

For Information	
Public	
Report to:	Strategic Resources & Performance
Date of Meeting:	24th May 2018
Report of:	Mark Kimberley – CFO
Report Author:	Tracey Morris
E-mail:	Tracey.morris@nottinghamshire.pnn.police.uk
Other Contacts:	Charlotte Radford
Agenda Item:	10

Capital Report for year ending 2017/18

1. Purpose of the Report

- 1.1 The purpose of this report is to provide an update on the final financial outturn position for capital as at 31st March 2018.

2. Recommendations

2.1 Recommendation

It is recommended that the Police and Crime Commissioner (PCC) approves the capital virements to the gross value of £2,169k; slippage to the value of £6,915k; underspends of £2,295k; as set out in Appendix A.

2.2 Background

The capital budget for 2017/18 was £13,246k. This is calculated as slippage from 2016/17 of £6,012k and new allocations in 2017/18 of £7,234k.

Project leads and budget holders have in conjunction with finance staff reviewed the projects in respect of the year end position and the need to carry forward schemes. At the end of the 2017/18 financial year the outturn can be summarised as follows:

Capital Projects Year End Data

Area	2017/18 Budget £'000	Out-Turn £'000	Underspend £'000	Planned cf £'000
Assets	4,130	602	675	2,853
Information Services	5,189	701	932	3,556
Other	3,927	2,734	688	505
Total	13,246	4,037	2,295	6,915

Details of individual projects can be found at appendix A.

3. Reasons for Recommendations

- 3.1 To update the Chief Officer Team and the Office of the PCC on the Force's budgetary position for 2017/18 and also to comply with good financial management and Financial Regulations.

4. Summary of Key Points

4.1 Assets

34 separate projects, 4 of which were merged into other projects via virements as the projects were of a similar nature, 2 projects carried minor balances from 2016/17 that required completion through accruals. 15 Projects were completed during the year requiring no further action and 13 projects are being carried forward into 2018/19 with a total slippage value of £2,853k. A list by project is shown at appendix A. Significant projects are detailed below.

New custody suite: The largest and most significant of these projects is the new custody suite which has a slippage value of £1,285k; this was for the purchase of the land and associated searches and legal fees which are near completion. This is part of a multi-year scheme with significant expenditure expected also in 2018/19 and 2019/20.

Building management system: This project is to replace boilers and building management systems at 9 sites, the survey work was completed during 2017/18 and contracts have now been signed and work has started on replacing the boilers. The project had slippage of £312k in 2017/18 this added to the scheme budget of £2,300k in 2018/19 provides a total budget of £2,612k which will be sufficient to complete the works.

Hucknall EMAS: This project is to provide an extension to the existing EMAS building to accommodate neighbourhood and response officers. Ultimately once training have been relocated this project will enable the sale of both Hucknall police station and Watnall training building. The project had slippage of £205k this added to the additional scheme budget of £500k in 2018/19 provides a total budget of £705k, the tendering process will start in May and anticipated building works completed by August 2018.

Automatic gates and barriers: This project is two-fold, phase one is to access the current state of gates and barriers across the force and phase two is to replace those that require it. The project was delayed in 2017/18 and so the full budget of £200k is being slipped into 2018/19. It is anticipated that a consultant will be procured by August to complete phase one, with phase two being completed by the end of the financial year.

New perimeter fence: This project is to establish the perimeter fence requirement for FHQ in light of recent heightened risk levels to the organisation. £160k budget was allocated, but was not spent during 2017/18 and so the full budget is being slipped into 2018/19. It is anticipated that a final decision on

requirements will be reached by June, design works and tendering will then commence with the works completing in January 2019.

Works at Mansfield: These two projects incurred minor expenditure during 2017/18 on consultancy and survey works, the majority of the budget £146k and £130k is being slipped into 2018/19 and combined into one project. The project will aim to free accommodation within Mansfield police station to relocate staff from Holmes House as well as refurbishing the tea points and showers as necessary. The merging of the two projects during 2018/19 will enable all building works to be undertaken in one process causing less disruption.

Bunkered fuel tank works: There have been several papers distributed on this project throughout the year, decisions have now been made to re-line the fuel tanks at FHQ, Alder and Allen will commence this work during Q1 of 2018/19. Approval has also been given to decommission fuel tanks that the force will no longer require and to upgrade fuel gauges where necessary as we join forces with the fire service to use their fuel depots in the future. £125k has been slipped into 2018/19 giving an underspend of £100k as this will be sufficient to complete the works due to partnership activity with the Fire Service.

New control room build: Money was vired from projects for a replacement gym and lockers for FHQ with an initial budget of £125k into the priority of a replacement control room build. Additional parking is required on the HQ site as the number of staff employed have increased as the estate is rationalised. Therefore the purchase of the upper country park car park was agreed during 2017/18 with the majority of the budget £115k slipping into 2018/19, this will be used to pay the balance on the car park and to start survey work on the new build.

4.2 Information Services

29 separate projects, 8 of which were merged into other projects via virements as the projects were of a similar nature. 6 Projects were completed during the year requiring no further action and 15 projects are being carried forward into 2018/19 with a total slippage value of £3,556k. A list by project is shown at appendix A. Significant projects are detailed below.

ESN: A national initiative to replace the existing airwave services, ultimately this new service should save the force some significant annual revenue costs when the project is complete, in the meantime, the project is experiencing significant delay which results in the project incurring continuous slippage. There are still no plans in place as to what the force is likely to purchase and the associated costs and time frame for spending. The slippage into 2018/19 is £750k.

Storage: A Large capacity scalable archive tier storage solution around 700TB available at 2 separate sites to give resilience and comply with forces disaster recovery objectives. The project incurred some spend during 2017/18 on nimble storage the balance of £575k has been slipped into 2018/19, contracts

have been awarded to two companies and the works should be completed during Q1.

Technology services refresh and upgrades: IS decided not to pursue the purchase of workstations during 2017/18 due to the scope of the Agile project and the resource implications. IS requested the budget to be slipped into 2018/19 anticipating a requirement to purchase replacement workstations and DDR equipment. The slippage is £460k.

ANPR: This project is required to upgrade and increase the number of ANPR cameras the force deploys across the county area, work is slow to progress on this project due to necessary research into where cameras should be placed and then to establish if this was physically possible. A plan is expected within the next month to confirm spending profile for 2018/19. The slippage is £401k, which will be added to the new allocation of budget for 2018/19, making a new budget of £701k.

Upgrade control room SICCS workstation: Some work to the cortex 7 upgrade were completed during the year, however there are two capabilities yet to deliver from this capital project; CCTV to the SICCS workstations and the delivery of footage through ESN. Resources haven't been available to deliver CCTV to the SICCS. The requirements for the ESN part of this have still not been clarified nationally. Until it is understood what the requirements are, we are not able to estimate a cost and a timescale. The slippage is £312k.

Mobile data platform: IS are engaged in ongoing discussions regarding Optik and how or if the force should maintain the existing solution or seek an alternative. It is anticipated that whichever decision is made there is likely to be some investment required. No progress was made during 2017/18 and so the full budget of £239k has been slipped into 2018/19.

Share-point portal (Intranet): Project to replace and upgrade the forces intranet, the project started slowly during 2017/18 whilst scoping took place, contracts are now in place to deliver the project by the end of Q1. The slippage is £160k.

Confidential network hardware refresh: This project is to refresh the infrastructure (network, storage and servers) which provide the confidential network and to make it fit for purpose for future use and development. This will require new gateway devices, new firewalls and new server and storage infrastructure. No progress was made during 2017/18 and so the full budget of £160k has been slipped into 2018/19.

Telephony project: This project started prior to the approval of the Home Office Transformation grant for the tri-force to combine IT services, at that time our local project was put on hold as the intention was to develop the project as part of a three force collaboration, the transformation project has now come to an end and the force is left with some local work to complete. The slippage is £134k and the work is expected to complete during Q1.

Regional LAN desk merger: The IS portal, where faults and requests for equipment are logged was planned to be developed to include a regional change portal, the project was put on hold pending the work streams of the tri-force transformation programme, now that that project has come to an end Nottinghamshire need to complete this piece of work on a reduced programme. £100k has been slipped into 2018/19.

4.3 Other Projects

7 separate projects, 4 Projects were completed during the year requiring no further action and 3 projects are being carried forward into 2018/19 with a total slippage value of £505k. A list by project is shown at appendix A. Significant projects are detailed below.

Tri-force strategic transformation project: An extremely complicated and difficult project to manage over the last 2 financial years involving some 13 individual work streams across 3 forces each designed to enhance a single way of working across those areas. This project has now come to an end some work streams have achieved a partial success. Due to the nature of this project, inconsistencies in project leads and procurement experience a value of £300k has been slipped into 2018/19 as a provision for local completion of activities.

Northern property store increased storage capability: This project was set up to increase racking at Phoenix House to accommodate the archive storage capacity currently undertaken by Iron Mountain. The project is currently awaiting analysis of data held in Iron Mountain by the Information Security Team. No progress was made during 2017/18 and so the full budget of £200k has been slipped into 2018/19.

4.4 Capital financing

Capital outturn for the year is £4,037k, which has been financed through capital grant receipts of £2,794k, the majority of these are from the Home Office transformation grants; borrowing of £993k and a voluntary revenue provision £250k.

5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within Appendix A.

6. Human Resources Implications

6.1 There are no immediate Human Resource implications arising from this report.

7. Equality Implications

7.1 There are no equality implications arising from this report.

8. Risk Management

8.1 Please see attached Appendix A.

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

9.1 There are no policy implications arising from this report.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations that are relevant to this report.

11. Details of outcome of consultation

11.1 The figures included in this report are presented to the Force Executive Board on a monthly basis.

12. Appendices

12. Appendix A – Capital Report to March 2018