

PFor Decision	
Public	
Report to:	Strategic Resources & Performance
Date of Meeting:	14th January 2015
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Agenda Item:	12

Period 8 Capital Monitoring and Forecast Report 2014-2015

1. Purpose of the Report

- 1.1 To provide information on the actual expenditure against the 2014-2015 Capital Programme to the end of November 2015. Information is also provided on the anticipated monthly profile of expenditure for the remainder of the year, and on any updates on the progress of schemes.

2. Recommendations

- 2.1 That the Period 8 forecast of £13.197m is approved for submission to the PCC for final approval.(Para 4.2)
- 2.2 That the virement between projects approved by the SRO is noted. (Para 4.6)
- 2.3 That the additional cost to the programme of £0.228m (Para 4.7) are approved.
- 2.4 That cumulative expenditure to P8 of £5.232m against the original budget of £15.598m is noted

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 four main areas to the Capital Programme:
- Estates Projects controlled by Tim Wendels, Head of Assets
 - 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 £8.397m. Slippage from 2013-2014 of £7.201m was approved by the PCC on 6th May 2014 giving a revised budget of £15.598m. All capital projects have been reviewed and the revised forecast is £13.197m after a general provision for slippage of £1.5m. This is detailed by scheme in Appendix 1 and the movements are in the table below.

	£m
Original Programme approved by the PCC	8.397
Slippage approved to be carried forward from 2013-2014	7.201
Original Budget	15.598
New schemes / additional costs approved by the Commissioner	
Net additional schemes / savings from Q2	2.433
Slippage expected to be carried forward to 2015-2016 Q2	-2.305
Forecast Period 4 (prior to risk assessment)	15.726
Net Savings identified Period 7 & 8	-0.522
Previous savings reversed (see paragraph 4.7)	0.650
Slippage identified Period 7 & 8	-1.157
Period 8 Forecast (prior to risk assessment)	14.697
Additional Slippage Risk	-1.500
Period 8 Forecast	13.197

4.3 Cumulative expenditure at Period 8 on all schemes was £5.232m. More detail is included by scheme in Appendix 1 and summarised in the following table:

	Budget for Year	Forecast Period 4	Forecast Q2	Actual spend P8	Forecast P8	Budget Remaining
	£m	£m	£m	£m	£m	£m
Estates	5.861	5.623	4.084	1.767	4.229	2.462
I & S	8.588	7.908	6.947	2.330	6.527	4.197
Other	1.149	4.629	4.695	1.135	3.941	2.806
Total (Appendix 1)	15.598	18.160	15.726	5.232	14.697	9.465
Slippage Risk		-3.000	-2.000		-1.500	-1.500
Forecast	15.598	15.160	13.726		13.197	7.965

4.4 Budget managers have identified schemes where expenditure of £3.462m is likely to slip into 2015-2016. More information is within the following table:

Slippage Analysis	£m	Reason
Slippage identified at Q2	-2.305	
Bridewell Refurbishment	-0.082	Delays with Contractor
FHQ Conference Facilities	0.350	Previous slippage reversed (see savings)

FHQ Ground floor & COT offices	0.150	Previous slippage reversed (see savings)
Desktop Virtualisation	-0.300	Insufficient capacity due to other commitments
Regional Project Storage (DIR)	-0.120	Insufficient capacity due to other commitments
Evidence Storage – A & E	-0.100	Insufficient capacity due to other commitments
Firearms Cabinets & Access Storage	-0.100	Insufficient capacity due to other commitments
Non-driver slot vehicles	-0.081	Not proceeding until fleet review completed
Northern Property Store Storage	-0.200	Insufficient capacity due to other commitments
Agile working	-0.650	See paragraph 4.7
Other minor items under £0.050m	-0.024	
Slippage identified	-3.462	Appendix 1
Slippage Risk	-1.500	See paragraph 4.7 & 4.8
Total slippage anticipated	-5.062	Forecast P8

4.5 Net additional costs of £0.128m have accrued during Period 7 & 8

Scheme	£m	Reason
FHQ Conference Facilities	-0.350	Project rewritten in a new business case
FHQ Ground floor & COT offices	-0.150	Project no longer required
Agile working	0.650	Previously identified savings reversed.
Other minor items under £0.050m	-0.022	
Net costs identified P7 & P8	0.128	

4.6 Virement of £0.015m from the generic budget for Estates Review projects has been and has been approved by SRO Monckton to be used for Riverside conversion. A further £0.075m has been vired from IS Enabling Change to Photocopiers because a number of larger type machines have been required. These do not require Commissioner approval.

4.7 Within the IS Programme there were several projects on Mobile Data which have been subsumed within an umbrella project 'Agile Working'. This project being led by ACC Torr will improve our mobile data capacity and improve national compatibility. Agile working is a project to enable working anywhere through various means of technology and connectivity. Previously £0.650m

had been shown as savings due to doubts over the scheme but this is now not the case and this is reversed here. There is a total £0.963m of expenditure still to be spent within the forecast although the £0.650m as mentioned above has been added to slippage. The timing of expenditure is very uncertain.

- 4.8 Appendix 2 shows the profiling estimate of expenditure for the remainder of the year. Comments are attached where the profiling can not yet be forecast accurately and therefore there is a greater risk of slippage into 2015-2016. As a result of the risk of a number of these projects slipping a £1.5m general project slippage provision has been included in the forecast. Most of the risk rests with IS projects but there is also a distinct possibility some of the Assets initiatives will slip through changes in priorities or contractual delays.
- 4.9 The changes to the programme will impact upon financing decisions by the Commissioner. Some increases to the programme are supported by grants and contributions and hence the overall impact is less.

	2014-2015 Estimate £m	2014-2015 Forecast P4 £m	2014-2015 Forecast Q2 £m	2014-2015 Forecast P8 £m
Capital Programme	8.397	11.981	10.830	10.958
Slippage from 2013-2014	7.201	7.201	7.201	7.201
Slippage to 2014-2015		-1.022	-2.305	-3.462
General Slippage not specified to project		-3.000	-2.000	-1.500
Total	15.598	15.160	13.726	13.197
Financed by				
Capital Receipts	-0.800	-0.800	-0.800	-0.800
Capital Grants	-1.800	-1.889	-1.889	-1.889
Additional Contribution Arrow Centre		-0.989	-0.989	-0.996
Net Financing need	12.998	11.482	10.048	9.512

- 4.10 The above forecast does not currently include the capital impact of the successful innovation schemes awarded to the region in late July 2014. Detailed plans are still being agreed with the Home Office. As regional project lead Nottinghamshire was successful in being awarded 4 innovation grants totalling £4.9m. In most of the bids a force contribution is also required typically 50%, and the bids are a mixture of capital & revenue. Further funding is also given but not guaranteed for 2015-2016. Detailed plans are still being worked on and given the delay in announcing the successful bids it has been requested that the 2014-2015 funding be deferred into 2015-2016. Estimated net capital spend for Nottinghamshire Police based on the original bids will be circa £1.1m.

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.

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 4 2014-2015.
Appendix 2 - Capital Forecast Period 4 2014-2015 Profiling