Security Classification	☐
Disclosable under FOIA 2000	☐ **Yes**
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Department/Area	☐ **Finance**
Date created	☐ **9 October 2013**
Chief Officer Approved by	☐
Attachments: *Appendix 1 – 2013/14 capital programme budget, forecast expenditure and sources of finance* *Appendix 2 – graphical profile of forecast expenditure for business transformation capital projects*	
Purpose Of Paper: *Decision* ☐ *Consultation* ☐ *Information* ✔☐	

RESOURCES GOVERNANCE MEETING : 4 NOVEMBER 2013

ITEM NO:

TITLE: 2013/14 CAPITAL BUDGET MONITORING REPORT

Summary
This is the capital report as at 30th September 2013. It shows planned capital expenditure of £8,372k against the budget of £10,030k.

The projected budget and expenditure forecasts are shown in Appendix 1 to this report as well as plans for financing the programme.

Appendix 2 gives a graphical representation of the phasing of expenditure within business transformation projects.

Programme for 2013/14

- The Force is planning to complete all the projects shown in Appendix 1 in order to develop policing services. This is particularly the case for business transformation. Significant slippage has occurred in this area of the programme from 2012/13. The continuation of this project has been subject to delay but it is intended that significant progress will be made in the second half of 2013/14.
- The existing capital programme contains some items of revenue expenditure. Expenditure relating to transition and transformation work has been previously identified as revenue; approval is requested to remove this from the Capital Programme elsewhere on this agenda. This will also reduce borrowing, leading to lower revenue costs in 2014/15.
- Expenditure forecasts for building schemes and vehicle replacement are on target.

Scheme commentaries and variances

The overall capital programme is forecast to be £1.7m underspent. This comes largely from the reallocation of some expenditure to revenue budgets (as described above) and slippage of expenditure to 2014/15. This anomaly will be corrected by the changes to the Capital Programme proposed in the Decision Report on this Agenda.

Negotiations with suppliers have been ongoing for Airwave replacement handsets. The first 1,000 sets have been ordered at a lower price than originally anticipated, leading to a £72k underspend. There will be further savings on the 700 handsets to be ordered in 2014/15. In total the costs are expected to be £330k lower over the 2 years than the original £1m estimate.

Costs for the West Parade roof will be £65k lower than first estimated. An important factor in the price reduction was getting the work done outside the busy school holiday period.

The body armour does not all need replacing, £253k is forecast to be spent in 2013/14. Details of the long term strategy are still being explored.

Business Transformation

The Business Transformation profile of spend in total and for each scheme is shown graphically at Appendix 2. Following the work undertaken at previous meetings to examine the spend in this area of the Programme, revision are proposed in the Decision Report on this agenda.

- After 6 months £685k has been spent. The forecast spend for the year is £5241k. All the £1.7m for t-police is expected in the last quarter of the year.

- Current T-Police go live date is 1st April for all workstreams, with the possibility that Finance will start earlier.

Risks

- Slippage in general is an issue for capital expenditure. The average underspend has been more than 40% for the last 7 years.
- This is most likely in Business Transformation since this is the largest scheme and it is of an innovative nature rather than being a more standard project.
- The current building schemes include a provision for cost reductions of £43k held within the FHQ Accommodation Project. If this is not achieved there is a risk of overspending.
- The underspend on body armour could increase.
- Confirmation is awaited of the expenditure profile for Mobile Data. Delays could lead to underspending.

Scheme commentaries

Brief comments are provided below. More information can be found in the papers for the Force Transformation Board (for business transformation) and at the Asset Management Group (for building projects).

Building schemes – John Whitehead the lead manager

FHQ - Car Park Project	July	July	3.0	Retention. Payment due end July 2013 - Payment on hold pending defect resolution
FHQ - FCR refurbishment	Aug	August	28.0	Retention. Payment due August 2013 - Payment released, Project complete.
FHQ - Roof replacement	July	July	6.0	Retention. Payment due end July 2013 - Payment on hold pending defect resolution
FHQ - Boiler replacement	Aug	Oct	35.0	Out to tender. Tender return 03-10-13. Forecast completion end of November 2013.
FHQ - Accommodation	April	March	49.5	Total target spend reduced to £49.5k, of which £15.5k committed for CJS / Intelligence.
Welfare facilities for MIR and PIM	Oct	Dec	23.0	In tender evaluation stage. Forecast completion by December.
FHQ total			**144.5**	
Server: fire suppression	Oct	Nov	60.0	In planning stage. Complete by November.
Server: cooling system	Oct	March	110.0	In planning stage. Complete by March 2014.
Server room total			**170.0**	
West Parade Custody	Sept	March	22.0	Detailed specification being prepared.
West Parade Roof	Sept	Dec	135.0	Contract Let - Complete early Dec.
Replace UPS Unit	Dec	Jan	10.0	In planning stage.
West Parade total			**167.0**	
Skegness roof	April	June	4.0	Project complete, retention paid.
Skegness Custody	Sept	March	160.0	Detailed specification being prepared.
Skegness boiler/control	November	Nov	30.0	In planning stage. Complete November 2013.
Skegness total			**194.0**	
Boston Boiler and Control	Sept	Dec	35.0	Out to tender. Tender return 03-10-13. Forecast completion end of November 2013.
Boston Heating System	Sept	Nov	25.0	In planning stage, awaiting IT dept feedback on Comms requirements for BMS system.
Boston Custody	April	June	16.0	Retention costs plus minor additional works.
Boston Windows	Aug	Nov	220.0	In planning stage. Complete by November.
Boston Reception	Aug	Oct	8.0	In planning stage. Complete by October.
Boston external access improvements	November	Jan	33.0	In design stage. Forecast complete by Jan / Feb
Boston total			**337.0**	
Bracebridge Heath refurbishment	July	July	**8.5**	Retention. Payment due end July 2013 - Payment on hold pending defect resolution
Sleaford UPS Unit	Dec	Jan	**5.0**	Planning stage - complete by January.

ICT schemes

Scheme	Manager	Start Date	Finish Date	Forecast £k	Comments
Mobile Data	Pete Dyer	Sept	March	274.0	May go into 2014/15. Underspends possible.
Airwave replacement handsets	Hywel Morgan	Sept	March	427.8	Negotiation of competitive rates has reduced costs to £72k under budget in 2013/14, with further savings expected in 2014/15.
				701.8	

Business Transformation

Scheme	Manager	Start Date	Finish Date	Forecast £k	Comments
T Police	Elise McDade	April	March	1,654.0	Project plan in place to deliver Finance w.e.f January 2014 and preparatory work on other functions.
Email Upgrade	Scot Dunn	July	October	764.4	No expenditure to date. Payments expected in September and October.
Data Centre	Stuart Price	April	Dec	460.2	The data centre equipment is being built, with delivery to the sites in the next two weeks. Implementation planning is being finalised. The data centre equipment suite has been ordered via SCC.
Niche	Liz Davey	April	October	136.9	Most costs recognised in the 2012/13 accounts, only £137k left to spend.
Firearms - Digitise	Jennifer Robertson	April	March	79.0	
Boston 4 Cell Custody	Paul Wells	April	April	47.8	Completed
Fleet Workshop	Mick Farmer	Sept	Dec	193.7	Work at Grantham expected to be complete by Christmas.
Transition and Transformation	Jennifer Robertson	April	March	-	Revenue expenditure.
ICT Hardware Refresh	Scot Dunn	April	Dec	1,410.4	£1.4m expected to be spent by December. No more hardware refresh until 2020.
ICT Software Refresh	Scot Dunn	April	July	494.6	£706k purchase of Microsoft licences complete.
Legacy Apps Support	Scot Dunn	April	March	-	Revenue expenditure.
				5,241.0	

Other schemes

Scheme	Manager	Start Date	Finish Date	Forecast £k	Comments
Vehicles	Janis Knibbs	April	March	1,150.0	£150k carry forward spent. Plans in place for spending 2013/14 budget throughout the year. £665k committed to date, so on target to spend all the allocation in 2013/14.
Body Armour	Duncan Watson	Sept	March	253.0	The quality of the current equipment means that less spend is required. Total required still under review.
				1,403.0	