

Quarter 3 - October to December 2017

Headlines

The current forecast of net expenditure amounts to £6,019k compared to a revised budget of £9,022k, this represents a variance of £3,003k (33.28%).

The variance is made up of net budget changes of £243k and slippage to future years of £2,760k. 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. A breakdown of these figures are shown in table 2 below and the detailed explanations are shown over the page. Total slippage is broken down as follows:

Slippage	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total £000s	% of Adjusted Budget
ICT Schemes	0	(829)	(96)	0	(925)	22%
Fleet Schemes	0	0	(658)	0	(658)	26%
Estates Schemes	(951)	0	(197)	0	(1,148)	53%
Other Schemes	0	(32)	3	0	(29)	21%
	(951)	(861)	(948)	0	(2,760)	31%

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:R7) 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	2,243
Budgets Changes - Approved	(1,001)
Approved Adjusted Budget 2017/18	9,022
Capital Expenditure Outturn 2017/18 (Table 1)	6,019
Forecast Variation	(3,003)
Made up of:	
Budget Changes (Under)/Overspend (Table 2)	(243)
Slippage to 2018/19 (Table 2)	(2,760)
	(3,003)

Summary of Capital Budget	2017/18 £000s
Capital Expenditure	
ICT Schemes	3,161
Fleet Schemes	1,748
Estates Schemes	1,005
Other Schemes	105
	6,019
Capital Financing	
Capital Receipts	0
Revenue Contributions	1,586
Capital Grants	0
Reserves	4,433
Borrowing	0
	6,019

Forecast Variation summary	Changes £000s	Slippage £000s
Case and Custody		(91)
Mobility and Digital		(257)
Red Sigma	(40)	(243)
ICT Infrastructure Solution Replacements	(23)	(182)
ICT Core Hardware Replacements	(54)	(152)
Eden Deployment & Hostels		(1,148)
ICT End User Hardware Replacements	(42)	
Vehicles	(89)	(658)
Heating & ventilation @ Durranshill	5	
CCTV		(29)
	(243)	(2,760)

*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

The reported slippage from 2017/18 schemes has the effect of moving budgets and corresponding financing from 2017/18 to 2018/19. The approval of the Control Room Futures project has had the effect of changing all 4 years of the MTFB budgets. Details of these changes can be found over the page in the ICT section.

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Capital Expenditure				
ICT Schemes	3,161	9,897	704	2,866
Fleet Schemes	1,748	1,403	744	1,981
Estates Schemes	1,005	3,797	905	1,120
Other Schemes	105	52	0	0
	6,019	15,149	2,353	5,967
Capital Financing				
Capital Receipts	0	0	0	642
Revenue Contributions	1,586	1,744	1,684	3,075
Capital Grants	0	6,223	369	974
Reserves	4,433	7,181	300	1,275
Borrowing	0	0	0	0
	6,019	15,149	2,353	5,967

*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 Dec-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
Fleet Schemes								
Vehicle Replacements - 16/17 & 17/18	1,938	307	190	0	2,435	355	1,688	(747)
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	355	1,748	(747)

Narrative

Orders have been placed for a significant number of vehicles within the 2017/18 fleet programme but due to lead times we have not received or paid for many vehicles. An assessment of the 2017/18 replacement programme has been undertaken and the Fleet manager has chosen to extend the life of some of the vehicles. For this reason £315k has been slipped into 2018/19. A number of growth vehicles identified for purchase in 2017/18 have also been moved into 2018/19. These are subject to separate business cases and it is unlikely that the purchases will be completed in 2017/18 so £343k has been rolled in to 2018/19. Total Slippage £658k.

The whole fleet programme has been reviewed and re-programmed as part of the 10 year capital planning process and is presented elsewhere on the agenda. Through this detailed review it has been discovered that 4 vehicles in 2017/18 no longer require replacement and 1 vehicle due for replacement in 2018/19 needed to be brought forward to 2017/18. This has resulted in a net return of budget of £89k

R1) To note the slippage on the vehicle replacement programme of £658k

R2) To note the return of budget of £89k

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 Dec-17 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
ICT Schemes								
ICT End User Hardware Replacements	150	103	0	0	253	195	211	(42)
ICT Core Hardware Replacements	581	0	2,073	(10)	2,644	10	2,437	(206)
ICT Infrastructure Solution Replacement	717	210	(70)	(14)	843	32	264	(579)
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	(777)	459	104	202	(257)
Total ICT Schemes	2,656	318	2,073	(801)	4,245	376	3,161	(1,084)

Narrative

The Core end user hardware programme included a budget of £50k for the replacement of the original smartphones purchased as part of the mobile and digital project. A review has shown that a number of devices are currently not being deployed to their full potential so they have been recalled and reissued. £8k of this budget has been retained to purchase replacement batteries for these devices so the net return is £42k.

The ICT core Hardware replacement budget contains a budget for external consultants. The ICT work programme has been set for the remainder of the year and £54k of this consultants budget is no longer required and will be returned. Each financial year the ICT programme includes £50k (uplifted by inflation each year) to allow us to implement small national programmes. There are a number of these on the horizon but only an upgrade to the ANPR system of £28k is expected in 2017/18 so the remaining £23k can be returned.

Changes to the slippage that has already been approved is as follows - The mobile and digital budget for consultancy of £107k, the Case and Custody budget of £3k and reverse slippage on the Red Sigma budget of £13k. In addition to the slippage on Red Sigma an element of the Durham developer budget is no longer required - £40k is to be returned

Recommendations for PCC approval

R5) To approve slippage of £96k.

R6) To note the return of budget no longer required of £159k

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 Dec-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	0	0	0
HQ Carpark	0	0	0	0	0	0	0	0
HQ Demolition of The Green	97	0	0	0	97	34	97	0
Eden Deployment Centre	1,408	43	0	0	1,451	222	303	(1,148)
Workington Land Purchase	0	500	0	(200)	300	0	300	0
HQ Land Purchase	0	0	120	0	120	65	120	0
Heating, ventilation & cooling plant @ Durranhill	30	0	0	0	30	0	35	5
HQ Static inverter	50	0	0	0	50	0	50	0
HQ Flood Defence	50	0	50	0	100	68	100	0
Total Estates Schemes	1,635	543	170	(200)	2,148	116	1,005	(1,143)

Narrative

Work is continuing on the Eden Deployment Centre and work has begun on evaluating the tenders. It is felt that once the winning tender is selected and the contracts are signed in February 2018 a maximum of £400k will be spent on the scheme in 2017/18. This has resulted in slippage from the original plan of £1,148k the majority of which was reported in qtr 1. The quotes for the Heating, ventilation and cooling plant scheme at Durranhill have been returned and following a small change to the specification the cost of the scheme has increased by £5k to £35k.

The sale of the old Barrow police station was completed 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 November 2017.

The scheme to purchase land in the west of the county is now on target to complete at the end of qtr 4.

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

R3) To note the additional slippage £197k on the Eden Deployment Centre Scheme.

R4) To approve the increase of £5k on the Heating, cooling and ventilation scheme at Durranhill.

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 Dec-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	3	(29)
Portable Ballistic Equipment	23	0	0	0	23	0	23	0
Total Other Schemes	102	32	0	0	134	1	105	(29)

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. Slippage of £32k was approved in the Qtr 2 report but a small change of £3k is reported here.

R7) To approve a small change in slippage of £3k.

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

Project Name	Spend to Dec-17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Outturn 2019/20	Projected Outturn 2020/21	Projected Total Cost	Variance (Under) / Overspend
	£	£	£	£	£	£	£
ICT SCHEMES							
<i>Firm Schemes</i>							
- ICT End User Hardware Replacements	195,368	210,875	0	0	0	1,845,621	-41,770
- ICT Infrastructure Solution Replacement	0	0	0	0	0	60,863	0
- ICT Core Hardware Replacements	10,450	404,865	0	0	0	3,691,791	-53,949
- ICT Hardware Replacements - Radio / ESN	34,385	46,878	0	0	0	46,878	0
- Case and Custody	15,400	61,716	91,800	0	0	844,902	0
- Digital Policing Project	104,191	202,056	268,120	7,283	7,428	2,288,550	0
- Red Sigma	38,167	43,917.35	242,910	0	0	309,183	-40,000
- WAN	-43,834	80,370	0	0	0	154,000	0
- Hi Tech Crime Improvements	22,152	50,000	0	0	0	50,000	0
- SaaB - Control Room Futures	0	2,012,590	3,684,538	150,000	0	5,847,128	0
<i>Delegated / Indicative Schemes</i>							
- ICT End User Hardware Replacements	0	0	763,940	143,810	98,971	1,006,721	0
- ICT Infrastructure Solution Replacement (D)	0	28,000	1,673,360	112,386	53,382	1,867,128	-22,600
- ICT Core Hardware Replacements (D)	0	20,000	662,445	290,240	2,706,032	3,678,717	0
- ICT Core Infrastructure Replacement	0	0	0	0	0	0	0
- ICT Radio Replacement / ESN (D)	0	0	2,510,000	0	0	2,510,000	0
SUB TOTAL ICT SCHEMES	376,280	3,161,267	9,897,113	703,719	2,865,813	24,201,482	-158,319
FLEET SCHEMES							
<i>Firm Schemes</i>							
- Vehicle Replacements - 16/17 & 17/18	354,765	1,687,569	657,772	0	0	3,276,020	-89,566
<i>Indicative Schemes</i>							
- Vehicle Replacements - Future Years	0	0	744,848	744,332	1,980,720	3,469,900	0
- Fleet - Ballistically Protected Vehicle	0	60,000	0	0	0	60,000	0
- VASCAR	0	0	0	0	0	0	0
SUB TOTAL FLEET SCHEMES	354,765	1,747,569	1,402,620	744,332	1,980,720	6,805,920	-89,566
TOTAL CONSTABULARY PROGRAMME	731,045	4,908,835	11,299,733	1,448,051	4,846,533	31,007,402	-247,885

Project Name	Spend to Dec-17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Outturn 2019/20	Projected Outturn 2020/21	Projected Total Cost	Variance (Under) / Overspend
	£	£	£	£	£	£	£
ESTATES SCHEMES							
<i>Firm Schemes</i>							
- South Cumbria Estate	-273,091	0	0	0	0	9,139,675	0
- Estates - HQ Electrical Infrastructure	0	0	0	0	0	702,974	0
- HQ - Carpark	0	0	0	0	0	186,755	0
- Demolition of the Green	34,180	34,180	0	0	0	34,180	0
- Eden Deployment Centre	222,327	222,327	0	0	0	229,377	0
- Workington - Land Purchase	0	300,000	0	0	0	300,000	0
- HQ - Land Purchase	64,500	120,000	0	0	0	120,000	0
- UPS - HQ	0	0	0	100,000	0	100,000	0
- Roof Repairs - Various	0	0	37,625	55,000	70,000	162,625	0
- Heating & ventilation @ Durrhill	0	35,000	0	0	0	35,000	5,000
- HQ Static inverter	0	50,000	0	0	0	50,000	0
- Flood works at HQ	67,632	100,000	0	0	0	100,000	0
<i>Indicative/Delegated Schemes</i>							
- Estates - Demolition of the Green (D)	0	62,791	0	0	0	62,791	0
- Eden NPT and Hostel (D)	0	80,703	3,259,121	0	0	3,339,824	0
- Garage Provision (I)	0	0	500,000	0	0	500,000	0
- West Resilience Flood Management (I)	0	0	0	750,000	1,050,000	1,800,000	0
SUB TOTAL ESTATES SCHEMES	115,548	1,005,000	3,796,746	905,000	1,120,000	16,863,200	5,000
OTHER SCHEMES							
<i>Firm Schemes</i>							
- CCTV	1,000	3,299	29,041	0	0	1,120,533	0
- L&D - Blended Learning	0	79,000	0	0	0	79,000	0
- Print Room Equipment	0	0	0	0	0	0	0
<i>Indicative/Delegated Schemes</i>							
- Portable Ballistic Equipment (I)	0	23,050	23,050	0	0	46,100	0
SUB TOTAL OTHER SCHEMES	1,000	105,349	52,091	0	0	1,245,633	0
GRAND TOTAL CAPITAL PROGRAMME	847,593	6,019,184	15,148,570	2,353,051	5,966,533	49,116,235	-242,885

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