

To: Surrey Police Authority

Date: 6 February 2012

By: Head of Finance

Title: Draft Capital Programme 2012-13

Purpose of Report / Issue:

To request approval of the funding envelope for the draft 2012/13 capital programme.

Summary:

A draft capital programme for 2012/2013 is proposed totalling £13.9m including an estimate for Estates Strategy investment which will be developed and reviewed by the Capital Strategy Board. The programme includes funding agreed separately by the Authority for Programme Enterprise (£1.084m). As in previous years, final funding sign-off for individual schemes will be approved on submission of a fully costed business case with oversight by the joint force/SPA Capital Strategy Board.

Recommendation(s) -

Members are requested to approve the capital programme and capital funding envelope for 2012/2013 of £13.9m.

1. 2012/2013 Draft Capital Programme

1.1. Initial bids for 2012/2013 capital funding were submitted in September by business leads and reviewed by the respective Portfolio Change Management Board (Assistant Chief Officer (ACO), Assistant Chief Constable (ACC) and Deputy Chief Constable (DCC). Supported bids were then reviewed by the Capital Challenge Group which consisted of the Treasurer, SPA member, ACC, ACO and the Head of Finance. The resultant draft programme now put forward is included within the 5 year plan at Appendix A and is supported by the Capital Challenge Group.

1.2. A rigorous assessment process was applied and the groups assessed each potential scheme against the following criteria:

- The extent to which the scheme meets a legal requirement
- The extent to which a scheme is operationally critical
- The extent to which investment in the scheme will generate on-going savings.

- The schemes were also considered in respect of risk, environmental impact and benefits.
- 1.3. As a result of this process the schemes proposed are detailed in appendix A for 2012-13 with a summary below:
- Renewal schemes for ICT and Fleet. The ICT renewal is for Airwave, Microsoft Licensing, networks and cabling, desktop & laptop renewal and server renewal. The Fleet renewal is for 87 vehicles based on revised renewal criteria that will lower the capital requirement by £1.4m over the next four years.
 - Enterprise – consists of funding previously approved within the business case with an uplift in budget to maintain the project for longer than original planned and additional hardware costs associated with the NSPIS Case and Custody contract extension for 2012/13, plus the additional hardware / software / consultancy costs related to the remaining system interface development and testing.
 - Police National Database Terminals – For the implementation of Stage 2 of the Police National Database. The funding will provide terminals and associated encryption equipment for roll out to a selected number of users to finalise the project in line with national delivery.
 - Mobile Counter – to provide a second mobile counter that will improve resilience which will ensure that published timetable service remains unaffected through general maintenance or damage. Potential for two counters to operate simultaneously thereby providing wider community access and visibility over both ends of the county.

2. Estates Strategy Schemes

- 2.1. An estimate for the estate investment schemes has been included while the development of the requirements for the Estate Strategy continues and will be presented at the Capital Strategy Board. This estimated figure will be firmed up and confirmed as part of the monitoring regime. Any excess will be released from the funding requirement and conversely if it needs to be increased this will be subject to Police Authority approval. Any expected revenue consequences for 2012/13 are accommodated within the revenue budget.

3. Resources

- 3.1. The resourcing profile for the full 5 year programme is attached at **Appendix A**. Capital expenditure can be funded with capital grant from the Home Office, capital receipts, revenue funding or borrowing, either internal or external. The resourcing table indicates a nil additional borrowing requirement in 2012/13 and subsequent years due to the level of planned building disposals.

Paul Bundy – 25 January 2012

4. Governance

- 4.1. A reminder of the governance arrangements for the overall capital and estate strategy and related projects is provided at **Appendix B**.

5. Recommendation

- 5.1. Members are requested to recommend the approval of the capital funding envelope of £13.853m for 2012/2013.

Equalities Implications – Any equalities implications for individual schemes will be assessed through the individual business cases.

Risk- Risks relating to all schemes will be addressed within the individual business cases.

Human Rights – there are no known human rights implications which may arise from this report.

Attachments – Appendix A – 5 year capital plan & financing table
Appendix B – Capital Governance

Background papers – Capital Strategy Board and Capital Challenge panel notes.

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APPENDIX A

Draft 5 Year Capital Programme 2012/2013 version 1

| | DESCRIPTION | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
|-------------------------------|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Renewal Schemes | ICT Refresh and Renew | 1,175 | 2000 | 2060 | 2,120 | 2,180 |
| | Vehicle Fleet Replacement Programme | 1,750 | 1,830 | 2,020 | 2,370 | 2,370 |
| Other Specific Schemes | Programme Enterprise (Siren) | 1,834 | 40 | | | |
| | Police National Database Terminals | 54 | | | | |
| | Mobile Counter | 40 | | | | |
| | Other Schemes | | 1,500 | 1,500 | 1,500 | 1,500 |
| Estate Strategy | Estate Investment Schemes | 9,000 | | | | |
| | TOTAL: | 13,853 | 5,370 | 5,580 | 5,990 | 6,050 |

| FINANCING | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
|--|------------------|------------------|------------------|------------------|------------------|
| Capital Grant | 1,600 | 1,400 | 1,500 | 1,500 | 1,500 |
| Capital receipts - House Sales | 3,900 | 2,500 | 2,500 | 2,500 | 2,500 |
| Capital receipts - Police Building sales | 8,353 | 1,470 | 1,580 | 1,990 | 2,050 |
| Other Capital Funding | 0 | 0 | 0 | 0 | 0 |
| Borrowing | 0 | 0 | 0 | 0 | 0 |
| TOTAL: | 13,853 | 5,370 | 5,580 | 5,990 | 6,050 |

| | | | | | |
|----------------------------------|------------|------------|------------|------------|------------|
| Minimum Revenue Provision | 590 | 577 | 564 | 551 | 539 |
|----------------------------------|------------|------------|------------|------------|------------|

Capital and Estate Strategy Governance Arrangements

The capital and estate strategy and 5 year plan form a living document that continues to evolve over time. Development is overseen by a joint force and SPA Capital Strategy Board (CSB). The board sits quarterly and is chaired by the DCC with SPA Chair Peter Williams as vice chair. SPA members Nick Skellet and Heather Kerswell also attend along with the SPA Treasurer, ACC, ACO and Head of Finance, Commercial Asset Manager and Estate Strategy Manager.

The CSB also approve the draft annual capital programme and funding envelope request for submission to Finance and Performance panel and ultimately to the Authority.

Annually a cross-portfolio Capital 'Challenge' Panel is established to assess initial bids for funding against strategic priorities (in the context of the overall 5 year plan) and propose a draft programme and funding envelope to CSB for the following financial year.

Once the funding envelope for the year is approved Capital Strategy Board (or each Change Board – DCC, ACC & ACO) sign-off funding for individual schemes on submission of a detailed business case showing all associated costs (capital and revenue) benefits, and risks.

Once funding is approved the Capital Strategy Board oversee the implementation of the programme ensuring that funds are properly utilised and benefits realised.

Any unplanned 'in-year' capital requirements not included within the draft programme are referred to the CSB who have the authority to re-prioritise schemes as they see fit provided the overall funding envelope approved by the SPA is not exceeded. Any additional requests for funding require Police Authority approval.

Regular monitoring reports are provided to the CSB, and Finance and Performance Panel continue to receive the normal budget monitoring reports.