

Agenda Item: 5 (vi)

Dyfed Powys Police Authority
Finance & General Purposes Committee
9th February 2012

Report of the Chief Financial Officer

2011/12 CAPITAL BUDGET OUTTURN AND UPDATE REPORT – April to December 2011

1. Purpose of Report

The purpose of this report is to inform Members on the 2011/12 capital budget outturn position to the end of December 2011 along with an update on the progress of projects included within the capital programme.

Recommendations

Members are asked to note this report.

2. Background

The Authority approved the current Capital Programme and associated prudential code indicators (borrowing) in February 2011. A revised Capital Programme is being submitted for approval at this meeting, along with the associated prudential indicators for 2012/13.

3. Summary Capital Budget Outturn to December 2011

The approved capital programme for 2011/12 is £15.612 million.

During 2011/12 year to date capital expenditure amounts to £4.2 million. The following table summarises the year to date expenditure plus financial commitments versus the capital programme approved for the main asset categories.

Category	Capital Programme	Year to Date Expenditure plus commitments	Remaining	Analysis – see section 4 for details
	£'m	£'m	£'m	
Land and Buildings	10,361	3,134	7,227	a) Carmarthenshire Estates Projects – £2.7m, b) Strategic Coordination Centre - £1.8m, c) Planned maintenance (High Risk) - £0.6m,
Vehicles	871	617	254	d) Vehicle replacement programme
Furniture and Equipment	4,119	497	3,622	e) Mobile Data - £1m, f) Digital Video Evidence - £0.4m, g) Identity access management system - £0.4m
Capital Contingency	261	0	261	
Total	15,612	4,248	11,364	

4. Estates Projects – Position Statement

a) Carmarthenshire Estates Projects

Estimated Capital Cost - £8.150 m

Project delayed pending a Welsh Government (WG) decision on the future of Llanelli Technium Centre. The WG decided to enter into a lease arrangement with Carmarthenshire County Council (CCC), who have also taken an option to lease the land for a 5 year term. DPP are engaging with CCC to discuss land availability. A feasibility study in relation to the CCC owned site in Penprys Road Llanelli, proved too costly due to abnormal ground conditions.

CCC have also asked if DPP are interested in leasing the first floor space of the new East Gate Development in Llanelli for use as an Operational Police Station for Llanelli (excluding Custody). The ground floor being retail and second floor being a Travel Lodge with automated reception, this is presently being scoped for suitability. If the East Gate Development is suitable, then a separate Custody Project will need to be developed.

b) Strategic Coordination Centre.

Estimated Capital Cost - £8.4m

Savings achieved in fit-out costs and reduced contingency. Revised project cost - £8.4 million.

The Welsh Government grant of £7.12m, funded via their Strategic Capital Investment Fund (SCIF) contained the condition that all monies were to be expended between April 2010 and March 2011. This presented a formidable challenge and as a consequence the project was conducted as a fast track operation. Adverse weather conditions in October and November 2010 threatened to blow the project off course, but close collaboration between the design team, the main contractor and the client resulted in recovery of almost all of the slippage. As a result, the whole of the WG grant was expended within the specified time frame.

Handover took place on 10 June 2011 and the fit-out is nearing completion. The opening ceremony was performed by Carwyn Jones AM, First Minister of Wales on Thursday 15 September 2011.

c) Planned maintenance (High Risk)

Estimated capital Cost £680k.

Delay caused by the late production of the Planned Maintenance Programme and the requirement to account for the Estates Rationalisation Programme. Work in progress to be rescheduled and expenditure is to be smoothed over the next 2 years, prioritised according to risk.

5. Environmental Initiatives

- The Environmental Policy conveyed on the intranet and internet is due to be updated in February 2012.
- Two banks of four cycle storage units have been successfully acquired from Carmarthenshire County Council as part of their grant funding from the Welsh

Government. One to be sited at police HQ the second to be sited at Friars Park. This helps promote cycling across the force and encourages staff to improve their fitness by using alternative means of transport.

Energy Management

- Energy data has been gathered for all premises across the Force and CO₂ figures calculated for each site. A monitoring and measurement programme has been implemented to identify key areas of improvement.
- We are investigating the possibility of generating a revenue stream through operating our backup diesel generators at peak electricity demand times. The National Grid (STOR) programme provides income incentives to organisations that can support the pressures on the grid during these peak periods. A detailed proposal is expected early 2012. This initiative is expected to generate income of £8,000 - £10,000 per annum.
- The cost of electricity has increased by 26.25% from October 2011 to April 2012. A surge in the cost of gas of around 47% from October 2011 to April 2012 is also confirmed. Both the Electricity and Gas prices will be reviewed in April 2012. This is due to the manner in which energy is procured, the 'buying window' in October has produced high costs, however the next 'buying window' will reduce costs and the consequences of this will be reported to the next meeting. Oil prices are very unpredictable, with there being a sharp increase over the last 12 months of 30%.

Renewable Energy

- A Solar Photo Voltaic project is complete generating electricity from an array of solar panels situated on the Vehicle Maintenance Unit (VMU) roof at HQ. This array generates income through a feed in tariff and expected payback is within 7-10 years. Profit of approx £7,000 per annum thereafter is anticipated. A monitor display will be located in the reception area and information will be downloaded showing the CO₂, kWh's and costs generated from the PV array. DPP were able to achieve the higher level of feed in tariff prior to the cut off in mid-December 2011, due to the diligence of both DPP staff and commitment of programme by the contractor.
- The viability of a Biomass boiler is being investigated to replace one of the current oil boilers at HQ. With the cost of oil rising and the incentives offered by the government for renewable heating technologies, there is an opportunity to make major cost savings on fuel and generate revenue through the Renewable Heat Incentive (R.H.I.). The business case is currently being reviewed and the outcomes will be presented shortly.

Other Energy Initiatives

- Additional Internal passive infrared (PIR's) sensors have been installed in some HQ corridors. The lighting upgrades are on a rolling programme across the force. All new buildings or refurbishments have been fitted with the latest energy efficient lighting technologies including occupancy sensors and automatic daylight saving devices.

Waste

- A tender in conjunction with Hywel Dda Local Health Board is currently being advertised to expand the Dry Mixed Recycling (DMR) Scheme across the force. Estimated savings of around £15,000 - £20,000 per annum. Expected implementation March / April 2012. Delays are being incurred due to the slow procurement process of Hywel Dda Local Health Board.

In addition, HQ is presently piloting this DMR scheme with early indications of potential waste savings of £12,000 per annum for HQ alone.

6. Estates Strategy 2010/15

Following approval at the Finance and General Purposes Committee on 13th June 2011, the Estates Strategy is being adopted, however due consideration of Operation Sage and the Estates Rationalisation Programme is influencing this.

7. Impact Consideration

Implication	Impact Considered (Yes/No)	Impact Identified (paragraph reference)
Legal	Yes	None
Financial	Yes	Main Report
Race and Equality	Yes	None
Human Rights	Yes	None
Environmental and Sustainability	Yes	None
Risk Analysis	Yes	None
National Park Implications	Yes	None

8. Appendices

None applicable.

9. Background papers

Capital Programme submitted for approval at this meeting.

10. Contact details

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