

Decision No 2012/07



REPORT TO: POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

REPORT BY: LISA KITTO, CHIEF FINANCE OFFICER, POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

DATE: 14 DECEMBER 2012

TITLE: CAPITAL BUDGET MONITORING AS AT OCTOBER 2012

(Appendix A refers)

EXECUTIVE SUMMARY

In order to maintain overall strategic control of the finances, regular budget monitoring reports are presented at key intervals during the course of the financial year. The purpose of these reports is to highlight issues identified as high risk and identify the likely position on the capital programme at the end of the financial year as well as any impact on the overall financial strategy. The report attached at Appendix 'A' is the first for 2012/13 for the Police and Crime Commissioner and is based on information to the end of October 2012.

RECOMMENDATION

The Police and Crime Commissioner is asked to note the forecast out turn position on the 2012/13 capital programme and to agree to additional contributions from revenue to fund some additional works identified during the course of the year.

Decision taken by the Police and Crime Commissioner for Lancashire:

Original decision, as set out in the attached report, approved without amendment	YES	NO
(please delete as appropriate)		

Original decision required to be amended and decision as detailed below:

The reasons for the amended decision are as detailed below:

Police and Crime Commissioner: Comments

DECLARATIONS OF INTEREST

The PCC is asked to consider any personal / prejudicial interests he may have to disclose in relation to the matter under consideration in accordance with the law, the Nolan Principles and the Code of Conduct.

NOT PROTECTIVELY MARKED

STATEMENT OF COMPLIANCE

The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation.

<p>Signed:</p> <p>Police and Crime Commissioner</p> <p>Date:</p>	<p>Signed:</p> <p>Chief Officer:</p> <p>Date:</p>
---	--

REPORT TO POLICE AND CRIME COMMISSIONER

7 DECEMBER 2012

CAPITAL MONITORING POSITION AS AT 31 OCTOBER 2012

(Appendix "A" Refers)

1 INTRODUCTION

In order to maintain overall strategic control of the capital programme, the police and Crime Commissioner will receive regular monitoring reports on the capital budget. The purpose of these reports is to provide an update on planned investment in assets, highlight any high risk areas including any slippage in the programme and also to consider the impact on future years. This report is the first for the Police and Crime Commissioner (PCC) in 2012/13 and is based on information to the end of October. As well as looking at the in-year position, the report also looks at the likely position at the end of the year given the uncertainty on spend on a number of schemes.

2 SUMMARY POSITION

In February 2012, the former Police Authority set a capital programme of £7.477M. In addition to this £5.979M was carried forward from the 2011/12 programme giving a total 2012/13 capital programme of £13.456M. Since then, as part of the final accounts process for 2011/12, it was agreed that a revenue contribution of £0.179M could be made to contribute towards - refurbishment costs at Heysham Ports/Wyre Operating Centre (£0.090M) and the vehicle replacement programme for vehicles within the Financial Investigation Unit (FIU) (£0.088M). The final capital programme for 2012/13 was therefore £13.634M.

Since the final accounts have been finalised further increases have been made and approved by the former Lancashire Police Authority as follows:-

- (a) additional requirements have been identified for ICT Remedial Activity by One Connect Ltd in relation to Virtual Desktop Infrastructure for Confidential Environment which will cost an additional £0.133m. In order to finance this requirement the provision included for Collaboration Requirements will be utilised (£0.090M in 2012/13 and £0.043M in 2013/14).
- (b) the Home Office are providing funding to Forces to facilitate the procurement of CD workflow tools to obtain and manage communications data via the PEACE Broker from the communication service provider (CSP)(e.g. Orange,O2) at an estimated cost of £0.211M. The system will allow for a two way automated connection between Forces and CSPs which will be supplied more efficiently in a standard electronic format.

- (c) there is a requirement to upgrade digital speed cameras based on 200 fixed housings and 20 new digital cameras at an estimated cost of £1.253M. As the Authority / PCC is the contracting entity it is necessary to add the scheme to the programme albeit there will be no cost falling on the Constabulary. Funding will be provided from the Speed Awareness Course levy and it is anticipated that there will be sufficient funds to complete the full upgrade based on a phased approach.
- (d) agreement has been reached with the North West Ambulance Service (NWAS) to share facilities at Barnoldswick Police Station. There is a requirement to undertake building work to accommodate them at an estimated cost of £0.050M which will be financed by a contribution from NWAS.

3 NEW REQUIREMENTS

During the course of the year a number of Divisions have identified capital requirements which do not form part of the current capital programme. In order for the work to be funded additional savings have been identified and it is proposed that these works be completed and be funded from revenue savings;

- (i) Desktop Replacement (£0.018M) – a contribution from the Lancashire Road Safety Partnership for replacement of kit in the Central Ticket Office
- (ii) Miscellaneous Minor Works (£0.202M) - for further cost at Wyre Operating Centre (£0.037M), Morecambe Police Station conversion custody/canteen area (£0.015M) and Moor Farm car park and garages (£0.150M)
- (iii) Vehicle Replacement Programme (£0.430M) – purchase of additional vehicles primarily as a result of the vehicle fleet distribution OR
- (iv) G Division Specialist Equipment (£0.030M) – purchase of a piece of equipment for the Counter Terrorism Branch

If all of these are taken into account the capital programme for monitoring purposes in 2012/13 is £15.829M.

4 MONITORING POSITION

Full details of the capital programme are set out at Appendix A and shows projected spend of £12.018M by the end of the financial year and a projected underspend of £3.8m. Included in the underspend is some slippage (£2.706m) which will need to be carried forward into the 2013/14 financial year in order that the work can be completed. In addition to this some schemes have been deferred until 2013/14 and there are general underspends (£0.445M). The following provides further information on each:-

Carry Forward - £2.706M

The main schemes with amounts being carried forward are :-

Integrated Communications and Control System (£0.3M) –This forms part of the move to rationalise the provision of contact management and has been a protracted process as decisions were awaited on the number of communication rooms in the Force prior to tenders being sought and subsequently evaluated. The supplier of the system has now been approved and it is expected that actual contract award will be this month with stage payments of around £0.7M expected in the current year and £0.3M being carried forward as “ go live” is not anticipated until April/ May next year. Contract negotiations are still ongoing and it is expected that the scheme is likely to overspend by £0.030M.

Digital Voice Recording (£0.695M) – there have been ongoing issues around the suitability of tenderers to deliver a product. This has been a protracted tendering process as NPIA’s preferred suppliers, under a framework agreement, have proved unsuccessful in meeting the Force specification. Greater Manchester Police are currently arranging a contract as a managed service and work is being undertaken with Steria to determine further options for delivering the service. Ultimately a mini competition process will be undertaken, hopefully before the end of the calendar year.

Accrington Police Station (£0.845M) – the overall cost of the scheme is £2M with £1.1M included in the current year’s programme and £0.9M in 2013/14. Work is still ongoing on finalising the proposal.

Digital Speed Camera Upgrade (£0.835M) – it was always anticipated that the scheme would progress on a phased basis and the slippage reflects this.

Deferred Schemes £0.660M

Two schemes are expected to be deferred until 2013/14;

Electronic Case Files (£0.6M) – this is dependent on the future of C3PO which is likely to be replaced by a National system, but still under consideration.

CSP Penetration Testing (£0.060M) – this scheme cannot currently be resourced from the existing capacity within ICT.

When the 2013/14 to 2017/18 capital requirements are being collated these schemes will be reassessed and included in the programme should they still be required.

Underspends (£0.446M)

The predicted underspends are mainly a result of the Customer Relationship Management scheme (£0.4M) not being progressed, as a Business Case requirement has yet to be made.

IMPACT IN FUTURE YEARS

Previous reports to the former Authority have indicated schemes at risk and the fact that the difficulties identified would undoubtedly lead to slippage in the 2012/13 capital programme. Some of these costs will however be incurred in future years and, therefore, the existing financing provision will still be required. The underspends now reported of £0.446M can be used to fund other priorities and reduce the potential for any borrowing in future years.

Lisa Kitto

Chief Finance Officer