

Quarter 2 July to September 2017

Headlines

The current forecast of net expenditure amounts to £5,201k compared to a revised budget of £7,773k a variance of £2,571k (33.08%)

The variance is made up of returned budget of £759k on ICT schemes in relation to digital storage. This decision is linked to the business case being developed for body worn video, which incorporates some of the functionality of the digital storage solution. The remaining variance relates to slippage to future years of £1,812k. The largest element of slippage relates to the construction of the Eden Deployment Centre which is now scheduled for 2018/19 and early 2019/20. Other slippage relates to various ICT schemes which are detailed in the ICT section of this report. Total slippage is broken down as follows:

Slippage	Qtr 1	Qtr 2	Total £000s	% of Adjusted Budget
ICT Schemes	0	(829)	(829)	28%
Fleet Schemes	0	0	0	0%
Estates Schemes	(951)	0	(951)	44%
Other Schemes	0	(32)	(32)	24%
	(951)	(862)	(1,812)	23%

Recommendations

- 1) The Police and Crime Commissioner and Chief Constable are asked to note the current position in relation to the capital programme for 2017/18.
- 2) The Commissioner is specifically asked to approve the recommendations (R1:R4) as set out on page 2 of this capital update report.

2017/18 Current Position

	2017/18 £000s
Capital Budget 2017/18 (approved 22/02/17)	6,521
Impact of 2016/17 Outturn (approved 10/05/17)	1,259
New Schemes Approved/Drawdown	234
Budgets Changes - Approved	(242)
Approved Adjusted Budget 2017/18	7,773
Capital Expenditure Outturn 2017/18	5,201
Forecast Variation	(2,571)
Made up of:	
Budget Changes (Under)/Overspend (Table 1)	(759)
Slippage to 2018/19 (Table 2)	(1,812)
	(2,571)

	2017/18 £000s
Capital Expenditure	
ICT Schemes	1,407
Fleet Schemes	2,495
Estates Schemes	1,197
Other Schemes	102
	5,201
Capital Financing	
Capital Receipts	0
Revenue Contributions	1,586
Capital Grants	113
Reserves	3,502
Borrowing	0
	5,201

	2017/18 £000s
Forecast Variation summary	
Case and Custody	(102)
Mobility and Digital	(895)
Red Sigma	(257)
ICT Infrastructure Solution Replacement	(182)
ICT Core Hardware Replacements	(152)
Eden Deployment & Hostels	(951)
CCTV	(32)
	(2,571)

*A more detailed breakdown on a scheme by scheme basis is provided on page 2 with separate sections for each of the four main categories within the capital programme (Fleet, ICT, Estates & Other).

Four-Year Capital Strategy

Other than the reported slippage from 2017/18 schemes (which has the effect of moving budgets and corresponding financing from 2017/18 to 2018/19) there have been some changes to the ICT scheme budgets. Details of these changes along with recommendations to approve can be found over the page. Years 2018/19 to 2020/21 are still the same as those approved in February 2017 as part of the budget setting process.

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Capital Expenditure				
ICT Schemes	1,407	6,112	1,843	2,888
Fleet Schemes	2,495	745	744	1,981
Estates Schemes	1,197	3,600	905	1,120
Other Schemes	102	55	0	0
	5,201	10,512	3,493	5,989
Capital Financing				
Capital Receipts	0	0	532	1,470
Revenue Contributions	1,586	1,744	1,684	3,075
Capital Grants	113	4,993	527	394
Reserves	3,502	3,775	750	1,050
Borrowing	0	0	0	0
	5,201	10,512	3,493	5,989

*For a scheme by scheme analysis please see Appendix A on page 3.

Fleet Schemes

Capital Budget 2017/18	Original Approved Budget £000s	Impact of 2016/17 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Sep-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
Fleet Schemes								
Vehicle Replacements - 16/17 & 17/18	1,938	307	190	0	2,435	83	2,435	0
Fleet - Ballistically Protected Vehicle	0	60	0	0	60	0	60	0
VASCAR	190	0	(190)	0	0	0	0	0
Total Fleet Schemes	2,128	367	0	0	2,495	83	2,495	0

Narrative

Orders have been placed for a significant number of vehicles within the 2017/18 fleet programme. For this reason the programme is at this stage is being reported as on budget however likely that there will be some slippage into future years as delivery timescales become clear.

The whole fleet programme is being reviewed and re-programmed as part of the 10 year capital planning process. This work is now well underway and a number of vehicles have been earmarked for removal.

No Recommendations for PCC approval

ICT Schemes

Capital Budget 2017/18	Original Approved Budget £000s	Impact of 2016/17 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Sep-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
ICT Schemes								
ICT End User Hardware Replacements	150	103	4	0	257	183	257	0
ICT Core Hardware Replacements	581	0	60	(10)	631	0	479	(152)
ICT Infrastructure Solution Replacement	717	210	(70)	0	857	5	316	(541)
ICT Core Infrastructure Replacement	0	0	0	0	0	0	0	0
ICT Radio Replacement/ESN	37	10	0	0	47	34	47	0
Digital Policing Project	1,172	(6)	70	(32)	1,204	104	309	(895)
Total ICT Schemes	2,656	318	64	(42)	2,996	327	1,407	(1,588)

Narrative

Some additional video conferencing facilities were provided for the recent business continuity test exercise. This was a major exercise and enabled the current video conferencing equipment to be fully tested. A number of lessons have been learned enabling a more informed choice regarding the procurement of the replacement equipment to be made. This testing has had the effect of delaying the procurement and it is unlikely that there will be any expenditure on this scheme in 2017/18.

Expenditure on Red Sigma has been aligned to the Durham Constabulary Development Plan this has resulted in slippage of £257k.

A Solution to bring the Hi-Tech crime systems on to the constabulary network has been developed. It has a much lower up front investment but will require storage to be increased in the future. £182k has moved to future years to allow for this procurement.

The national direction for digital evidence management is unclear at this time. The budget set aside for this work was £795 and has been returned at this time pending further direction and guidance. The budget (£130k) for identity & access management has been slipped to 2018/19 to align with the national project and a small amount (£20k) of the additional WIFI capacity budget has been profiled over 2 years into 2018/19.

Recommendations for PCC approval

- R1) To approve slippage of £152k in relation to Enhanced Video Conferencing
- R2) To approve slippage of £88k on Case and Custody, £257k on Red Sigma, £182k on Hi Tech Crime, and note the return of £14k of budget from Case and Custody = total £541k
- R3) To approve the slippage of £150k and the return of £745k of budget from the Digital Policing Project

Estates Schemes

Capital Budget 2017/18	Original Approved Budget £000s	Impact of 2016/17 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Sep-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
Estates Schemes								
South Estate - Barrow & Ulverston	0	0	0	0	0	(273)	0	0
HQ Electrical Infrastructure	0	0	0	0	0	(17)	0	0
HQ Demolition of The Green	97	0	0	0	97	27	97	0
Eden Deployment Centre	1,408	43	0	0	1,451	120	500	(951)
Workington Land Purchase	0	500	0	(200)	300	0	300	0
HQ Land Purchase	0	0	120	0	120	0	120	0
Heating, ventilation & cooling plant @ Durranhill	30	0	0	0	30	0	30	0
HQ Static inverter	50	0	0	0	50	0	50	0
HQ Flood Defence	50	0	50	0	100	2	100	0
Total Estates Schemes	1,635	543	170	(200)	2,148	(141)	1,197	(951)

Narrative

Work is continuing on the final business case for the Eden Deployment Centre and work has begun on the enabling works at the Green. It is felt that once the case gets approval and the contracts are signed in February 2018 a maximum of £500k will be spent on the scheme in 2017/18. This has resulted in slippage from the original plan of £951k which was reported in qtr 1.

The negotiations regarding the sale of the old Barrow police station are now complete and the sale is expected to complete in November.

The purchase of a piece of land on the HQ site, which was formally added into the capital programme during qtr 1, was completed during qtr 3.

All other schemes are on track to complete during the 2017/18 financial year.

No Recommendations for PCC approval

Other Schemes

Capital Budget 2017/18	Original Approved Budget £000s	Impact of 2016/17 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Sep-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
Other Schemes								
Leadership & Skills - Blended Learning	79	0	0	0	79	0	79	0
CCTV	0	32	0	0	32	1	0	(32)
Portable Ballistic Equipment	23	0	0	0	23	0	23	0
Total Other Schemes	102	32	0	0	134	1	102	(32)

Narrative

The scheme to deliver a countywide CCTV capability is complete but the scheme also included a phase 2 project to provide a digital link into the criminal justice system. This part of the project is delayed due to national problems concerning the upgrades to the ICT systems used by the courts service. The budget and the financing for phase 2 has been moved to 2018/19.

Recommendations for PCC approval

- R4) To note the slippage on the CCTV programme.

Appendix A – Four-year capital strategy on a scheme by scheme analysis

Project Name	Spend to 31 Mar '17	Projected Outurn 2017/18	Projected Outurn 2018/19	Projected Outurn 2019/20	Projected Outurn 2020/21	Projected Total Cost	Variance (Under) / Overspend
	£	£	£	£	£	£	£
ICT SCHEMES							
<i>Firm Schemes</i>							
- ICT End User Hardware Replacements	1,634,746	256,645	0	0	0	1,891,391	0
- ICT Infrastructure Solution Replacement	60,863	0	0	0	0	60,863	0
- ICT Core Hardware Replacements	3,286,926	0	0	0	0	3,286,926	0
- ICT Hardware Replacements - Radio / ESN	0.00	46,878	0	0	0	46,878	0
- Case and Custody	691,386	65,016	88,500	0	0	844,902	-14,098
- Digital Policing Project	1,803,664	309,036	157,140	7,283	7,428	2,284,550	-745,023
- Red Sigma	22,355	70,000	256,828	0	0	349,183	0
- WAN	73,630	80,370	0	0	0	154,000	0
- Hi Tech Crime Improvements	0	50,000	0	0	0	50,000	0
<i>Delegated / Indicative Schemes</i>							
- ICT End User Hardware Replacements	0.00	0	763,940	143,810	98,971	1,006,721	0
- ICT Infrastructure Solution Replacement (D)	0.00	50,600	1,673,360	112,386	53,382	1,889,728	0
- ICT Core Hardware Replacements (D)	0.00	478,814	662,445	1,579,865	2,728,032	5,449,156	-9,586
- ICT Core Infrastructure Replacement	0.00	0	0	0	0	0	0
- ICT Radio Replacement / ESN (D)	0.00	0	2,510,000	0	0	2,510,000	0
SUB TOTAL ICT SCHEMES	7,573,570	1,407,358	6,112,213	1,843,344	2,887,813	19,824,298	-768,707
FLEET SCHEMES							
<i>Firm Schemes</i>							
- Vehicle Replacements - 16/17 & 17/18	930,679	2,434,906	0	0	0	3,365,585	0
<i>Indicative Schemes</i>							
- Vehicle Replacements - Future Years	0.00	0	744,848	744,332	1,980,720	3,469,900	0
- Fleet - Ballistically Protected Vehicle		60,000	0	0	0	60,000	0
- VASCAR		0	0	0	0	0	0
SUB TOTAL FLEET SCHEMES	930,679	2,494,906	744,848	744,332	1,980,720	6,895,485	0
TOTAL CONSTABULARY PROGRAMME	8,504,249	3,902,264	6,857,061	2,587,676	4,868,533	26,719,783	-768,707

Project Name	Spend to 31 Mar '17	Projected Outurn 2017/18	Projected Outurn 2018/19	Projected Outurn 2019/20	Projected Outurn 2020/21	Projected Total Cost	Variance (Under) / Overspend
	£	£	£	£	£	£	£
ESTATES SCHEMES							
<i>Firm Schemes</i>							
- South Cumbria Estate	9,139,675	0	0	0	0	9,139,675	0
- Estates - HQ Electrical Infrastructure	702,974	0	0	0	0	702,974	0
- HQ - Carpark	186,755.01	0	0	0	0	186,755	0
- Demolition of the Green	0.00	27,354	0	0	0	27,354	0
- Eden Deployment Centre	7,050.00	119,838	0	0	0	126,888	0
- Workington - Land Purchase	0.00	300,000	0	0	0	300,000	0
- HQ - Land Purchase	0.00	120,000	0	0	0	120,000	0
- UPS - HQ	0.00	0	0	100,000	0	100,000	0
- Roof Repairs - Various	0.00	0	37,625	55,000	70,000	162,625	0
- Heating & ventilation @ Durranhill	0.00	30,000	0	0	0	30,000	0
- HQ Static inverter	0.00	50,000	0	0	0	50,000	0
- Flood works at HQ	0.00	100,000	0	0	0	100,000	0
<i>Indicative/Delegated Schemes</i>							
- Estates - Demolition of the Green (D)	0	69,617	0	0	0	69,617	0
- Eden NPT and Hostel (D)		380,162	3,062,150	0	0	3,442,312	0
- Garage Provision (I)	0.00	0	500,000	0	0	500,000	0
- West Resilience Flood Management (I)	0.00	0	0	750,000	1,050,000	1,800,000	0
SUB TOTAL ESTATES SCHEMES	10,036,454	1,196,971	3,599,775	905,000	1,120,000	16,858,200	0
OTHER SCHEMES							
<i>Firm Schemes</i>							
- CCTV	1,088,194	0	32,339	0	0	1,120,533	0
- L&D - Blended Learning	0.00	79,000	0	0	0	79,000	0
- Print Room Equipment	0.00	0	0	0	0	0	0
<i>Indicative/Delegated Schemes</i>							
- Portable Ballistic Equipment (I)	0.00	23,050	23,050	0	0	46,100	0
SUB TOTAL OTHER SCHEMES	1,088,194	102,050	55,389	0	0	1,245,633	0
GRAND TOTAL CAPITAL PROGRAMME	19,628,897	5,201,285	10,512,225	3,492,676	5,988,533	44,823,616	-768,707