

**Report of the Chief Constable to the Chair and Members
of the Policy & Resources / Corporate Development Panel
10th September 2009**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer
(Finance & Commissioning)**

Status: For decision

Capital Monitoring Report to 31st July 2009

1 Purpose

1.1 Members approved the capital programme for 2009/10 and the capital plan for 2009/13 at their meeting on 26th February 2009. This report sets out the progress against delivery of the programme and is part of the process introduced by the Authority to maintain prudent financial management.

2 Recommendations

Members are recommended to:

2.1 Note the contents of the report.

2.2 Note the addition of the following projects to the 2009/10 Capital Programme which were approved under delegated authority:

- | | |
|-------------------------|------|
| ▪ North Ormesby Gates | £8k |
| ▪ Stockton Parking Bays | £9k |
| ▪ ANPR | £25k |

2.3 Approve the addition of the following projects to the 2009/10 Capital Programme:

- | | |
|--|------|
| ▪ Vulnerable Person's Unit – Kirkleatham | £93k |
| ▪ Vulnerable Person's Unit – Billingham | £67k |

2.4 Approve the addition of £100k to the NSPIS Origin HR and Self Service project.

- 2.5 Approve £115k from the Fleet replacement budget being put back into the overall 2009/10 programme.
- 2.6 Approve bringing forward the receipt of £518k of the £2,046k expected Air Support Capital Grant from 2010/11 into 2009/10. This is to reflect the timing of the payment of the Grant to coincide with our need to pay our deposit on the helicopter.
- 2.7 Approve the addition of £58.8k to develop and improve our Air Support Base.
- 2.8 Approve the movement of the £600k Capital Receipt, expected as a result of refinancing our PFI schemes, from 2009/10 to 2010/11.

3 Reasons

3.1 Changes to the Programme

Members approved a capital programme totalling £9,806k at their meeting on 26th February 2009. The programme included new schemes; schemes carried forward from 2008/09 and unallocated funding.

3.2 Since the Original Programme was agreed a number of changes have been identified. These are detailed at Appendix B.

3.3 The following schemes were approved by the Chief Constable under delegated authority and are to be noted as added to the programme:

- North Ormesby Gates £8k
This project is for the installation of 2 box key operated gates at North Ormesby station in order to improve security.
- Stockton Parking Bays £9k
This project is to provide additional parking bays at Stockton District for operational police cars.
- ANPR £25k
This is required in order to expand the storage capacity of both the ANPR back office facility (BOF2) and the Cleveland Analytical Research Suite (CARS).

3.4 The following scheme is requested to be added to the programme:

- Vulnerable Persons' Unit Accommodation £160k
This project is the cost of the accommodation to enable the centralisation and growth of the Vulnerable Persons Unit. The unit is to have accommodation in both the North (Billingham) and South (Kirkleatham) of the Force area.

- 3.5 The £100k requested to be added to the NSPIS Origin HR and Self Service Project can be broken down into the following areas:
- £63k will be a transfer from revenue. Initially the Project Manager and other staff costs were expected to be charged to the revenue pay budgets. However, due to individuals now working solely on the project, their salaries plus on-costs require charging against the project capital budget and as such it is requested that the budget is transferred from revenue pay budgets to capital.
 - £17k of additional capital funds are required to cover server price increases. These were unavoidable due to contracts being in foreign currency and therefore being subject to unforeseen worldwide currency fluctuations.
 - £20k of additional capital funds are required for system development to mitigate all current and future employees requiring individual training on the use of the system. The Force currently employs approximately 2600 employees and the additional funds equate to a cost of less than £8 per employee. This is seen as the most efficient way of making sure employees are fully trained on how to use the system and have on-screen help available at all times.
- 3.6 The £115k requested to be put back into the overall 2009/10 programme from the Fleet Replacement budget relates to a budget that was carried forward from 2008/09. This budget was allocated for the replacement of vehicles that had been written off. The number of vehicles requiring replacement last year due to them being written off was less than expected, the early part of the current financial year has not indicated that this write off budget will be required in 2009/10 and therefore the funds are being returned to the overall 2009/10 capital budget.
- 3.7 The first instalment of the Air Support Capital Grant has been received during 2009/10, this is earlier than originally planned and therefore it is requested that the funding be brought forward into 2009/10 to fund the deposit that was paid for the helicopter in April 2009. The Grant that was received also included an additional £58.8k to specifically spend on improvements and development of our air support base.
- 3.8 The £600k Capital Receipt that is expected to be realised when we refinance our PFI schemes is requested to be moved from 2009/10 into 2010/11. Given the current economic climate and the lack of available financing it is unlikely that this refinancing will take place in the current financial year.
- 3.9 Subject to Members approving the proposed changes the budget now stands at £11,593k in 2009/10.

3.10 Budget Monitoring

Appendix C details actual expenditure against budget to date and shows an underspend of £346k. This is primarily due to phasing on the Hartlepool and CUPID projects. The Hartlepool Refurbishment scheme is still awaiting some final bills whilst technical issues relating to the development of the CUPID project has meant milestone payments have been retained until the technical issues are resolved.

3.11 Capital Plan

The capital plan includes three major schemes which, per original timescales, are due to be completed in 2009/10:

- Strategic Road Policing Facility (£5.25m)
- Hartlepool Refurbishment (£4.8m)
- Mobile Working Project (£2.7m)

3.12 Strategic Road Policing Facility

This project is on schedule and is expected to be operational week commencing 3rd August 2009. This scheme has a budget of £2.2m in 2009/10, having spent the remainder in 2008/09.

3.13 Hartlepool Refurbishment

This was officially opened in June 2009. However, there are still some final invoices coming into the organisation for this project.

3.14 Cleveland Universal Police Information Device (CUPID)

All users within the pilot site of Hartlepool are now using the live system. The rollout into Middlesbrough commenced in March, with all 235 users trained by May 2009. Training in Redcar & Cleveland began on 1st June 2009 and is continuing. The roll out to the remainder of the Force will occur during 2009/10.

3.15 Air Support

The table overleaf sets out the financial position in relation to the purchase of the Helicopter. This compares the original budget that was set with the expected position as at the end of July 2009. This takes into account the deposit that has been paid, the exchange rates as at the end of July, the revised grant application that was approved by the NPIA on the 3rd February 2009, as previously reported to Members, and also the guaranteed minimum value that we will trade in our current helicopter for.

<u>Helicopter Purchase</u>	Original Budget	Expected Position as at July 2009
	£k	£k
Deposit - April 2009	509	518
Acceptance - June 2010	3,698	3,685
Delivery - Jan 2011	807	780
Retention - Jan 2012	100	100
Total Purchase Cost	5,114	5,083
Grant	(2,046)	(2,136)
Trade in Current Helicopter	(1,125)	(1,000)
Net Cost to CPA	1,943	1,947

- 3.16 As can be seen from the above table, despite the significant fluctuations in the exchange rate of Sterling versus both the Euro and US Dollar the overall cost of the Helicopter purchase is not expected, at this time, to be significantly different to the original budget. The exchange rates will continue to be monitored on a regular basis and updates will be reported to Members.

4 Implications

4.1 Finance

There are no financial implications other than those mentioned above.

4.2 Equal Opportunities & Diversity

Diversity considerations are kept under constant review in line with Force policies and 'Putting People First'. There are no issues arising from this report to bring to Members attention.

4.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.4 Sustainability

This report is part of the process established by the Authority to establish sustainable annual and medium term financial plans and maintain prudent financial management.

4.5 Risk

There are no further risks to bring to Members' attention other than those outlined in the body of the report.

5 Conclusions

- 5.1 This report sets out progress against delivery of the Capital Programme for 2009/10 and recommendations to make optimum use of the capital resource available to the Authority to refresh and develop the asset base for policing in the 21st Century in line with the vision of 'Putting People First'.

Sean Price
Chief Constable

Outline Description of Capital Schemes

Estates Schemes

Hartlepool Refurbishment

Scheme to bring Hartlepool Custody Suite up to the same standard as the Action Stations PFI facilities.

Disability Discrimination Act (DDA) Modifications

The Disability Discrimination Act 1995 places a statutory duty on organisations to make reasonable adjustments to the physical fabric of their premises to improve accessibility.

Strategic Road Policing Unit

The development of a new fleet headquarters to replace that current location at Cannon Park.

Building Management System (BMS) Outstation Improvements

To automate and take control of the maintenance of a buildings working environment.

HQ Lift Upgrade and Replacement

The replacement of the executive lift which has been out of operation for a number of years.

HQ Uninterruptible Power Supply (UPS) replacement

Due to operational requirements the UPS system that ensures all essential equipment remains operational in the event of a power failure, needs replacing

HQ Boiler Pump Replacement

The present pumps in the HQ Boiler Room are approximately 25 years old and approaching the end of their serviceability. The replacement of the pumps is to protect the integrity of the service delivery and improve energy efficiency.

Lighting Protection - Phase 2

A lighting Protection System is required to protect the electronic systems from a lightening strike.

External Storage Containers

The purchase of storage containers to replace the currently rented. This will make a considerable saving to the Force over a number of years.

Vulnerable Persons Unit - Kirkleatham

The centralised accommodation of the Vulnerable Persons Unit in the South of the Authority Area.

Vulnerable Persons Unit - Billingham

The centralised accommodation of the Vulnerable Persons Unit in the North of the Authority Area.

North Ormesby Gates

Installation of 2 access/egress box key operable gates to improve security.

The Parking Bays Stockton

Preparation and painting of 6 additional parking bays for operational police cars.

Equipment Schemes

Airwaves Equipment Replacement

The upgrade and replacement of the airwaves hand held operator consoles, carried forward from the 2008/9 carry forward.

Automatic Number Plate Recognition

The ANPR programme is largely funded by PSU grant and partnership income.

ICT Schemes

Cleveland Universal Police Information Device (CUPID)

This project will deliver Force wide mobile working for operational officers and police staff. Mobile working was identified as one of the main strands of the IS&T Strategy and is a key element of the Chief Constable's vision for the Force, providing Officers with access to the information and services they require to enable them to remain within their communities.

Communication Service Provider (CSP) - Secure Information Software

Dedicated software to meet the requirements of the covert policing system.

IMPACT Data Preparation

The IMPACT programme was developed nationally in response to Bichard Enquiry to introduce data quality software to enable the Force to measure the quality of crime recording and management, intelligence, child protection and domestic violence data against the national IMPACT solution. There is now an urgent requirement to use the same tool to clean data prior to the IRIS Intelligence Module going live and enable the ongoing monitoring and cleansing of data.

Criminal Justice Extranet (CJX) Resilience

The Force funds 2 CJX links that provide the connectivity onto the CJX network. This dual link provides resilience onto the CJX network to eliminate the loss of access to CJX should an individual route be lost.

E forms

E-forms technology utilises on-line forms and workflow functionality to reduce the number of forms, reduce bureaucracy and improve efficiency.

NSPIS Origins

This project is for the upgrade of the Duty Management (DMS) portion of the system from NSPIS to ORIGIN.

Stockton upgrade to Voice Over Internet Protocol (VOIP)

Replacement of telephony technology at Stockton District.

Integrated Risk & Performance Management

Software to support Forces risk management process.

CLIO Software

IT system for management of activity in relation to urgent incidents.

Stockton PABX

Stockton PABX requires an upgrade in order to provide voice and data networking from Stockton to Wynyard, without this one of the two proposed sites at Wynyard will not have telephony data.

Identity & Access Management

IAM is a national mandated programme which will be used for identification, authentication and authorisation of any of those staff using any police computing systems across the whole UK Police Service.

Confidential Environment / Network Encryption

The Criminal Justice Extranet (CJX) data network was created to provide all criminal justice agencies with secure data networking. New national applications are to be delivered to Forces over the CJX network which requires a more secure environment than is provided by the RESTRICTED level of security. To provide this more secure platform the CJX network is being upgraded to CONFIDENTIAL.

Airwaves Replacement Programme (2009/10)

The upgrade and replacement of the airwaves hand held operator consoles.

Airwave in-building Coverage

The Force has 100% airwave hand terminal outside building coverage but this is reduced when in buildings. To overcome the in-building penetration problem that is being experienced Airwave have developed a way of enhancing the radio signal to provide operational officers with continual radio coverage.

St Hilda's PFI Communications Fallback project

This scheme is to expand the fallback facility for the Communications Service Unit. The scheme was previously in the 2008/09 program at a cost of £250k: however it was placed on hold and has been reintroduced to the program at a reduced cost.

Fleet Schemes

Fleet Replacement Programme

The programmed replacement of fleet vehicles to maintain operational effectiveness.

Air Support Schemes

Air Support Programme

The purchase of a helicopter and set up costs at Durham Tees Valley Airport for the new Cleveland Air Operations Unit.