

## NORTHUMBRIA POLICE AND CRIME COMMISSIONER

### Key Decision

#### Title and Reference:

Capital Monitoring Q2

(PCC/485/2022)

#### Summary

The capital forecast for 2022/23 at 30 September 2022 is as follows:

2022/23 Scheme Expenditure	Capital Programme £m	Actual Spend Qtr.2 £m	Forecast Outturn Qtr.1 £m	Forecast Outturn Qtr.2 £m	Variance Qtr. 1 to Qtr. 2 £m
Building Works	9.420	0.808	5.929	5.464	(0.465)
Digital Policing & Digital Transformation	20.792	3.319	17.171	15.741	(1.430)
Vehicles and Equipment	8.068	1.316	8.068	5.579	(2.488)
NERSOU Schemes - Northumbria's contributions	0.313	0.075	0.313	0.284	(0.029)
<b>TOTAL CAPITAL PROGRAMME</b>	<b>38.592</b>	<b>5.519</b>	<b>31.480</b>	<b>27.069</b>	<b>(4.412)</b>
<b>TOTAL FUNDED CAPITAL SCHEMES</b>	<b>0.794</b>	<b>0.035</b>	<b>0.802</b>	<b>0.802</b>	<b>0.000</b>
<b>TOTAL CAPITAL SPEND</b>	<b>39.387</b>	<b>5.555</b>	<b>32.282</b>	<b>27.870</b>	<b>(4.412)</b>

The program has been financed as follows:

	Capital Programme £m	Forecast Outturn £m	Total Variance £m
<b>Capital Spend Programme</b>	<b>39.387</b>	<b>27.870</b>	<b>(11.516)</b>
Funded by:			
Capital Receipts	(18.831)	(13.238)	5.593
Capital Grant & Contributions	(0.794)	(0.802)	(0.007)
Prudential Borrowing	(19.761)	(13.831)	5.931
<b>Total Funding</b>	<b>(39.387)</b>	<b>(27.870)</b>	<b>11.517</b>

All prudential indicators were within the agreed limits as at 30 September 2022.

#### Recommendation/Findings:

Note the Capital Monitoring for Qtr. 2 as at 30 September 2022

#### Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 22/11/2022

<b>Business Meeting</b>	<b>22 November 2022</b>
<b>Capital Monitoring Q2</b>	
<b>Report Of: Kevin Laing, Joint Chief Finance Officer</b>	
<b>Author: Sylvie Walker-Barras, Senior Accountant</b>	

## **1. PURPOSE**

- 1.1 The purpose of this report is to set out the capital forecast for 2022/23 as at 30 September 2022.

## **2. RECOMMENDATION**

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the Capital Monitoring for Qtr. 2 as at 30 September 2022.

## **3. BACKGROUND**

- 3.1 At 21 July BM, a revised capital programme of £39.387m was agreed including funded schemes.

### **CAPITAL MONITORING 2022/23 – QUARTER 2**

- 3.2 As at Quarter 2, most projects have been started, with some awaiting the outcome of reviews or going through the tender process.
- 3.3 The forecast capital outturn and variations to the revised programme, as at 30 September 2022 are set out in the table below:

<b>2022/23 Scheme Expenditure</b>	<b>Capital Programme £m</b>	<b>Actual Spend Qtr.2 £m</b>	<b>Forecast Outturn Qtr.1 £m</b>	<b>Forecast Outturn Qtr.2 £m</b>	<b>Variance Qtr. 1 to Qtr. 2 £m</b>
Building Works	9.420	0.808	5.929	5.464	(0.465)
Digital Policing & Digital Transformation	20.792	3.319	17.171	15.741	(1.430)
Vehicles and Equipment	8.068	1.316	8.068	5.579	(2.488)
NERSOU Schemes - Northumbria's contributions	0.313	0.075	0.313	0.284	(0.029)
<b>TOTAL CAPITAL PROGRAMME</b>	<b>38.592</b>	<b>5.519</b>	<b>31.480</b>	<b>27.069</b>	<b>(4.412)</b>
<b>TOTAL FUNDED CAPITAL SCHEMES</b>	<b>0.794</b>	<b>0.035</b>	<b>0.802</b>	<b>0.802</b>	<b>0.000</b>
<b>TOTAL CAPITAL SPEND</b>	<b>39.387</b>	<b>5.555</b>	<b>32.282</b>	<b>27.870</b>	<b>(4.412)</b>

- 3.4 The variance from Qtr1 to Qtr2 forecast positions is currently projecting a further £4.412m underspend.
- 3.5 Details of the capital monitoring variances in **Appendix I** sets out a high-level summary of the key budget areas.

Key points to note:

### **Building Works**

- 3.6 The reported position at Qtr1 was a forecast outturn of £5.929m and an in-year variance underspend of £3.491. The revised position at Qtr2 is a forecast outturn of £5.464m and £3.956m underspend against budget; the movement from Qtr1 is therefore an increased under spend of £0.465m.
- 3.7 A revised Estates strategy is currently in discussion and as a result, the proposed refurbishments of Byker, Alnwick and Whickham police stations have been moved to 2023/24 as works are unlikely to commence on site in 2022/23.
- 3.8 Improvements are taking place at Etal Lane and Bedlington for wellbeing and the relocation/increase in personnel to these premises; as well as improvements to meeting rooms across the estate.
- 3.9 The planning for the new SARC at St-Georges House is complete, with work due to commence as soon as the new lease has completed; revised construction costs have been received, showing an increase of £0.509m.

### **Digital Policing and Digital Transformation**

- 3.10 The reported position at Qtr1 was a forecast outturn of £17.172m reflecting an underspend of £3.620m against budget. The revised position at Qtr2 is a forecast outturn of £15.741m and £5.051m underspend against budget; the movement from Qtr1 is an increase in the underspend of £1.430m.
- 3.11 The implementation of Single Online Home, which is a National Programme has been moved to April 2023. Capital earmarked for recruitment and onboarding software (Kallidus Recruit & Sapling), planned for in the current year has been pushed back to 2023/24.
- 3.12 Both the Video/media streaming and Automatic Access Control System projects will not incur any expenditure this financial year as they are dependent on Force wide plans.
- 3.13 The 1500 airwave handsets on order with Motorola are not likely to be delivered before the end of March 2023; and finally, the Estates Asset Management System due to other project pressures will now be moved to 2023/24.

### **Vehicles and Equipment**

- 3.14 The reported position at Qtr1 was a forecast outturn of £8.068m and no variance against budget. The revised position at Qtr2 is a forecast outturn of £5.579m and £2.488m underspend against budget; the movement from Qtr1 is therefore £2.488m.
- 3.15 Uncertainty continues around the availability of vehicles; worldwide supply chain shortages together with price increases remain. Notwithstanding this uncertainty, the forecast outturn takes account of the delivery timescales of the vehicles on order. This forecast also accounts for the change in procurement approach to certain vehicle categories.

## NEROCU schemes

- 3.16 The reported position at Qtr1 was a forecast outturn of £0.313m and no variance against budget. The revised position at Qtr2 is a forecast outturn of £0.284m and £0.029m underspend against budget; the movement from Qtr1 is therefore £0.029m.
- 3.17 NEROCU reported that Fleet capital budget for 2022/23 included an estimate for slippage of £0.181m from 2021/22 relating to vehicles delivered after 31 March 2022. The confirmed actual slippage was £0.125m (a reduction of £0.056m). The 2022/23 Fleet budget has therefore been reduced from £0.469m to £0.413m to reflect that position. Northumbria's share is 52.9% of the reduction of £0.056m which equates to £0.029m.
- 3.18 The capital programme for 2022/23 will be financed as shown in the table below:

	Capital Programme £m	Forecast Outturn £m	Total Variance £m
<b>Capital Spend Programme</b>	<b>39.387</b>	<b>27.870</b>	<b>(11.516)</b>
Funded by:			
Capital Receipts	(18.831)	(13.238)	5.593
Capital Grant & Contributions	(0.794)	(0.802)	(0.007)
Prudential Borrowing	(19.761)	(13.831)	5.931
<b>Total Funding</b>	<b>(39.387)</b>	<b>(27.870)</b>	<b>11.517</b>

- 3.19 The changes to capital financing are related to the variances highlighted under point 3.5.
- 3.20 In-year capital receipts relate to the sale of BMWs and amount to £0.536m. Capital receipts carried forward from previous years amount to £22.173m and are planned for use within the current MTFS.
- 3.21 The prudential indicators for capital are set out in **Appendix 2**. All indicators were within the agreed limits as at 30 September 2022.

## 4. CONSIDERATIONS

Report Exemption	Non-exempt
<b>Consultation</b>	
All allocated budget holders	
<b>Resources</b>	
Included within the report	
<b>Code of Ethics</b>	
<b>Equality</b>	
No	
<b>Legal</b>	
No	
<b>Risk</b>	
Included within the report	

<b>Communication</b>
No
<b>Evaluation</b>
No