

Summary at September 2018

The current forecast of net expenditure amounts to £8.689m compared to a revised budget of £8.999m. The variance amounts to a net forecast underspend on the capital programme of £101k (1.12%) and reported slippage to date of £209k (2.32%). 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	109
Budgets Changes - Approved	(813)
Approved Adjusted Budget 2018/19	8,999
Capital Expenditure Outturn 2018/19	8,689
Forecast Variation	(310)
Made up of:	
Budget Changes (Under)/Overspend (Table 2)	(101)
Slippage to 2018/19 (Table 3)	(209)
	(310)

Table 1	2018/19
Summary of Capital Budget	£000s
Capital Expenditure	
ICT Schemes	3,611
Fleet Schemes	1,219
Estates Schemes	3,740
Other Schemes	120
	8,689
Capital Financing	
Capital Receipts	0
Revenue Contributions	1,588
Capital Grants	575
Reserves	6,526
Borrowing	0
	8,689

Table 2	Changes
Forecast Variation summary	£000s
- E Business	(95)
- Control Room Futures	(46)
- Vehicle Replacements	40
	(101)

Table 3					Total	% of Adjusted
Slippage	Qtr 1	Qtr 2	Qtr 3	Qtr 4	£000s	Budget
ICT Schemes	0	0			0	0%
Fleet Schemes	0	(209)			(209)	17%
Estates Schemes	0	0			0	0%
Other Schemes	0	0			0	0%
	0	(209)	0	0	(209)	2%

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 – R5 as set out on pages 2 and 3 of this capital update report.

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 current ICT strategy is being re-assessed to ensure that the planned replacements meet the current requirements of the users, provide best value for our investment and are easily maintained by the ICT team. The largest single project within the ICT program (£2m) is the replacement of several smaller systems with one integrated Command and control system.

R1) The Commissioner is asked to approve the transfer of £46k from the Control Room Futures capital budget to increase the revenue budget for the project. This revenue expenditure is to provide a business lead and associated training.

R2) The Commissioner is asked to approve the transfer of £95k from the E-Business capital budget to create a revenue budget for the project. This revenue expenditure is to provide a corporate change manager and a consultant to conduct an oracle licence review

Within both these approved capital budgets there are provisions to cover project staffing resources. The above resources requested to support these projects are deemed to constitute revenue rather than capital expenditure and as such the budget is being requested to be transferred. A total of £141k will be transferred.

Fleet schemes

The fleet replacement budget for 2018/19 is £1.219m, of this approximately £968k of replacement vehicles have been ordered and almost £251k are in the early stages of procurement (including the £40k requested below). All of these vehicles are expected to be delivered in 2018. 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 £209k into 2019/20 as delivery of the remaining vehicles is not expected in this financial year.

R3) The Commissioner is asked to approve an increase the 2018/19 programme by £40k to facilitate the replacement of a vehicle. The vehicle has been damaged beyond repair and due to operational requirements, it will need to be replaced. The value of the vehicle is above the insurance excess and work continues with the insurance assessors to reach settlement. Insurance receipts will be transferred to the capital financing to part fund this replacement.

The net variance of £209k slippage and £40k approval equals the £169k total variance for fleet schemes.

Estates schemes

Of the £3.7m estates program budget, £3.3m is in relation to the Eden Deployment Centre building scheme for which construction is now well underway. Payments have been made based on the surveyor's valuation which are in line with the agreed payment schedule. The remainder of the estates budget relates to smaller replacement equipment and the purchase of land at Workington all of which are on target to be completed in 2018/19.

Within these smaller schemes is provision for investment in a fire protection "gas suppression" system for the main electrical switch room. This work was however completed from the estates revenue maintenance budget towards the end of 2017/18 following a recommendation from an insurance risk assessment. The Head of Estates and Fleet proposes that the capital funding originally set aside in the 2018/19 budget for the gas suppression system be re-directed towards a new scheme to replace the batteries in the electrical generators that are used to support the HQ site

R4) The commissioner is asked to approve a change of use for the £30k original HQ Gas Suppression budget to fund the replacement of generator batteries. If approved, this funding will be transferred to the revenue maintenance budget.

Other schemes

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

As mentioned above, the capital programme includes an indicative budget of £46,100 for the replacement of portable ballistic protection equipment (shields). A business case is currently being prepared for Chief Officers to seek approval to replace existing ballistic shields within this budget provision. The Commissioner is asked to delegate approval for the use of this budget to the Joint Chief Finance Officer following consideration by Chief Officers".

R5) The commissioner is asked to approve the delegation of the currently indicative portable ballistic protection equipment budget to the Joint Chief Finance Officer to approve, once the business case has been considered by Chief Officers.

Capital Budget Monitoring 2018/19

Forecast as at 30 September 2018 to PAC 07 November 2018 (to COG 05 November 2018)

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

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 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s
Capital Expenditure				
ICT Schemes	3,611	6,248	3,411	2,006
Fleet Schemes	1,219	914	2,241	996
Estates Schemes	3,740	2,264	1,865	5,825
Other Schemes	120	250	0	500
	8,689	9,676	7,517	9,326
Capital Financing				
Capital Receipts	0	0	1,837	154
Revenue Contributions	1,588	1,684	3,132	2,984
Capital Grants	575	5,600	1,272	364
Reserves	6,526	2,393	1,275	2,425
Borrowing	0	0	0	3,400
	8,689	9,676	7,517	9,326

Capital Budget Monitoring 2018/19

Forecast as at 30 September 2018 to PAC 07 November 2018 (to COG 05 November 2018)

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 Sep-18 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
ICT Schemes								
ICT End User Hardware Replacements	340	0	0	0	340	15	110	(229)
ICT Infrastructure Solution Replacement	35	0	0	0	35	0	35	0
ICT Core Hardware Replacements	570	(132)	0	0	438	54	364	(74)
ICT Hardware ReplacementsRadio / ESN	50	12	0	0	62	0	62	0
Case and Custody	92	(3)	0	(50)	38	0	38	0
Digital Policing Project	261	44	0	0	305	(29)	212	(93)
Red Sigma	252	(43)	0	(207)	2	0	2	0
Hi Tech Crime Improvements (DMIU)	50	27	0	0	77	29	85	8
Control Room Futures	3,685	(1,720)	0	(25)	1,939	521	1,559	(380)
E Business	1,440	(70)	0	0	1,370	15	1,240	(130)
Body Worn Video	0	65	0	0	65	55	65	0
National ANPR	0	0	0	28	28	0	28	0
Unified National Systems	51	28	0	(28)	51	0	51	0
General Slippage	(1,000)	0	0	0	(1,000)	0	(242)	758
Total ICT Schemes	5,826	(1,792)	0	(282)	3,752	660	3,611	(141)
Fleet Schemes								
Vehicle Replacements - 17/18 & 18/19	1,208	67	59	11	1,345	66	1,177	(169)
Fleet - Ballistically Protected Vehicle	0	42	0	0	42	0	42	0
Total Fleet Schemes	1,208	109	59	11	1,388	66	1,219	(169)
Estates Schemes								
Eden Deployment Centre	3,503	(203)	0	0	3,300	843	3,300	0
Workington - Land Purchase	0	300	0	0	300	0	300	0
Flood works at HQ	0	10	0	0	10	10	10	0
Durranhill CCTV and Cell Call	50	0	0	0	50	6	50	0
Durranhill heat and Vent Plant	50	0	0	0	50	0	50	0
HQ Gas Suppression system	30	0	0	0	30	0	30	0
Total Estates Schemes	3,633	107	0	0	3,740	859	3,740	0
Other Schemes								
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	0	46	0
Business Analytics	542	0	0	(542)	0	0	0	0
Total Other Schemes	594	18	50	(542)	120	50	120	0
Total Capital Expenditure 2018/19	11,261	(1,558)	109	(813)	8,999	1,635	8,689	(310)