

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **23 APRIL 2013**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **REGIONAL CLOSED CIRCUIT TELEVISION SERVICE
(CCTV) BUSINESS CASE**

1.00 PURPOSE OF REPORT

1.01 To consider the North Wales regional proposal for an integrated public CCTV system based on a twin monitoring centre model.

2.00 BACKGROUND

2.01 In 2009 the six North Wales local authorities and North Wales Police commissioned a project to assess the feasibility of an integrated regional service for closed circuit television monitoring (CCTV) for public spaces, in support of crime prevention and detection and community safety. An Invest to Save (I2S) loan was secured from Welsh Government (value of £805,000) for the project. As the Council was and is facing significant costs for the replacement of ageing and obsolete camera equipment and transmission technology for its local network, there could be cost efficiencies by collaborating regionally in addition to service improvements through a modernised model with renewed and digitalised camera technology.

2.02 CCTV monitoring in North Wales is currently based on six separate county level operations. CCTV became a core role of Councils in the mid and late 1990s as community partnership working between local government, the police and other partners became a new and growing statutory function under the Crime and Disorder and Community Safety legislation. The installation of CCTV at that time was 'pump-primed' by central government capital funding. As time has passed the capital funding has ended and local authorities have accrued on-going service cost and equipment depreciation liabilities. In Flintshire there is a complex set of local service level agreements with town councils where costs of some localised service provision are shared. Each county in the region has a stand-alone control room with no connectivity - centre to centre - and no 'disaster recovery' back-up where one centre could support another for example in the case of a power outage. The total number of employees involved in the six operations is 55 (full time equivalent) with the number of public-space CCTV cameras in use totalling 496.

2.03 The proposed regional model (attached at Appendix 1) is a fully-integrated regional service with the technical 'joining-up' of the existing six equipment rooms with two control rooms surveying and responding to the transmitted images. The proposed model is for 16 images to be displayed at any one time for each of the six counties, and for the responsibility for post incident review work to transfer to North Wales Police. The model includes electronic transmission of post-incident review footage to the Police. The position of North Wales Police is that CCTV is key to both policing the region and to the fulfilment of our joint statutory duties for Crime and Disorder and Community Safety.

3.00 CONSIDERATIONS

3.01 Across North Wales the CCTV services currently cost £2.12M per annum. The capital requirement to set up a twin centre monitoring service is estimated at £2.067M. A bid for £2.4M has been made to the new Regional Collaboration Fund (RCF). If the bid is successful, the funds would cover the capital costs of the project and other costs. The collaboration has already been allocated Invest to Save (I2S) funds by Welsh Government. Invest to Save funding is a repayable loan; collaboration funding would be non-repayable. The current position is that the previous and the new Minister for Local Government and Communities do not support a capital grant allocation from the RCF and instead encourage the region to access I2S which is repayable. All six Councils and North Wales Police as a key partner believe that capital grant funding is required to support the business case and contend that that project meets the criteria for the RCF.

3.02 Current budgets across the region do not include the following and the absence of a capital depreciation plan for equipment does bring into question the effectiveness and sustainability of the current service:-

- central support service costs (estimated £30,000 per annum)
- camera replacement - current budgets have very limited provision for camera replacement (estimated at £1.9M)
- monitoring centre upgrades including visual monitors (replacement monitors are estimated at £129,000).

3.03 Under the proposed regional model the equipment in the six local data receiving hubs would remain the responsibility of the six host authorities as part of the technical infrastructure. The six local equipment hubs would be connected as one network using technology which would relay footage to the twin regional monitoring centres

A Regional Perspective

3.04 The benefits to the region of the proposed model are:-

- an improved and modernised system
- camera renewal and replacement

- upgrading of local equipment rooms
- greater capability for continuous and unbroken monitoring 365 days of the year; in the event of one centre becoming temporarily unserviceable, the other control room could take over critical monitoring immediately
- the potential to align CCTV monitoring more closely to crime and anti-social behaviour trends and predictive analysis of areas to survey
- the ability to capture footage of 'live' incidents earlier
- electronic transmission of post incident footage
- making use of automatic vehicle number plate recognition technology
- meeting the evidence needs of the Criminal Justice service
- the service model allows for growth in income generation activity e.g. private and commercial sector monitoring.

3.05 The regional risks of not adopting the new integrated service are:-

- variable levels of service with some authorities not providing comprehensive monitoring
- no consistent approach to technology
- various age of equipment
- no inter-authority ability to communicate as one network
- differing arrangements for the Police to view recordings
- variable levels of effectiveness and performance standards with the Police
- a high cost model in some authority areas
- little or no income in some authorities for providing the service
- no shared capital depreciation and equipment plan

3.06 Risks of going into a regional service raised in the business case development include:-

- the potential loss of local knowledge with a move away from 'local' to 'regional' with more remote monitoring by an inter-changeable set of employees
- the change from six monitor walls with multi images to a maximum of sixteen images per county on display at any one time
- the changes in employee numbers may mean that actual monitoring hours per County are reduced

A Flintshire Perspective

3.07 The benefits to Flintshire of the proposed model are:-

- all of the above regional benefits on a local level
- continued performance in crime prevention and detection; a review of crime reduction for 2006-2010 showed a reduction in crime in

areas without a camera of 8.7% and a greater reduction of 14.5% in areas with a camera

- avoidance of significant local capital investment by the Council and partners
- the opportunity to access national funds as a collaborative.

3.08 The local risks of not adopting the new integrated service are:-

- equipment becoming obsolete without investment
- service performance could deteriorate as the equipment deteriorates
- the effectiveness of the current monitoring arrangements with a comparatively low employee ratio compared to neighbouring councils
- the expectations of partners such as North Wales Police will not be met with upgrades required for a downloading facility for Police viewing not guaranteed
- income from Town and Community Councils cannot be guaranteed for the future particularly when current service level agreements are up for renewal at the end of March 2014
- no access to national capital funds and North Wales Police support in kind
- the necessity to prioritise the service for capital investment should it be continued as a locally provided service.

3.09 Risks of going into a regional service raised in the business case development include:-

- the new service model will be more expensive
- the Council will be making a longer term commitment to a service it may challenge as being a future core service as resource allocation to priorities is more critically reviewed
- income from Town and Community Councils cannot be guaranteed for the future particularly when current service level agreements are up for renewal at the end of March 2014.

3.10 If the regional service was not adopted the estimated investment for Flintshire for new control systems, visualisation and camera renewal over a five year period are set out in the table below (Table 1). The funding of the Control Room and Synectics upgrade would be a cost to the Council with the financing of the CCTV cameras being subject to any agreement reached with Town and Community Councils.

Table 1: Flintshire CCTV Control Room/Camera Replacement/Maintenance	Cost £
CCTV Control Room Upgrade	141,411
CCTV Synectics System Upgrade (future proofing)	133,840
Public Space CCTV Camera Replacement Costs	329,500
Maintenance and/or Enhanced Warranty	
First Year Including Enhanced Warranty	21,504

Year 2	29,269
Year 3	41,449
Year 4	60,405
Year 5	64,574
Total Cost	821,953

- 3.11 The current annual cost of the Flintshire service is £275,954. Flintshire has service level agreements in place with the six Town and Community Councils where the public space CCTV cameras are monitored from the central CCTV control room. In addition, three schemes are funded internally and a one sixth pro-rata contribution is currently received from North Wales Police. The current levels of income to the Council from local Service Level Agreements along with expiry dates are set out in the table below (Table 2).

Table 2: Local Income		
Town Council / Funding Body	Contribution £	Expiry Date
Broughton & Bretton Community Council	3,975.80	31 March 2014
Buckley Town Council	16,094.11	31 March 2014
Castle Park Industrial Estate (Client Funded)	4,676.80	31 March 2014
Connah's Quay Town Council	25,652.05	31 March 2014
Holway Estate (Funded Internally)	Nil	31 March 2014
Flint Town Council	12,552.17	31 March 2014
Holywell Town Council	17,886.97	31 March 2014
Mold Town Council	6,152.40	31 March 2014
Wepre Park (Client Funded)	4,183.40	31 March 2014
Alltami Depot (Client Funded)	320.00	31 March 2014
County Hall (Funded Internally)	Nil	31 March 2014
North Wales Police	16,666.66	31 March 2014
Total Contributions	108,160.36	

- 3.12 Unlike the five other local authorities Flintshire does not directly employ local monitoring staff. The Council contracts with Broadland Guarding Services Limited. The cost of this service is less than a direct employment model. As a consequence Flintshire has a relatively low cost base. The Council's contract with Broadland Guarding Services Limited is due to expire and there is the convenient opportunity to review future options for service provision.
- 3.13 Given the different cost impacts of the proposed model on the individual partner Councils there was a need for a transitional cost apportionment sharing agreement. The principles of this agreement would be:-
- no Authority would face an increase in annual costs above a % 'ceiling' or limit with the difference funded from the total savings

- all councils would eventually make their pro rata contribution to the total costs of the project with the net savings to some authorities subsidising the net costs to other authorities in the early years.

3.14 The potential costs of the regional model to the Council in a full year after five years of transition are set out in the table below (Table 3). The cost of the existing control rooms of £275,954 shown in the table is the base cost before receipt of the income of £108,160 from Town and Community Councils and North Wales Police as shown in table 2. The forward projection for the regional model is that the cost rises by 6% each year for 5 years until the new annual base cost is reached.

Table 3: Flintshire Costs of the Regional Model		RCF Grant		No RCF Grant	
North Wales CCTV – Flintshire Costs		Option 3	Option 7	Option 3	Option 7
Description		Redwither & St Asaph BP £	Redwither & JCC £	Redwither & St Asaph BP £	Redwither & JCC £
Employees	Salary Costs (inc oncosts) – Operators	130,359	130,359	130,359	130,359
	Salary Costs (inc oncosts) – Supervisors	32,454	32,454	32,454	32,454
	Salary Costs (inc oncosts) – Manager	7,117	7,117	7,117	7,117
	Salary Costs (inc oncosts) - Admin Support	0	0	0	0
	Miscellaneous Non-Pay Expenses (e.g. Training)				
		169,930	169,930	169,930	169,930
Premises	Accommodation Rental	3,506	21,667	3,506	21,667
	Utilities / NNDR	10,422	5,000	10,422	5,000
		13,928	26,667	13,928	26,667
Transport	Disturbance Mileage Costs	6,064	6,550	6,064	6,550
	Other Casual Mileage Costs	833	833	833	833
		6,897	7,383	6,897	7,383
Supplies & Services	Equipment Maintenance & Support (Control Room)	13,333	13,333	13,333	13,333
	Existing Transmission Costs	64,654	64,654	64,654	64,654
	FibreSpeed Transmission	17,000	17,000	17,000	17,000
	Miscellaneous (consumables, subscriptions, etc.)	4,000	4,000	4,000	4,000
	Support Services (Finance, HR, IT, Legal, etc.)	6,000	6,000	6,000	6,000
	Repayment of WG Invest to Save Loan	5,096	5,096	16,200	16,200
	Discretionary Costs:				
	Camera Service & Maintenance	33,250	33,250	33,250	33,250
Camera Renewal & Replacement	31,271	31,271	31,271	31,271	
		174,604	174,604	185,708	185,708
Gross Expenditure	New Control Room	365,359	378,584	376,463	389,688
Gross Expenditure	Existing Control Rooms	275,954	275,954	275,954	275,954

Gross Cost / (Saving)		89,405	102,630	100,509	113,734
Capital Repayment	Invest to Save Loan Repayments - Capital	0	0	45,585	45,585
TOTAL COST / (SAVING)		89,405	102,630	146,094	159,319

- 3.15 Under the model the base costs to Flintshire of the future service are significantly higher than the cost of the current service, noting that the regional model does include for camera and equipment replacement and depreciation unlike the current local service model. The increase in cost is significant, noting that in the earlier years of transition the costs will be lower than otherwise as there will be a subsidy to Flintshire from the other Councils who will make a net saving. Flintshire and Ynys Mon are the two Councils who make a net overall increase in contribution. The level of increase in cost is greater without an RCF capital grant.
- 3.16 The cost apportionment is set by the number of cameras in each local authority area. This would remain a local decision. Whilst the net costs to Flintshire would reduce in either scenario if income from Town and Community Councils continues, should Town Councils not enter new service level agreements this would expose a significantly higher service base cost to be met by the Council. Furthermore, the aim of the regional service to grow its income streams by diversifying its clients cannot be relied upon to offset base costs in future years.
- 3.17 The Cabinet would have been advised to agree to entering the regional service as the first phase of achieving a long-term and sustainable service. Once a decision had been made to become a regional partner and the service goes into transition from a local to a regional model, a second phase of review would be needed. This second phase review, which would need to be completed before December 2013 due to the expiry dates for local service agreements with Town Councils, would aim to contain and reduce the costs to the Council by:-
- reviewing and agreeing with Town Councils (in partnership with North Wales Police) their local requirements and future funding responsibilities to ensure a guaranteed income base
 - agreeing the optimum network of fixed and mobile cameras required across the County, with North Wales Police, for the management of the county and our shared crime and disorder statutory responsibilities
 - setting an acceptable and a sustainable core annual budget provision net of earned income
 - expecting the new regional service to secure new clients and income sources to contain and reduce the Council's core budget contribution.

- 3.18 However, without an RCF capital grant, the level of base cost would not be affordable without guaranteed income levels to subsidise cost and the project does not guarantee value for money for future years post 2014. A decision to prioritise the CCTV service for significant additional investment during a period of severe budget pressure, solely based on the option of a regional service, would be outside of a wider process of setting priorities as part of the Council's plans and Medium Term Financial Plan and is not advised as a comparative investment choice. Other Councils in the region have reached a similar position and share a disappointment that available national capital grant is not being prioritised for this project.

4.00 RECOMMENDATIONS

- 4.01 That in balancing the benefits and risks of a local and a regional model for future CCTV services the proposed regional model should not be supported as offering value for money and being in the best interests of the Council unless significant non-repayable national capital/revenue funding is awarded.
- 4.02 The proposed regional model cannot be supported and the Council considers its options for a future service including a continuing local service and a sub-regional option with one or more councils and North Wales Police.
- 4.03 That the Council scope the second phase review in partnership with North Wales Police and other partners as set out in 3.16.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The financial information is outlined in paragraphs 3.01.

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

- 8.01 Accessibility featured in the Equalities Impact Assessment. All the location options meet the need for providing disabled access and have disabled toilets.
- 8.02 The proposal itself includes benefits with regard to protecting vulnerable persons in public places covered by CCTV.

9.00 PERSONNEL IMPLICATIONS

- 9.01 The local monitoring arrangements would end if a regional service were adopted. The contract with our external provider, which is due to end within the next twelve months, would involve a transfer of employees to a regional monitoring agreement under TUPE arrangements in such a case.

10.00 CONSULTATION REQUIRED

- 10.01 None

11.00 CONSULTATION UNDERTAKEN

- 11.01 Various phases of regional and local consultation over a four year period.

12.00 APPENDICES

Appendix 1: Outline Business Case/Model.

Appendix 2: CCTV camera numbers and funding streams.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND DOCUMENTS

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