

CABINET

15 October 2008

CCTV CONTROL ROOM RELOCATION AND SYSTEM UPGRADE

REPORT OF HEAD OF ACCESS AND INFRASTRUCTURE

Contact Officer: Andy Hickman Tel No: 01962 848105
email:ahickman@winchester.gov.uk

RECENT REFERENCES:

CAB1579 - CCTV Control Room Relocation and operations contract update. 12th December 2007

CAB1383 – CCTV An Evaluation of the Benefits – 17th January 2007.

CAB1487 – CCTV Update – 17th July 2007

EXECUTIVE SUMMARY:

This report updates Cabinet on the current position in relation to the proposed relocation and modernisation of the CCTV control room/system which is both desirable in operational terms and necessary to facilitate the Silver Hill development. It updates on progress following reports to Cabinet in January, July and December 2007 where Cabinet agreed in principle to proceed with the replacement of the CCTV control centre and to update the CCTV system.

The report also seeks approval to commit expenditure on accommodation works at the Basepoint building prior to the Silver Hill development becoming unconditional subject to guarantees of reimbursement by Thornfield Properties and seeks approval to procure the first phase of works through Basepoint's overall refurbishment process in the interests of efficiency.

RECOMMENDATIONS:

- 1 That expenditure of up to £300,000 from the existing provision in the capital programme is authorised under Financial Procedure Rule 6.4 (authority to release capital expenditure) for accommodation works to provide new accommodation for the CCTV control room at the City Council owned property to be leased to Basepoint.
- 2 That subject to recommendation 3 below a direction be made under Contract Procedure Rule 3.3(a), the Head of Access and Infrastructure be authorised to procure these works through the contract let by Basepoint for the total building refurbishment.
- 3 That the Head of Estates in consultation with the Portfolio Holder for Finance and Efficiency be satisfied on advice that the cost of the works is reasonable and has been subject to competitive tender by Basepoint.
- 4 That the offer by Thornfield Properties of a guarantee to reimburse the Council its expenditure up to £300,000 no later than 31st December 2011 even if the Silver Hill redevelopment does not go unconditional by that date be noted and that the Council does not commit the expenditure until an agreement has been entered into with Thornfield in a form agreed by the Heads of Legal Services and Finance.
- 5 That the revised timetable for the relocation and upgrade of the CCTV control room and system is noted and a further report be made to Cabinet in due course.

CABINET

15 October 2008

CCTV CONTROL ROOM RELOCATION AND SYSTEM UPGRADE

DETAIL:

1 Introduction

- 1.1 This report explains the progress that has been made in developing plans to relocate and modernise the CCTV control room/ system following the reports to Cabinet in January, July and December 2007 at which Cabinet agreed to continue the project to replace the CCTV control centre and update the CCTV system. An updated project initiation document (PID) is attached in accordance with the Council's project management system.
- 1.2 The report also seeks approval to commit expenditure on accommodation works at the Basepoint building prior to commencement of works on the Silver Hill Development. The Council's expenditure on these works up to a maximum of £300,000 will be reimbursed by Thornfield Properties either as part of the payment required when the Silver Hill scheme becomes unconditional or, regardless of the status of the Silver Hill scheme, by the 31st December 2011.
- 1.3 The first phase of works to accommodate the new CCTV control room are structural works required to the existing building. These must be undertaken at the same time as Basepoint undertake their own fairly extensive works on the property. It would not be practical or cost effective for the Council and Basepoint to use separate contractors to undertake these works at the same time. It is therefore proposed that the contractor appointed by Basepoint be used to part of the accommodation works on behalf of the City Council.

2 Replacement Control Room and Update of Equipment

- 2.1 In December 2007 Cabinet agreed in principle to relocate the CCTV control room from its current position in the centre of Winchester to the City Council-owned property in Winnall which is to be leased to Basepoint as a home for business starter units.
- 2.2 The move is essential because the redevelopment at Silver Hill will render the existing location inoperable. Under the terms of the Development Agreement with Thornfield Properties in respect of Silver Hill, the Council will receive a cash sum in lieu of its interest in the site and this will be used to meet the cost of the new and upgraded CCTV control and parking office facilities. However this sum is only payable on the agreement becoming unconditional – effectively at the point when a final commitment to proceed is made.

- 2.3 Basepoint now have planning consent for their new facility and agreement has been reached with Basepoint to provide an area within the refurbished building for the CCTV control room. This area will become available once the building has been refurbished which should be during the early part of 2009. Exempt report CAB 1406 deals with the details of the letting to Basepoint. In order to simplify the sub lease back to the Council and avoid the need for future rent reviews on the CCTV space the rent for this space was deducted from the ground rent. The ground rent when fully occupied reduced as a consequence from 45,100 to £35,000, a reduction of £10,150 which was the notional rental value of the CCTV space. The ground rent schedule was also adjusted to start at £5,900 when 70% occupation is achieved. The previous minimum ground rent has been absorbed into the notional rent for the CCTV space. As part of the refurbishment of this building some accommodation works will be needed to make the space ready for the control room fit out (which is not included in the costs or commitments at this stage since they are still the subject of evaluation and costing). An early start on the relocation of the CCTV control room provides flexibility in response to the timetable for Silver Hill which cannot be known with great certainty due to the complexities of the CPO procedure and decision making.
- 2.4 It would be very difficult for the Council to use a separate contractor to undertake works in the Basepoint building at the same time as Basepoint's own contractors are on site. Nor would it be economically efficient as some costs for contractors would be doubled up. It is therefore suggested that the Council procure the necessary works through Basepoint's contractor once appointed. In anticipation of the Council wishing to pursue this option Basepoint have included the Council's requirements in their specification which is currently being subjected to competitive tender (without any final commitment on the Council's part).
- 2.5 A decision as to when to go ahead with the actual upgrade and relocation of the CCTV system itself will follow after the structural works to the building have been completed and this will be the subject of a further report to Cabinet. Any consideration of further expenditure will be subject to further discussions with Thornfield Properties regarding the Council's expenditure on the project. It is anticipated that this will be in June or July 2009. The upgrade could be undertaken by the end of 2009. This timetable is dependent upon the progression of the structural works to be undertaken by Basepoint at the property in Winnall.

3 Relationship to Silver Hill Financing

- 3.1 The agreement with Thornfield provides for a payment of £1 million by Thornfield to the Council as payment in lieu of providing replacement accommodation in the scheme of the CCTV control room and parking office and mess. This provides the finance to relocate those facilities. However, this funding is only available when and if the Development Agreement becomes unconditional which is not expected to be until mid 2010 – but could be sooner were the process to run particularly smoothly.

- 3.2 Relocation of the CCTV facilities needs to be completed before construction work on Silver Hill can start but this means some expenditure is inevitable before the agreement with Thornfield becomes unconditional. Although the relocation of the CCTV facilities is a valuable and worthwhile project in its own right and might be considered whether or not external funding were available, the Council might not consider this a priority for the use of limited resources and might wish to wait until it has certainty over Silver Hill before proceeding. Since this could be a risk to their development timetable, Thornfield have at this stage offered to reimburse the Council its expenditure up to a maximum of £300,000 regardless of whether the Silver Hill scheme goes ahead no later than 31st December 2011. The form of this offer will be in a form that provides the Council with reasonable security through a suitable form of legal agreement.

OTHER CONSIDERATIONS:

4 CORPORATE STRATEGY (RELEVANCE TO):

The proposals accord with the corporate priority to provide for safe and secure communities. The existing CCTV control room is at full capacity and is based on aging technology which will become increasingly difficult to maintain and operate effectively. The replacement will be a digital system with greater flexibility, quality and easier maintenance.

5 RESOURCE IMPLICATIONS:

- (i) As reported to Cabinet in December 2007 the estimated total cost of the replacement and improvement of the CCTV system and relocation of the control room is in the order of £700,000 including the cost of building accommodation works at the Basepoint building in Winnall.
- (ii) The relocation project is complex and will take some time, it will be necessary to incur substantial expenditure before the Silver Hill project becomes unconditional. The first stage of expenditure covered by this report relates to the cost of accommodation works at the Basepoint building for the provision of specific requirements to allow for the new control room and subject to timing may also include cabling and fit out. The accommodation works to be undertaken directly by Basepoint should not exceed £300,000.
- (iii) There are two areas of financial risk to the Council. First is the risk that the CCTV project itself exceeds its anticipated cost and in particular the £1million available from the Silver Hill development. This will be controlled through project management controls, competitive tendering and normal reporting mechanisms. The second area of financial risk is in incurring expenditure before the Development Agreement becomes unconditional. This is mitigated by the offer from Thornfield Properties to reimburse the expenditure covered by this report no later than 31 December 2011 regardless of the position on Silver Hill (and even if the Silver Hill scheme is not proceeding at all at that point). The

Council will be forward funding the expenditure which will result in an opportunity cost which could be considered; either in the form of the loss of potential interest income (c. £60,000) if the funds were to be invested; or in the delay to other projects by preventing the use of those available funds for alternative use until re-imburement is received; or in the cost of borrowing to fund the expenditure. The Council's capital programme is being considered elsewhere on this agenda (CAB1713).

- (iv) It should also be borne in mind that that the expenditure on the relocation and improvement of a new CCTV system and control room in the new location would (were the Council minded to carry it out) represent justifiable expenditure in its own right and would not be abortive even if third party funding were not available. The existing system is at capacity and suffers from technical deficiencies. The current location is adequate but the proposed location is better. Although the Council might not have chosen to make changes at this point in time, they would have been needed in the foreseeable future if the operation of CCTV was not to be jeopardised.

BACKGROUND DOCUMENTS:

Consultant's Report – Relocation and Modernisation of the Winchester CCTV Control Room.

APPENDICES:

Project Initiation Document.

Project Initiation Document (PID)			
Project Title:	Relocation and Modernisation of CCTV control room/ System	Sponsor:	Steve Tilbury
State below the link with the corporate plan – the actual wording please			
Safe and Secure Communities			
Project Background:	The existing control centre is in Friarsgate car park which is due to be demolished as part of the Silver Hill redevelopment. The existing CCTV system is out of date and requires modernisation from analogue technology to a new digital system. The current system will become obsolete and unworkable within the next 2 years due to ability to obtain spare parts and the necessary recording tapes.		
Project Benefits:	<ul style="list-style-type: none"> • Will provide additional capacity to allow extension of the area of CCTV work and coverage. • Will make the process of recording and storing data more efficient and effective • Will provide better quality pictures and transmission 		
Project Objectives:	<ul style="list-style-type: none"> • relocate and modernise CCTV system and control room 		
Project Deliverables:	<ul style="list-style-type: none"> • new upgraded control room • new upgraded CCTV system with enhanced capacity 		
This project will include:		This project will not include:	
Access and Infrastructure and Environment Divisions, the emergency services and the Community Safety Strategic Group.			
Success Criteria:	<ul style="list-style-type: none"> • Successful relocation of control room and new system to coincide with Silver Hill redevelopment. 		
Constraints:	<ul style="list-style-type: none"> • Availability and completion of required works to house the new control room at Winnall 		
Key Assumptions:	<ul style="list-style-type: none"> • The necessary funding will be available 		
Project Manager:	Andy Hickman		
Project Sponsor:	Steve Tilbury		
Project Board/Steering Group Members:	Andy Hickman, Robert Heathcock, Richard Hein, Steve Tilbury, Tony Langridge	Project Team Members:	Andy Hickman, Robert Heathcock, Richard Hein, Pat Saunders, Simon Howson, Sheila Davidge, Tony Langridge, Mia Scott

Project Initiation Document (PID)			
Budget £ - CAPITAL & REVENUE*			
Have the relevant Finance Procedures been complied with:			
• Section 6 on Budgets – in particular paragraph 6.4	yes		
• Section 7 on Budgetary Control – in particular paragraphs 7.2 – 7.4	yes		
• Section 8 on Contracts – in particular paragraph 8.3			
Have the relevant Contracts procedure Rules been complied with:			
• Section 3 on Procedures for Tenders and Quotations			
<ul style="list-style-type: none"> • What is the total CAPITAL* cost of the project and what is it made up of? • £0.700m for new control room fit out and new CCTV system including new cameras including alterations to accommodation • When will costs be incurred? • During 2008/09 and 2009/10 • What funding sources are available for this project? • Capital fund of £0.70m • Silver Hill contribution • Is there any partnership funding secured for the project and when will it be received? • No 			
<ul style="list-style-type: none"> • Are there any REVENUE* costs associated with the project? • The ongoing cost of the contract to provide CCTV operators and ongoing cost of Broadband communications. • If yes to the above question, when will these costs be incurred and are they recurring? • Ongoing and already allocated within revenue budget • What is the cost of this post project in one full financial year? • On off cost of £0.70m. 			
<ul style="list-style-type: none"> • VAT*– There are no special VAT considerations in relation to these works. VAT can be reclaimed. 			
* For all costs it is important to be clear about the assumptions made and to know whether budget provision has been made and if not when this might be required.			
Start Date:	September 2008	Completion Date:	December 2009
Signature of Project Manager:		Date:	
Approval from Sponsor:		Date:	