

WARWICKSHIRE POLICE

Police Authority

22 February 2010

Financial Management Report 2009/10

Report of the Assistant Director of Resources (Finance)

Summary

This report details the financial performance of Warwickshire Police for the financial period 1st April 2009 to 31st December 2009 and the forecast outturn at 31st March 2010.

Recommendations

It is recommended that:

1. The report be received;
2. The forecast outturn for 2009/10 be noted;
3. The forecast reserve position be noted;
4. The carry forward requests outlined at paragraphs 2.5.4, 2.6.3, and 2.8.4 be approved;
5. The use of specific reserves set out in the Medium Term Financial Planning Strategy (MTFPS) be approved as set out at paragraph 2.5.5;
6. The budget adjustments set out at paragraphs 2.10.3.1, 2.10.4.1, 2.10.4.2 and 2.10.5 be approved;
7. Revised Capital budget for 2009/10 be approved as set out at Appendix D and in section 4 of this report.

1. Introduction

- 1.1. The revenue budget for 2009/10 of £93,588k was supported by the use of £5,510k of reserves and was approved at the Police Authority Meeting held on 23rd February 2009 as part of the Medium Term Financial Planning Strategy (MTFPS).
- 1.2. Budgets carried forward from 2008/09 of £1,007k have been added to the base budget, and budgets totalling £349k were approved to be carried forwards at the Police Authority's meeting in November 2009, leaving a revised budget of £94,246 as shown in the table below.

1.3.

2009/10 Revised Budget

	PA meeting date	Budget Value £'000
2009/10 Original budget	Feb-09	93,588
Carried forwards from 2008/09	Jun-09	1,007
Carry forwards to 2010/11	Nov-09	(349)
		94,246

- 1.4. It is essential that the detailed budget allocations and financial management arrangements are sufficiently flexible to respond to operational requirements and the detailed budget allocations are therefore continually updated to reflect such changes.
- 1.5. Appendix A provides a summary variance analysis between the full year budget and full year forecast spend by Directorate, along with a breakdown of the variance between ongoing under or over spends and one off under or over spends. The ongoing variances will need to be actively managed or considered as part of the development of the Medium Term Financial Planning Strategy. The under spends will form part of the monitoring of progress towards delivery of savings as part of the Force's Sustainability Strategy
- 1.6. The forecast full year position takes account of actual expenditure to date, known commitments and intelligence from budget holders and their line managers.
- 1.7. Appendix B shows a subjective breakdown of the full year budget and full year forecast expenditure, along with a summary of the budget adjustments requested in this report and the impact on the forecast outturn.
- 1.8. Appendix C shows a forecast reserves position for three years in line with the Medium Term Financial Plan.
- 1.9. The capital budget of £12,968k for 2009/10 was approved by the Police Authority on 23rd February 2009. Budgets carried forward from 2008/09 of £2,721k have been added to give a revised budget of £15,689k.
- 1.10. The capital forecast outturn position for 2009-10 is shown at Appendix D.
- 1.11. Appendix E shows the expenditure and funding forecast for the 2009-10 to 2012-13 capital programme.

2. Revenue Full Year Forecast position

- 2.1. Police Officer pay forecasts have been developed as part of the Financial Management Project using the Force's Human Resources predictive model which is used by the Workforce Management Group.
- 2.2. Managers have developed Police staff salary forecasts at a department and Directorate level.
- 2.3. Based on information from budget holders and their finance managers it is forecast that the position at the end of March 2010 will be an under spend of £1,958k. This is explained in the following paragraphs.
- 2.4. **Police Authority** - The full year forecast shows an expected under spend of £56k which can be broken down as follows:
 - £21k relating to expenses and member training costs;
 - £13k relating to a saving on rent;
 - £12k relating to various small under spends such as conferences and communications and computer equipment costs;
 - £10k relating to a saving on services provided by contractors.
- 2.5. **Performance & Standards** – The full year forecast is an expected under spend of £80k.
 - 2.5.1. One off under spends of £260k
 - £133k on Staff salaries due to staff turnover and vacancies held in departments currently undergoing review or restructure (Corporate Development and ACPO office support);
 - £19k on equipment purchase and maintenance budgets managed centrally by the Chief Superintendent;
 - £22k on legal costs in Professional Standards.
 - £13k on ACPO national initiatives due to some projects ending in 2009/10;
 - £2k on transport related spending in Professional Standards.
 - £71k forecast (net) additional income from Warwickshire Vetting services. It is requested that this additional income be used to support one off overspends within the Directorate, with the balance being a transfer to reserves at the end of the year.
 - 2.5.2. One off over spends of £105k
 - £80k forecast spend on pay for the additional posts in the Challenge and Innovation team (Police officers and Police staff) which was approved in the MTFPS to be funded from reserves and it is requested that this budget be transferred;
 - £10k on software support and maintenance for Corporate development IT database;

- £5k overspend on pay in Professional Standards due to a Police officer with longer service joining the team;
- £5k overspend due to additional training provided for Police officer.
- £5k overspend on Vetting staff (funded from additional income achieved above).

2.5.3. Ongoing over spends of £184k

- £184k additional spend on legal services for the Force. The recommendations of the Legal Services review was approved at the Business Improvement Board in December 2009, and implementation will take place in 2010/11.

2.5.4. Carry Forward request of £109k

- In addition to the £110k already approved for carry forward to 2010/11, there is an additional £49k identified on Customer confidence as some parts of the programme, such as salaries, will fall into 2010/11;
- In addition to the £73k of budget carried forward approved £42k of expenditure for the MOPI project will now be incurred in 2010/11 as the implementation programme for systems related upgrade, back record conversions has been delayed. It is requested that budget of £42k be carried forward.
- £18k on Tackling knives action project funding for Police Officer post.

2.5.5. Transfers from Reserves of £80k which is the forecast spend on pay for the additional posts in the Challenge and Innovation team (Police officers and Police staff) which was approved in the MTFPS to be funded from reserves.

2.6. **Local Policing** – Forecast variance for 2009/10 is a net under spend of £304k. This is broken down into the variances outlined below.

2.6.1. One off under spends of £1027k

- £961k relate to police staff pay vacancies, predominantly in Judicial Services and Customer Contact. There are also under spends forecast for employer's pension contributions and weekend working allowances.
- £30k for an increase in Courts costs awarded – this relates to applications for costs to be awarded against the defendant. The income from this offsets costs incurred in the prosecution of cases.
- £20k for unplanned reimbursements relating to the detention of illegal entrants in Force custody facilities. This reimbursement is based on demand and as such has not been budgeted for.
- £6k additional income relating to the issue of road traffic collision reports to solicitors and insurance companies.

- £10k relates to savings in Custody relating to prisoner costs which have been lower than expected.
- 2.6.2. One off over spends of £753k
- £4k for consultancy services relating to a case review.
 - £729k for police officer pay as the Force has maintained front line officer numbers over the budgeted number within Local Policing. At the same time, vacancies have been held in Protective Services.
 - £20k relating to a backlog of charges from Warwickshire County Council for the provision of accident data to the Dept. for Transport.
- 2.6.3. Carry Forward Request of £30k relating to a delay in appointment of staff for Integrated Service Delivery (ISD) review that will now continue into 2010/11.
- 2.7. **Protective Services** – The forecast under spend of £189k can be broken down as detailed below.
- 2.7.1. One off Under spend £1,307k
- £856k one-off under spend on police pay relates to a number of vacancies, in the main this is due to supporting additional posts in Local Policing
 - £178k of the under spend is related to additional grant, the bulk of which relates to the additional ACPO TAM grant for Coventry airport of £154k in respect of spending in 2008/09.
 - £192k on support staff pay. At Quarter 2 we reported a forecast over spend of £181k that related mainly to agency staff. Whilst agency staff are still forecast to overspend by £54k this has been more than off-set by vacancies held on support staff posts.
 - £81k is generated by additional income, a large element of this relates to undertaking safety camera work on the motorways for the Highways Agency. The main reason for the significant reduction in this variance since the Quarter 2 report showing £124k additional income is due to a reduction in anticipated income from proceeds of crime incentivisation monies.
- 2.7.2. One off over spends £834k, which are largely due to:-
- £253k over spend is related to police overtime incurred in supporting reactive and targeted operations, proactive investigations and targeted work around persistent prolific offenders. There is potential for this figure to be reduced by up to £100k with successful OCON and Regional Viper operation bids. There is now an embargo on certain overtime cost centres and needs to have senior officer authorisation before the overtime is allowed.

- £64k is relating to firearms activity and includes essential training costs vital to retaining the force's independent firearms capability and the provision of non lethal weapons such as tasers;
- £384k of costs relating to Operational events, in particular, Mutual Aid costs for officers from other forces and catering facilities on site for officers on duty;
- £44k less income on firearms licencing due to the cyclical nature of this income stream as licences are renewed every three years;
- £57k on surveillance equipment for one-off operations for the kitting of vehicles and other essential equipment;
- £29k relates telephone forensic checks and calls relating to specific incidents.
- £3k relates to a variety of small overspends across several areas.

2.7.3. Ongoing overspends £284k

- £220k – relating to forensic testing, including telephone forensic checks.
- £29k – overspend relating to the general running costs of CID and MIU departments. This is less than the previously reported overspend due to the action taken by managers to control costs.
- £35k – cost relates to the contract with West Midlands Police dogs section for the training and kennelling of Warwickshire Police dogs and handlers. This contract replaces the reduction in staff of 2 officers during 08/09 as part of the introduced 150Forward programme which had not been budgeted for.

2.8. **Resources** – Forecast variance is £719k under spend and this relates to the following:

2.8.1. One off under spends £807k

- £309k Staff salaries due to staff turnover and vacancies held in departments currently undergoing restructures (Finance and Learning and Development);
- £138k additional income from HM Courts service for use of cells facilities at Rugby and Stratford stations. This income will cease when the courts service move to the Southern Justice Centre in 2010/11;
- £59k on Property Services planned maintenance due to staff being deployed to assist with reactive maintenance, some of which was associated with the recent cold weather;
- £50k under spend on vehicle insurance. This is considered a one-off saving, as premiums depend on historic level of claims as well as conditions in the insurance market;
- £40k Inflation saving on two IT communications contracts (Airwave Radio managed service and Affiniti);
- £33k underspend on support and maintenance by IT contracts, which has been provided instead by additional agency staff;

- £26k underspend on vehicle repairs and maintenance due to a move of some vehicles from fixed price to scheduled maintenance, and a change to the process for deciding upon repair or replacement of damaged vehicles;
- £32k revenue consequences of the Superintendents vehicle scheme, which has not been implemented;
- £23k reprofiling of the Safer Neighbourhoods contact points programme in Property Services, whilst a review is undertaken;
- £19k Assessment centres for recruitment due to lower intake numbers in 2009/10 than originally expected;
- £18k additional one-off income from insurance companies for vehicle related insurance claims where the fault lay with the other party;
- £14k on the Force's contribution to the running costs of the Northern Justice Centre, due to a reduction in the forecast spend on energy;
- £12k underspend on conference and training courses in the Deputy Director's budget due to fewer requests being approved;
- £34k relates to various small under spends across a range of functions.

2.8.2. One off over spends £52k

- £34k relating to the additional cost of insurance premiums upon renewal, due to current market conditions and claims history.
- £8k Asset revaluation charges in Finance;
- £8k on additional rates for the UPS site at Police Headquarters.
- £2k overspend on photocopying in Learning and Development due to an increase in the provision of training materials on courses.

2.8.3. Ongoing over spends £56k

- £24k relating to the payroll and pensions service level agreement with West Midlands police, this collaborative agreement is under review;
- £22k Occupational Health treatments such as physiotherapy and counselling. This is being addressed by the HR department as part of the overall sickness absence evaluation;
- £10k spending on additional services relating to unfunded operational events.

- 2.8.4. Proposed Carry forwards £20k
- £10k for the Learning and Development training budget due to the slowdown of workforce developments in 2009/10, some of the training programme will move into 2010/11. This is in addition to the budget of £41k approved for carry forwards at the Authority's November meeting;
 - £10k carry forward is proposed for the Zone project (youth focussed communications project managed on behalf of Local Policing).
- 2.8.5. Operational events costs of £100k are being met within existing resources by re-prioritising expenditure.
- 2.9. **Justice Centre Partnership.** This budget relates to the share of interest earned that relates to reserve balances of the Justice Centre Partnership. The initial balance of £565k is subject to the same influences as the interest earned by the Authority's balances, in that it is on a diminishing balance as the Justice Centre's capital expenditure uses the reserves and the reduction in interest rates. The current prediction is that the Justice Centre's share of interest is likely to be in the region of £20k. This will be an ongoing under spend as the Justice Centre has utilised all the available reserves during this financial year.
- 2.10. **Service Developments** – Forecast variance for 2009/10 is a net under spend of £1,325k. The breakdown is made up of Savings Targets over achieved of £67k and a forecast under spend on service development budgets of £1258k which are outlined below;
- 2.10.1. **150Forward and Workforce Development** – The total saving achieved in 2009/10 to date is £504k, compared to a savings target of £445k, giving rise to additional savings of £59k. This mainly relates to additional workforce development opportunities being realised in addition to the original 150Forward plan.
- 2.10.2. **Sustainability Strategy** – Ongoing under spends of £757k have been identified and removed from Directorate's budgets as shown below. However, it should be noted that ongoing over spends of £1,029k have been identified as part of the budget monitoring process and thought should be given as to how these will be managed in order to minimise them and therefore maximise the sustainability savings that can be removed from the base budget for 2010/11.

2.10.2.1. Sustainability Savings

Directorate	Target Savings	Delivered to Date
Police Authority	£23,000	-
Local Policing	£130,000	£130,000
Performance & Standards (incl OCON)	£45,000	£46,230
Protective Services	£140,000	£130,260
Resources Directorate	£411,000	£447,860
Other	£1,000	£2,310
Total	£750,000	£756,660

2.10.3. Service Development Budgets include the revenue costs of the capital programme, along with one off budgets approved from the use of earmarked reserves.

2.10.3.1. The Property maintenance backlog is forecast to under spend by £200k as the maintenance programme is to ensure safe, secure and watertight repairs to property. It is recommended that the budget and contribution from reserves is adjusted by £200k in accordance with the forecast spend.

2.10.4. **Body Armour Replacement** - The balance of the budget of £254k for body armour replacement is being held in Service Developments.

2.10.4.1. In setting the MTFPS, the Authority approved use of earmarked reserves of £304k to fund body armour replacement. However, between setting the budget and the 2008/09 year end, £130k of these reserves had been used to bring forward body armour replacement, leaving a balance of £174k. It is requested that the Police Authority approve the expenditure budget be reduced by £130k and the funding from reserves by £130k. This will not affect the reserves balance.

2.10.4.2. The body armour replacement budget of £174k is not needed in full and it is recommended that the Authority approve an adjustment to the budget and use of reserves of £124k, leaving £50k budget for body armour replacement which is adequate to cover 2009/10 forecast expenditure.

2.10.5. All other forecast variances are one –off savings as the capital projects that they relate to have not yet been completed. It is recommended that the budget be reduced by £804k as a one off contribution to general revenue reserves, bringing the budget for service developments in line with the latest forecast. The table below shows the breakdown by project of the service development budget and forecast.

2.10.6.

	Budget	Forecast	Variance
Property Maintenance Backlog	450	250	(200)
Body Armour Replacement	254	0	(254)
Supt Vehicles	32	0	(32)
Revenue Costs of Capital - Property	196	0	(196)
Revenue Costs of Capital - IT	435	28	(407)
Revenue Costs of Capital - Fleet	14	14	0
Justice Centre Loan Charges	350	350	0
Sexual Assault Referral Centre	240	125	(115)
Case & Custody System	33	0	(33)
Volume Crime Management	63	63	0
DMS TOIL recording	14	14	0
Storage Review	9	9	0
CLIO IT System	11	11	0
Other IT Systems	21	0	(21)
Total	2,122	864	(1,258)

2.11. **Corporate Finance** - The full year forecast shows a forecast variance of £697k.

2.11.1. There is an ongoing overspend of £1,050k which relates to the reduction in interest income following the fall in interest rates. The full year effect of this in 2010/11 is £550k as the MTFPS already assumed a further reduction in interest income.

2.11.2. There is also a one off under spend forecast of £452k which relates to loan charges for the capital programme which has been subject to several delays, the most significant of which is the delay in taking out a loan to support the Justice Centre Projects.

2.11.3. There is a one off overspend of £90k that relates to police officer medical retirements. This budget is difficult to predict as the number and rank of medical retirees can fluctuate each year, so as a rule a budget is set for two PC grade medical retirements. The Force is required to set aside double the salary of each medical retiree and this variance is caused by an additional medical retirement of a Police Sergeant.

2.11.4. There is an ongoing over spend of £9k relating to a reduction in debt charges grant which was not adequately provided for in the budget. This will be updated and reflected in future budgets as part of the MTFPS.

2.12. Other key issues are:-

2.12.1. Operation Westbere – The latest forecasts indicate spending in 2009/10 of £563k, assuming that the operation will continue to run until the end of December 2009. This will take the total cost of the Operation to £4,437k. Our understanding is that we will be expected to meet £940k (being 1% of net revenue spending) with the Home Office funding the balance (£3,497k). To date we have received grant of £3,045k. The Home Office are aware that the operation is ongoing. They have asked that a further business case be submitted setting how the investigation will be concluded and this is being developed along with a funding bid to the end of 2009/10. Although the indications are favourable, because of the uncertainties around further grant support, £900k has been set aside in a specific reserve for this operation.

2.12.2. Based on our current understanding that we will be expected to fund £940k of the cost of the investigation we can expect to receive a further £452k in grant leaving £111k to be funded from the reserve although the position shown in the reports is a more conservative estimate as we have not yet received confirmation that the funding will be received, nor confirmation of the amount. Given the uncertainty around grant levels this issue has been reviewed as part of the development of the Medium Term Financial Planning Strategy. The latest position is summarised in the table below:

2.12.3.

Operation Westbere Summary	£'000
Cost of Operation	
2007/08 Actual	2,855
2008/09 Actual	1,019
2009/10 Forecast	563
Total Cost	4,437
Less Cost to WPA	(940)
Balance to be Funded by Grant	3,497
Less Grant Received	(3,045)
Grant Outstanding	452

2.12.4. Bulldog Bash – The total cost of policing this event is expected to be £534k, some of the costs are still estimates at this stage as all invoices have not been received. Costs of £100k have been met from within existing resources, however the balance of £434k has been identified as a one off over spend for this financial year. Consideration should be given to the budgeting strategy for this event as part of the Medium Term Financial Planning Strategy.

3 Forecast Reserves position

- 3.1 Reserves position to be provided at the meeting.
- 3.2 Appendix C shows the opening reserves position at 1st April 2009 and the forecast position in line with this report.
- 3.3 The reserves position would be increased by £1,045k as a result of the revenue forecast variance of £1,958k outlined above, plus the use of £220k to support the Financial Management project, use of £563k of the earmarked reserve for Operation Westbere (should the grant not be received) and carry forwards and use of earmarked reserves as outlined above.
- 3.4 Members will recall that as part of the Medium Term Financial Planning Strategy an earmarked “invest to save” reserve of £500k was created to fund three potential projects namely increase the size of the Economic Crime Unit, creating a Challenge and Innovation Team and additional funding for the Financial Management project. £220k of this reserve has been used to augment the capital programme provision of £400k for the Financial Management project. It is assumed in the attached reserves forecast that the requested transfers to and from reserves outlined in the recommendations of this report are approved.

4 Capital Programme Monitoring

- 4.1 The capital budget for 2009/10 of £12,968k was supported by the use of £1,525k of capital grant, £380k of specific grants and contributions and £11,063k of borrowing; this was approved at the Police Authority Meeting held on 23rd February 2009.
- 4.2 Budget of £2,721k has been carried forward from 2008-09, bringing the revised capital budget to £15,689k for 2009-10 as set out below.

4.3 2009/10 Revised Capital Budget

4.4	PA meeting date	Budget Value £'000
2009/10 Original budget	Feb-09	12,968
Carried forwards from 2008/09	Jun-09	2,721
		15,689

- 4.5 Appendix D shows the forecast outturn position for 2009/10 capital programme.

4.6 Appendix E shows the full 5 year capital programme as approved by the Police Authority on 23rd February 2009, alongside a forecast outturn position.

4.7 Based on information from budget holders and their finance managers it is forecast that the position at the end of March 2010 will be an under spend of £7,401k. Part of this variance was reported at Quarter 2 and those explanations are not repeated below where the project timescale has not changed. The values are shown for each business area for clarity.

4.8 Transport

4.8.1 The table below shows the original budget, changes for carry forwards from 2008/09 to give the revised budget and the full year forecast and variance.

4.8.2 **Table 1**

Original Budget	Carry Forward from 2008/09	Revised Budget	Forecast	Variance
£'000	£'000	£'000	£'000	£'000
1,221	209	1,430	1,058	(372)

The forecast variance is an under spend of £372k, which is due to slippage within the fleet programme. This slippage has occurred because the vehicles due for replacement currently have low mileage and thus replacement can be deferred to future years.

4.9 Property & Estates

4.9.1 The forecasted variance is £3,389k under spend, this is due to slippage or acceleration across several projects of which the main areas are as follows:

4.9.2 **Table 2**

Original Budget	Carry Forward from 2008/09	Revised Budget	Forecast	Variance
£'000	£'000	£'000	£'000	£'000
6,626	1,012	7,638	4,269	(3,369)

4.9.3 The forecasted variance is a £3,369k under spend, this is due to £4,084k of slippage, £630k of acceleration, £7k of savings, £90k of funds transferred into Property & Estates and £2k of overspends, these

adjustments are across several projects of which the main areas are as follows:

- 4.9.4 Slippage of £4,084k: Projects postponed until 2010/11 as at Quarter 2 of £2,087k have been reported previously, the explanations below relate to changes in Quarter 3 of £1,997k.
- 4.9.5 £112k for Bedworth Police Station, the project has been delayed as outline designs that meets all stakeholder requirements have not yet been produced.
- 4.9.6 £139k for Coleshill Station. This delay is due to looking at various strategies and business uses for the site as part of the estates strategy and overall capital programme review.
- 4.9.7 £28k for the Energy Project has slipped due to other business priorities, however this still remains an important area to address within our existing estate.
- 4.9.8 £971k for Rugby Refurbishment, delay due to weather conditions and unexpected stoppages/unforeseen works. The project is expected to progress early in 2010/11.
- 4.9.9 £594k slippage on the Stratford project. This delay is due to looking at various strategies and business uses for the site as part of the estates strategy and overall capital programme review.
- 4.9.10 £60k on Uninterrupted Power Supply project delays are due to unforeseen works and ground conditions.
- 4.9.11 Acceleration of £630k; Quarter 2 acceleration of £600k is not reiterated below, additional acceleration of £30k relates to a requirement for additional Safer Neighbourhood offices in the Priority Policing Areas (PPAs) or remote areas following the review of Safer Neighbourhood Policing accommodation.
- 4.9.12 Savings of £7k; These savings are across several projects which are now complete.
- 4.9.13 Transfers of funding of £90k: Funds have been transferred to the Rugby Phase 3 project following the Business Case, details of the transfers are as follows: £20k has been transferred from IT File Servers (IT Replacement), £50k has been transferred from Business Continuity (IM Strategy) and £20k from revenue budget contributions.
- 4.9.14 Overspends of £2k; Monies have been spent on Donnithorne (Planning Application) this is to enhance value of site & thus secure a higher sales value.

4.10 IT Replacement Programme

4.10.1 Table 3

Original Budget £'000	Carry Forward from 2008/09 £'000	Revised Budget £'000	Forecast £'000	Variance £'000
2,075	817	2,892	1,085	(1,807)

4.10.2 The forecasted variance is a £1,807k under spend, this is due to £1,757k slippage, £79k acceleration, £120k savings and £9k transfer of funds out of IT replacement. The main areas are as follows:

4.10.3 Slippage of £1,757k; Projects postponed until 2010/11 as at Quarter 2 of £615k have been reported previously, the explanations below relate to changes in Quarter 3 of £1,142k.

4.10.4 £396k Airwave Radios replacement has slipped due to terminal specification and technical security requirements not being met. The original project was to upgrade the terminals, this is not feasible and the project is now being reviewed with the intention of amending to a terminal replacement programme.

4.10.5 £75k relates to the Call Logger system due to review of suitable projects

4.10.6 £50k IT Intelligence slippage is due to links with PIMS/COPS upgrade in the programme of work.

4.10.7 £76k NMIS IT Replacement slippage due to the availability of national custody/case interface and NMIS 4

4.10.8 £310k Payroll & IT Replacement has slipped due to the approach still to be determined by business as part of the overall capital programme review.

4.10.9 £56k Police Informants Management (PIMS) and COPS project which is the replacement of covert operations system and due to delays in contract specification and supplier delivery capacity.

4.10.10 £49k Command & Control due to the review in approach to providing HR link

4.10.11 Acceleration of £79k relates to £75k on Data Network upgrade as an opportunity has arisen to deliver capability sooner and £4k on Small Systems IT Replacement - Minor upgrade to Vehicle and Fixed Penalty Notices system (VP/FPO).

4.10.12 As reported in Quarter 2, savings of £120k relate to the Data Network upgrade 2008-09 carry forward which is no longer required.

4.10.13 Transfers Out of £9k; This is made up of £11k added to Airwave Radios for stock used & paid for from revenue contributions in 2008-09 and £20k has been transferred out from IT File Servers to Property (Rugby Phase 3) as per the Business case.

4.11 IM Strategy

4.11.1 Table 4

Original Budget £'000	Carry Forward & Adjustment £'000	Revised Budget £'000	Forecast £'000	Variance £'000
2,904	531	3,435	1,582	(1,853)

4.11.2 The forecast under spend is £1,853k, which is mainly due to slippage of (£1,830k), £5k of acceleration, £106k of savings, £128k transfer from earmarked reserves for the Financial Management project and (£50k) of transfers out to other capital budgets.

4.11.3 Slippage of £1,830k includes previously reported slippage of £1,003k, plus new slippage for Quarter 3 of £827k

4.11.4 £65k Airwave project, the timescale has slipped due to terminal specification and technical security requirements not being met issues and the pilot for mobile terminal devices (MTD) in vehicles is also delayed.

4.11.5 £69k Crime Recording System being delayed due to resources to manage this project being released from the STORM project.

4.11.6 £95k Information Technology Infrastructure Library due to collaborative approach being considered.

4.11.7 £350k Mobile Network Access slippage in pilot being conducted in collaboration with WMP.

4.11.8 Acceleration of £5k relates to Access to Information where there has been an opportunity to bring forward works

4.11.9 Transfers Out are as reported in quarter 2, £50k has been transferred out of Business Continuity Server Consol to Rugby Phase 3 Project (Property Services) as per Business Case

4.12 Medium Term Financial Plan Considerations

- 4.12.1 The capital programme has been updated to include new projects and requirements for 2013/14 in all categories. It is considered to be prudent at this stage to inform the Authority of the capital requirements that have been identified as part of the budget and Medium Term Financial Planning Strategy (MTFPS) process.
- 4.12.2 As there have been additions to the overall 5 year programme of £1,496k, it is not expected that the Authority will approve the full amendment without reviewing prudential indicators, so members are asked to note the additions which are explained below and a full suite of prudential indicators will be provided as part of the MTFPS document, which will also include the financial year 2014/15.
- 4.12.3 An additional £923k for Transport relates to budget pressure in 2013-14 of £743k for vehicle replacement, as the original capital programme did not include new requirements for 2013-14. An additional £180k budget is required across the 5-year programme due to price increases as was highlighted to the Authority in the last report.
- 4.12.4 An additional £88k for Property & Estates relating to a variety of small projects.
- 4.12.5 An additional £61k for IT replacement relates to new projects of £290k, less savings of £220k and transfers out of £9k.
- 4.12.6 An additional £424k for IM Strategy relates to changes to the budget requirement as follows:
- £200k new project – this relates to the regional project for mobile data terminals;
 - £250k new business requirements in 2014/15;
 - Transfer out of £50k as outlined above;
 - Transfer of £220k from earmarked reserves to support the Financial Management project as approved in the MTFPS in February 2009.
 - Savings across a variety of projects of £196k
- 4.12.7 The capital programme is subject to an ongoing review to ensure that investments are considered for affordability and business benefits for inclusion in the programme.

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