

**Capital Budget Monitoring 2018/19**  
**Forecast as at 31 December 2018 to PAC 20 February 2019 (to COG 11 February 2019)**

**Summary at December 2019**

The current forecast of net expenditure amounts to £6.052m compared to a revised budget of £8.800m. The variance amounts to a net forecast underspend on the capital programme of £266k (3.02%) and reported slippage to date of £2.482m (28.2%). A summary of the 18/19 program is presented below:

Summary of Budget Movement 2018/19	2018/19 £000s
Capital Budget 2018/19 (approved 14/02/18)	11,261
Impact of 2017/18 Outturn (approved 10/05/18)	(1,558)
New Schemes Approved/Drawdown	81
Budgets Changes - Approved	(984)
Approved Adjusted Budget 2018/19	8,800
Capital Expenditure Outturn 2018/19	6,052
Forecast Variation	(2,748)
Made up of:	
Budget Changes (Under)/Overspend (Table 2)	(266)
Slippage to 2018/19 (Table 3)	(2,482)
	(2,748)

Table 1	2018/19 £000s
<b>Summary of Capital Budget</b>	
<b>Capital Expenditure</b>	
ICT Schemes	2,201
Fleet Schemes	987
Estates Schemes	2,697
Other Schemes	167
	6,052
<b>Capital Financing</b>	
Capital Receipts	0
Revenue Contributions	1,468
Capital Grants	575
Reserves	4,009
Borrowing	0
	6,052

Table 2	Changes £000s
<b>Forecast Variation summary</b>	
- ICT End User Hardware Replacements	(10)
- ICT Core Hardware Replacements	(144)
- Business Futures	(2)
- Body Worn Video	(2)
- Changes to National systems	(51)
- Vehicle Replacements	(91)
- Workington - Land Purchase	(13)
- Accelerated Recruitment	47
	(266)

Table 3					Total	% of Adjusted
Slippage	Qtr 1	Qtr 2	Qtr 3	Qtr 4	£000s	Budget
ICT Schemes	0	0	(1,133)		(1,133)	51%
Fleet Schemes	0	(209)	(140)		(349)	35%
Estates Schemes	0	0	(1,000)		(1,000)	37%
Other Schemes	0	0	0		0	0%
	0	(209)	(2,273)	0	(2,482)	41%

**Recommendations**

1. The Police and Crime Commissioner and Chief Constable are asked to note the current position in relation to the capital programme for 2018/19.
2. The Commissioner is specifically asked to approve recommendations R1 – R4 as set out on pages 2 and 3 of this capital update report.

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### ICT schemes

The approved ICT budget of £3.6m includes an element for rolling replacement of end user equipment and a larger element for the replacement of whole systems. The project to replace Origin/Oracle E-Business Suite (EBS) systems is proceeding more slowly than anticipated, which has resulted in the majority of the budget and associated financing in relation to this scheme being moved into 2019/20. The total slippage of £1.133m has been reflected in the 10-year capital programme presented elsewhere on this agenda.

**R1)** The Commissioner is asked to approve a new scheme of £47k for ICT equipment to support the accelerated recruitment of officers that has taken place in the current financial year. This scheme will be funded from the monies returned from other ICT schemes - £209k, mainly, Unified National systems - £51k and Core Hardware replacement - £144k. Budgetary provision has been made for replacement of a number of national systems that are being developed centrally. No expenditure is now anticipated in 2018/19, so the budget has been returned. Following firm orders and review of the Core Hardware replacement budget, it has now been possible to return £144k of budget that is no longer required. This is spread over a number of elements within the project, namely, servers, external consultants and Websense replacement.

**R2)** The Commissioner is asked to approve the transfer of £2k from the E-Business capital budget to increase the revenue consultant's budget for the project. Within this approved capital budget, there are provisions to cover project staffing/consultant resources. The resources requested to support this project is deemed to constitute revenue rather than capital expenditure and as such the budget is being requested to be transferred.

Slippage of £1,133k and net budget return of £209k equals the £1,342k variance as shown in appendix A

### Fleet schemes

The fleet replacement budget for 2018/19 is £1.218m, of this approximately £987k of replacement vehicles have been ordered and almost £140k are in the early stages of procurement. The final specifications of the remaining vehicles are still to be agreed upon and with the timing delays between ordering and delivery the Fleet manager has advised that it would be prudent to slip £140k into 2019/20 as delivery of the remaining vehicles is not expected in this financial year. This slippage is reflected in the 10-year capital programme presented elsewhere on this agenda.

**R3)** The Commissioner is asked to approve the return of budget of £91k. This reflects two recommendations from the strategic vehicle group. Following a review of the vehicles within Mobile Support Group, and in order to make savings in the fleet, it is recommended that a written off vehicle is not replaced and removed from the 10 year programme (saving £40k in 18/19). Following a review of the Command Vehicles, it is recommended that one of the two vehicles is removed from the replacement programme and kept in its current condition until it is no longer economical to repair, at which time it will be removed from the fleet completely (saving £51k in 18/19).

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Slippage of £349k and net budget return of £91k equals the £440k variance as shown in appendix A

### Estates schemes

Of the £3.7m estates program budget, £3.3m is in relation to the Eden Deployment Centre building scheme, construction of which is now well underway. Payments have been made based on the surveyor's valuation, which have now fallen behind what was in the initial payment schedule. It should be noted that the original contract payment schedule is very indicative and is heavily dependent on variables such as the availability of raw materials, labour costs and weather conditions at critical points etc. At this time the project is still on track to be operational in autumn 2019, but the payment schedule has moved and been re-calculated. Based on the new figures budget of £1.0m (and associated financing) has been moved from 2018/19 to 2019/20. This slippage is reflected in the 10-year capital programme presented elsewhere on this agenda.

The remainder of the estates budget relates to smaller replacement equipment and is on target to be completed in 2018/19.

**R4)** The Commissioner is asked to note the return of £13k from the land purchase scheme in the west of the county. The project is nearing completion and firm orders have been placed for the remaining work.

Slippage of £1.0m and budget return of £13k equals the £1.013m variance as shown in appendix A

### Other schemes

Other schemes cover cross cutting or operational programmes of work including the replacement of portable ballistic protective equipment (shields) and works to develop further the digital evidence transfer from the CCTV system.

The accelerated Recruitment scheme referred to in recommendation 1 is shown in this section as it is a cross cutting project. This gives rise to the overspend of £47k (funded from ICT underspends) as shown in this section in appendix A.

A detailed, project by project, analysis of the approved budget, spend to date and expected outcome is provided in **Appendix A** over the page.

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## Medium Term Capital Program

The table below provides a summary of the capital programme and associated capital financing over the medium Term four year period to 2021/22:

Summary of Capital Budget 2018/19 to 2021/22				
	2018/19	2019/20	2020/21	2021/22
	£000s	£000s	£000s	£000s
<b>Capital Expenditure</b>				
ICT Schemes	2,201	7,373	3,411	2,006
Fleet Schemes	987	1,054	2,241	996
Estates Schemes	2,697	3,264	1,865	5,825
Other Schemes	167	250	0	500
	6,052	11,942	7,517	9,326
<b>Capital Financing</b>				
Capital Receipts	0	0	2,033	154
Revenue Contributions	1,468	1,684	3,132	2,984
Capital Grants	575	5,796	1,076	364
Reserves	4,009	4,462	1,275	2,425
Borrowing	0	0	0	3,400
	6,052	11,942	7,517	9,326

## Capital Budget Monitoring 2018/19

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## Appendix A

Capital Budget 2018/19	Original Approved Budget £000s	Impact of 2018/19 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Dec-18 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
<b>ICT Schemes</b>								
ICT End User Hardware Replacements	340	0	0	0	340	86	101	(239)
ICT Infrastructure Solution Replacement	35	0	0	0	35	0	35	0
ICT Core Hardware Replacements	570	(132)	(23)	0	416	56	218	(198)
ICT Hardware ReplacementsRadio / ESN	50	12	0	0	62	0	0	(62)
Case and Custody	92	(3)	0	(50)	38	0	0	(38)
Digital Policing Project	261	44	0	0	305	10	170	(135)
Red Sigma	252	(43)	0	(207)	2	2	2	0
Hi Tech Crime Improvements (DMIU)	50	27	8	0	85	80	85	0
Control Room Futures	3,685	(1,720)	0	(71)	1,894	804	1,476	(417)
E Business	1,440	(70)	(25)	(95)	1,249	15	51	(1,198)
Body Worn Video	0	65	0	0	65	61	63	(2)
National ANPR	0	0	(28)	28	0	0	0	0
Unified National Systems	51	28	0	(28)	51	0	0	(51)
General Slippage	(1,000)	0	0	0	(1,000)	0	0	1,000
<b>Total ICT Schemes</b>	<b>5,826</b>	<b>(1,792)</b>	<b>(68)</b>	<b>(423)</b>	<b>3,543</b>	<b>1,114</b>	<b>2,201</b>	<b>(1,342)</b>
<b>Fleet Schemes</b>								
Vehicle Replacements - 17/18 & 18/19	1,208	67	99	11	1,385	123	945	(440)
Fleet - Ballistically Protected Vehicle	0	42	0	0	42	41	42	0
<b>Total Fleet Schemes</b>	<b>1,208</b>	<b>109</b>	<b>99</b>	<b>11</b>	<b>1,428</b>	<b>165</b>	<b>987</b>	<b>(440)</b>
<b>Estates Schemes</b>								
Eden Deployment Centre	3,503	(203)	0	0	3,300	1,134	2,300	(1,000)
Workington - Land Purchase	0	300	0	0	300	277	287	(13)
Flood works at HQ	0	10	0	0	10	10	10	0
Durranhill CCTV and Cell Call	50	0	0	0	50	8	50	0
Durranhill heat and Vent Plant	50	0	0	0	50	0	50	0
HQ Gas Suppression system	30	0	0	(30)	0	0	0	0
<b>Total Estates Schemes</b>	<b>3,633</b>	<b>107</b>	<b>0</b>	<b>(30)</b>	<b>3,710</b>	<b>1,429</b>	<b>2,697</b>	<b>(1,013)</b>
<b>Other Schemes</b>								
CCTV	29	(5)	0	0	24	0	24	0
ANPR	0	0	50	0	50	50	50	0
Portable Ballistic Protective Equipment	23	23	0	0	46	1	46	0
Business Analytics	542	0	0	(542)	0	0	0	0
<b>Total Other Schemes</b>	<b>594</b>	<b>18</b>	<b>50</b>	<b>(542)</b>	<b>120</b>	<b>96</b>	<b>167</b>	<b>47</b>
<b>Total Capital Expenditure 2018/19</b>	<b>11,261</b>	<b>(1,558)</b>	<b>81</b>	<b>(984)</b>	<b>8,800</b>	<b>2,803</b>	<b>6,052</b>	<b>(2,748)</b>