

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decisions

Title and Reference – PCC.382.2019

Final Capital Outturn 2018/19 – Quarter 4

(PCC/ 382 /2019)

Summary

The Capital Outturn as at 31 March 2019 (Qtr.4) is as follows:

2018/19 Scheme Expenditure	Re-Phased Capital Programme Q3 £m	Provisional Outturn 2018'19 £m	Total Variance £m
Total Building Works	1.836	0.668	-1.168
Total Computers & Communications	6.755	3.217	-3.538
Total Vehicles and Equipment	3.965	3.018	-0.947
Northumbria Contributions to NERSOU	0.053	0.051	-0.002
TOTAL CAPITAL PROGRAMME	12.608	6.953	-5.655
TOTAL FUNDED CAPITAL SCHEMES	0.152	0.201	0.049
TOTAL CAPITAL SPEND	12.760	7.154	-5.606

The programme was funded as follows:

	Capital Programme £m	Re-phased Capital at Q3 £m	Capital Outturn £m	Variance Capital Outturn to Revised Capital
Capital Spend Programme	16.419	12.760	7.154	(5.606)
Funded by:				
Capital Receipts	(8.069)	(7.217)	0.000	7.217
Capital Grant & Contributions	(1.415)	(1.415)	(1.464)	(0.049)
Prudential Borrowing	(6.935)	(4.128)	(5.690)	(1.563)
Total Funding	(16.419)	(12.760)	(7.154)	5.606

All prudential indicators were within the approved limits.

Recommendation/Finding:

To note the Capital Outturn position against the Re-phased Q3 2018/19 Capital Programme of £12.760m including funded schemes.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 30th May 2019

Short report for information

Joint Business Meeting		30 May 2019
Final Capital Outturn Report 2018/19		
Report Of: Mike Tait, Joint Chief Finance Officer		
Author: Sylvie Walker-Barras, Accountant		

1. PURPOSE

- 1.1 The purpose of this report is to present the capital outturn for 2018/19, including funding and borrowing as at 31 March 2019.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the outturn position and approve the slippage into 2019/20.

3. BACKGROUND

- 3.1 The table below shows the final outturn position, proposed slippage and variations at year-end; there has been no change to the provisional outturn position reported at 16 May 2019.

2018/19 Scheme Expenditure	Re-phased Capital Programme Q3 £m	Provisional Outturn Year end £m	Variance Analysis		
			Slippage at Year End £m	(Under) / Over Spend £m	Total Variance £m
Total Building Works	1.836	0.668	-1.055	-0.113	-1.168
Total Computers & Communications	6.755	3.217	-2.695	-0.843	-3.538
Total Vehicles and Equipment	3.965	3.018	-0.831	-0.116	-0.947
Northumbria Contributions to NERSOU	0.053	0.051	0.000	-0.002	-0.002
TOTAL CAPITAL PROGRAMME	12.608	6.953	-4.581	-1.073	-5.655
TOTAL FUNDED CAPITAL SCHEMES	0.152	0.201		0.049	0.049
TOTAL CAPITAL SPEND	12.760	7.154	-4.581	-1.025	-5.606

- 3.2 The position reflects an outturn of £7.154m expenditure, £4.581m has been identified as slippage and £1.025m as underspend.

4. CAPITAL OUTTURN POSITION 2018/19

- 4.1 Further details of the slippage and variations from the table above are set out below and in **Appendix I**:

- 4.2 **Building Works** – The programme is underspent by £0.113m, and slippage at year-end is £1.055m, key points to note are as follows:

Short report for information

- 4.2.1 **Cell Refurbishment** – Slippage £0.151m, the refurbishment of Berwick and South Shields will now take place in 2019/20.
- 4.2.2 **Energy Management Initiatives** – Slippage £0.060m, PV (Photovoltaic) installations at Berwick and Hexham will take place at the same time as the station refurbishments in 2019/20.
- 4.2.3 **Estates Refurbishment Programme** – Underspend of £0.113m, due to lower than expected relocation costs during the year. Slippage £0.844m, is due to the re-phasing of the main programme of works relating to the condition surveys. Initial tenders have been received for Berwick and Hexham and works are proceeding.
- 4.3 **Information Technology and Digital Transformation** – the programme is underspent by £0.843m and slippage at year-end of £2.695m, key points to note are as follows:
- 4.3.1 **Digital Policing** – Slippage £0.327m, the Record of Video Interview (ROVI) project is currently underway, with most of the costs now falling in 2019/20. Underspend £0.144m, Virtual Remand Hearing has now been removed from the capital programme, provision was made within the programme, however, this national scheme is no-longer assessed to go ahead. In addition, provision was made to support cyber-crime, subject to the development of schemes, which are currently being developed.
- 4.3.2 **Customer Services** – Slippage £0.207m, interim Northumbria Police website is live with Single Online Home (SOH) style functionality. The Force has taken the decision to delay the SOH go-live until after the NPICCS replacement programme is live. In addition, engagement with the National Enablers Programme is ongoing relating to the migration to Office 365.
- 4.3.3 **NPICCS Replacement Project (OPIP)** – Slippage £1.040m, the project has commenced, the slippage reflects the re-phasing of the project.
- 4.3.4 **Mobile Technology** – Underspend £0.073m, upgrade of the Police E-Box and Vulnerable Persons Mobile Apps. Slippage £0.117m, mobile technology requirement dependent on the outcome of the new Force Operating Model and spend will be in 2019/20.
- 4.3.5 **Business Intelligence & Data Analysis Programme** – Slippage £0.085m, Picdar project was partially completed during the year and will be completed in 2019/20. The Operational Data Store (ODS) and ETL software have not been progressed during the year and have been re-phased to 2019/20.
- 4.3.6 **Information Management** – Underspend £0.035m, 'Ident' move is not going ahead at this time and is still dependent on the Home Office PSN link, there is no current operational impact. Slippage £0.082m, Identity Management Sailpoint scheme will be carried out in 2019/20.
- 4.3.7 **ICT Refresh** – Slippage £0.837m, replacement of infrastructure in support of ICT services and the purchase of planned increases in capacity on a rolling programme of 5 year cycle refresh has gone to tender and been approved. The scheme has been partly completed at year-end. The purchase of desktops PCs and laptops on a rolling programme of 5 year cycle to refresh desktops and 3 year cycle to refresh laptops was also partly completed at year-end and is planned to be completed in 2019/20.
- 4.3.8 **Resourcing for Capital Projects** – Underspend £0.332m, specialist IT staff to work on the capital programme, partly underspent due to re-phasing of NPICCS replacement and HRIT projects and staffing costs being transferred to revenue.

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4.4 **Vehicles and Equipment** – Underspent £0.116m, primarily due to changes to the fleet strategy, resulting in reduced vehicle purchases. Slippage £0.831m, the scheme to issue body worn video to operational officers is underway and will be completed in 2019/20.

4.5 The capital programme for 2018/19 has been financed as shown in the table below:

	Capital Programme £m	Re-phased Capital at Q3 £m	Capital Outturn £m	Variance Capital Outturn to Revised Capital
Capital Spend Programme	16.419	12.760	7.154	(5.606)
Funded by:				
Capital Receipts	(8.069)	(7.217)	0.000	7.217
Capital Grant & Contributions	(1.415)	(1.415)	(1.464)	(0.049)
Prudential Borrowing	(6.935)	(4.128)	(5.690)	(1.563)
Total Funding	(16.419)	(12.760)	(7.154)	5.606

4.6 At Quarter 3, it was anticipated that £7.217m of the Capital Programme was to be financed by capital receipts, however whilst setting the Medium Term Financial Strategy (MTFS) 2019/20 to 2022/23, further consideration was given to the use of capital receipts over the medium term planning period to 2022/23. The capital financing strategy remains to maximise the overall benefit of capital receipts in terms of the impact on the revenue budget and overall affordability of the capital programme.

4.7 Capital receipts will therefore be retained to finance the future capital programme over the MTFS period, with the majority of capital spending for short-life assets being financed from capital receipts. After Capital Grants and Contributions have been applied, the balance of the capital programme is to be funded by Prudential Borrowing. Based on current interest rates this is the prudent method of financing and is within the Treasury Management borrowing limits.

4.8 The outturn for capital receipts in 2018/19 is £7.944m detailed in **Appendix 2**, including the first instalment received on completion of the sale of Ponteland.

4.9 Prudential borrowing is within the revised estimate for the year and costs of new borrowing are fully reflected in the 2019/20 budget and MTFS 2019/20 to 2022/23.

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

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CAPITAL PROGRAMME 2018/19

APPENDIX I

Scheme	Re-phased Capital Programme at Q3 £000's	2018/19 Outturn £000's	Variance Outturn to Re-phased Programme £000's	Variance Analysis	
				Slippage at Year End £000's	Underspend/ Overspend £000's
Estates Building works	1,836	668	-1,168	-1,055	-113
TOTAL BUILDING WORKS	1,836	668	-1,168	-1,055	-113
INFORMATION TECHNOLOGY & DIGITAL TRANSFORMATION					
Digital Policing	474	3	-471	-327	-144
Customer Services	365	158	-207	-207	0
NPICCS Replacement Programme (formerly OPIP)	1,320	281	-1,039	-1,040	1
ESN	211	0	-211	0	-211
Mobile Technology	301	111	-190	-117	-73
People Management System	-0	0	0	0	0
Business Intelligence & Data Analysis Programme	95	10	-85	-85	0
Information Management	117	0	-117	-82	-35
Future provision for change in national programme	178	148	-31	0	0
ICT Refresh	3,176	2,320	-856	-837	-49
Resourcing of Capital Projects	517	185	-332	0	-332
TOTAL COMPUTERS & COMMUNICATIONS	6,755	3,217	-3,538	-2,695	-843
VEHICLES AND EQUIPMENT					
Replacement of Operational Vehicles & Equipment	3,965	3,018	-947	-831	-116
TOTAL VEHICLES AND EQUIPMENT	3,965	3,018	-947	-831	-116
NERSOU SCHEMES - Northumbria's contributions					
TSU - NERSOU	53	51	-2		-2
TOTAL NERSOU SCHEMES - Northumbria's contributions	53	51	-2	0	-2
TOTAL CAPITAL PROGRAMME	12,608	6,954	-5,655	-4,581	-1,074
FUNDED CAPITAL SCHEMES					
		Forecast Outturn £000's	Variance £000's		Underspend/ Overspend £000's
ESN	152	21	-131		-131
NERSOU	0	180	180		180
TOTAL FUNDED CAPITAL SCHEMES	152	201	49	0	49
TOTAL CAPITAL SPEND	12,760	7,154	-5,606	-4,581	-1,025

Short report for information

CAPITAL RECEIPTS 2018/19 - QTR 4 MARCH 2019

APPENDIX 2

MTFS 2019/20 - 2022/23							
	Original MTFS	Capital Receipts Qtr 4 Mar 19	Actual Income	Sales dates	Disposal approved OPCC	On market ✓	Offer accepted OPCC
	£	£	£				
2018/19			2018/19				
Houses at Fairfield Hexham	599,000	0	0		30/04/2015	✓	31/05/2018
Morpeth	650,000	650,000	650,000	28/03/2019	22/01/2015		15/09/2016
Prudhoe	150,000	145,000	144,350	27/12/2018	13/07/2017		31/05/2018
North Road, Ponteland		1,067,347	1,067,347	Deposit on exchange 20/06/2017			12/11/2015
North Road, Ponteland	6,670,000	5,788,621	5,962,663	Completed 27/09/2018			12/11/2015
NPAS credit for Airframe 2018/19	0	109,500	109,500	30/07/2018			
Sale of vehicles	0	10,547	10,547				
Totals	8,069,000	7,771,015	7,944,406				
2019/20			2019/20				
	MTFS	Qtr4 Mar19	Income	Properties & sales dates	Disposal approved OPCC	On market	Offer accepted OPCC
North Road, Ponteland	6,670,000	7,004,009	0				12/11/2015
NPAS credit for Airframe 2019/20	0	65,700	0				
Houses at Fairfield Hexham	0	1,275,000	0		30/04/2015	✓	31/05/2018
Totals	6,670,000	8,344,709	0				
2020/21			2020/21				
	MTFS	Qtr4 Mar19	Income	Properties & sales dates	Disposal approved OPCC	On market	Offer accepted OPCC
North Road, Ponteland	5,556,000	7,032,118	0				12/11/2015
NPAS credit for Airframe 2020/21		21,900	0				
Totals	5,556,000	7,054,018	0				
2021/22			2021/22				
	MTFS	Qtr4 Mar19	Income	Properties & sales dates	Disposal approved OPCC	On market	Offer accepted OPCC
North Road, Ponteland	1,114,000	0	0				
Totals	1,114,000	0	0				
TOTAL	21,409,000	23,169,743	7,944,406				