



### Capital Project Slippage

<b>Outcome requested:</b>	<p>Finance &amp; Investment Committee is invited to <b>note</b> the following update in relation Estates and IT capital budgets:</p> <ul style="list-style-type: none"><li>• Capital expenditure slippage from 2017/18 to 2018/19</li><li>• 2018/19 budget allocations approved by ESB and ITSB</li><li>• Changes to project monitoring to enable earlier identification of slippage and more accurate forecasting.</li></ul>
<b>Executive Summary:</b>	<p>This paper has been prepared to address the matter arising to improve the forecasting of capital expenditure following the material slippage of Estates and IT projects in recent years.</p> <p>The budget and financial forecasts approved by Council in June 2018 included assumed capital slippage from 2017/18 to 2018/19 of £14.6m. Actual slippage based on the draft 2017/18 full year results (unaudited) was £17.3m. The additional £2.7m of slippage comprised of £1.8m of Estates projects and £0.9m of departmental and RCIF projects.</p> <p>The total capital budget for 2018/19 is £50.8m, including the slippage of £17.3m.</p> <p>At the time the 2018-19 budget was set the detail of the Estates and IT budgets was not known, therefore undertaking detailed work to assess the likelihood of delivering the projects was not possible. To mitigate the risk of slippage :</p> <ul style="list-style-type: none"><li>• The Estates budget was over allocated by £4.2m, (should this level of expenditure be achieved this will be funded from the 'unallocated' budget within the capital programme).</li><li>• The IT budget was reduced from £5.7m to £3.7m as there was not the confidence to deliver this value of projects in year, the programme for 2018-19 has £5.7m of projects allocated, therefore in effect the budget assumption is that there will be £2m of slippage.</li></ul>

Capital Expenditure 2017/18 and 2018/19 £m	2017/18	2018/19			Total 2018/19
		Slippage from 17/18	Allocation	Slippage to 19/20	
IT Projects	6.5	3.4	5.7	-2.0	7.1
Estates	28.4	11.4	25.6	-4.2	32.8
RCIF	3.2	1.2	3.7		4.9
Departmental	2.8	1.3	0.7		2.0
Unallocated			4.0		4.0
Other incl Research Funded	1.7	0.0			0.0
<b>Total Capital Spend</b>	<b>42.7</b>	<b>17.3</b>	<b>39.8</b>	<b>-6.2</b>	<b>50.8</b>
Revenue Spend	6.6		5.4		5.4
<b>Total</b>	<b>49.3</b>	<b>17.3</b>	<b>45.2</b>	<b>-6.2</b>	<b>56.2</b>

Now that we have the detail of the IT and Estates budgets we have implemented new project monitoring reports that will be considered by ESB, ITSB, QMSE and FIC. The reports include project phase information (for example RIBA stages), and indicators of the likelihood of underspend or slippage. This provides increased transparency as to how projects are progressing and enables more effective challenge to Estates and IT colleagues as to the likelihood of project delivery within year. The provision of this information on a regular basis should enable the relevant boards to identify projects at risk of slippage earlier and take remedial action to mitigate this or indeed the impact of any slippage. The first versions of the revised reports are included in Appendix 1 and 2.

Appendix 1 details the Estates capital programme and shows that as most of the projects are already in progress there is a high chance of delivery. £462k of underspend has currently been identified relating to the Abernathy and Francis Bancroft projects. Two projects at design stage (Engineering and the John Vane Science Centre) are currently at highest risk of slippage.

Appendix 2 details the IT capital programme and shows less maturity in the progress of projects (£5m of projects are at the pre-procurement stage, £1.3m of projects are at the procurement stage). We are working with colleagues in IT to determine likely end dates for the projects and a more realistic spend profile, however this report already highlights a high risk of slower than planned project delivery.

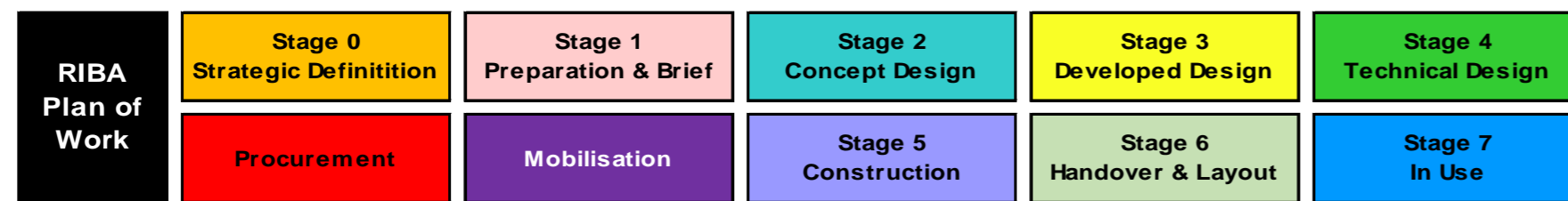
We shall ensure that where slippage occurs an assessment of the impact of the slippage is also detailed.

**QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]**

6.1 Achieve enhanced investment in resources and facilities, for the benefit of students and staff, with an appropriate balance of contributions from across all components of QMUL

<b>Internal/External regulatory/statutory reference points:</b>	None
<b>Strategic Risks:</b>	
<b>Equality Impact Assessment:</b>	Not required
<b>Subject to prior and onward consideration by:</b>	N/A
<b>Confidential paper under FOIA/DPA</b>	No
<b>Timing:</b>	N/A
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<b>Date:</b>	13 September 2018
<b>Senior Management/External Sponsor</b>	Joanne Jones, Finance Director

## Estates and Facilities 2018/19 Proposed Capital Programme - Total Estates Programme £42.94m



	ESB Approved Prioritisation Total	2017/18 Actual Spend (£'000)	2017/18 Slippage (£'000)	2018/19 New Allocation (£'000)	Total Budget 2018/19 (£'000)	RIBA Stage Sep 18	RIBA Stage Jul 19	Expected End Date	Underspend/ (Overspend) (BRAG) (£'000)	Slippage (BRAG) (£'000)
<b>Estates Projects</b>										
Salix Carbon Reduction	17	1,318	1,882	-	1,882	5	7	Mar 19		
School of Mathematical Sciences: Refurbishment	23	4,469	1,474	10,146	11,620	5	7	Apr 19		
Energy Centre (Graduate Centre)	21	299	529	-	529	5	7	Oct 18		
Joseph Priestley Lab & Legacy	25	1,853	1,836	1,277	3,113	5	7	Sep 18		
School of Business Management	21	426	1,574	551	2,125	2	3	Jul 22		
Abernethy Project 2	21	1,774	2,275	-	2,275	5	7	Oct 18		
Abernethy 3rd Floor	17	-	-	1,500	1,500	5	7	Dec 18	306	
Neuron Pod	21	1,144	587	-	587	5	7	Sep 18		
Legacy Project: Francis Bancroft	21	167	111	3,057	3,168	5	7	Jan 19	156	
Legacy Project: Fogg Building	21	83	117	317	434	4	Mobilisation	TBC		
Legacy Project: Arts 2	19	123	77	-	77	5	7	Sep 18		
Legacy Project: Library Mile End	21	70	223	279	501	2	Mobilisation	TBC		
Rolling Residential Refurbishments	25	1,951	(551)	1,500	949	5	7	Sep 18		
School of Engineering: Refurbishment Phase 2 & 3	23	10,926	971	3,200	4,171	5	7	Dec 18		
Engineering Quarter Masterplan	17	-	-	500	500	0	1	TBC		
John Vane Science Centre: Refurbishment	23	72	128	800	928	0	1	Jul 25		
Other Projects	N/A	478	141	-	141	5	7	Jul 19		
Minor Works / Study Space	19	31	15	388	403	5	7	Sep 18		
<b>Estates Projects Total</b>		<b>25,184</b>	<b>11,389</b>	<b>23,515</b>	<b>34,904</b>				<b>462</b>	<b>-</b>

<b>Long Term Maintenance</b>										
Statutory Compliance	25	2,295	-	3,014	3,014	VARIOUS	7	Jul 19		
Health & Safety Priorities	25	45	-	292	292	VARIOUS	7	Jul 19		
Effective, Efficient and Resilient Estate	25	1,446	-	1,255	1,255	VARIOUS	7	Jul 19		
Security Based Priorities	25	87	-	340	340	2	7	Jul 19		
Building Fabric	25	757	-	758	758	VARIOUS	7	Jul 19		
High Volume/High Transaction Student Experience Areas	25	1,718	-	565	565	VARIOUS	7	Jul 19		
Teaching Spaces Refurbishment	25	950	-	540	540	3	7	Jul 19		
Customer Priorities	25	3	-	39	39	VARIOUS	7	Jul 19		
Carbon Reduction Projects	25	804	-	350	350	3	7	Jul 19		
Other	25	595	-	538	538	VARIOUS	7	Jul 19		
Planned underspend	N/A	-	-	(191)	(191)	N/A	N/A	Jul 19		
<b>Long Term Maintenance Total</b>		<b>8,700</b>	<b>-</b>	<b>7,500</b>	<b>7,500</b>				<b>-</b>	<b>-</b>

<b>Departmental Projects</b>										
Other Projects	N/A	310	535	-	535	5	7	Sep 18		
<b>Departmental Projects Total</b>		<b>310</b>	<b>535</b>	<b>-</b>	<b>535</b>				<b>-</b>	<b>-</b>

<b>TOTAL QM Funded</b>		<b>34,194</b>	<b>11,925</b>	<b>31,015</b>	<b>42,939</b>				<b>462</b>	<b>-</b>
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<b>Funded from:</b>	
Slippage from 2017/18	11,925
Borrowing	1,851
Cash from operations	25,000
Additional allocation available should all projects be delivered in year	4,163
<b>TOTAL</b>	<b>42,939</b>

<b>Split:</b>	
Capital	37,562
Revenue	5,377
<b>TOTAL</b>	<b>42,939</b>

## IT 2018/19 Proposed Capital Programme - Total IT Programme £9.05m

IT Projects Governance Process	Gateway 1 Project mandate	Gateway 2 Detailed business case	Gateway 3 Project Initiation Documentation	Procurement	Gateway 4 Detailed Design
	Gateway 5 Build and Test	Gateway 6 Transition	Go Live Gateway review	Gateway 7 Early Life Support	Gateway 8 Closure

Realised
Likely
Possible
On Track / On Target

## Risk Status

		2017/18 Slippage (£'000)	2018/19 New Allocation (£'000)	Total Budget 2018/19 (£'000)	Current Status (as per IT capital projects governance)/ Other updates	Expected End Date	Underspend/ (Overspend)	Slippage
<b>Data / Information</b>								
1	Student number modelling tool		75	75	1	TBC		
2	PowerBI Migration		26	26	1	TBC		
3	BI Development		250	250	1	TBC		
4	Commitment to support existing and new Statutory data collections		35	35	1	TBC		
5	Support REF data collection		35	35	1	TBC		
6	Student number modelling tool 18/19		25	25	1	TBC		
<b>Integrated Back Office Systems</b>								
7	Content Management System Replacement	53		53	5	TBC		
8	Finance system improvement	54		54	5	October 2018		
9	New Direct Application Form Project	9		9	5	September 2018		
10	Student Processes Improvement Programme	115		115	5	TBC		
11	E-Recruitment: i-Grasp Integration Enhancements		96	96	1	TBC		
12	CMS Search Engine		150	150	1	TBC		
13	Managing the Project Pipeline (PPM tool)		30	30	1	TBC		
14	One Web		300	300	Revenue	TBC		
15	Unified Business Admin Systems		100	100	1	TBC		
16	Student Process Improvement Project (Phase 18/19)		526	526	2	TBC		
<b>Teaching &amp; Learning</b>								
17	AV Refresh	5		5	5	September 2018		
18	Library Management systems	242		242	5	July 2019		
19	E- Portfolio for QMUL Model	46		46	5	November 2018		
20	Loan Laptop Self Service	8		8	6	September 2018		
21	PC based/Online Assessment Tool (name reviewed to "Developing Digital Examinations & Asses	404		404	Procurement	TBC		
22	Sharepoint Proof of Concept on ITS Wiki replacement		37	37	Procurement	TBC		
23	Improve systems infrastructure for Alumni Database		13	13	5	TBC		
24	Q-Review Enhancements		36	36	5	TBC		
25	AV refresh (Queen's building)		85	85	5	TBC		
26	AV refresh 18/19		650	650	3	TBC		
27	Collaboration implementation using One Drive & SharePoint		275	275	3	TBC		
28	Replace Sortation Unit (Library)		400	400	1	TBC		
29	Timetabling Enhancements and Space Utilisation		150	150	1	TBC		

30	Upgrade RFID Tag Pads (Library)		10	10	1	TBC		
31	AV refresh - neuron pod		30	30	Transfer to Estates	TBC		
32	Library Services Platform (phase 18/19)		100	100	1	TBC		
33	CPD online training migration		40	40	1	TBC		
<b>Universal Services / Infrastructure</b>								
34	Wifi Capacity Increase	80		80	5	TBC		
35	Network Migration	3		3	6	September 2018		
36	Graduate Centre WiFi Remediation	52		52	5	TBC		
37	Data centre F5 load balancers refresh	253		253	Procurement	TBC		
38	SPAM Filtering	205		205	5	TBC		
39	Virtual Desktop Infrastructure for Students - Pilot	85		85	5	TBC		
40	Analogue telephones	143		143	Revenue	TBC		
41	Core network redesign		50	50	1	TBC		
42	Cloud and data centre strategy options		50	50	1	TBC		
43	Campus network (Access Layer) replacement options paper		5	5	1	TBC		
44	Desktop replacements (lease to purchase program)		250	250	1	TBC		
45	Email (Phase 2) Threat Reduction (e.g. Microsoft ATP, Proofpoint)		50	50	1	TBC		
46	Enhance and improve Cyber Awareness		30	30	1	TBC		
47	Legacy Network migration/decommission		125	125	1	TBC		
48	Lincoln Inn Field Site link upgrade		20	20	1	TBC		
49	Linux Server Mgmt - Enterprise Puppet		180	180	2	TBC		
50	Mac desktop management service		100	100	1	TBC		
51	NetSupport DNA		3	3	1	TBC		
52	Software Asset Management Tool		97	97	1	TBC		
53	Strategy for Security Analytics (Zone Fox, Dark Trace, Cisco Stealth Watch etc.)		50	50	1	TBC		
54	Virtual Desktop Infrastructure (VDI) - this expansion to staff VDI		85	85	1	TBC		
<b>Research Enablement</b>								
55	HPC Upgrade	237		237	Procurement	TBC		
56	Research infrastructure improvement	404		404	Procurement	TBC		
57	Research Grant Application Tool and Portal Phase 2	310		310	5	November 2018		
58	Safe Haven - SMD	622		622	5	TBC		
59	High Performance Computing Cluster Replacement (phase 2 new HPC)		500	500	1	TBC		
60	HSS Software		50	50	1	TBC		
61	IG support to the client (SMD Safe Haven Phase 2)		100	100	1	TBC		
62	Research storage service replacement		300	300	1	TBC		
63	Science and Engineering Software		50	50	1	TBC		
<b>Unallocated</b>			146	146	N/A	N/A		
<b>Total</b>		<b>3,331</b>	<b>5,715</b>	<b>9,046</b>				
Assumed slippage				- 2,000				
Budget allocation				7,046				

**Budget by Current Status**

Gateway 1: Project mandate	-	3,436	3,436
Gateway 2: Detailed business case	-	706	706
Gateway 3: Project Initiation Document	-	925	925
Procurement	1,298	37	1,335
Gateway 4: Detailed Design	-	-	-
Gateway 5: Build and Test	1,880	135	2,015
Gateway 6: Transition	11	-	11
Go Live Gateway review	-	-	-
Gateway 7: Early Life Support	-	-	-
Gateway 8: Closure	-	-	-
Revenue	143	300	443
Transfer to Estates	-	30	30
N/A	-	146	146
<b>Total</b>	<b>3,331</b>	<b>5,715</b>	<b>9,046</b>
Assumed slippage			- 2,000
<b>Budget allocation</b>			<b>7,046</b>