



**To:** Business Co-Ordination Board

**From:** Chief Finance Officer, Constabulary and Chief Finance Officer, PCC

**Date:** 23rd June 2016

## **CAPITAL PROVISIONAL OUTTURN 2015/16**

### **1. Introduction**

- 1.1 This report provides the Business Co-Ordination Board (“BCB”) with the provisional outturn of spend against the approved Capital Programme and its financing as at 31<sup>st</sup> March 2016.
- 1.2 The reported outturn is provisional and subject to the audit of the 2015/16 Annual Statement of Accounts.
- 1.3 BCB is asked to note that the figures are presented on a strict accounting (accruals) basis rather than the commitment (actual invoices plus purchase orders) basis used for in-year monitoring. An accruals based report is required for statutory accounting purposes. A rigorous review of schemes for carry forward to 2016/17 has taken account of expenditure committed at the year end.

### **2. Recommendation**

- 2.1 BCB is asked to:
  - (a) Note the report;
  - (b) Approve the addition set out in paragraph 4.2.2
  - (b) Note the additions set out in paragraphs 4.2.3 and 4.2.4; and
  - (c) Approve the carry forward requests detailed in Appendix 3.

### **3. Background**

3.1 The Capital Programme comprises a range of schemes covering maintenance and development of the force information infrastructure and specific technology/change schemes, estates schemes and the vehicle replacement programme.

3.2 Budgeted capital payments for 2015/16 comprise the original Capital Programme approved by the Police and Crime Commissioner (“PCC”) on 24<sup>th</sup> March 2015, with amendments for schemes brought forward from 2014/15 as approved by the Commissioner on 27<sup>th</sup> September 2015, and other changes subsequently approved by Force Executive Board (“FEB”) and/or the PCC.

#### 4. Financial Overview

4.1 A summary of spend against the 2015/16 Capital Programme for the twelve months ended 31<sup>st</sup> March 2016, and the financing of this, is shown at Appendix 1. A scheme by scheme breakdown of outturn is set out at Appendix 2. Appendix 3 contains the rationale for requests for carry forward of expenditure. A reminder of schemes approved in-year to be funded by Revenue Contribution to Capital Outlay (“RCCO”) is included at Appendix 4.

#### 4.2 Capital Payments

4.2.1 Appendix 1 shows that 76.5% of the 2015/16 Capital Programme was spent during the financial year, compared with previously reported forecast of an outturn of 64.8%. The improvement between forecast and provisional outturn is largely as a result of the delivery and invoicing of equipment for the Body Worn Video Programme at the end of 2015/16 when it was expected to be a carry forward into 2016/17.

4.2.2 As the Board are aware, the multi-force Athena project successfully secured Police Innovation Funding to increase the scope and deliverables of the project. This funding included a match-funding requirement and as such Cambridgeshire is now required to pay for a proportional share of the match-funding for the Police Innovation Fund grant claim for 2015/16. An addition to the 2015/16 Capital Programme of £59k is to be proposed to the PCC, funded by the Capital Reserve (in line with previous Athena project funding decisions).

4.2.3 Following year-end discussions between the CFOs of the three forces (Bedfordshire, Cambridgeshire and Hertfordshire, “BCH”) and the BCH Director of Information, agreement has been reached on the recharging of 2015/16 tuServ development costs. As a result, an addition to the 2015/16 Capital Programme (CP15/06 Mobilisation) of £59k is proposed, funded by a matching RCCO within the Chief Constable’s delegation.

4.2.4 ICT purchased a storage facility to deal with the increased data handling requirements for tri-force systems, particularly Body Worn Video data. The Cambridgeshire share of the cost, as agreed by Niki Howard, Cambridgeshire Constabulary’s CFO, was £97k and an addition to the 2015/16 Capital Programme is therefore proposed, funded by a matching RCCO within the Chief Constable’s delegation.

4.2.5 As part of the preparation for year-end, it was identified that there had been expenditure of £21k for the Cambridgeshire share of IT Governance Software accounted for as revenue but that was actually capital expenditure. A technical addition to the 2015/16 Capital Programme is therefore proposed, funded by a matching RCCO within the Chief Constable's delegation.

## 5. Capital Payments – Variance Analysis

5.1 Net underspending against the 2015/16 Capital Programme is £321k, as set out in Table 1 below.

**Table 1. Underspending and Overspending Schemes**

All figures £'000	Underspend (-)/ Overspend (+)
<b>Overspends</b>	
PSN Migration - Firewall	14
Thorpe Wood Custody Ligature Risk Remedy	13
Net underspending < £10k (5 schemes)	1
<b>Sub-total</b>	<b>28</b>
<b>Underspends</b>	
Mobilisation *	(273)
Collaboration - Equipment Replacement Rolling Programme	(29)
Covert Equipment Renewal	(26)
Parkside Custody Urgent Upgrade	(10)
Net overspending < £10k (12 schemes)	(12)
<b>Sub-total</b>	<b>(350)</b>
<b>Total net underspend</b>	<b>(321)</b>

\* 'Schemes approved subject to further business case' not released in-year

*Note: figures may not cast due to roundings*

5.2 As shown in Table 1 above, overspends on the Police Service Network ("PSN") Migration – Firewall (CP15/09) and Thorpe Wood Custody Ligature Risk Remedy (CP14/13) schemes and small overspends on a number of schemes are more than cancelled out by underspends on a number of other schemes, resulting in a net underspend of £321k.

5.3 The remaining variance is in respect of capital schemes not completed in 2015/16 and consequently requested to be carried forward to 2016/17, totalling £1,010k (17.9% of approved budget). It should be noted that this includes £264k for the completion of the purchase of the Vehicle Workshop, which was delayed until April 2016 by the finalisation of legal issues. A scheme by scheme breakdown of amounts requested is included in Appendix 2, with supporting information included in Appendix 3.

## 6. Capital Financing

- 6.1 The financing of the 2015/16 Capital Programme is set out at Appendix 1. The RCCO has been divided to provide additional information and clarity on the sources of revenue funding of the contribution.
- 6.2 Appendix 1 shows that income of £443k from charges to collaborated units for use of Cambridgeshire vehicles (RCCO – Collaboration Fleet Recharges) which had not been budgeted was received. Along with application of the full Capital Carry Forward Reserve balance, this has resulted in a reduction to other categories of PCC's RCCO financing.

**7. Recommendation**

7.1 BCB is asked to:

- (d) Note the report;
- (b) Approve the addition set out in paragraph 4.2.2
- (e) Note the additions set out in paragraphs 4.2.3 and 4.2.4; and
- (f) Approve the carry forward requests detailed in Appendix 3.

Appendix 1

Summary of Capital Expenditure and Financing at 31<sup>st</sup> March 2016

	B/Fwd from previous years	Original 2015/16 Capital Programme	Previously Authorised Programme Amendments	Proposed Programme Amendments	Revised 2015/16 Capital Budget	Accrued Spend 2015/16	%
All figures £'000							
<b>Capital Payments:-</b>							
Land & Buildings	704	585	300	-	1,589	1,050	66.1%
IT & Communications	427	133	863	236	1,659	1,575	95.0%
Fleet	398	1,350	51	-	1,799	1,447	80.5%
Collaboration	383	-	(50)	-	334	249	74.8%
Schemes approved subject to further business case	-	500	(227)	-	273	-	-
<b>TOTAL</b>	<b>1,912</b>	<b>2,568</b>	<b>938</b>	<b>236</b>	<b>5,654</b>	<b>4,322</b>	<b>76.5%</b>

Variance	+ over/ - underspend	Schemes Carried Forward
(539)	Table 1 (3)	Appendix 3 536
(84)	(14)	70
(352)	(3)	349
(84)	(29)	55
(273)	(273)	
(1,331)	(321)	1,010

	B/Fwd from previous years	Original 2015/16 Capital Programme	Previously Authorised Programme Amendments	Proposed Programme Amendments	Revised 2015/16 Capital Budget	Actual	Applied	Transfer to Capital Carry Forward Reserve	Transfer to Capital Receipts Reserve
All figures £'000									
<b>Capital Financing:-</b>									
Capital Grants	-	987	-	-	987	987	987	-	-
Capital Reserves	-	938	-	59	997	978	361	617	-
Carry Forward Reserve	1,912	-	(226)	-	1,686	1,912	1,855	57	-
Capital Receipts	-	-	-	-	-	1,025	-	-	1,025
Vehicle Receipts (RCCO)	-	150	-	-	150	136	136	-	-
RCCO - Original Capital Programme	-	493	-	-	493	113	41	72	-
RCCO - Collaboration Fleet Recharges	-	-	-	-	-	443	443	-	-
RCCO - Approved In-year from Savings (Chief Constable)	-	-	338	177	515	499	499	-	-
RCCO - Approved In-year by PCC	-	-	826	-	826	264	-	264	-
Borrowing	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,912</b>	<b>2,568</b>	<b>938</b>	<b>236</b>	<b>5,654</b>	<b>6,357</b>	<b>4,322</b>	<b>1,010</b>	<b>1,025</b>

Note: figures may not cast due to roundings

## Appendix 2

## Scheme by Scheme Budgetary Control Report to March 2016

A	B	C	D	E	F	G	H	I	J	K
Notes at Para.	Scheme Title	Scheme No.	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Proposed Programme Amendments £'000	Revised Capital Budget 2015/16 (D+E+F) £'000	Provisional Outturn 2015/16 £'000	Variance at year end (H-G) £'000	Requested Carry Forward £'000	(Under)/Over-spend (I+J) £'000
	<b>Land &amp; Buildings</b>									
	HQ Bld 11 Structural Renovation	CP14/07	37	-	-	37	31	(6)	2	(4)
	Thorpe Wood Custody Ligature Risk Remedy	CP14/13	4	-	-	4	17	13	-	13
	Parkside Custody Urgent Upgrade	CP14/16	60	-	-	60	50	(10)	-	(10)
	Major Repairs Planned	CP15/01	603	585	-	1,188	918	(270)	270	(0)
	Vehicle Workshop	CP15/10	-	300	-	300	36	(264)	264	(0)
	<b>Land &amp; Buildings Total</b>		<b>704</b>	<b>885</b>	<b>-</b>	<b>1,589</b>	<b>1,050</b>	<b>(539)</b>	<b>536</b>	<b>(3)</b>
	<b>ICT &amp; Communications</b>									
	Desktop Hardware Replacement	CP12/02	-	-	-	-	(0)	(0)	-	(0)
3.2.2	Athena	CP12/09	339	182	59	580	580	(0)	-	(0)
	Switchboard Resilience	CP14/04	55	-	-	55	-	(55)	55	-
	HTCU ICT Update/Replacement	CP14/12	32	-	-	32	31	(1)	-	(1)
	Multi-functional Devices - Software and Equipment	CP14/15	1	-	-	1	1	0	-	0
	Child Abuse Images Database - National Programme	CP15/04	-	15	-	15	-	(15)	15	-
	Covert Equipment Renewal	CP15/05	-	70	-	70	44	(26)	-	(26)
3.2.3	Mobilisation	CP15/06	-	227	59	286	286	0	-	0
	PSN Migration - Firewall	CP15/09	-	21	-	21	35	14	-	14
	Body Worn Video	CP15/11	-	443	-	443	442	(1)	-	(1)
	L&D Classroom IT Refresh	CP15/12	-	38	-	38	39	1	-	1
3.2.4	ICT Network Storage	CP15/14	-	-	97	97	97	(0)	-	(0)
3.2.5	IT Governance Software	CP15/16	-	-	21	21	21	0	-	0
	<b>ICT &amp; Communications Total</b>		<b>427</b>	<b>996</b>	<b>236</b>	<b>1,659</b>	<b>1,575</b>	<b>(84)</b>	<b>70</b>	<b>(14)</b>

## Appendix 2

## Scheme by Scheme Budgetary Control Report to March 2016

A	B	C	D	E	F	G	H	I	J	K
Notes at Para.	Scheme Title	Scheme No.	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Proposed Programme Amendments £'000	Revised Capital Budget 2015/16 (D+E+F) £'000	Provisional Outturn 2015/16 £'000	Variance at year end (H-G) £'000	Requested Carry Forward £'000	(Under)/Over-spend (I+J) £'000
	<b>Fleet</b>									
	New Vehicle Equipment	CP15/02	88	350	-	438	229	(209)	209	(0)
	Vehicle Replacement Programme	CP15/03	310	1,000	-	1,310	1,170	(140)	140	(0)
	Fleet Management System Replacement	CP15/08	-	51	-	51	49	(2)	-	(2)
	<b>Fleet Total</b>		<b>398</b>	<b>1,401</b>	<b>-</b>	<b>1,799</b>	<b>1,447</b>	<b>(352)</b>	<b>349</b>	<b>(3)</b>
	<b>Collaboration</b>									
	Collaboration - Equipment Replacement Rolling Programme	CP14/08	11	94	-	105	76	(29)	-	(29)
	Dangerous Dogs Facility	CP14/14	226	(226)	-	-	-	-	-	-
	Tri-Force Mobile ANPR Standardisation	CP14/17	146	-	-	146	145	(1)	-	(1)
	CTC Camera Enforcement Vehicle Replacement	CP15/07	-	83	-	83	28	(55)	55	0
	<b>Collaboration Total</b>		<b>383</b>	<b>(50)</b>	<b>-</b>	<b>334</b>	<b>249</b>	<b>(84)</b>	<b>55</b>	<b>(29)</b>
	<b>Schemes Approved Subject to Further Business Case Mobilisation</b>	CP15/06	-	273	-	273	-	(273)	-	(273)
	<b>Grand Total</b>		<b>1,912</b>	<b>3,506</b>	<b>236</b>	<b>5,654</b>	<b>4,322</b>	<b>(1,331)</b>	<b>1,010</b>	<b>(321)</b>

\*Approved Capital Programme + / - previously authorised additions, deletions & virements

**Note: figures may not cast due to roundings**

## Carry Forward Requests

Scheme Title	Scheme No.	Revised Capital Budget 2015/16 £'000	Provisional Outturn 2015/16 £'000	Variance at Year End £'000	Requested Carry Forward £'000	Details of Carry Forward Request
Major Repairs Planned	CP15/01	1,188	918	(270)	270	A carry forward is requested to cover the works in progress and work committed to at financial year end (alterations to properties to accommodate moves at HQ).
HQ Bld 11 Structural Renovation	CP14/07	37	31	(6)	2	A carry forward is requested to cover the retention payment due for this scheme in 2016/17.
Vehicle Workshop	CP15/10	300	36	(264)	264	There was a slight delay for legal reasons and so completion of the purchase took place in April, hence the request to carry forward.
Switchboard Resilience	CP14/04	55	0	(55)	55	As reported during the year, the scheme was placed on hold as it is now part of the overall BCH Public Contact Project, awaiting decisions on the PSC moving from Copse Court. A request to carry forward the full budget is being made to enable the scheme to commence in 2016/17.
Child Abuse Images Database - National Programme	CP15/04	15	0	(15)	15	A carry forward is requested to cover awaiting Home Office invoice.
New Vehicle Equipment	CP15/02	438	229	(209)	209	A number of Armed Response Vehicles were purchased in 2015/16 but due to delays in agreeing the conversion spec with JPS they have not been converted and a carry forward is requested to cover these costs in 2016/17.
Vehicle Replacement Programme	CP15/03	1,310	1,170	(140)	140	Suppliers were unable to deliver the additional RPU vehicles before year-end (now due summer 2016) and so a carry forward is requested to cover these costs in 2016/17.
CTC Camera Enforcement Vehicle Replacement	CP15/07	83	28	(55)	55	The purchase and conversion of the vehicles was not completed prior to year end and the costs are in 2016/17, hence the request to carry forward.



## Appendix 4

## In-year RCCO Schemes from Savings in the Chief Constable's Budget

Scheme No.	Scheme Title	Budget	Notes	Approval	RCCO Funded by
CP15/08	Fleet Management System Replacement	£51,000		FEB 04/08/2015	Revenue budget savings
CP12/09	Athena	£28,000		FEB 01/09/2015	Revenue budget savings
CP12/09	Athena	£25,000		FEB 01/09/2015	Revenue budget savings
CP14/08	Collaboration - Equipment Replacement Rolling Programme	£94,000		FEB 03/11/2015	Revenue budget savings
CP15/09	PSN Migration - Firewall	£21,000		FEB 01/12/2015	Revenue budget savings
CP15/12	L&D Classroom IT Refresh	£38,000		FEB 01/03/2016	Revenue budget savings
CP12/09	Athena	£81,000		FEB 01/03/2016	Revenue budget savings
CP15/06	Mobilisation	£59,000	3.2.3		Revenue budget savings
CP15/14	ICT Network Storage	£97,000	3.2.4		Revenue budget savings
CP15/16	IT Governance Software	£21,000	3.2.5		Revenue budget savings
		<b>£515,000</b>			

## In-year RCCO Schemes Approved by the Police and Crime Commissioner

Scheme No.	Scheme Title	Budget	Notes	Approval	RCCO Funded by
CP15/07	CTC Camera Enforcement Vehicle Replacement	£82,500		CPCC 2015-045	Casualty Reduction & Support Reserve
CP15/10	Vehicle Workshop	£300,000		CPCC 2015-026	Funded by sale proceeds
CP15/11	Body Worn Video	£443,000		FSG 17/12/2015	Revenue budget underspend
		<b>£825,500</b>			