CHESHIRE EAST COUNCIL

Sustainable Communities Scrutiny Committee

Date:	**25 March 2010**
Report of:	**Peter Hartwell, Safer and Stronger Communities, Places**
Title:	**CCTV/UTC Project Update**

1.0 Synopsis

1.1 This project will:

- Create a single, modern CCTV control facility for all CCTV across the Borough
- Centralise Shop-watch radio systems into a single managed facility improving the potential for borough wide co-ordinated working during emergencies
- Have the potential to provide additional services to the private sector and actively seek additional 3rd Party income
- Align with concurrent ICT projects to save on procurement and infrastructure costs
- Utilise the new Data Centre to increase security of stored images.
- Raising the quality of Public Space stored images to evidential quality across the Borough
- Create a facility for visually monitoring UTC systems
- Provide an improved solution for 'Out of Office' customer response replacing the existing external contract arrangements
- Better connectivity to existing CCTV data transmission infrastructure into the ICT network

2.0 Background

2.1 Cheshire East Council formed on the 1 April 2009 and inherited CCTV infrastructure from the former District and County Councils.

2.2 There are 3 independent legacy systems using a mix of technologies managed under individual arrangements by in-house staff or by external contractors. The existing control rooms are in Macclesfield, Sandbach and Crewe with cameras located across the Borough. Each control room is operating under individual remits with varying levels of cover depending on the priorities of the previous administrations.

2.3 It has been recognised that there are significant operational efficiencies in reviewing the remit of CCTV operations and rationalising the use across the Borough.

2.4 The Urban Traffic Control Unit is a Shared Service between Cheshire West and Chester and Cheshire East that provides Traffic Signals engineering, design, maintenance of traffic systems and incident management that help to manage the strategic network easing traffic on the Highway.

2.5   This project will amalgamate the 3 CCTV systems into a single control room and investigate the amalgamation of UTC/Traffic Signal functions from the shared service into Cheshire East Places Directorate.

3.0   Summary

3.1   Phase one of the project initiated in October 2009 is complete. It addressed the following three issues:

- Are there synergies between CCTV/UTC able to provide the efficiency savings required?
- Is the amalgamation of the CCTV function financially viable, where should it be and when could it be achieved?
- Is the migration of UTC and traffic signal functions from the shared service into Cheshire East financially viable, in what form should it take and when should it happen?

3.2   Initial discussions with operational staff indicate that there is little synergy between the roles and responsibilities of UTC/Traffic Signal Engineers and CCTV enforcement operations with regard to the idea of co-location. The limited similarity is that they both operate camera systems however this is where the similarities end. UTC/Traffic Signal operations work predominantly for with Highways Project, Road Safety, Safer routes to School and Development Control Teams based at Delamere House. There is an emerging view, therefore that staff should be located with those teams and not incorporated into the CCTV function as originally envisaged. Failure to incorporate the UTC/Traffic Signal Operations within the staffing of any 'new' CCTV function means that the £80k saving in the Pre-budget Report would not be realised.

3.3   It is possible for UTC camera operations be brought into the single CCTV centre that would remain as primary data holders with recording facilities. Operationally UTC staff would best be placed in Crewe with Highway operation teams with remote facilities to view cameras as required for traffic duties. It is expected to have this team relocated to Crewe before the end of the Shared Service agreement (April 2011) though not until the CCTV project has been completed.

3.4   It is financially viable to amalgamate CCTV operations into a single CCTV suite. There are no operational reasons to dictate where it should be as long as the space exists. Appendix 1 summarises the advantages and disadvantages of using Westfields or Macclesfield Town Hall. The final location may be subject to cabinet decision.

3.5   Traffic camera operations would move to the CCTV control room however a decision would be required on the migration of staff and UTC/Traffic Signal systems. There is currently 1 system shared by Cheshire East and Cheshire West and Chester.

3.6   The project has considered 3 options for migration of the UTC/Traffic Signal functions into Cheshire East. The options attempt to balance the desire to be fully independent while remaining financially viable. The options were:

- Option 1 - Leave UTC/Traffic Signal operations at Backford and undertake network improvements on Cheshire East Infrastructure to realise savings.
- Option 2 - Move staff to a satellite location in Delamere House, Crewe, close to the Highway Operation Teams with access to a small, new remote access UTC/Traffic Signal room. The UTC system itself would remain at Backford Hall with its maintenance under a Service Level Agreement (purely for infrastructure maintenance) with Cheshire West under the continuing ICT Shared Service. Camera images would be sent from the new CCTV suite.

- Option 3 - Complete move of staff and purchase of new UTC infrastructure to a location (Macclesfield for estimating purposes, worst case) in Cheshire East.

4.0   Dependencies

4.1   There are strong dependencies with the Accommodation Strategy which would be responsible for building alterations and agreeing in detail, where the new CCTV centre will reside. The working premise in order to undertake a cost benefit analysis of options is a location for the centre in Macclesfield Town Hall and meetings to determine the most suitable location in that building have concluded and prove that there are benefits of joint procurement with the ongoing ICT Data Centre Project and accommodation strategy should the final decision to locate the CCTV suite be here.

4.2   There is high potential to increase the outline savings in Section 5.0 by aligning this project with the ICT Data Centre and using the data centre to house CCTV equipment. Savings may be increased by undertaking a combined procurement activity using single contracts for a design/supply and build specialist to provide a solution for both CCTV and Data Centre; and all building infrastructure work would be undertaken by facilities. This would result in the efficient sharing of air conditioning, uninterrupted power supply and security by housing CCTV equipment in the Data Centre reducing the overall capital cost to these projects and ensuring a single unified design is built.

4.3   Revenue costs may reduce further by combining our network data transfer requirements with the ICT data network upgrade works planned between Crewe/Sandbach to Macclesfield to include CCTV data traffic. This would avoid duplication in data transfer contracts and involve a single procurement exercise. The CCTV project has proposals for BT external rental however this potential can be explored by the Data Centre Project. The specification of Data Centre project would need to be revisited to accommodate the requirements of this project.

4.4   Both CCTV and UTC/Traffic signal functions undertake work for external business which raises income. There may be potential for better use of existing infrastructure and additional income by establishing new Partnerships with Police, Fire PTCs and searching for opportunities in the Private sector. The table below highlights the current and potential income streams:

Status	Income Description	Frequency	Yearly Income
Existing (UTC)	Signal (De)activations for 3rd party works	25 per year @ £350	£8,750
Existing (UTC)	Signal Information (Solicitors, Developers)	Up to 10 per year @ £61.50	£615
Existing market dependant (UTC)	Traffic Signal Design for Developers	2 per year @ £3,000	£6,000
Existing market dependant (UTC)	Cummuted sums (up front maintenance on signals from developers)	Approx 2 a year Between £5-20k per site	£40,000
Existing (CCTV)	3rd party CCTV monitoring	40 per camera per hour	£3,504 per camera
Potential Income (UTC)	To start charging for temporary signals on highway required by utilities	80 per year @ £0-£400 per application	Average £16,000
Potential (CCTV)	Expanding the 3rd party CCTV monitoring	5 new contracts with 2 cameras	£35,040

N.B –   Market dependant Income is currently bringing in zero income due to recession
Estimates for potential income are examples and have not been market tested
Implementation of these income streams bring their own risks which have not been explored

Actively seeking additional income is out of scope on this project; however improving the utilisation of our assets and potential to increase income is being explored independently by a Partnerships Officer in the ICT Strategy Team.

4.5   Decisions on the appetite to expand into 3rd party income are required before the final design of the CCTV room is complete to ensure the final design is capable of accommodating future expansion requirements.

4.6   Working in parallel with the Data Centre project, current projections show the delivery of the new CCTV centre will be dependent on access to the space in the building and on new data centre which is currently due to be fitted out in September 2010. This would lead to a CCTV suite commissioning date about 3 months after. The actual delivery date will be known once a chosen specialist has designed the solution.

5.0   Cost/benefit Analysis

5.1   A new CCTV centre will be a single, up to date CCTV suite eliminating the need to multiple contracts supplying the three existing independent systems. There is the potential to reduce staffing as a result of co-location.

5.2   An outline summary of the standalone estimated costs and savings based on the best information available to date is as follows:

(£'000)	Gross Capital Budget	Net amount borrowed	Repayment Period	Net Annual Savings	Annual Finance/Capital Repayments
*CCTV (Macc)	823	592	14	61	(58)
CCTV – (S'bach)	1015	783	19	61	(62)
UTC - Option 1	238	130	8	28	(19)
*UTC - Option 2	636	544	16	50	(48)
UTC - Option 3	495	387	25	38	(51)
Total of (*)	**1459**	**1136**	**15**	**111**	**(106)**

N.B –   Allocated Capital Receipts to this project of £323k reduce unsupported borrowing (Net amount borrowed)
All estimated costs are high level and pre-detailed design and do not include extra savings potential from additional income or from links described with dependencies in Section 4.0

5.3   CCTV move to Macclesfield is the financially viable option. It would utilise many of the services provided by the Data Centre Project. A move to Sandbach would cost more due to the need to provide a solution for uninterrupted power, upgrade to air conditioning and the relocation of a kitchen to within which the CCTV room would physically expand.

5.4   UTC Option 1 is financially viable. Option 2 costs consider a worst-case scenario of UTC moving to Crewe and sits just outside the current criteria for financially viable projects and will be expensive to the Council should they choose to implement. Option 3 is not seen as economically sustainable given an IT infrastructure life span of 25 years and would cost an additional £13k a year in revenue spend to maintain.

5.5   The option in the Capital Programme is CCTV (Macc) + UTC Option 2 and from initial figures given at the time of budget setting, £1,123k has been approved. If it is the wish for the Council to disband the UTC shared service, the latest estimates with updated UTC figures project a cost of £1,459k. Subject to the approval to work with the Data

Centre Project, there will be opportunity to drive down the costs and detailed estimates will be confirmed when the design is complete.

6.0   Future Investment Potential

6.1   More information will be available on future investment potential once the dependencies in section 4.0 are understood fully. The new CCTV suite draft specification will maintain the current 9 manned staff to maintain service levels. However the functionality of the room will be designed to accommodate future ancillary services undertaken by the unit. These services may include functions like remote working with partners, emergency-planning responsibilities or 'out of hours' customer services, replacing the need for 'message pad'. Initial discussions on 'out of hours' suggests up to £50k additional saving potential on the estimates in section 5.2.

6.2   The UTC/Traffic Signal maintenance function is fundamental for easing traffic and strategic management of the Highway, which is one of the Council's corporate objectives. These would require significant future investment. Future Environmental Service plans led by LTP3 may include for:

- Ongoing Expansion of Strategic Control System (UTC Scoot)
- UTMC (Common Database)
- Real time Passenger Information
- Strategic VMS
- Air Quality monitoring and control
- Car Park Guidance System
- Incident Management

7.0   Financial Implications for Transition Costs

7.1   There may by TUPE implications associated with staff that currently works under an external contract from the Crewe CCTV Control Room. These have not been included in the cost benefit analysis in section 5.0, but a contingency has been included in the Capital Programme. Discussions are underway with HR.

8.0   Financial Implications 2009/10 and beyond

8.1   The project requires a significant initial capital investment, which will take 15 years to repay. Potential reduced revenue savings will be from 'out of hours' (section 6.1) and other additional revenue income as suggested in section 4.4. At the end of the 15 year capital payback period annual revenue savings amounting to £111k would accrue to the Council. This is subject to the asset life extending beyond this time frame. It is highly likely that the equipment and software will become obsolete within this time frame making it difficult to achieve any revenue savings while payments to Capital are taking place. The scope of the work does not include for upgrade of new cameras/re-location of cameras to meet the latest crime/traffic hotspots.

9.0   Legal Implications

9.1   A legal agreement may be required with regard to a private owner of Crewe Market Hall for the continued monitoring of this 'public space'. The owner is aware of our proposals and in negotiation on the potential impacts.

10.0   Risk Management

10.1   The key risks to the project are highlighted below:

- Whilst there are financial savings to be made by merging procurement/building activities with Data Centre project, the dependency brings the potential for delays in the Data Centre project affect the commission date of the CCTV centre.
- TUPE implications and financing costs associated
- Impact of UTC services by Cheshire West and Chester, and their appetite to participate in an SLA for the UTC Infrastructure.
- Implications of 24hr accesses (i.e. Macclesfield to 24hr, Sandbach to daytime)
- In parallel to this project, there is the need to re-design the delivery of UTC functions
- Due to the delivery timetable of the CCTV Centre, the savings in 10/11 will be part-year effect and not fully realised in that year.
- Agreements with the Private owner of Crewe Market to ensure coverage of the public space is maintained

Appendix 1

Macclesfield Town Hall

Advantages

- Building is largely empty and available for alteration
- Data Centre will be built there with necessary services (i.e. Air-con, UPS)
- Building alterations taking place anyway (due to ICT projects)
- The majority of operators are already based there

Disadvantages

- The building is not currently 24hrs
- Building alterations would be required
- Requirements for external equipment may attract planning/building control issues
- Poor parking
- Requires Brand new furniture (existing not suitable)
- Sandbach assets would be redundant (relatively new)
- Further for UTC staff to travel (should location be here)
- Away from Emergency Planning rooms based at Sandbach

Westfields, Sandbach

Advantages

- New building with existing services
- Sever room located next to existing CCTV suite
- Ample Parking
- 24hr access already established
- Furniture exists
- Less distance for UTC staff to travel (should location be here)
- Close to Emergency Planning rooms

Disadvantages

- Less options for building alterations
- Less physical space available
- Building layout already chosen and implemented resulting in less options for this project
- Existing services may need strengthening