Corp Res - Paul Day	350	0	0	0
ICCS system upgrade	ITSBD5	Full - SCT	Corp Res - Paul Day	200	100	100	0
Disaster Recovery investment	ITSBD1	not required	Corp Res - Paul Day	100	0	0	0
Cyclic replacement programme - Laptops	ITSBD3	not required	Corp Res - Paul Day	100	100	100	0
Information Management systems	ITSBD6	not required	Corp Res - Paul Day	100	80	80	0
Minor equipment replacement	ITSBD8	not required	Corp Res - Paul Day	100	100	100	0
TOTAL INFORMATION TECHNOLOGY				**2,500**	**2,130**	**2,130**	**0**

CCTV							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
BTP Funded schemes							
Arriva Trains connection to FRCB	CCTVSBD5	not required	CO - Haver Evans	89	0	0	0
Outer London additional CCTV feeds	CCTVSBD4	not required	CO - Haver Evans	78	0	0	0
Retrieval Cadre Equipment	CCTVSBD1	not required	CO - Haver Evans	16	17	18	0
Siraview software	CCTVSBD2	not required	CO - Haver Evans	16	16	16	0
Scottish Events Room and Network links	CCTVSBD3	Full - SCT	CO - Haver Evans	0	249	0	49
TOTAL CCTV				**199**	**282**	**34**	**49**

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PROPOSED CAPITAL PROGRAMME A(iii)

FLEET							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Vehicle Replacement Programme	FLEETSBD1	not required	Corp Res - G Tillet	2,750	2,720	2,281	0
TOTAL FLEET				**2,750**	**2,720**	**2,281**	**0**

OTHER EQUIPMENT							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Central Operations							
LAB Services ISO Accreditation	OTHERSBD1	not required	CO - Hacer Evans	30	0	0	2
Rapid DNA profiling equipment	OTHERSBD2	not required	CO - Hacer Evans	20	0	0	0
Replacement of Photographic Equipment	OTHERSBD3	not required	CO - Hacer Evans	0	133	0	0
Detection Identification Equipment	OTHERSBD4	Full - SCT	CO - Hacer Evans	0	350	0	0
Freezers	OTHERSBD5	not required	CO - Hacer Evans	0	20	0	0
Drying Cabinets	OTHERSBD6	not required	CO - Hacer Evans	0	30	0	0
Photographic Server Replacement	OTHERSBD7	not required	CO - Hacer Evans	0	60	0	0
Server to store master photographic images	OTHERSBD8	not required	CO - Hacer Evans	0	60	0	0
Replacement Laptops	OTHERSBD9	not required	CO - Hacer Evans	0	37	0	0
HTCU Fibre Optic cabling for server	OTHERSBD10	not required	CO - Hacer Evans	0	15	0	0
Corporate Resources							
Efinancials upgrade 4.1	OTHERSBD11	not required	Corp Res - Simon Hart	29	0	0	3
Deputy Chief Constables - PSD							
Portable Video Interview Equipment	OTHERSBD13	not required	PSD - Colin Wong	7	0	0	0
Secure Wireless Microphone System	OTHERSBD12	not required	PSD - Colin Wong	5	0	0	0
Territorial Policing and Crime							
ANPR New Camera	OTHERSBD17	not required	TP Crime - M Flood	90	0	0	0
Covert ANPR equipment	OTHERSBD14	not required	TP Crime - M Flood	60	0	0	1
Covert Datong Equipment	OTHERSBD15	not required	TP Crime - M Flood	44	0	0	0
Upgrade Q Electronics equipment	OTHERSBD16	not required	TP Crime - M Flood	35	0	0	1
Holmes Server	OTHERSBD18	not required	TP Crime - M Flood	0	70	0	0
TOTAL OTHER EQUIPMENT				**444**	**775**	**0**	**17**