



**Report to:** Finance Group  
**Date:** 16 January 2013  
**Agenda Item:** 5  
**Subject:** BTP Proposed Capital Programme 2013/14 – 2015/16  
**Sponsor:** Interim Director of Corporate Resources  
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## **1. PURPOSE OF PAPER**

- 1.1 This report sets out the proposed Capital Programme for 2013/14 – 2015/16 based on the prioritisation by BTP's Service Improvement Board (SIB) 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 corporate governance requirements before authority to spend is given. For schemes costing in excess of £500k Business Cases will need to be recommended by the BTP SIB and Force Executive Board (FEB) for approval by the Chief Executive 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 2013/14 is currently £11.2m. This is a marginal reduction from the 2012/13 budget allocation of £11.6m. This is in line with expectations.
- 2.2 The 2013-16 capital programme was formally reviewed by SIB 5th December and an extraordinary SIB 6th December. The SIB then provided a recommended Capital Programme that was further discussed by FEB on 18 December. A thorough review was undertaken of both the outturn for 2012/3 and the capital programme for years 13/14 to 15/16 to ensure robust delivery plans were in place to be confident that the phasing of the expenditure was correct. This together with reviews of Business Cases for all projects included in the programme was undertaken to ensure the correct priority was given to them and to allow robust debate and challenge at all review meetings. The FEB recommended Capital



Programme is being presented to the BTPA Finance Group on 16 January for recommendation to the BTPA main meeting on 31 January.

- 2.3 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 2013/14 is £11.2m.
- 2.4 The reviews carried out demonstrate to the DfT that a robust process has been followed to determine the proposed programme and shows that there has been a full initial scrutiny on all scoping bids submitted and that in formulating the programme within the £11.2m funding:
- a. a number of Estates projects have been reduced in scope for value for money reasons or re-phased to later years to ensure delivery is achievable i.e. Cambridge into 2013/4, Stratford into 2014/15 & 2015/16
  - 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.

**Table 1 – Proposed Capital Programme**

<b>BTP CAPITAL PROGRAMME 2013/14 to 2015/16</b>				
	<b>BTP Departmental Capital Totals 2013/14 to 2015/16</b>			
<b>Department</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>On going Revenue Impact</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Estates	5,240	5,175	3,150	30
Technology	2,552	2,685	2,757	300
CCTV	35	36	46	0
Fleet	2,152	2,225	2,175	0
Other equipment etc	321	1,114	2,323	161
Contingency	900	900	900	0
<b>TOTAL BTP FUNDED CAPITAL PROGRAMME</b>	<b>11,200</b>	<b>12,135</b>	<b>11,351</b>	<b>491</b>
<b>DEL</b>	<b>11,200</b>	<b>11,200</b>	<b>11,200</b>	
<b>Over/(under DEL)</b>	<b>0</b>	<b>935</b>	<b>151</b>	

2.5 The BTPA has previously stressed that the programme submitted for approval must not exceed the DEL allocation. It should be noted that the Capital Programme for future years does not currently meet the expected DEL however continuing reviews will be taking place throughout 2013/14 to ensure either appropriate reductions are found or work re-prioritised to meet the DEL requirement.

2.6 The Capital Programme following from last years approach includes an element for contingency, this is in line with best practice. The proposed level of contingency of £900k is appropriate for a Programme of this size in 2013/14 This element of contingency is identified



to each project but is held corporately rather than allocating to each individual scheme as this becomes more difficult to manage and increases the likelihood of significant underspending across the Programme.

- 2.7 The appendices now include a column highlighting what approvals are needed to meet the governance requirements and once the Capital Programme is approved at a high level the development of full business cases will begin.
- 2.8 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. Also where savings have been identified by delivery of a project these savings have been identified and the relevant cost centre budget has been reduced.

### 3. PROPOSED CAPITAL PROGRAMME

The main elements of the draft programme are as follows:

#### **Estates**

- 3.1 As reported above the largest project included in the Estates element of the Capital Programme for next year is the South London Custody at a total cost of £5.5m with £1.5m falling 2013/14. A detailed Business Case will be submitted to the BTPA for approval in due course. However the 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.
- 3.2 There are also relocation proposals for London North Area HQ, Wigan and Glasgow Empire House with refurbishment works at Southampton, Swansea & Birmingham Axis.
- 3.3 The Estates Rationalisation Programme, total cost of £800k plus contingency, will be completed in 2013/14 with in year costs of £300k



- 3.4 In addition to the above items there are a number of smaller schemes included within Minor Works that are considered by Property Board and have been identified as their current priorities for 2013/14
- 3.5 The program of works for HR Business Centre are currently planned for 2012/13 for £270k however this is currently under review to confirm delivery date with some risk that some of these costs may move into 2013/14. When re-phasing of capital expenditure is required to allow completion of projects that cross over financial years this is monitored and reported on to ensure appropriate controls and governance are followed.

### **Information Technology**

- 3.6 Within the Information Technology element of the Capital Programme a number of changes to the original proposed spend have been made following a review of the overall Information Technology Strategy and also to ensure appropriate approvals are in place to satisfy governance requirements. Most of draft programme relates to cyclic maintenance and replacement of equipment. The largest item in the programme is the Desktop Virtualisation Programme to replace the current desktops with thin client PCs across the Force to allow a more efficient maintenance regime lowering future revenue costs.
- 3.7 The annual programme also includes on going need for replacement of Airwave radio equipment at £350k in 2013/14 (reduced from the last year's submission of £750k).
- 3.8 Following the upgrade of the Integrated Command and Control System (ICCS) there is an ongoing provision of £100k per year to meet requirement for minor replacements.
- 3.9 Provision is included in the draft programme for Minor Equipment Replacement of £100k; and Information Management Systems of £80k. These provisions are allocated by Information Management Board in year dependant on bids submitted.
- 3.10 A provision of £120k is included in each of the years 2014/15 and 2015/16 for a programme of roll out of the Microsoft Sharepoint system to provide an Electronic Data Records Management System. 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**

- 3.11 Major investment in CCTV has been funded in recent years from Network Rail investment schemes these major works are nearly complete if further funding is offered by Network Rail this will be reviewed for an appropriate business case. Therefore there are now only two minor on going programs included within the Capital Programme for CCTV these are for Retrieval Cadre Equipment (£17k in 2013/14) and Siraview Software (£18k in 2013/14)

### **Fleet**

- 3.12 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. It should be noted that a reduced amount for Fleet Replacement is now required as procurement savings have been realised

### **Other equipment**

- 3.13 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 There has been a robust challenge and review process to create the current draft Capital Programme and now clearly identifies the governance process each project must follow to gain approval.
- 4.2 The current draft Capital Programme is in line with the notified DEL for 2013/14 with a programme of continuous reviews being undertaken throughout the year to ensure the required Capital Programme funding meets the DEL for years 2014/15 and 2015/16.



## Appendix A (i)

<b>Estates</b>					
<b>Scheme</b>	<b>Approval Requirement</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>on-going Revenue Impact</b>
		£000	£000	£000	£000
London South Custody	BTPA	1,500	4,000	0	TBC
Stratford	BTPA	0	400	1,600	TBC
London North AHQ Relocation	BTPA	0	100	900	TBC
Estate Rationalisation Programme	Chief Exec (in 2012/13)	300	0	0	TBC
FHQ Basement Upgrade	FEB	350	0	0	TBC
FHQ Reception/Security	FEB	350	0	0	TBC
Southampton Refurbishment	FEB	300	0	0	TBC
Security	FEB	250	250	0	TBC
Leicester East Street	FEB	250	0	0	TBC
Guildford (Redevelopment by NWR)	FEB	0	0	300	TBC
Liverpool Street	FEB	0	0	350	TBC
Birmingham New St Station	FEB	250	0	0	TBC
Minor Works Projects	Property Board	250	250	0	TBC
Sunderland	SIB	200	0	0	TBC
Wigan - relocation	SIB	150	0	0	20
Birmingham Axis (AHQ) - replacement windows	SIB	150	0	0	TBC
Areas Lighting Upgrades	SIB	115	0	0	TBC
Cambridge	SIB	100	0	0	TBC
Air Conditioning System Upgrades	SIB	100	100	0	TBC
Glasgow Empire House - Relocation to Buchanan House	SIB	100	0	0	TBC
Blundell St - Space Utilisation	SIB	100	0	0	TBC
Capitalised Staff Costs	SIB	75	75	0	TBC
Swansea - full refurbishment	SIB	75	0	0	TBC
FHQ Lighting upgrades	SIB	60	0	0	TBC
Pontyprid	SIB	50	0	0	TBC
Manchester Victoria - new accommodation	SIB	50	0	0	10
Birmingham Axis (AHQ) - refurbishment	SIB	50	0	0	TBC
FHQ Server room air conditioning	SIB	35	0	0	TBC
FHQ Air conditioning control & zoning	SIB	30	0	0	TBC
<b>Total Estates</b>		<b>5,240</b>	<b>5,175</b>	<b>3,150</b>	<b>30</b>



## Appendix A (ii)

<b>Technology</b>					
<b>Scheme</b>	<b>Approval Requirement</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>On-going revenue impact</b>
		£000	£000	£000	£000
Desktop Virtualisation	BTPA	1,100	1,000	220	100
Digital Evidence	BTPA	0	0	1,000	TBC
Infrastructure Maintenance	FEB	200	500	500	TBC
Iccs System Upgrade	FEB	100	100	100	TBC
Airwave Replacement & Upgrade	SIB	350	500	500	40
Data Optimisation	SIB	185	185	0	120
Airwave Covert	SIB	110	0	0	TBC
Cyclic Replace Prog-Laptops	SIB	100	100	137	TBC
Information Management Systems	SIB	80	80	80	TBC
Messaging (Outlook & Blackberry)	SIB	70	0	0	TBC
Network Security	SIB	50	0	0	TBC
Data Centralisation	SIB	40	0	0	TBC
Active Directory Management and Maintenance	SIB	30	0	0	TBC
London Bridge Airwave Scheme	SIB	27	0	0	TBC
Sharepoint	SIB	0	120	120	TBC
Liverpool Street Airwave Scheme	SIB	0	0	0	40
Technology Board Operational Development	Tech Board	100	100	100	TBC
Telephone Handsets Spares	Tech Board	10	0	0	TBC
<b>Total Technology</b>		<b>2,552</b>	<b>2,685</b>	<b>2,757</b>	<b>300</b>

<b>CCTV</b>					
<b>Scheme</b>	<b>Approval Requirement</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>On-going revenue impact</b>
		£000	£000	£000	£000
Retrieval Cadre Equipment	SIB	17	18	28	TBC
Siraview Software	SIB	18	18	18	TBC
<b>Total CCTV</b>		<b>35</b>	<b>36</b>	<b>46</b>	<b>0</b>





## Appendix A (iii)

<b>Fleet</b>					
<b>Scheme</b>	<b>Approval Requirement</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>On-going revenue impact</b>
		£000	£000	£000	£000
Fleet Replacement Programme	SIB	2,077	2,150	2,100	TBC
Unplanned insurance write off provision	SIB	75	75	75	TBC
		<b>2,152</b>	<b>2,225</b>	<b>2,175</b>	<b>0</b>

<b>Other Equipment</b>					
<b>Scheme</b>	<b>Approval Requirement</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>On-going revenue impact</b>
		£000	£000	£000	£000
<b>Deputy Chief Constables</b>					
Integrated Audit Software	SIB	50	0	0	TBC
Social Media and Marketing	SIB	23	4	0	152
<b>Central Operations</b>					
Replacement of Photographic Equipment	SIB	133	0	0	TBC
Freezers	SIB	20	0	0	TBC
Photographic Server Replacement	SIB	0	0	60	TBC
Server to store master photographic images	SIB	0	60	0	TBC
DCS upgrade for chemical laboratory	SIB	0	30	0	2
Replacement of HTCUC equipment	SIB	0	0	80	5
HTCU Fibre Optic cabling for server	Tech Board	15	0	0	TBC
KIM/Socrates Link	Tech Board	12	0	0	TBC
Upgrade to Fingerprint SP lift printer	Tech Board	6	0	6	TBC
Rapid DNA Profiling Equipment	Tech Board	0	20	0	2
<b>SRU Equipment</b>					
Thermo Identifinder 2	SIB	60	0	0	TBC
Inficon Hapsite ER	SIB	0	0	417	TBC
Future Model HazMat ID	SIB	0	0	160	TBC
Dregar BG\$ pure oxygen re-breather systems with telemetry	SIB	0	0	150	TBC
Bio agent DIM	SIB	0	0	100	TBC
National CBRN PPE Upgrade	SIB	0	0	350	TBC
<b>Territorial Policing and Crime</b>					
Command & Control replacement	BTPA	0	1,000	0	TBC
Crime System Renewal/Replacement	BTPA	0	0	1,000	TBC
		<b>321</b>	<b>1,114</b>	<b>2,323</b>	<b>161</b>