



# Office of the Police & Crime Commissioner

**TITLE:** Capital Budget Monitoring 2015/16 – Quarter 1 to June 2015

## **Executive Summary:**

The attached report provides an updated position of income and expenditure against the capital programme as approved for the current financial year. Projections are based on actual expenditure up to the end of June 2015 plus estimates of spending for future periods provided by the project managers. Known changes to the capital programme budget approved to date have been included in the report.

## **Recommendation:**

The Commissioner is asked to:

- Note the latest forecasts of expenditure against the capital programme for 2015/16.

## **MAIN SECTION**

### **1. Introduction and Background**

1.1 The Commissioner approves on an annual basis a 10 year capital strategy and a more detailed four year capital programme. This includes the annual capital budget that finances the delivery of capital schemes and provides for investment in ICT, the estate, vehicles and equipment needed to deliver operational policing.

1.2 This report is set out in two main sections:

- Section 2, provides an update on the capital budget for the current financial year (2015/16).
- Section 3, provides a brief update on the overall capital programme for a four year period to 2018/19.

### **2. Capital Budget 2015/16**

2.1 On 24 February 2015 the Commissioner approved the capital budget for 2015/16. The capital programme has subsequently been amended to incorporate the effect of the capital outturn position for 2014/15 and in year changes, such as variations to existing schemes.

The table below summarises the movement in the capital budget as at the end of the first quarter and shows a net reduction of just £16k (0.15%) against the approved budget for 2015/16. The position in relation to the overall 4 year capital programme is for an increase of £42k which is made up of an additional requirement for furniture and equipment at Barrow (£67k) less a reduction in respect of the internet scheme (£25k). The 2015/16 position is made up of the above mentioned overall increase of £42k, less projected slippage of £58k from 2015/16 into 2016/17 in respect of fleet schemes.

**NOT PROTECTIVELY MARKED**

PCC 02-09-15 Capital Budget Monitoring 2015-16 Qtr 1 to June 2015

Summary of Budget Movement 2015/16	Capital Budget 2015/16 £000s
Capital Budget 2015/16 (approved by PCC 24/02/15)	9,941
Impact of 2014/15 Capital Outturn (approved 21/05/15)	472
New Schemes approved	82
Budget Transferred to Revenue (Red Sigma)	(75)
Approved Adjusted Budget 2015/16	10,420
Current Forecast of Capital Expenditure 2015/16	10,404
(Forecast (Under)/Overspend)	(16)
Made up of:	
- Budget Changes	
Budget No Longer Required - Internet Scheme	(25)
Additional Budget Required re Barrow Furniture/Equipment	67
	42
- Forecast Slippage to 2016/17 - Fleet Schemes	(58)
	(16)

2.2 The forecast capital expenditure and financing position for 2015/16 can be summarised as follows:

Summary of Capital Budget 2015/16	2015/16 £000s
<b>Capital Expenditure</b>	
ICT Schemes	3,850
Fleet Schemes	668
Estates Schemes	5,119
Other Schemes	767
	10,404
<b>Capital Financing</b>	
Capital Receipts	1,268
Direct Revenue Contributions	1,212
Capital Grants	509
Reserves	5,271
Borrowing	2,145
	10,404

A more detailed breakdown of the individual schemes that make up these amounts can be found at **Appendix A**.

2.3 The paragraphs below provide a brief update on the progress on each of the main categories of scheme:

- ICT Schemes are comprised of the rolling replacement programme in respect of ICT hardware, software and radios together with schemes to support the roll out of mobile and digital working. –The rollout of smartphone devices has continued in earnest throughout quarter one and the mobile and digital project team will be moving on to the next tranche of mobile devices, tablets, shortly. The new Case and Custody system is progressing well and is forecast to go –live in November 2015. Work has begun on the rolling hardware replacement programme but the forecasts show that the majority of the expenditure will fall in to quarter four. This is to allow the ICT department to consider how to deliver the core hardware over the medium term in the most efficient way.
- Fleet Schemes are comprised of the cyclical replacement of the Constabulary fleet of vehicles – The programmed replacement of vehicles for 2015/16 is well underway. A small number of replacements are being held pending the outcome of a number of reviews, this due to extended lead times on some vehicle replacements, may mean that a small amount of the budgeted replacements for 2015/16 will now slip into 2016/17.
- Estates Schemes are comprised of the Barrow build, work to HQ site in preparation for the strategic co-ordination centre and a number of smaller estates projects - Expenditure predominantly relates to the Barrow project which is progressing well and is due for completion in autumn 2015. In addition to this, work is planned for later in the year to prepare the HQ site for the construction of the strategic co-ordination centre which is scheduled to commence in early 2016.
- Other Schemes include the CCTV project, intranet and internet and firearms and camera replacements. – The large part of this category is in relation to the

provision of a county wide CCTV system, in addition there are a number of smaller projects underway including work to the internet and intranet, leadership and skills and finance system enhancements.

### 3. Capital Programme 2015/16 to 2018/19

3.1 The table below provides a summary of the capital programme and associated capital financing over the four year period to 2018/19:

Summary of Capital Budget 2015/16 to 2018/19				
	2015/16	2016/17	2017/18	2018/19
	£000s	£000s	£000s	£000s
<b>Capital Expenditure</b>				
ICT Schemes	3,850	5,883	1,697	1,000
Fleet Schemes	668	747	1,491	684
Estates Schemes	5,119	2,884	2,884	38
Other Schemes	767	0	0	0
	10,404	9,513	6,071	1,721
<b>Capital Financing</b>				
Capital Receipts	1,268	0	0	248
Direct Revenue Contributions	1,212	1,200	1,240	1,222
Capital Grants	509	5,566	4,406	252
Reserves	5,271	2,747	425	0
Borrowing	2,145	0	0	0
	10,404	9,513	6,071	1,721

A more detailed schedule is provided at **Appendix B** which also illustrates the whole life costs of the current projects within the capital programme. As highlighted in paragraph 2.1 above, the quarter 1 forecast is for an overall increase in the 4 year capital programme of £42k. As it is still early in the financial year and more such minor changes may arise in the year, it is proposed that the financing for this increase be taken from the general capital reserve in the first instance and that this treatment be reviewed later in the year when the capital programme is prepared for the period 2016/17 to 2019/20.

### 4. Supplementary Information

4.1 Appendices to this report are provided as follows:

- Appendix A – Capital Budget 2015/16
- Appendix B – Capital Programme 2015/16 to 2018/19

## Appendix A

## Capital Budget 2015/16

Capital Budget 2015/16	Original Approved Budget £000s	Impact of 2014/15 Outturn £000s	New Schemes Approved £000s	Budget Transferred To Revenue £000s	Approved Adjusted Budget £000s	Forecast Capital Outturn £000s	Forecast (Under)/ Overspend £000s
<b>ICT Schemes</b>							
ICT Historic Schemes	26	0	0	0	26	26	0
Information security	78	0	0	0	78	78	0
Software Application Replacement	0	0	0	0	0	0	0
Hardware Replacement	523	147	0	0	670	670	0
Hardware Communications Network Replacement	556	40	0	0	596	596	0
Communications Network Replacement	148	(47)	0	0	101	101	(0)
Radio Replacement	0	0	0	0	0	0	0
Infrastructure Solution Replacement	1,169	(24)	35	(75)	1,105	1,105	0
Devices & Applications	871	(68)	0	0	802	802	0
Digital Working	170	0	0	0	170	170	0
Digital Enablers	295	8	0	0	303	303	0
<b>Total ICT Schemes</b>	<b>3,835</b>	<b>55</b>	<b>35</b>	<b>(75)</b>	<b>3,850</b>	<b>3,850</b>	<b>0</b>
<b>Fleet Schemes</b>	<b>1,299</b>	<b>(573)</b>	<b>0</b>	<b>0</b>	<b>726</b>	<b>668</b>	<b>(58)</b>
<b>Estates Schemes</b>							
South Estate - Kendal	137	7	0	0	145	145	0
South Estate - Barrow & Ulverston	3,471	683	0	0	4,155	4,222	67
HQ Flood Defence Works	33	(29)	0	0	5	5	0
HQ Demolition of The Green	80	0	0	0	80	80	0
HQ Electrical Infrastructure	200	(79)	0	0	121	121	0
Workington Land Purchase	500	0	0	0	500	500	0
Durranhill Carpark	0	0	47	0	47	47	0
<b>Total Estates Schemes</b>	<b>4,422</b>	<b>583</b>	<b>47</b>	<b>0</b>	<b>5,052</b>	<b>5,119</b>	<b>67</b>
<b>Other Schemes</b>							
ANPR	0	9	0	0	9	9	0
Finance & Business Systems Upgrade	101	4	0	0	105	105	0
Firearms Replacement	0	7	0	0	7	7	0
CCTV	80	368	0	0	448	448	0
Intranet	0	50	0	0	50	50	0
Internet	75	0	0	0	75	50	(25)
Leadership & Skills - Blended Learning	110	(31)	0	0	79	79	0
Egremont Vetrans Hostel	19	0	0	0	19	19	0
<b>Total Other Schemes</b>	<b>385</b>	<b>407</b>	<b>0</b>	<b>0</b>	<b>792</b>	<b>767</b>	<b>(25)</b>
<b>Total Capital Expenditure 2015/16</b>	<b>9,941</b>	<b>472</b>	<b>82</b>	<b>(75)</b>	<b>10,420</b>	<b>10,404</b>	<b>(16)</b>

## Capital Programme 2015/16 to 2018/19

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Jun-15	Projected Outturn 2015/16	Projected Outturn 2016/17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Total Cost	Variance (Under) / Overspend
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>ICT Schemes</b>										
ICT Historic Schemes	3,972	3,946	26	0	26	0	0	0	3,972	0
Information security	78	0	78	0	78	0	0	0	78	0
Software Application Replacement	95	61	35	0	0	0	0	35	95	0
Hardware Replacement	4,827	1,088	3,739	91	670	2,203	391	476	4,827	0
Hardware Communications Network Replacement	3,032	836	2,196	(21)	696	925	487	88	3,032	0
Communications Network Replacement	0	0	0	0	0	0	0	0	0	0
Radio Replacement	514	464	50	0	0	50	0	0	514	0
Infrastructure Solution Replacement	2,656	159	2,497	15	1,105	1,280	112	0	2,656	0
Devices & Applications	3,033	443	2,589	26	802	784	641	362	3,033	0
Digital Working	854	0	854	0	170	578	66	40	854	0
Digital Enablers	469	104	365	44	303	62	0	0	469	0
<b>Total ICT Schemes</b>	<b>19,531</b>	<b>7,101</b>	<b>12,430</b>	<b>155</b>	<b>3,850</b>	<b>5,883</b>	<b>1,697</b>	<b>1,000</b>	<b>19,531</b>	<b>0</b>
<b>Fleet Schemes</b>	<b>3,590</b>	<b>0</b>	<b>3,590</b>	<b>197</b>	<b>668</b>	<b>747</b>	<b>1,491</b>	<b>684</b>	<b>3,590</b>	<b>0</b>
<b>SUB TOTAL CONSTABULARY PROGRAMME</b>	<b>23,121</b>	<b>7,101</b>	<b>16,020</b>	<b>351</b>	<b>4,519</b>	<b>6,630</b>	<b>3,188</b>	<b>1,684</b>	<b>23,121</b>	<b>0</b>

## Capital Programme 2015/16 to 2018/19 (Continued)

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Jun-15	Projected Outturn 2015/16	Projected Outturn 2016/17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Total Cost	Variance (Under) / Overspend
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Estates Schemes</b>										
South Estate - Kendal	3,610	3,465	145	0	145	0	0	0	3,610	0
South Estate - Barrow & Ulverston	9,037	4,883	4,155	1,090	4,222	0	0	0	9,104	67
HQ Flood Defence Works	65	60	5	(1)	5	0	0	0	65	0
HQ Demolition of The Green	80	0	80	0	80	0	0	0	80	0
HQ Electrical Infrastructure	200	79	121	5	121	0	0	0	200	0
Workington Land Purchase	500	0	500	0	500	0	0	0	500	0
Durranhill Carpark	47	0	47	0	47	0	0	0	47	0
Roof Repairs	183	146	38	(3)	0	0	0	38	183	0
Strategic Command Centre	5,017	0	5,017	0	0	2,509	2,509	0	5,017	0
NPT Base - Replacement Hostel	750	0	750	0	0	375	375	0	750	0
<b>Total Estates Schemes</b>	<b>19,490</b>	<b>8,633</b>	<b>10,857</b>	<b>1,091</b>	<b>5,119</b>	<b>2,884</b>	<b>2,884</b>	<b>38</b>	<b>19,557</b>	<b>67</b>
<b>Other Schemes</b>										
ANPR	105	96	9	0	9	0	0	0	105	0
Finance & Business Systems Upgrade	842	737	105	7	105	0	0	0	842	0
Firearms Replacement	75	68	7	3	7	0	0	0	75	0
CCTV	1,043	595	448	(56)	448	0	0	0	1,043	0
Intranet	50	0	50	0	50	0	0	0	50	0
Internet	75	0	75	48	50	0	0	0	50	(25)
Leadership & Skills - Blended Learning	79	0	79	0	79	0	0	0	79	0
Egremont Vetrans Hostel	47	28	19	1	19	0	0	0	47	0
<b>Total Other Schemes</b>	<b>2,315</b>	<b>1,524</b>	<b>792</b>	<b>3</b>	<b>767</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,290</b>	<b>(25)</b>
<b>GRAND TOTAL CAPITAL PROGRAMME</b>	<b>44,926</b>	<b>17,257</b>	<b>27,669</b>	<b>1,445</b>	<b>10,404</b>	<b>9,513</b>	<b>6,071</b>	<b>1,721</b>	<b>44,968</b>	<b>42</b>