



**Report to:** Finance Committee  
**Agenda item:** 5  
**Date:** 16 January 2014  
**Subject:** Proposed Capital Programme 2014/15 – 2017/18  
**Sponsor:** Interim Director of Corporate Resources  
**Author:** Head of Finance

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## **1. PURPOSE OF PAPER**

- 1.1 This report sets out the proposed Capital Programme for 2014/15 – 2017/18 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 original allocation advised for 2014/15 by British Transport Police Authority Finance Director was £11.6m. This has been revised down in a recent communication from DfT to £11.2m. This in line with 2013/14 but is below the amount expected earlier in the year noted above which was for a DEL allocation of £11.6m.
- 2.2 The 2014-17 capital programme was formally reviewed by SIB 2 December and an extraordinary SIB 6 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 Committee on 16 January for recommendation to the BTPA full meeting on 30 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 2014/15 is £11.7m.
- 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 scrutiny of all scoping bids submitted and that in formulating the programme.
- a. The Estates programme is focussed on delivery of projects to support the force restructure working wherever possible with stakeholders or other Forces to minimise costs, such as at Gatwick , in 2014/15 & 2015/16 and to be in line with the developing Estates strategy.
  - b. As with Estates the Information Technology programme is focussed on delivery of projects to support the force restructure this together with the delivery of the Technology strategy.
  - c. The need to meet the funding constraints has meant delivering the schemes within reduced allocations will be challenging however they are considered achievable by those sponsoring the schemes.



Table 1 – Proposed Capital Programme

| <b>BTP CAPITAL PROGRAMME 2014/15 to 2017/18</b>           |                    |                    |                |                |                            |
|---|--------------------|--------------------|----------------|----------------|----------------------------|
| <b>BTP Departmental Capital Totals 2013/14 to 2017/18</b> |                    |                    |                |                |                            |
| Department  | Revised<br>2014/15 | Revised<br>2015/16 | 2016/17        | 2017/18        | On going Revenue<br>Impact |
|   | £000               | £000               |                |                | £000                       |
| Estates   | 2,910              | 4,004              | 421            | 0              | 20                         |
| Technology  | 5,599              | 6,070              | 6,284          | 2,282          | 300                        |
| CCTV  | 0                  | 0                  | 0              | 0              | 0                          |
| Fleet   | 2,064              | 2,215              | 2,116          | 2,124          | 0                          |
| Other equipment etc                                       | 533                | 1,565              | 0              | 0              | 188                        |
| Contingency   | 600                | 900                | 900            | 900            | 0                          |
| <b>TOTAL BTP FUNDED CAPITAL PROGRAMME</b>                 | <b>11,706</b>      | <b>14,754</b>      | <b>9,721</b>   | <b>5,306</b>   | <b>508</b>                 |
| DEL   | 11200              | 11200              | 11200          | 11200          |                            |
| <b>Over/(Under DEL)</b>                                   | <b>506</b>         | <b>3,554</b>       | <b>(1,479)</b> | <b>(5,894)</b> |                            |

2.5 The BTPA has asked that the programme submitted for approval must not exceed the DEL allocation. It should be noted that the Capital Programme for this 2014/15 has only recently had notification of a lower DEL which has meant that further work will be required to further reduce this year's programme. Also future years do not currently meet the expected DEL levels with some years below the DEL therefore continuing reviews will take place to rephrase work throughout 2014/15 to ensure either appropriate reductions are found or work re-prioritised to meet the future years projected DEL requirements.

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 £600k or 5% is thought to be appropriate for a Programme of this size and nature in 2014/15. This reflects the previous experience of contingency where there has been no call for this fund over recent years. There is an element of contingency identified to each project but this 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 noted above the largest project included in the Estates element of the Capital Programme for next year is the support for Force restructure at £2.5m which represents development of a number of new locations including Manchester Victoria, Gatwick Division B response hubs with £1.8m falling in 2014/15. 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 work with stakeholders and other forces in identifying low cost options and sharing of premises.
- 3.2 Within the portfolio there are also relocation proposals for London North Area HQ total cost of £1m.
- 3.3 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 2014/15



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### **Information Technology**

- 3.4 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, the focus on supporting the force restructure programme and also the work required to ensure appropriate replacement of ecase & ecustody with a proposed full integrated system replacement following the termination of Northgate's contract for the supply of these systems. There is significant elements of the draft programme which 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.
- 3.5 The annual programme also includes on going need for replacement of Airwave radio equipment at £420k in 2014/15.
- 3.6 The upgrade of the Integrated Command and Control System (ICCS) is planned for 2014/15 at a cost of £900k.

### **CCTV**

- 3.7 Major investment in CCTV has been funded in recent years from Network Rail investment schemes these major works are complete if further funding is offered by Network Rail this will be reviewed for an appropriate business case. Therefore there are now no further items in the Capital Programme for CCTV.

### **Fleet**

- 3.8 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. Following the review of the nature of the fleet it includes the purchase of more environmental sustainable vehicles.



**Other equipment**

- 3.9 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 AND RECOMMENDATIONS**

- 4.1 There has been a robust challenge and review process to create the current draft Capital Programme and was in line with the previously identified DEL for 2014/15 and now clearly identifies the governance process each project must follow to gain approval.

- 4.2.1 Following the recent notification of a lower DEL number for 2014/15 the current draft Capital Programme does not meet the Capital DEL.

- 4.2.2 It is recommended that the Finance Committee request the Authority to respond to DfT asking for an increase in Capital DEL to meet the Capital Programme in 2014/15. This together with a further programme of continuous reviews by the British Transport Police being undertaken throughout 2014/15 to ensure the required Capital Programme funding meets the known DEL for years 2015/16 and 2016/17.

**Appendix A (i)**

| <b>Estates</b>                              |                             |                        |                        |                |                |                                |
|---|-----------------------------|------------------------|------------------------|----------------|----------------|--------------------------------|
| <b>Scheme</b>                               | <b>Approval Requirement</b> | <b>2014/15 Revised</b> | <b>2015/16 Revised</b> | <b>2016/17</b> | <b>2017/18</b> | <b>on-going Revenue Impact</b> |
|   |                             | £000                   | £000                   | £000           | £000           | £000                           |
| London North AHQ Relocation                 | BTPA                        | 100                    | 900                    | 0              | 0              | TBC                            |
| Force Restructure Rationalisation           | BTPA                        | 1,770                  | 750                    | 0              | 0              | TBC                            |
| FHQ Basement Upgrade                        | FEB                         | 0                      | 350                    | 0              | 0              | TBC                            |
| FHQ Reception/ Security                     | FEB                         | 0                      | 350                    | 0              | 0              | TBC                            |
| Southampton Refurbishment                   | FEB                         | 200                    | 0                      | 0              | 0              | TBC                            |
| Guildford (Redevelopment by NWR)            | FEB                         | 0                      | 300                    | 0              | 0              | TBC                            |
| Liverpool Street                            | FEB                         | 0                      | 350                    | 0              | 0              | TBC                            |
| Birmingham New St Station                   | FEB                         | 150                    | 0                      | 0              | 0              | TBC                            |
| Minor Works Projects                        | Property Board              | 250                    | 0                      | 0              | 0              | TBC                            |
| Wigan - relocation                          | SIB                         | 15                     | 0                      | 0              | 0              | 20                             |
| Birmingham Axis (AHQ) - replacement windows | SIB                         | 0                      | 150                    | 0              | 0              | TBC                            |
| Cambridge                                   | SIB                         | 10                     | 0                      | 0              | 0              | TBC                            |
| Capitalised Staff Costs                     | SIB                         | 250                    | 0                      | 0              | 0              | TBC                            |
| Nottingham                                  | SIB                         | 80                     | 0                      | 0              | 0              | TBC                            |
| Wolverhampton                               | Property Board              | 30                     | 0                      | 0              | 0              | TBC                            |
| Maidstone West                              | SIB                         | 25                     | 0                      | 0              | 0              | TBC                            |
| Chester - refurbishment                     | Property Board              | 30                     | 0                      | 0              | 0              | TBC                            |
| Estates Sustainability Programme:           | BTPA                        | 0                      | 604                    | 421            | 0              | TBC                            |
| FHQ Storage                                 | SIB                         | 0                      | 250                    | 0              | 0              | TBC                            |
| <b>Total Estates</b>                        |                             | <b>2,910</b>           | <b>4,004</b>           | <b>421</b>     | <b>0</b>       | <b>20</b>                      |



## Appendix A (ii)

| <b>Technology</b>  |                             |                        |                        |                |                |  |
|--|-----------------------------|------------------------|------------------------|----------------|----------------|--|
| <b>Scheme</b>  | <b>Approval Requirement</b> | <b>Revised 2014/15</b> | <b>Revised 2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>on-going revenue impact revised</b> |
|  |                             | £000                   | £000                   | £000           | £000           | £000                                   |
| Desktop Virtualisation                                   | BTPA                        | 600                    | 1,320                  | 0              | 0              | 100                                    |
| Digital Evidence Management                              | BTPA                        | 0                      | 720                    | 180            | 0              | 0                                      |
| Infrastructure Maintenance                               | MAR                         | 420                    | 0                      | 0              | 0              | 0                                      |
| Iccs System Upgrade                                      | MAR                         | 900                    | 0                      | 0              | 0              | 0                                      |
| Airwave Replacement & Upgrade                            | SIB                         | 420                    | 420                    | 1,000          | 350            | 40                                     |
| Cyclic Replace Prog-Laptops                              | SIB                         | 164                    | 0                      | 0              | 0              | 0                                      |
| Messaging (Outlook & Blackberry)                         | SIB                         | 84                     | 84                     | 84             | 84             | 0                                      |
| Network Security   | SIB                         | 36                     | 36                     | 36             | 36             | 0                                      |
| Disaster Recovery Investment                             | SIB                         | 60                     | 60                     | 60             | 0              | 0                                      |
| Sharepoint   | SIB                         | 144                    | 0                      | 0              | 0              | 0                                      |
| Technology Board Operational Development                 | Tech Board                  | 120                    | 120                    | 120            | 0              | 0                                      |
| Telephone Handsets Spares                                | Tech Board                  | 12                     | 12                     | 12             | 12             | 0                                      |
| Cyclic Replacement- Desktops                             | Chief                       | 120                    | 0                      | 0              | 0              |  |
| Essential Modifications to support the Force Restructure | Chief                       | 240                    | 0                      | 0              | 0              | 0                                      |
| Replacement of the Crime & Intelligence Applications     | BTPA                        | 720                    | 1,080                  | 600            | 0              | 0                                      |
| Replacement of the Intranet Platform *                   | SIB                         | 106                    | 0                      | 0              | 0              | 0                                      |
| 6 New P2 Sites   | SIB                         | 657                    | 0                      | 0              | 0              | 132                                    |
| Single Search  | SIB                         | 36                     | 0                      | 0              | 0              | 0                                      |
| Single Sign On   | SIB                         | 180                    | 0                      | 0              | 0              | 0                                      |
| Case and Custody Replacement                             | SIB                         | 0                      | 0                      | 240            | 0              | 0                                      |
| ERP Implementation-                                      | BTPA                        | 0                      | 0                      | 1,200          | 1,800          | 0                                      |
| NextGen Mobile   | Chief Executive             | 0                      | 432                    | 588            | 0              | 0                                      |
| CRM Solution   | Chief Executive             | 0                      | 0                      | 1,200          | 0              | 0                                      |
| Location Based Briefing                                  | SIB                         | 0                      | 0                      | 72             | 0              | 0                                      |
| E Document Management                                    | SIB                         | 0                      | 0                      | 300            | 0              | 0                                      |
| Command & Control replacement                            | BTPA                        | 0                      | 1,200                  | 0              | 0              | 0                                      |
| ISP (Case,Custody,Intelligence,Crime and Com & Ctr)      | BTPA                        | 580                    | 586                    | 592            | 0              | 0                                      |
| <b>Total Technology</b>                                  |                             | <b>5,599</b>           | <b>6,070</b>           | <b>6,284</b>   | <b>2,282</b>   | <b>272</b>                             |





## Appendix A (iii)

| Scheme   | Approval Requirement | Revised 2014/15 | Revised 2015/16 | 2016/17      | 2017/18      | On-going revenue impact |
|--|----------------------|-----------------|-----------------|--------------|--------------|-------------------------|
|  |                      | £000            | £000            | £000         | £000         | £000                    |
| Fleet Replacement Programme                                  | SIB                  | 1,916           | 2,100           | 2,100        | 2,100        | TBC                     |
| Unplanned insurance write off provision                      | SIB                  | 75              | 75              | 0            | 0            | TBC                     |
| Fleet Sustainability Programme (Ampera x 5) Subject to Pilot | SIB                  | 73              | 40              | 16           | 24           | 0                       |
| Transition of L Area Fleet- TFL Funding to be sought         | BTPA                 | 0               | 0               | 0            | 0            |                         |
|  |                      | <b>2,064</b>    | <b>2,215</b>    | <b>2,116</b> | <b>2,124</b> | <b>0</b>                |

| Other Equipment  |                      |                 |                 |          |          |                         |
|--|----------------------|-----------------|-----------------|----------|----------|-------------------------|
| Scheme   | Approval Requirement | Revised 2014/15 | Revised 2015/16 | 2016/17  | 2017/18  | On-going revenue impact |
|  |                      | £000            | £000            | £000     | £000     | £000                    |
| <b>Deputy Chief Constables</b>   |                      |                 |                 |          |          |                         |
| Social Media and Marketing   | SIB                  | 4               | 0               | 0        | 0        | 152                     |
| <b>Central Operations</b>  |                      |                 |                 |          |          |                         |
| Photographic Server Replacement  | SIB                  | 0               | 60              | 0        | 0        | 0                       |
| Replacement of HTCUC equipment   | SIB                  | 0               | 120             | 0        | 0        | 5                       |
| HTCU Fibre Optic cabling for server  | Tech Board           | 0               | 18              | 0        | 0        | TBC                     |
| Replacement/Upgrade to mobile phone triage equipment - <i>new</i>          |                      | 108             | 0               | 0        | 0        | 30                      |
| <b>SRU Equipment</b>   |                      |                 |                 |          |          |                         |
| Inficon Hapsite ER   | SIB                  | 0               | 501             | 0        | 0        | TBC                     |
| Future Model HazMat ID   | SIB                  | 0               | 124             | 0        | 0        | TBC                     |
| Dregar BG\$ pure oxygen re-breather systems with telemetry                 | SIB                  | 0               | 202             | 0        | 0        | TBC                     |
| Bio agent DIM  | SIB                  | 0               | 120             | 0        | 0        | TBC                     |
| National CBRN PPE Upgrade  | SIB                  | 0               | 420             | 0        | 0        | TBC                     |
| <b>Corporate Resources</b>   |                      |                 |                 |          |          |                         |
| IM - Protective Marking Software   | SIB                  | 260             | 0               | 0        | 0        |                         |
| Justice - e-CASE Project (CPS interface - dependant on Northgate decision) | Tech Board           | 36              | 0               | 0        | 0        |                         |
| Justice - LIVElinks  |                      | 125             | 0               | 0        | 0        |                         |
|  |                      | <b>533</b>      | <b>1,565</b>    | <b>0</b> | <b>0</b> | <b>188</b>              |