

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decisions

Title and Reference

Capital Monitoring 2018/19 – Quarter 3

(PCC/ 362 /2019)

Summary

The Capital Monitoring forecast as at 31 December 2018 (Qtr.3) is as follows:

2018/19 Scheme Expenditure	Revised Capital Programme £m	Actual Spend Qtr. 3 £m	Forecast Outturn £m	Forecast Variance £m
Total Building Works	2.681	0.587	1.227	(1.453)
Total Information Technology	9.213	1.843	5.926	(3.287)
Total Vehicles and Equipment	4.320	0.837	3.660	(0.660)
Northumbria Contributions to NERSOU	0.053	0.053	0.053	0.000
TOTAL CAPITAL PROGRAMME	16.266	3.320	10.866	(5.400)
TOTAL FUNDED CAPITAL SCHEMES	0.152	0.017	0.125	
TOTAL CAPITAL SPEND	16.419	3.336	10.991	(5.427)

The programme will be funded as follows:

	Revised Capital £m	Forecast Outturn £m	Variance Forecast Outturn to Revised Capital
Capital Spend Programme	16.419	10.991	(5.427)
Funded by:			
Capital Receipts	(8.069)	(8.396)	(0.327)
Capital Grant & Contributions	(1.415)	(1.415)	0.000
Prudential Borrowing	(6.935)	(1.180)	5.753
Total Funding	(16.419)	(10.991)	5.427

All prudential indicators were within the approved limits.

Recommendation/ Findings:

To note the Capital Monitoring (Qtr.3) 2018/19, Funding and Capital Prudential Indicators.

Northumbria Police and Crime Commissioner

I hereby approve the recommendations above.

Signature



Date 10 / 01 / 2019

JOINT BUSINESS MEETING	10 JANUARY 2019
CAPITAL MONITORING REPORT QTR. 3 2018/19 – AS AT 31 DECEMBER 2018	
REPORT OF KEVIN LAING, HEAD OF FINANCE	
AUTHOR: SYLVIE WALKER-BARRAS, ACCOUNTANT	

I. PURPOSE

- 1.1 This report sets out the capital forecast including capital receipts for 2018/19 at 31 December 2018 (Quarter 3).

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the forecast outturn of £10.866m (excluding funded schemes) based on payments processed to date and current projections, against a 2018/19 Capital Programme £16.266m, reflecting an in-year projected underspend of £5.400m.

3. BACKGROUND

- 3.1 The capital programme is prepared and approved in February each year and monitored and revised quarterly during the year, with the budget updated for slippage once a year in May. In between those times, budget managers review their budgets and update them in-line with programme progress.
- 3.2 At the 31 May Joint Business Meeting (JBM), a revised capital programme of £16.419m was agreed, including slippage and known funded schemes.

4. CAPITAL MONITORING 2018/19 – QUARTER 3

- 4.1 For quarter 3, most projects are progressing in-line with the agreed capital programme with some awaiting the outcome of reviews.
- 4.2 The table below shows the forecast capital outturn and variations to the revised programme, as at 31 December 2018.

2018/19 Scheme Expenditure	Revised Capital Programme £m	Actual Spend Qtr. 3 £m	Forecast Outturn £m	Forecast Variance £m
Total Building Works	2.681	0.587	1.227	(1.453)
Total Information Technology	9.213	1.843	5.926	(3.287)
Total Vehicles and Equipment	4.320	0.837	3.660	(0.660)
Northumbria Contributions to NERSOU	0.053	0.053	0.053	0.000
TOTAL CAPITAL PROGRAMME	16.266	3.320	10.866	(5.400)
TOTAL FUNDED CAPITAL SCHEMES	0.152	0.017	0.125	
TOTAL CAPITAL SPEND	16.419	3.336	10.991	(5.427)

- 4.3 The year-end forecast position is an underspend of £5.400m, excluding funded schemes, some of which is likely to slip to 2019/20.

- 4.4 A high level summary of the capital programme monitoring position, as at the end of Quarter 3, is provided as **Appendix I**. This shows the monitoring position with variances and a risk rating using a Red/Amber/Green (RAG) assessment, further narrative describing the position of individual schemes is provided below:
- 4.5 **Building Works** - the budget is forecasting an in-year underspend of £1.227m, key points to note are as follows:
- 4.5.1 **Estates Refurbishment Programme** – Schemes are currently on track to deliver improvements in-line with condition surveys, fire risk assessments and access audits. The refurbishment of Fleet Workshops is complete and projects at Hexham and Berwick police stations are now underway. The planned scheme for Washington police station has been slipped to 2019/20 pending the outcome of the new Force Operating Model and accounts for the revised projected underspend.
- 4.5.2 **Building Access Control** - New requirement which has been agreed by OPCC. The project has gone to tender and tender is currently being evaluated. Phasing of the project will be determined once the evaluation is completed.
- 4.6 **Information Technology and Digital Transformation** - the programme is forecasting an in-year underspend of £3.244m, key points to note are as follows:
- 4.6.1 **Digital Policing** – Record of Video Interview (ROVI) - OPCC approved the tender on 27 September 2018 for the ROVI equipment, additional storage for video evidence is also required, overall the projected underspend is £0.150m.
- 4.6.2 **Customer Services** – The interim NP website is live with Single Online Home (SOH) style functionality. The Force is currently engaged with the Digital Public Contact (DPC) team to understand the SOH go-live timescales, once understood the Force will migrate to the SOH.
- 4.6.3 **OPIP** – Underspend in Qtr2 was forecasted at £1.864m. Following completion of the tender process, which has returned lower capital costs, the underspend is now forecast at £1.955m for the current financial year.
- 4.6.4 **ESN** – No change from Qtr2, underspend of £0.211m due to the ongoing delays to the delivery of the national programme.
- 4.6.5 **People Management System** – No change from Qtr2; due to changes in the solution for the HRMS replacement, the project is being rephased and there will no further spend in this financial year.
- 4.6.6 **Business Intelligence & Data Analysis Programme** – Data Mining Tool, to search across information held in multiple databases and present the search results as useful information. The Force is working closely with West Yorkshire to identify a suitable Operational Data Store (ODS) structure and a set of analytical products, resulting in a projected underspend of £0.150m due to slippage.
- 4.7 **Vehicles and Equipment** - the budget is forecasting an in-year underspend of £0.660m, key points to note:
- 4.7.1 **Replacement of Operational Vehicles** – Vehicle life is based upon fleet strategy and replacement trigger points. There has been slippage caused by changes to vehicle emission legislation, delaying orders and creating a forecast slippage of £0.355m. A review of the fleet strategy has also reduced purchases and resulted in a forecast underspend of £0.165m.
- 4.7.2 **Body Worn Video** – Proposal to issue body-worn video to operational officers. Tenders have been received and a contract has been awarded.

4.8 The capital programme for 2018/19 will be financed as shown in the table below:

	Revised Capital £m	Forecast Outturn £m	Variance Forecast Outturn to Revised Capital
Capital Spend Programme	16.419	10.991	(5.427)
Funded by:			
Capital Receipts	(8.069)	(7.217)	0.852
Capital Grant & Contributions	(1.415)	(1.388)	0.027
Prudential Borrowing	(6.935)	(2.386)	4.548
Total Funding	(16.419)	(10.991)	5.428

4.9 The capital financing approach remains to maximise the use of capital receipts to support the capital programme, after the use of grant, and also to maximise overall benefit in underpinning the revenue budget.

4.10 Capital receipts are a key strategic funding source for the capital programme and receipts from the estates rationalisation programme are planned during the course of the MTFs. The forecast outturn for capital receipts in 2018/19 is £8.396m detailed in **Appendix 2**, including the first instalment received on completion of the sale of Ponteland.

4.11 The MTFs sets out that the majority of capital spending for short life assets will be financed from capital receipts. Building works with longer asset lives will be supported by prudential borrowing as this provides the most cost effective form of financing.

4.12 The prudential indicators for capital are set out in **Appendix 3**. All indicators were within the agreed limits as at 31 December 2018.

5. CONSIDERATIONS

Report Exemption	Non-exempt
Consultation	All allocated budget holders
Resource	Included within the report
Equality	No
Legal	No
Risk	Included within the report
Communication	No
Evaluation	No