

<p>Section A For Publication</p>
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**THE OFFICE OF POLICE AND CRIME COMMISSIONER
FOR DERBYSHIRE
DECISION RECORD**

Request for PCC Decision	Received in OPCC Date: 09/01/13	OPCC Ref: 07/13
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Title: Capital programme 2013/17

Executive Summary:

To consider and approve the detailed capital programme for 2013 to 2017 to sit alongside the revenue requirements for 2013/14.

There is an associated report that supports this decision.

Decision**Resolved that**

- i. The IS schemes as set out in Appendix A to the associated report are approved.
- ii. The estates schemes as set out in Appendix B to the associated report are approved.
- iii. The finalised capital programme and associated funding as set out in Appendix C to the associated report is approved.
- iv. A feasibility study to review options for the replacement of Headquarters buildings is commissioned.

Declaration

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for the Police and Crime Commissioner for Derbyshire. Any such interests

are recorded below.

The above request has my approval.

Signature *Electronically Signed*

Date 21 January 2013

PUBLICATION SCHEME CONSIDERATIONS

Is the related Section B report to be published **Yes**

Is the publication of this approval to be deferred **No**

Date to be deferred to –NA

NB Statutory Instrument 2011/3050 (as amended by SI 2012/2479) states that: *all decisions made by a PCC are in the types of information that must “be published as soon as practicable after it becomes available to the elected local policing body”.*

OFFICER APPROVAL

Chief Executive:

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

Signature

Electronically Signed

Name Helen Boffy

Date 17 December 2013

STRATEGIC GOVERNANCE BOARD

21 JANUARY 2013

REPORT OF THE CHIEF CONSTABLE
AND
CHIEF FINANCE OFFICER FOR THE OFFICE OF POLICE AND CRIME
COMMISSIONER

9A CAPITAL PROGRAMME 2013/17

1. PURPOSE OF THE REPORT

1.1 To set out the capital programme for Derbyshire Police for 2013/17.

2. INFORMATION AND ANALYSIS

Background

1. During this period of austerity, the Government has continued to cut resources for capital projects.
2. Derbyshire Police has relied on using reserves and limited capital receipts to fund an increasing share of its capital projects.
3. Each year Derbyshire Police has a number of core capital spending requirements to replace and maintain its assets e.g.
 - ⇒ To replace police vehicles
 - ⇒ To maintain its buildings
 - ⇒ To upgrade its IT systems
 - ⇒ To replace key items of equipment e.g. body armour, IT equipment
4. These ongoing capital needs amount to some £2.5m annually, while Government Capital Grant is some £1.5m.
5. This represents a shortfall of £1m even before the Constabulary considers investment in major new projects to improve performance or make it more efficient. Many authorities have been forced to borrow to cover this gap.
6. There would be scope for Derbyshire Police to borrow to fund this gap but this would place further pressure on the revenue budget. Many of the assets that require replacement have a relatively short lifespan, which means that the borrowing cost can only be spread over a relatively short period of time.

7. In terms of new projects, the main pressures within the programme are as follows:-
- ⇒ **Replacement of Headquarters Buildings** – the programme includes a provision of some £5m for the replacement of these buildings but this is reliant on generating capital receipts of some £3m from the sale of land on the Headquarters site. At the current time it would be unrealistic to rely on these receipts during the period of the programme, given the current economic circumstances.
 - ⇒ **Investment in regional IS projects** – as more regional activity progresses, there will be greater pressure to ensure that our technology is consistent and keeps up to date with other forces in our region. Our previous programme did not include sufficient provision to meet these costs.
 - ⇒ **New Business Priorities** – our capital programme includes some provision for ANPR. A review of ANPR arrangements is currently under-way. Our current aging technology means that we are not getting the best operational benefit from this.
8. All of the above has prompted a more fundamental review of the capital programme this year.

IS Schemes (Appendix A)

9. A detailed review of the Capital Programme has been carried out, which has resulted in the deletion of a number of IS schemes. It has also meant that the IS part of the Capital Programme is now split in the following way:-
- ⇒ **IS replacement projects** – this covers the replacement of existing hardware with a major refresh of equipment following the introduction of Windows 7. It also includes improvement to data storage, prompted by the requirements of new systems particularly around the storage of images.
 - ⇒ **IS Infrastructure Projects** – this is for schemes that cover the core IS infrastructure e.g. server room as well as remote access software.
 - ⇒ **IS Customer Projects** – these are local projects specific to Derbyshire – the most significant of these is the upgrade/replacement of the existing command and control system.
 - ⇒ **IS Collaboration** – increasingly these will replace IS customer projects as we implement new systems in partnership with the rest of the region.

Local IS Schemes (infrastructure and customer projects)

10. The main proposed new IS schemes at a local level are as follows:-

- ⇒ **Command & Control/ICCS** – the existing system will reach the end of its existing licence period in 2014.
- ⇒ **Remote Access Software** – to update and enable more extensive remote working including external access to information.
- ⇒ **Asset Management & Development** - focussed on IT assets particularly the management of software and its deployment. Will meet the requirement to 'true-up' licensing on an annual basis.
- ⇒ **Server Room Updates** – bring server rooms up to the latest technology (including monitoring and environmental controls). It will help the move to carbon emission targets and ensure that we have adequate back up arrangements whilst rationalising the estate.
- ⇒ **Citrix** – upgrade and expansion of Citrix estate, linked to enhanced mobile working.
- ⇒ **E-mail archiving solution** – this is increasingly important as key documents are stored and distributed using e-mail. It will reduce the need to restore documents from backup.
- ⇒ **E Discovery** – this is to meet our requirements under disclosure, the software purchased will be able to search through internal electronic records, e.g. emails and databases.

11. The Capital Programme currently includes provision of some £605,000 spread over 4 years for replacement and investment in ANPR technology.

12. Early indications are that this may need to be increased as the review of ANPR arrangements is finalised. It is also clear that the funding set aside for ANPR may need to be brought forward to earlier years to meet particularly pressures identified by the review in 2013/14.

Regional IS Projects

13. An initial assessment undertaken by Heads of IS across the region has identified the need to invest some £46m in regional IS schemes. The Derbyshire share of this investment could be as much as £10m. This is also detailed in Annex A

14. At this stage it is too early to identify precisely, which regional schemes will go ahead or indeed the timing. This will depend on a number of factors and in particular the level of support and funding across the region for a specific project.

15. Currently a provision of £1m has been made in each of the next 4 years for Derbyshire Police's share of the cost of regional schemes. This recognises that increasingly we will be implementing technology changes in partnership with other forces across our region.

Estates Schemes (Annex B)

16. The estates programme includes a scheme to refurbish some key buildings at Police Headquarters, which are now in need of refurbishment as they are both expensive to heat and maintain.
17. Previously this scheme was reliant on generating capital resources from the disposal of land at force headquarters. In the current economic circumstances it is now less likely that this will be achieved during the period of the capital programme.
18. It has therefore been necessary to design a reduced scheme, which can be accommodated within the resources available within the current capital programme.
19. It is proposed that this scheme will be subject to a detailed feasibility study, which will still look at a range of options to either refurbish the existing headquarters buildings or to replace them.
20. At this stage the programme provides for a limited refurbishment of headquarters but the feasibility study will also consider other options.
21. The other main changes to the Estates programme are as follows:-
 - ⇒ **Cotton Lane Refurbishment** which is part of a scheme aimed at relocating Criminal Justice to Cotton Lane as well as reconfiguring the top floor of St Mary's Wharf. This will release other buildings including Cardinal Square, with a potential saving of some £250,000 per annum. Secondly it will enable more specialised policing resources for Derby to be located at D Division.
 - ⇒ **Upgraded Heating System at B Divisional Headquarters** – the heating system is extremely old and in need of replacement. It is also far from energy efficient.

Other Schemes

22. Finally, the programme also includes a provision of £750,000 for the replacement of body armour in 2016/17.

Funding

23. The draft Capital Program is attached at Annex C. For the first time this makes a distinction between:-
 - ⇒ on-going schemes – involving the maintenance or replacement of an existing asset
 - ⇒ specific schemes – involving new investment

24. There is a degree of cross-over between these areas but the intention is to demonstrate the underlying commitments, within the programme i.e. on-going schemes, where there is an ongoing commitment to provide capital resources.

25. The table below summarises the position up to 2016/17

£'m	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
On-going Schemes	3.123	2.675	2.545	3.295
Specific Schemes	3.425	4.360	1.895	1.835
Total Schemes	6.548	7.035	4.440	5.130
Core Funding	2.440	2.520	2.520	2.520
Other Funding	7.781	7.147	4.711	2.791
Total Funding	10.221	9.667	7.231	5.311
Surplus	3.673	2.632	2.791	0.181

26. The above table also makes a distinction between:-

- ⇒ **core funding**, which is essentially government capital grant and revenue contributions to capital. This is more certain
- ⇒ **other funding** e.g. capital receipts, use of reserves, prudential borrowing. This is less certain.

27. A key aim should be for core funding to match on-going schemes so that the cost of core capital commitments can be met each year, without the need to borrow to fund core on-going capital commitments.

28. The core funding now includes a contribution of £1m from the revenue budget, which together with anticipated capital grant means that core funding will broadly cover the cost of on-going schemes.

Summary and Conclusion

29. The key aim has been to put forward a relatively low risk, sustainable capital programme. On that basis the programme has:-

- ⇒ **Removed the reliance of the programme on capital receipts of c£3m** – given the current state of the economy and the amount of surplus building land in the area, there is an increasing risk that the disposal of land at police headquarters may take a number of years
- ⇒ **Provided further resources for regional IS investment** – this is less than the plans set out by regional IS groups but realistically it is unlikely that so many schemes will proceed at such a fast pace. This at least gives the ability for the force to update its system alongside other forces within the region.

⇒ **Been made more sustainable** – through a revenue contribution to capital of £1m per annum

⇒ **Avoided the need for prudential borrowing** – avoids the need for additional financial pressure on the revenue budget.

30. At this stage a realistic view has also been taken around the phasing of capital projects. While some schemes may progress quicker than expected e.g. ANPR, other schemes may take longer to progress e.g. regional schemes as they involve a number of police forces across the East Midlands region.

31. The Capital Programme will be monitored at regular intervals to ensure that capital resources are being used effectively to deliver schemes within the programme.

32. The programme will also be kept under regular review in particular pending:-

⇒ A feasibility study to look at options for the repair/refurbishment/replacement of headquarters buildings.

⇒ More detailed proposals for the extension of ANPR following the outcome of the review of ANPR currently taking place within the Constabulary.

3. RECOMMENDATIONS

Key Decisions

- i. To approve the IS schemes as set out in Appendix A
- ii. To approve the estates schemes as set out in Appendix B
- iii. Approve the finalised capital programme and associated funding as set out in Appendix C
- iv. Commission a feasibility study to review options for the replacement of Headquarters buildings

4. IMPLICATIONS

All implications are assessed and scored to the table below.

HIGH – supporting explanation and narrative required and to be contained within the report

MEDIUM – narrative to be contained within the report at the discretion of the author

LOW – no narrative required

	LOW	MEDIUM	HIGH
Crime & Disorder			X
Environmental	X		
Equality & Diversity	X		
Financial			X
Health & Safety	X		
Human Rights	X		
Legal	X		
Personnel	X		

Contact details in the event of enquiries	Name: Superintendent Kul Mahay External telephone number: 01773 572675 Email address: sgbenquiries@derbyshire.pnn.police.uk
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ATTACHMENTS

- Appendix A IS Schemes – including Regional Projects
- Appendix B Estates Schemes
- Appendix C Capital Programme 2013/16

Breakdown of IT/Comms Figures in Capital Programme 2013/14 to 2016/17 as at December 2012

	<u>Code</u>	Estimate 2013/14	Slippage from 2012/13	Changes/ new/savings	Estimate 2013/14	Revised 2014/15	Changes/ new	Estimate 2014/15	Estimate 2015/16	Changes/ new	Estimate 2015/16	Estimate 2016/17
IS Replacement												
Telecomms Replacement Budget	Delete	220,000		(220,000)	0	220,000	(220,000)	0	220,000	(220,000)	0	0
Communications Equipment	Z600	150,000	400,000	(425,000)	125,000	150,000	100,000	250,000	150,000	100,000	250,000	250,000
ANPR replacement	New			165,000	165,000		200,000	200,000		120,000	120,000	120,000
Office Automation	Z420	340,000	250,000		590,000	350,000		350,000	350,000		350,000	350,000
Network Equipment	Z418	100,000			100,000	100,000		100,000	100,000		100,000	100,000
Server/Storage Upgrades	Z311	100,000	400,000		500,000	100,000		100,000	100,000		100,000	100,000
Total IS Replacement		910,000	1,050,000	(480,000)	1,480,000	920,000	80,000	1,000,000	920,000	0	920,000	920,000
IS Infrastructure Projects												
Network Upgrade(incl switches, routers, firewalls)	Z312	0	300,000	(300,000)	0	0		0	0		0	0
Remote Access Software				50,000	50,000	0		0	0		0	0
Asset Management & Development				85,000	85,000	0		0	0		0	0
Server Room Updates				50,000	50,000	0	350,000	350,000	0		0	0
Citrix				70,000	70,000	0		0	0		0	0
Total IS Infrastructure		0	300,000	(45,000)	255,000	0	350,000	350,000	0	0	0	0
Customer Projects												
Electronic Storage Strategy		600,000		(600,000)	0	200,000	(200,000)	0	0		0	0
Mobile Data - Phase 1 & 2	Z313	0	360,000		360,000	0		0	0		0	0
General					0			0	200,000	(200,000)	0	0
Command and Control/ICCS				500,000	500,000		1,000,000	1,000,000			0	0
Email Archiving Solution					0		100,000	100,000			0	0
E Discovery					0		70,000	70,000			0	0
Total Customer Projects		600,000	360,000	(100,000)	860,000	200,000	970,000	1,170,000	200,000	(200,000)	0	0
IS Collaboration (DPA share)				1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	1,000,000
Total		1,510,000	1,710,000	375,000	3,595,000	1,120,000	2,400,000	3,520,000	1,120,000	800,000	1,920,000	1,920,000

605,000

<u>New Capital Schemes IT Collaboration</u>	Regional Cost	Derbys Share	Derbys Cost
Infrastructure			
Migrate to PSN	250,000	20%	50,000
Regional active directory	750,000	20%	150,000
Enhanced confidential network	1,000,000	25%	250,000
Mobile access to apps	2,500,000	25%	625,000
Intrusion protection	400,000	25%	100,000
Identity management	350,000	25%	87,500
Corporate Digital Interview Store	1,600,000	20%	320,000
Total Infrastructure Schemes	6,850,000		1,582,500
Customer			
Major Enquiries (Holmes 3)	1,500,000	20%	300,000
Scientific Support	200,000	20%	40,000
Crimes in action	100,000	20%	20,000
Email /calendar	750,000	20%	150,000
RIPA authorities	350,000	20%	70,000
Crime / Intell. / Case /Custody	5,125,000	25%	1,281,250
ERP	2,700,000	33%	899,991
Vehicle Information Systems	150,000	20%	30,000
ANPR	500,000	20%	100,000
Licence premises	150,000	20%	30,000
Warrants	100,000	20%	20,000
Firearms licencing	150,000	20%	30,000
Tasking and briefing	250,000	20%	50,000
Internet investigations	250,000	20%	50,000
Auto resource location	3,000,000	25%	750,000
Business reporting and intell.	2,000,000	25%	500,000
Child protection	200,000	25%	50,000
Prisoner Notifications	100,000	20%	20,000
Track my crime	10,000	25%	2,500
Property and exhibits	350,000	25%	87,500
Missing persons	100,000	20%	20,000
Identification mgt	500,000	25%	125,000
Complaints mgt	100,000	25%	25,000
Document mgt phase II	100,000	33%	33,333
Risk Management	50,000	20%	10,000
Customer Relationship Mgt	1,500,000	25%	375,000
Total Customer Schemes	20,285,000		5,069,574
Other Potential Projects			
Telephony Convergence	5,000,000	20%	1,000,000
Airwave Replacement	9,000,000	20%	1,800,000
Crime GIS Analysis	200,000	20%	40,000
Command and Control	5,000,000	20%	1,000,000
Internet to support collaboration	50,000	20%	10,000
File Storage for collaboration	50,000	20%	10,000
Stop and Search	100,000	20%	20,000
Buildings Control	100,000	20%	20,000
Other Potential Projects	19,500,000		3,900,000
Grand Total	46,635,000		10,552,074

Breakdown of Buildings Figures in Capital Programme 2013/14 to 2016/17 as at December 2012

	Estimate 2013/14	Slippage from 2012/13	Changes/ new/savings	Estimate 2013/14	Revised 2014/15	Changes/ new	Estimate 2014/15	Estimate 2015/16	Changes/ new	Estimate 2015/16	Estimate 2016/17
Schemes Ongoing Buildings											
Capitalised Maintenance & Small adaptations & Business Continuity	370,000			370,000	370,000		370,000	370,000		370,000	370,000
Legislative works(Asbestos,smoke detectors,legionella,DDA, M&Eng)	125,000			125,000	125,000		125,000	125,000		125,000	125,000
Replacement of UPS Kit	30,000			30,000	30,000		30,000	30,000		30,000	30,000
Total Scheme ongoing Buildings	525,000	0	0	525,000	525,000	0	525,000	525,000	0	525,000	525,000
Specific Schemes Buildings											
Police Premises Fund	200,000	360,000		560,000	200,000		200,000	200,000		200,000	200,000
Admin & Exec Block Refurbishment	2,500,000		(2,500,000)	0	2,400,000	(920,000)	1,480,000	0	535,000	535,000	475,000
Cotton Lane Refurbishment			500,000	500,000	0		0	0		0	0
Total Specific Schemes Buildings	2,700,000	360,000	(2,000,000)	1,060,000	2,600,000	(920,000)	1,680,000	200,000	535,000	735,000	675,000
Total	3,225,000	360,000	(2,000,000)	1,585,000	3,125,000	(920,000)	2,205,000	725,000	535,000	1,260,000	1,200,000

Draft Capital Programme 2013/14 to 2016/17

Changes

- slippage from 2012/13 approved at December Strategic Governance Board
- reduction in vehicle fleet for change in specifications/reduction in fleet numbers plus increase in Chief officers vehicles for J Wright Replacement offset by contribution
- Update on capital receipts from David Vaughan excluding the sale of HQ land £4m plus rescheduling Admin&Exec Block Scheme over 10 years. Still £2.4m to spend in future years.
- Additional Building Scheme Cotton Lane Refurbishment £0.5m
- Additional scheme for replacement body armour £0.75m
- Includes new IT Schemes DPA £2.275m as per Richard Cariss plus reduction in some existing schemes £1.7m.
- Includes IT Collaboration Schemes DPA Contribution as per Richard Cariss £1m a year
- Reduction in Invest to Save/Equipment £0.665m to offset new schemes above
- Includes Replacements EMCTIU £38k 2013/14 funded by Grant
- Capital Grant reduction of £40k 2013/14 as per grant notification
- RCCO funding of £4m

	Ref	2013/14	Slippage from 2012/13	Business Cases/ Changes	2013/14 £'000	2014/15	Business Cases/ Changes	2014/15 £'000	2015/16	Business Cases/ Changes	2015/16 £'000	2016/17	Business Cases/ Changes	2016/17 £'000
EXPENDITURE														
Schemes - ongoing														
Capitalised Maintenance & Small adaptations & Business Continuity		370			370	370		370	370		370	370		370
Legislative works(Asbestos,smoke detectors,legionella,DDA, M&Eng)		125			125	125		125	125		125	125		125
Replacement of UPS Kit		30			30	30		30	30		30	30		30
General Vehicle & Chief Officer Vehicle Replacement Programmes		1200		-120	1,080	1200	-50	1,150	1200	-100	1,100	1200	-100	1,100
Body Armour Replacement					-			-			-			750
IS Replacement Projects		910	1050	-480	1,480	920	80	1,000	920		920	920		920
East Midlands Counter Terrorism Intelligence Unit (EMCTIU) Replacements					38									
Total Ongoing Schemes		2,635	1,050	- 562	3,123	2,645	30	2,675	2,645	- 100	2,545	2,645	650	3,295
Specific Schemes														
Police Premises Fund		200	360		560	200		200	200		200	200		200
Admin & Exec Block Refurbishment		2500		-2500	-	2400	-920	1,480		535	535		475	475
Cotton Lane Refurbishment				500	500									
Equipment		160	282	-192	250	160		160	160		160	160		160
IS Infrastructure Projects		0	300	-45	255	0	350	350	0		-	0		-
IS Customer Projects		600	360	-100	860	200	970	1,170	200	-200	-	0		-
IS Collaboration (DPA share)				1000	1,000		1,000	1,000		1000	1,000		1000	1,000
Invest to Save Schemes			473	-473	-									
Total Specific Schemes		3,460	1,775	- 1,810	3,425	2,960	1,400	4,360	560	1,335	1,895	360	1,475	1,835
TOTAL PLANNED EXPENDITURE		6,095	2,825	- 2,372	6,548	5,605	1,430	7,035	3,205	1,235	4,440	3,005	2,125	5,130
FUNDING														
Funding b/f Grant & Contributions		5,080			5,080	3,673		3,673	2,632		2,632	2,791		2,791
Capital Grant		1480		-40	1,440	1520		1,520	1520		1,520	1520		1,520
Other Grant & Contributions				68	68									
Unsupported Prudential Borrowing					-			-			-			-
Use of Reserves		1440	473		1,913	2360		2,360	1685		1,685			-
Revenue Contributions to Capital Outlay				1000	1,000		1000	1,000		1000	1,000		1000	1,000
Sale of Land & Buildings		1500		-780	720	1500	-386	1,114		394	394			-
TOTAL FUNDING		9,500	473	248	10,221	9,053	614	9,667	5,837	1,394	7,231	4,311	1,000	5,311
EXPENDITURE COMPARED TO FUNDING		3,405	(2,352)	2,620	3,673	3,448	(816)	2,632	2,632	159	2,791	1,306	(1,125)	181