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Capital Budget Monitoring 2015-16 Qtr 2 to September 2015



Office of the Police & Crime Commissioner

TITLE: Capital Budget Monitoring 2015/16 – Quarter 2 to Sep 2015

Date of Meeting: 04 November 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 September 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.

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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 £158k (1.5%) against the approved budget for 2015/16. This represents projected slippage of £58k on Fleet schemes that was reported last quarter and new slippage on Estates schemes of £100k. The position in relation to the overall four year capital programme has therefore not changed this quarter.

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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	127
Budget Transferred to Revenue (Red Sigma)	(23)
Approved Adjusted Budget 2015/16	10,517
Current Forecast of Capital Expenditure 2015/16	10,360
(Forecast (Under)/Overspend	(158)
- Forecast Slippage to 2016/17 - Fleet Schemes	(158)
	(158)

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

Summary of Capital Budget 2015/16	2015/16 £000s
Capital Expenditure	
ICT Schemes	3,860
Fleet Schemes	668
Estates Schemes	5,019
Other Schemes	812
	10,360
Capital Financing	
Capital Receipts	1,268
Direct Revenue Contributions	1,267
Capital Grants	509
Reserves	5,271
Borrowing	2,045
	10,360

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

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2.2 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 larger specific projects.

Scoping work is currently being finalised which will improve the efficiency of the rolling infrastructure replacement programme and make savings across the 10 year capital strategy. This converged Infrastructure approach will require the existing budgets to be re-profiled, including bringing forward some budgets from 2016/17 in to 2015/16. At the time of writing this report, approval for this approach is still to be sought in late October or early November 2015.

With the roll out of smartphones complete, the mobile and digital programme team have now moved on to the next phase of the strategy which is to rollout flex devices (tablets/laptops). Agreement of the strategy is expected shortly with the aim of purchasing a large quantity of devices in quarter four. The new Case and Custody system is forecast to go –live in November 2015.

- Fleet Schemes are comprised of the cyclical replacement of the Constabulary fleet of vehicles – There is little change from the position reported at quarter one where a small amount of budgeted replacements in 2015/16 had slipped into 2016/17 pending the outcome of reviews. The remainder of the 2015/16 replacements are expected to delivered in line with the plan.
- 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 almost complete. The building was completed and handed over in mid-September became operational in early October.

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Phase 2 of the works to Kendal Police Station has been reassessed and design work has been commissioned. The first works will start in quarter four of 2015/16 but the majority will take place in 2016/07. To facilitate this £100k of budget has been moved from 2015/16 in to 2016/17.

- 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 which is now operational.

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
Capital Expenditure				
ICT Schemes	3,860	5,883	1,697	1,000
Fleet Schemes	668	747	1,491	684
Estates Schemes	5,019	2,984	2,884	38
Other Schemes	812	0	0	0
	10,360	9,613	6,071	1,721
Capital Financing				
Capital Receipts	1,268	0	0	248
Direct Revenue Contributions	1,267	1,200	1,240	1,222
Capital Grants	509	5,566	4,406	252
Reserves	5,271	2,747	425	0
Borrowing	2,045	100	0	0
	10,360	9,613	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.

There were no changes made in quarter two that affected the overall four year strategy but it is expected that there will be significant changes in quarter three as the expenditure on ICT schemes will be re-profiled if the converged Infrastructure is approved.

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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

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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
ICT Schemes							
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	35	(25)	680	680	0
Hardware Comms / Network Replacement	556	40	0	2	598	598	0
Communications Network Replacement	148	(47)	0	(2)	98	98	0
Radio Replacement	0	0	0	0	0	0	0
Infrastructure Solution Replacement	1,169	(24)	0	(40)	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
Total ICT Schemes	3,835	55	35	(65)	3,860	3,860	0
Fleet Schemes	1,299	(573)	0	0	726	668	(58)
Estates Schemes							
South Estate - Kendal	137	7	0	0	145	45	(100)
South Estate - Barrow & Ulverston	3,471	683	0	67	4,222	4,222	0
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
Total Estates Schemes	4,422	583	47	67	5,119	5,019	(100)
Other Schemes							
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	(25)	50	50	0
Leadership & Skills - Blended Learning	110	(31)	0	0	79	79	0
Egremont Vetrans Hostel	19	0	0	0	19	19	0
Body Worn Video Cameras	0	0	45	0	45	45	0
Total Other Schemes	385	407	45	(25)	812	812	0
Total Capital Expenditure 2015/16	9,941	472	127	(23)	10,517	10,360	(158)

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Appendix B

Capital Programme 2015/16 to 2018/19

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Sep-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
ICT Schemes										
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	4,837	1,088	3,749	155	680	2,203	391	476	4,837	0
Hardware Communications Network Replac	3,032	836	2,196	0	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	177	1,105	1,280	112	0	2,656	0
Devices & Applications	3,033	443	2,589	57	802	784	641	362	3,033	0
Digital Working	854	0	854	0	170	578	66	40	854	0
Digital Enablers	469	104	365	73	303	62	0	0	469	0
Total ICT Schemes	19,541	7,101	12,440	463	3,860	5,883	1,697	1,000	19,541	0
Fleet Schemes	3,590	0	3,590	363	668	747	1,491	684	3,590	0
SUB TOTAL CONSTABULARY PROGRAMME	23,131	7,101	16,030	826	4,529	6,630	3,188	1,684	23,131	0

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Appendix B

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

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Sep-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
Estates Schemes										
South Estate - Kendal	3,610	3,465	145	0	45	100	0	0	3,610	0
South Estate - Barrow & Ulverston	9,104	4,883	4,222	3,604	4,222	0	0	0	9,104	0
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	11	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	0	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
Total Estates Schemes	19,557	8,633	10,924	3,613	5,019	2,984	2,884	38	19,557	0
Other Schemes										
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	282	448	0	0	0	1,043	0
Intranet	50	0	50	13	50	0	0	0	50	0
Internet	50	0	50	48	50	0	0	0	50	0
Leadership & Skills - Blended Learning	79	0	79	0	79	0	0	0	79	0
Egremont Vetrans Hostel	47	28	19	86	19	0	0	0	47	0
Body Worn Video Cameras	45	0	45	0	45	0	0	0	45	0
Total Other Schemes	2,335	1,524	812	438	812	0	0	0	2,335	0
GRAND TOTAL CAPITAL PROGRAMME	45,023	17,257	27,766	4,877	10,360	9,613	6,071	1,721	45,023	0

Corporate Support / Financial Services / MB/LVH