

THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For Approval																							
Title: Capital Plan 2013/14 and Capital Programme 2013-17																							
<p>Executive Summary: The assets owned by the PCC are a vital platform for the delivery of the annual Police and Crime Plan. The Capital Plan is a strategically focussed approach to investments required to deliver policing in the 21st century in line with Putting People First. This report reflects the move away from a programme built on individual proposals to a plan built on the emerging themes arising from the Facilities, Equipment, ICT and Fleet Strategies and sets out the plan for 2013-14 and future years' estimates.</p>																							
<p>Decision: The PCC is asked to note the contents of the report and approve the recommendations contained within it.</p>																							
<p>Implications:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;">Has consideration been taken of the following:</th> <th style="text-align: center; width: 20%;">Yes</th> <th style="text-align: center; width: 20%;">No</th> </tr> </thead> <tbody> <tr> <td>Financial</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Legal</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Equality & Diversity</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Human Rights</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Sustainability</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Risk</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table> <p>(If yes please provide further details on the next page)</p>			Has consideration been taken of the following:	Yes	No	Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

Please see report.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Equality and Diversity Implications

Human Rights Implications

Sustainability Implications

Risk Management Implications

OFFICER APPROVAL

Chief Executive

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:



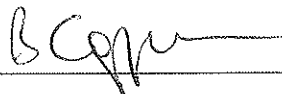
Date:

4/3/15

Police and Crime Commissioner:

The above request HAS / ~~DOES NOT HAVE~~ my approval.

Signature:



Date:

28/7/13



Police & Crime Commissioner for Cleveland
Cleveland Police Headquarters
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TS8 9EH

Website: www.cleveland.pcc.police.uk

Police and Crime Commissioner:	Barry Copping	Tel: 01642 301653
Chief of Staff:	Ed Chicken	Fax: 01642 301495
Chief Constable	Jacqui Cheer	Tel: 01642 301653
		Tel: 01642 301215

Report of the Chief Financial Officer for the Police and Crime Commissioner (PCC) and the Chief Constable, to the PCC for Cleveland
28th February 2013

Status: For Decision

Capital Programme 2013/14 & Capital Plan 2014/17

1 Executive Summary

- 1.1 On 22nd November 2012, the national governance structure within policing in the UK changed for 42 Forces (the Metropolitan Police had gone through the same change at an earlier date), including Cleveland, as a result of the Police Reform and Social Responsibility Act 2011. The single legal entity that had the name of Cleveland Police Authority was replaced by two separate corporation soles – “The Police and Crime Commissioner for Cleveland” and “The Chief Constable of Cleveland”. As a result of the legislative change, all assets of the Police Authority transferred to the ownership of the PCC and all associated borrowing is now in the name of the PCC. The Chief Constable plans for the purchase of these assets in order to support the function of operational policing which is delivered on behalf of the PCC in accordance with its Police and Crime Plan.
- 1.2 2012/13 has seen continued support of the CUPID programme, and £1.1m provided to fund the third year of the Steria Service Improvements Plans which are a result of the outsourcing arrangement agreed by the Police Authority in June 2010; in addition to £1.0m of funding for these schemes carried forward from 2011/12.
- 1.3 The 2013/14 to 2016/17 Capital Programme allocates significant funds in the following areas:
 - £1.1m in 2013/14 to priority core ICT projects and a further £369k for priority Business ICT schemes
 - £627k in 2013/14 to the Fleet Replacement Programme.

- 1.4 The plan assumes borrowing of £0.760m in 2013/14 with total borrowing of £3.114m over the lifetime of the plan. However unless some of the proposed schemes for 2014/15 and beyond are reviewed and deemed unnecessary then further borrowing of £1,208k, or as yet unidentified Capital Receipts, will be needed to fund the current plans.

The revenue consequences of the Capital Plan, including financing and operational costs, have been provided for in the 2013/14 to 2014/17 Long Term Financial Plan, based on current levels of borrowing. Should these levels of borrowing change in light of the above, then additional borrowing costs would also need to be reflected in future years of the Long Term Financial Plan.

2 Recommendations

The PCC is requested to:

- 2.1 Approve borrowing of up to £760k in 2013/14.
- 2.2 Approve the Facilities Programme of £174k as set out at Appendix B.
- 2.2 Approve the Equipment Programme of £25k as set out in Appendix C.
- 2.3 Approve the ICT Programme of £1,489k as set out at Appendix D.
- 2.4 Approve the Fleet Programme of £627k as set out at Appendix E.
- 2.5 Note that this Programme includes £40k for capital receipts in relation to the sale of two Executive vehicles, but does not include any receipts or further costs associated with the potential relocation of Cleveland Police Headquarters.

3 Purpose

3.1 This report is one of a set of five that are for consideration by the PCC to set the Long Term Financial Plan:

- Robustness of Estimates & Adequacy of Financial Reserves
- Minimum Revenue Provision Strategy 2013/14
- Prudential Indicators & Treasury Management Strategy 2013/17
- 2013/14 Budget and LTFP 2013/17
- 2013/14 Capital Programme & Outline Capital Plan 2014/17

3.2 These reports are part of the process utilised to establish sustainable annual and long term financial plans and maintain prudent financial management.

3.3 The Capital Plan is set out at Appendix A. It covers the period April 2013 to March 2017 and sets out the capital priorities of the PCC and the funding required for their delivery.

4 Reasons

4.1 The assets owned by the PCC are a vital platform for the delivery of the Police and Crime Plan. The Capital Plan is a strategically focussed approach to investments required to deliver policing in the 21st century in line with Putting People First. It is built on the emerging themes arising from the Facilities, Equipment, ICT and Fleet Strategies.

4.2 Air Support has been included in previous years but as of the 1st April 2013 this will move under the control of the National Police Air Service (NPAS). There is therefore no requirement for Air Support capital spend in 2013/14 to 2016/17 per current plans.

4.3 The overall purpose of this plan is to provide sufficient funding to renew our asset base informed by condition deficiency surveys, 'fit for purpose' reviews, equipment replacement programmes and business continuity requirements.

4.4 The proposed Capital Plan is set out at Appendix A.

Funding

The PCC receives an annual Capital Government Grant which for 2013/14 has been confirmed as £1,188k. Beyond this period it is assumed to be £1,240k per annum; however this has not been confirmed. If the PCC wants to spend more money than the amount received via the capital grant then there are 3 options:

- Borrowing money to fund Capital Purchases
- The sale of Capital Assets resulting in a Capital Receipt
- A contribution from the Revenue Budget

- 4.6 Funding is currently being brought into the 2013/14 capital plan from the Provision for Business cases in 2012/13. As at the end of November the balance of the provision was £252k which is brought forward into the 2013/14 plan. This figure has potential to change should schemes underspend and return money to the provision or should additional schemes be identified and require funding.
- 4.7 The 2013/14 Capital plan also includes £40k in relation to capital receipts for two executive vehicles to be sold in 2013/14 and £75k funding brought as a transfer from the revenue budget. This £75k is in relation to:
- The purchase of a vehicle from the Speed Awareness fund (£28k)
 - The Facilities Condition Survey fund that needs to be capitalised (£35k)
 - Revenue savings from the ICT budget (£12k)
- 4.8 Required borrowing and associated interest and Minimum Revenue Provision payments, including Supported Capital Expenditure, are set out in the table below.

Borrowing, Interest & MRP				
	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Total Capital Expenditure	2,315	3,075	2,786	1,421
Gross Borrowing	760	1,364	990	0
% Funded by Borrowing	32.8%	44.4%	35.5%	0.0%
Interest Payable	961	937	883	838
Minimum Revenue Provision	1,371	1,484	1,543	1,564

- 4.9 Provision has been made for all planned borrowing and MRP charges in the Long Term Financial Plan.
- 4.10 The cumulative levels of borrowing are assessed in detail in the Prudential Indicator Report that the PCC has considered as a separate item.
- 4.11 The PCC is requested to approve additional borrowing of up to £0.760m in 2013/14.

5 Facilities Programme (Appendix B)

5.1 To ensure that our estates assets are effective, economical and sufficient to meet operational need and comply with legislation a number of major surveys are undertaken which are refreshed periodically:

- Condition surveys
- Health & Safety compliance
- Disability Discrimination Act compliance
- Carbon Trust compliance
- Suitability assessments

There has also been a review of the Estate undertaken as part of the Estates conditions survey programme which has led to Health & Safety Improvements/DDA recommendations and the Coulby Newham Wall scheme being presented for the 2013/14 plan. The Coulby Newham Wall scheme represents a reduced solution from the original scheme presented to the Executive, where a fence will be installed rather than the rebuilding of the original wall.

5.2 The majority of the priorities that arose from the surveys are in respect of revenue maintenance rather than capital and have been factored into the revenue maintenance programmes for 2013/14. However, the monies available for those revenue priorities were reduced in 2012/13 due to the pressures surrounding the revenue budget and have remained at this reduced level in 2013/14. That said, the funding available in both capital and revenue does balance affordability, risk and delivery capacity within the facilities function. All proposals have been reviewed by the Force Executive to ensure that only urgent and necessary requirements have been included.

5.3 The PCC is requested to approve the Facilities Programme for 2013/14 as set out at Appendix B.

6 Equipment Programme (Appendix C)

- 6.1 Whilst the majority of capital requirements would be captured through the strategic areas of Facilities, ICT and Fleet, there are some Equipment requirements which fall outside of those areas. Therefore, as a continuation from last year's Capital Plan, the chair of the Uniform and Equipment User Group was also asked for a submission to be included in the capital plan.
- 6.2 The schemes put forward are done so in light of equipment which has reached the end of its useful life such as Body Armour which has to be recertified for legislative purposes and to ensure that the force meets its legal requirement to provide correctly maintained and fit for purpose body armour. CBRN (Chemical, Biological, Radioactive and Nuclear) (FR64) Canisters also require replacement as although they are vacuum packed and kept in a secure location in line with manufacturers guidelines the warranties will expire periodically over the next 2 years. As such the force cannot realistically deploy officers with equipment outside its warranty period and therefore they must be replaced.
- 6.3 Finally, during 2012, the NPIA issued new requirements in relation to evidence gathering video cameras within public order situations, and therefore £10k is requested for the purchase of the relevant cameras and associated accessories in 2013/14.
- 6.4 The PCC is requested to approve the Equipment Programme for 2013/14 as set out at Appendix C.

7 Information & Communication Technology Schemes (Appendix D)

7.1 A number of schemes have been identified; these are detailed in Appendix D.

7.2 Wide Area Network (WAN) Upgrade - £274k

The new service is required to future proof network services to cater for the ever increasing requirement for bandwidth new services will demand. This upgrade supports dynamic working and the ability to change and move building locations.

7.3 Telephony - £239k

To ensure full support across the estate and increase resilience of communication using the Steria Shared Service Centre switch (providing fall over protection). This scheme will support strategic intent for the agile working principle of "number follows staff" enabling staff to log on to any phone and receive calls.

7.4 Duty Management System (DMS) - £200k

In order to fully support operational policing and adapt for the changing Police Regulations as a result of Winsor recommendations, an upgrade to the DMS system is required; a complete system replacement system cost would be c. £800k.

7.5 Desktop/Laptop Refresh - £140k

Steria will complete a programme of desktop and laptop refresh as part of the contractual agreements made at the beginning of the service delivery arrangements.

7.6 Upgrade all Windows 2003 servers to Windows 7 - £110k

The Windows 2003 Operating system will soon cease to be supported; as such a move to Windows 7 will ensure ongoing technical support from Microsoft. There will also be increased compatibility with other software products and enhanced security by working on a maintained and supported platform.

7.7 Local Area Network Refresh - £100k

This scheme is required to improve network resilience, reduce on-going maintenance costs and reduced power consumption therefore supporting carbon reduction. This scheme is a pre requisite for Integrated Communications Control System (ICCS) replacement and for any network voice and data integration (Telephony SIP)

The PCC is requested to approve the ICT schemes of £1,489k in 2013/14 to maintain key infrastructure and operational capabilities around core policing. The ICT spend for the remainder of the plan essentially covers two areas:

Upgrade and replacement of several operationally critical systems:

- Upgrade desktop Office to Office 2010: the current systems run out of support in April 2014, a refresh is required to ensure we remain compliant.
- Centera Refresh: required to ensure Cleveland Police are using the best solution for email archive.
- Covert Radio: required to ensure interoperability with other forces and ensure that covert radio communication is maintained.
- Replacement tracking devices: The replacement of current IT equipment which can no longer be maintained.
- Forensic Server: A centralised server which allows the investigation of illicit images seized from suspect computers.
- Missing Persons system: Introduction of an electronic system (Niche) to aid missing person investigation.
- Cupid: required to complete the mobile working project.
- GIS: Enhancements to Geographical mapping systems used within the force.
- Critical Application upgrades: A number of systems such as iVet require updating to the latest supportable version.
- ICCS Replacement: Replacement and implementation of the Integrated Communication Control System which pulls together all internal communication and Airwaves data into the central command and control system

Upgrade, replacement or introduction of elements which provide the infrastructure on which the systems above, and others, run:

- Expansion of the Storage Area Network; to facilitate the level of storage required for all of the systems and information the Force utilises.
- Remote Access Solution (RAS) Token Refresh; to enable the continued access of the Network via the internet this must be carried out on a 3 year cycle of renewal.

8 Fleet Schemes (Appendix E)

- 8.1 The aim of the annual fleet replacement programme is to provide a fleet of vehicles that provides a flexible and responsive service that is safe and secure and conforms to legislation. The programmes are drawn up by the Lead Business Partner (Procurement and Fleet) based on a number of specified criteria including mileage, age and knowledge of the vehicles. The PCC is asked to note that the Lead Business Partner (Procurement and Fleet) moves vehicles between service units to maximise the efficiency and effectiveness throughout their useful lives. The majority of vehicles are purchased through national Framework agreements that provide significant price discounts.
- 8.2 During 2013/14, and following on from 2012/13, a significant amount of work has been done on a Fleet Reduction Strategy in order to improve the efficiency of the Fleet and ensure it is fit for operational requirements. Renewal criteria have also been reviewed to ensure that vehicles are only replaced when they must be for operational reasons and not just because they have reached a certain age. This work has resulted in a reduction in the requirement for fleet replacement than that in the plan presented to Members of the Police Authority in February 2012. Mileage limits were increased from 100,000 miles to 110,000 miles saving £198k in the proposed capital plan for 2013/14, £20k of which has been added back into the scheme to add resilience to the 'write off' fund.
- 8.3 As at the end of 2011/12, as per the statutory accounts, the Force had 304 vehicles a reduction from 2010/11 inline with the Fleet reduction strategy, taking into account the operational efficiency and effectiveness of the Fleet required. This work will continue in order to maintain a Fleet consistent with our levels of Police Officers, PCSOs and staff going forward.
- 8.4 The programme currently includes provision for 2 Executive cars to be replaced in 2013/14 for a total of £60k.
- 8.5 The volume of vehicles being replaced in each of the years of the plan presented here are as follows:
- 2013/14 = 39
2014/15 = 59
2015/16 = 53
2016/17 = 59
- 8.6 As indicated in section 8.2, the replacement criteria for vehicles have also been revised from an age OR mileage criteria to simply a mileage criterion, in most cases, in order to gain maximum use and this can be summarised as follows:
- General purpose/Beat/Cell vans/Dog section/CID = 110,000 miles
Traffic/Firearms = 150,000 miles

PSU/Personnel = 110,000 miles
Motorcycles = 60,000 miles
Executive vehicles = 4 years or 100,000 miles for new appointments.

- 8.6 The fleet capital scheme also includes £55k in 2013/14 (£206k across the whole capital plan) in relation to the Vehicle Incident (Black Box) Recorders Refresh.
- 8.7 The PCC is requested to approve the Fleet Programme for 2013/14 as set out at Appendix E.

9 Prudential Code

- 9.1 The CIPFA Prudential Code of Practice is a key element in the system of capital finance that was introduced in April 2004. Under this system individual PCC's are responsible for deciding the level of their affordable borrowing having regard to the prudential code. The associated paper 'Treasury Management & Prudential Indicators 2013/17' will provide the PCC with reasonable assurance that the proposed Capital Plan and its financing are within prudential limits.

10 Revenue Consequences of Capital Schemes

- 10.1 The revenue consequences of the capital plan, including financing and operational costs have been provided for in the 2013/14 Budget and Long Term Financial Plan 2013/17.

11 Future Monitoring

- 11.1 The implementation and delivery of the 2013/14 Capital Programme will be monitored and reported via the Capital Monitoring report.

Capital clinics will be maintained, to sit alongside the Revenue Budget Clinics already held on a monthly basis, in order to challenge all spend and any slippage from original plans.

12 Implications

12.1 Finance

There are no financial implications other than those mentioned above.

12.2 Diversity & Equal Opportunities

There are no issues arising from this report to bring to the PCC's attention.

12.3 Sustainability

This report is part of the process introduced to establish sustainable annual and medium term financial plans and maintain prudent financial management.

12.4 Risk

Should the PCC not wish to approve any element of the Capital Programme presented for 2013/14 then it may present a risk of losing key capability.

Also, as the Facilities programme has been reduced to a minimum, and the Fleet replacement extended to the maximum life of all vehicles, this may impact the Capital Programme in future years and present a risk to revenue expenditure budgets with regard to ongoing maintenance costs.

There are no other risks to bring to the PCC's attention other than those outlined in the body of the report.

13 Conclusion

- 13.1 This report sets out recommendations to make optimum use of the capital resource available to the PCC to retain key infrastructure necessary for delivery of operational policing to communities in line with 'Putting People First' and the priorities identified in the Police and Crime Plan.

Michael Porter
CFO to the PCC

Jacqui Cheer
Chief Constable

CAPITAL PLAN 2013/17		APPENDIX A			
	2013/14	2014/15	2015/16	2016/17	
	£000s	£000s	£000s	£000s	
FUNDING					
Capital Grant	1,188	1,240	1,240	1,240	
Supported Capital Expenditure (SCE)	760	872	872	0	
Prudential Borrowing	0	492	118	0	
Capital Receipts	40	0	0	0	
Revenue Contribution	75	0	0	0	
Unutilised Provision for Business cases b/f from 12/13	252	0	0	0	
TOTAL FUNDING	2,315	2,604	2,230	1,240	
EXPENDITURE					
Facilities Schemes	174	178	108	50	
Equipment Schemes	25	195	44	0	
ICT Schemes:					
Priority Core ICT schemes outside of Project I SIPs	1,080	1,491	1,200	0	
Priority Business ICT schemes outside of Project I SIPs	369	0	200	0	
Cleveland Universal Police Information Device (CUPID)	40	0	0	0	
Total ICT Schemes	1,489	1,491	1,400	0	
Fleet Replacement Programme	627	1,211	1,235	1,371	
Provision for Business Cases	0	0	0	0	
TOTAL PLANNED EXPENDITURE	2,315	3,075	2,786	1,421	
(UNDER)/OVER COMMITMENT	(0)	471	556	181	

CAPITAL PLAN 2013/17		APPENDIX B			
Facilities	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	
Schemes:					
Fixed Wire Testing	70	70		50	
Rewiring of Stockton HQ	80	80	80		
Health & Safety Improvements / DDA Combined	10	28	28		
Coulby Newham Wall	4				
Perimeter Road	10				
Total Facilities Schemes	174	178	108	50	

CAPITAL PLAN 2013/17**APPENDIX C**

Equipment	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Schemes:				
Body Armour Replacement	8	4	9	
Ballistic Plates			15	
Stun & Smoke Grenades			6	
Ballistic Helmets			9	
Ballistic Shields			5	
CBRN FR64 Canister Replacement	7			
CBRN Britannia Replacement		60		
CBRN Peeler replacement		131		
Evidence Gathering Video Cameras	10			
Total Equipment Schemes	25	195	44	0

CAPITAL PLAN 2013/17

APPENDIX D

ICT	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Schemes:				
Telephony	239	240		
Wide Area Network	274			
Desktop/laptop refresh	140	150		
Upgrade all Windows 2003 servers to Win7	110			
Local Area Network refresh (HQ)	100			
Expansion of Storage Area Network/Information Lifecycle Maintenance	60	60	60	
Upgrade desktop office to 2010	49			
CUPID device and infrastructure refresh	40			
GIS	36			
Critical application upgrades (e.g. I-Vet, I-PNC and Cleartone)	30	50	50	
ICCS Replacement	23	741		
RAS Token refresh	20			
Airwave Refresh		250	250	
Infrastructure refresh			410	
Local Area Network refresh (Non HQ)			350	
Upgrade all SQL Server 2005 Databases			80	
DMS	200			
Centera Refresh	50			
Covert Radio	65			
Replacement tracking device	16			
Forensic server	13			
Collar ID			200	
Misper system	25			
Total ICT Schemes	1,489	1,491	1,400	0

CAPITAL PLAN 2013/17		APPENDIX E			
Fleet	2013/14	2014/15	2015/16	2016/17	
	£000s	£000s	£000s	£000s	
Schemes:					
Fleet Replacement Programme	572	1,158	1,188	1320	
Black box replacement	55	53	47	51	
Total Fleet Schemes	627	1,211	1,235	1,371	