

Nottinghamshire Police and Crime Commissioner

Notice of Decision



Author:	Charlotte Radford
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For Decision or Information	Decision
Date received*:	30 th December 2015
Ref*:	2015.068

*to be inserted by Office of PCC

TITLE: Period 8 Capital Monitoring and Forecast Report 2015-2016 Estimated Capital Programme Refresh 2016-2017- 2017-2018

EXECUTIVE SUMMARY:

To provide information on the actual expenditure against the 2015-2016 Capital Programme to the end of November 2015. Information is also provided on the anticipated expenditure for the remainder of the year, and on any updates on the progress of schemes. An update of future years capital expenditure and funding is also included. This is an update to the information provided on 16 November 2015.

INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)

There are three main areas to the Capital Programme:

- Estates Projects controlled by Tim Wendels, Head of Estates and Facilities Management.
- Information Services Projects controlled by Christi Carson, Head of Information Services.
- Other Projects – which have managers from across the Force or come under the control of the Commissioner.

The original budget for the year was £10.1m and the forecast at period 3 was £21.2m including slippage from 2014-2015. Following a review to assess the necessity of every scheme in light of the potential Strategic Alliance and other business developments this was reduced to £13.2m at Period 6. Following the approval of 'the proof of concept' of the Strategic Alliance a further review has been undertaken. This has removed schemes totalling £1.5m from the current plus £6.3m in future years. This re-alignment was necessary to ensure major projects will not become obsolete under the Strategic Alliance. The projects cancelled under this review are shown in detail within the appendices.

At this time of year a refresh of the future capital programme would normally be undertaken. It is considered that the level of savings to be achieved, the scrutiny just undertaken, and the as yet unknown requirements of the Strategic Alliance, make this inappropriate at this time.

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However Appendix 1 to this report has been expanded from previous reports to show information for future years and total scheme costs. An indication of the financing and resultant MRP costs is also now included and summarised in the following table.

	2015/16 Forecast Period 6	2015/16 Forecast Period 8	2016/17 Revised budget	2017/18 Revised Budget	Total Project Cost (inc prior years)
	£m	£m	£m	£m	£m
Estates	6.165	4.946	2.426	0.025	12.296
IS	5.285	4.848	2.417	0.000	13.224
Other	4.722	4.343	0.405	0.000	7.703
Slippage Risk	-3.000	-4.000	4.000		
Total	13.172	10.137	9.248	0.025	33.223
Financed by					
Capital Grant	1.448	1.448	0.869	0.025	
Capital Receipts	1.369	1.369	0.768	0	
Capital Contributions	1.300	1.300	0	0	
Borrowing	9.055	6.020	7.611	0	
Total	13.172	10.137	9.248	0.025	
Additional MRP generated for the following years revenue		0.448	0.632	0	

Since the Period 6 report the government have announced grant settlements for 2016-2017 and capital grant has been cut by 40% to £0.869m. It is speculated that general capital grant will not exist in the future, and similar future cuts are assumed.

Virement of £0.150m has been approved by the Chief Finance Officer. This is in relation to the telephony project which has been a major on going project now nearing conclusion. In 2014-2015 it was estimated that the project could be completed for £0.150m less and this was removed from the programme as a saving. However this has not proved possible and the virement is to complete the project within its original budget. Of this £0.120m has been moved from the SQL Server which no longer qualifies as a capital project and £0.030m from energy initiatives which are no longer being pursued.

Further virements have also been approved by the Chief Finance Officer from the energy initiatives budget of £0.034m to complete statutory custody improvements and £0.021m to complete refurbishments at Broxtowe.

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schemes will still be valid under a Strategic Alliance. The volume of expenditure currently predicted for the remainder of the year seems unrealistic but will have a big impact on borrowing and cash flow decisions, therefore budget managers must ensure expenditure profiles are realistic.

Appendices attached for further detail.

Signature:
Chief Finance Officer

Date: 16th February 2016

Is any of the supporting information classified as non public or confidential information?**

Yes

No

If yes, please state under which category number from the guidance**

DECISION:

That the Period 8 forecast of £10.137m is approved.

That the variations to the programme are approved.

OFFICER APPROVAL

I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:
Chief Executive

Date: 2/3/16

DECLARATION:

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature:
Nottinghamshire Police and Crime Commissioner

Date:

4/3/16

** See guidance on non public information



Nottinghamshire Police and Crime Commissioner

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A summary of the position at the end of period 8 is shown in the table below

	£m
Original Programme approved by the PCC	10.054
Slippage approved to be carried forward from 2014-2015	10.123
Original Approved Budget	20.177
Project changes at period 6	-3.848
Slippage identified at period 6	-0.157
Appendix 1 Forecast at Period 6	16.172
Project Changes identified in Period 7 & 8	
Additional Estates slippage identified	-0.521
Additional Estates underspend identified	-0.013
Estates Projects cancelled due to Strategic Alliance	-0.655
IS Projects cancelled due to Strategic Alliance	-0.465
Additional IS underspend identified	-0.002
Other Projects cancelled due to Strategic Alliance	-0.379
2015-2016 Revised Forecast P8	14.137
Slippage Risk	-4.000
2015-2016 Revised Forecast P8 with slippage risk	10.137

Cumulative expenditure at Period 8 on all schemes was £4.659m, which equates to less than 33% of the Revised Forecast (excluding slippage risk). The cumulative expenditure is detailed by scheme in Appendix 1 and summarised in the following table:

	Original Budget for Year	Forecast Period 3	Forecast Period 6	Forecast Period 8	Actual spend to Period 8	Budget Remaining
	£m	£m	£m	£m	£m	£m
Estates	7.266	7.126	6.165	4.946	2.047	2.899
IS	4.770	5.848	5.285	4.848	0.818	4.030
Other	8.141	8.193	4.722	4.343	1.794	2.549
Total (Appendix 1)	20.177	21.167	16.172	14.137	4.659	9.478
Potential Slippage	0	-1.000	-3.000	-4.000		-4.000
Total Forecast	20.177	20.167	13.172	10.137	4.659	5.478

FINANCIAL INFORMATION (please include if it is capital or revenue or both. What the split is and the totals being requested. Is this a virement/ something already budgeted for or something that requires additional funding. Are there any savings that can be offered up/or achieved)

Financing of the Capital Programme has a direct effect on the future year's revenue costs both in terms of MRP charge and borrowing costs. Budget managers must continue to assess whether

For Decision	
Public	
Report to:	Strategic~Performance Committee
Date of Meeting:	
Report of:	Temporary Head of Finance
Report Author:	Pam Taylor
E-mail:	pamela.taylor@nottinghamshire.pnn.police.uk
Other Contacts:	Amanda Harlow
Agenda Item:	

Period 8 Capital Monitoring and Forecast Report 2015-2016 **Estimated Capital Programme Refresh 2016-2017- 2017-2018**

1. Purpose of the Report

- 1.1 To provide information on the actual expenditure against the 2015-2016 Capital Programme to the end of November 2015. Information is also provided on the anticipated expenditure for the remainder of the year, and on any updates on the progress of schemes. An update of future years capital expenditure and funding is also included. This is an update to the information provided on 16 November 2015.

2. Recommendations

- 2.1 That the Period 8 forecast of £10.137m is approved. (Para 4.7)
- 2.2 That the variations to the programme are approved. (Para 4.6)

3. Reasons for Recommendations

- 3.1 To provide an update on this major area of expenditure as required by Financial Regulations.

4. Summary of Key Points

- 4.1 There are three main areas to the Capital Programme:
- Estates Projects controlled by Tim Wendels, Head of Estates and Facilities Management.
 - Information Services Projects controlled by Christi Carson, Head of Information Services.
 - Other Projects – which have managers from across the Force or come under the control of the Commissioner.

- 4.2 The original budget for the year was £10.1m and the forecast at period 3 was £21.2m including slippage from 2014-2015. Following a review to assess the necessity of every scheme in light of the potential Strategic Alliance and other business developments this was reduced to £13.2m at Period 6. Following the approval of 'the proof of concept' of the Strategic Alliance a further review has been undertaken. This has removed schemes totalling £1.5m from the current plus £6.3m in future years. This re-alignment was necessary to ensure major projects will not become obsolete under the Strategic Alliance. The projects cancelled under this review are shown in detail within the appendices.
- 4.3 At this time of year a refresh of the future capital programme would normally be undertaken. It is considered that the level of savings to be achieved, the scrutiny just undertaken, and the as yet unknown requirements of the Strategic Alliance, make this inappropriate at this time. However Appendix 1 to this report has been expanded from previous reports to show information for future years and total scheme costs. An indication of the financing and resultant MRP costs is also now included and summarised in the following table.

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Additional MRP generated for the following years revenue		0.448	0.632	0	

4.4 Since the Period 6 report the government have announced grant settlements for 2016-2017 and capital grant has been cut by 40% to £0.869m. It is speculated that general capital grant will not exist in the future, and similar future cuts are assumed.

4.5 Virement of £0.150m has been approved by the Chief Finance Officer . This is in relation to the telephony project which has been a major on going project now nearing conclusion. In 2014-2015 it was estimated that the project could be completed for £0.150m less and this was removed from the programme as a saving. However this has not proved possible and the virement is to complete the project within its original budget. Of this £0.120m has been moved from the SQL Server which no longer qualifies as a capital project and £0.030m from energy initiatives which are no longer being pursued.

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4.6 A summary of the position at the end of period 8 is shown in the table below

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Slippage Risk	-4.000
2015-2016 Revised Forecast P8 with slippage risk	10.137

4.7 Cumulative expenditure at Period 8 on all schemes was £4.659m, which equates to less than 33% of the Revised Forecast (excluding slippage risk). The cumulative expenditure is detailed by scheme in Appendix 1 and summarised in the following table:

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Potential Slippage	0	-1.000	-3.000	-4.000		-4.000
Total Forecast	20.177	20.167	13.172	10.137	4.659	5.478

5 Financial Implications and Budget Provision

- 5.1 The financing of the Capital Programme has a direct effect on the future year's revenue costs both in terms of MRP charge and borrowing costs. Budget managers must continue to assess whether schemes will still be valid under a Strategic Alliance. The volume of expenditure currently predicted for the remainder of the year seems unrealistic but will have a big impact on borrowing and cash flow decisions, therefore budget managers must ensure expenditure profiles are realistic.

6 Human Resources Implications

- 6.1 None known.

7 Equality Implications

- 7.1 None known.

8 Risk Management

- 8.1 None known.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The Business Case approval for individual projects are linked to Police and Crime Plan Priorities.

10 Changes in Legislation or other Legal Considerations

10.1 Not Applicable.

11 Details of outcome of consultation

11.1 Not Applicable.

12. Appendices

12.1 Appendix 1 - Capital Forecast Period 8 2015-2016 – 2017-2018
Appendix 2 - Capital Programme changes 2016-2017 & 2017-2018

Appendix 1 - Capital Forecast Period 8 2015-2016 – 2017-2018

	2015/16		2015/16		Under (-) /		New Projects	Spend to date	Budget Remaining	2015/16 Forecast spend	2016/17 Revised Budget	2017/18 Revised Budget	Total Project Cost (inc prior years)
	Original App	Budget inc.	Approved	Slippage	Over	Virements							
	Budget inc. slippage	Budget pd06	Budget pd06	Slippage	Spend	Virements							
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Estates Projects													
Access Control Improvement Works	605	605						125	480	605			625
Arrow Centre Conversion	82	62						23	39	62			1,056
Automatic Gates/Barriers - various	0	0							0	0	200		200
Biomass Boilers	137	137							137	137			480
Bircotes Information Centre	6	6							6	6			144
Bridewell Refurbishment	88	88							88	88	500	3,500	4,100
Broxtowe Refurbishment	239	204				21		225	0	225			226
Building Management replacement system	0	0							0	0	370		370
Bulwell Refurbishment	150	0							0	0	150		150
Bunkered Fuel Tank Works	225	60		-60					0	0	225		225
Byron House - Central Relocation	980	980							980	980			980
Carlton - East Mids Ambulance Service Community Station	100	0							0	0	100		100
CCTV (Non Custody)	33	33						14	19	33			194
Custody Improvements	145	145				34		179	0	179	25	25	1,445
Demolition of Huts	12	12							12	12			139
Digital Investigation Unit (DIU)/Cyber	420	300		-175				4	121	125	180		305
Eastwood Police Station Replacement	20	20							20	20	870		898
Energy Initiatives	122	122			-7	-85		30	0	30			619
FHQ Access Improvements - Occupational Health Unit (OHU)	13	13			-4			9	0	9			9
FHQ External Street Lighting	0	160							160	160			160
FHQ Fire Protection - Telephony room	53	53						50	3	53			60
FHQ Gym & Shower Improvements	0	0							0	0	0		0
FHQ Kennels	571	286		-146					140	140	431		638
FHQ Open Plan Offices	10	8			-2			6	0	6			327
FHQ Re-surfacing of roads & car parking	279	200						182	18	200		0	221
FHQ Tanking to Property store	50	50							50	50			50
Fire Alarm Panels Replacement	0	0							0	0	0		0
Fixed Electrical Works - various	0	0							0	0	0	0	0
Flat Roofs Replacement	3	3							3	3			97
Forensic Drying Cabinets - various	0	0							0	0	0		0
Generators & Associated Equipment - various	0	0							0	0	0		0
Lift replacement - Mansfield & Radford Road	0	55							55	55	55		121
Lucerne/Themis	0	1,300						1,086	214	1,300			1,790
Mansfield - Create open plan space	0	50		-50					0	0	800		800
Mansfield Kitchen Improvements	4	4							4	4			60
Mansfield Woodhouse	27	0							0	0			0
Mansfield Woodhouse Air Handling replacement	0	0							0	0	0		0
Meadows/Riverside	25	0							0	0			0
Newark - create open plan space	0	0							0	0	600		600
Ollerton House demolition	30	0							0	0			0

Oxclose Lane Refurbishment	450	450						450	450	400		850
Radford Road Refurbishment	233	131					103	28	131			148
Relocation of Control Room	1,278	0						0	0			0
Response Hub - Ranby	0	220						220	220			220
Retford Shared Service base	236	236					1	235	236			236
Rose Cottage	8	0						0	0			8
Shared Services	182	0						0	0			197
Southern Public Protection Refurb	0	30						30	30			30
Sundry minor & emergency works	150	0						0	0		0	0
Watnall Road Response Hub	0	42						42	42		0	42
West Bridgford 1st floor refurbishment	300	100	-90				10	0	10	290		301
	7,266	6,165	-521	-13	-30	0	2,047	3,554	5,601	5,196	3,525	19,221

	2015/16 Original Approved Budget inc. slippage	2015/16 Approved Budget pd06	Under (-) / Over Spend	Virements	New Projects	Spend to date	Budget Remaining	2015/16 Forecast spend	2016/17 Revised Budget	2017/18 Revised Budget	Total Project Cost (inc prior years)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
IS Projects												
Airwave Device Replacement	22	22					22	22			1,250	
Cloud Networking Migration	0	300					300	300			300	
Command & Control Replacement	0	0					0	0	0		0	
Continued Essential Hardware Refresh	0	0					0	0			667	
Crime Recording (CRMS) Archive & Exhibits	23	23					23	23			162	
Criminal Justice	19	0					0	0			753	
Data Domain Backup System	0	161				161	0	161			161	
Desktop Virtualisation	300	300				36	264	300			300	
Efinancials Upgrade	39	0					0	0			41	
EMRN Services onto PSN Bearers	0	34					34	34			34	
Enabling Change	400	0					0	0		0	387	
Essential Hardware Refresh	400	0					0	0		0	0	
Exchange 2010	32	32				22	10	32			225	
Integrated Command & Control System (ICCS) Replacement	0	0					0	0	500		500	
Improvements to Digital Investigation Storage	24	274				121	153	274	200		486	
Intrusion - monitor & heal software	0	60					60	60			60	
Local Perimeter Security Enhancements	31	31					31	31			50	
Migrate to PSN (Public Services Network)	98	98					98	98			110	
Mobile Data Changes and Enhancements	36	36					36	36			79	
Mobile Data H.O. Pentip	41	41					41	41			41	
Mobile Data Incident Update	150	150					150	150			150	
Mobile Data Managed Crime & Risk Forms	93	93					93	93			93	
Mobile Data Platform	500	296				257	39	296			296	
Mobile Data Remote Working	560	210				46	164	210	350		1,147	
Mobile Data Stop & Search	7	7					7	7			38	
Mobile Date H.O. Crash	170	170					170	170			170	
Mobile Device Pilot	102	102				80	22	102			135	
Network Infrastructure Improvements	0	2		-2			0	0	350		776	
Regional Agile Working	0	510					510	510	350		860	
Regional ANPR	0	0					0	0	99		99	
Regional LAN Desk Merger development	255	255				10	245	255	258		628	
Regional Project Storage (DIR)	167	167					167	167			253	
Ring of Steel ANPR Cameras	0	0					0	0	210		210	
Sharepoint Portal	0	200					200	200		50	250	
SQL Server	120	120			-120		0	0			0	
Storage Solutions	104	104					104	104	100		357	
System Centre Operation Manager (SCOM)	0	70					70	70			70	
Telephony Project	1,057	1,057			150	79	1,128	1,207			1,467	
Upgrade Audio Visual Equipment	0	50					50	50			50	
Upgrade Control Room Workstations	0	290					290	290			290	
Windows 7	20	20				6	14	20			794	
	4,770	5,285	0	-2	30	0	818	4,495	5,313	2,417	50	13,739

	2015/16 Original Approved Budget inc. slippage	2015/16 Approved Budget pd06	Slippage	Under (-) / Over Spend	Virements	New Projects	Spend to date	Budget Remaining	2015/16 Forecast spend	2016/17 Revised Budget	2017/18 Revised Budget	Total Project Cost (inc prior years)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Other Projects												
Artemis Fleet Management	199	199					38	161	199			677
Bassetlaw/Broxtowe ANPR provision	0	25						25	25	25		50
Body Worn Video	1,667	0						0	0			482
Chief Officer Team vehicles	0	0						0	0	30		198
Digital Interview Recorders	100	100					79	21	100			100
EMOpSS - East Midlands Operational Support Service	1,499	0						0	0			0
Equipment Contingency	0							0			0	0
Evidence Storage - Archive & Exhibits	100	70					15	55	70			70
Firearms Cabinets & Access Storage	100	100						100	100	50		150
MAIT - Multi Agency Intelligence Team	550	550						550	550			550
MFSS - Multi Force Shared Service	1,740	1,740					1,377	363	1,740			3,273
Niche	1,542	1,542					282	1,260	1,542			1,799
Unallocated non driver slot vehicles	100	0						0	0		0	0
Northern Property Store Increased Storage	200	0						0	0	300		300
PBS - Police Business Services	382	382					3	379	382			382
Virtual Courts	-38	14						14	14			51
	8,141	4,722	0	0	0	0	1,794	2,928	4,722	405	0	8,082
Total Programme	20,177	16,172	-521	-15	0	0	4,659	10,977	15,636	8,018	3,575	41,042
								Anticipated slippage	-4,000	4,000	0	
									11,636	12,018	3,575	