

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

CAPITAL OUTTURN REPORT 2020/21

(PCC/447/2021)

Summary

The Capital Outturn Position at 31 March 2021 (Qtr.4) is as follows:

2020/21 Scheme Expenditure	Capital Programme £m	Outturn Year-end £m	Variance Analysis		
			Slippage to 2021/22 £m	Variance to Budget £m	Total Variance £m
Building Works	8.150	1.730	(0.455)	(5.965)	(6.420)
Information Technology & Digital Transformation	6.186	5.151	(2.279)	1.244	(1.035)
Vehicles and Equipment	4.818	3.699	(1.089)	(0.030)	(1.119)
NERSOU Schemes - Northumbria's contributions	0.166	0.126	(0.026)	(0.014)	(0.040)
TOTAL CAPITAL PROGRAMME	19.320	10.706	(3.849)	(4.765)	(8.614)

The programme has been financed as follows:

	Capital Programme £m	Outturn At 31 March 2021 £m	Variance Outturn to Capital Programme £m
Capital Spend Programme	19.320	10.706	(8.614)
Funded by:			
Capital Receipts	0.000	0.000	0.000
Capital Grant & Contributions	(0.403)	(0.577)	(0.173)
Prudential Borrowing	(18.917)	(10.129)	8.788
Total Funding	(19.320)	(10.706)	8.614

All prudential indicators were within the approved limits.

Recommendation/Findings:

- To note the Capital Programme outturn position, as at 31 March 2021; and
- To approve the required Capital Programme slippage into 2021/22.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date

7/7/2021

JOINT BUSINESS MEETING	07 JULY 2021
CAPITAL OUTTURN REPORT 2020/21	
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 Programme outturn position, subject to audit, for 2020/21, and to confirm the proposed slippage to be carried forward to 2021/22.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- Note the Capital Programme outturn position, as at 31 March 2021; and
 - Approve the required Capital Programme slippage into 2021/22.

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 between these reporting positions, budget managers review their budgets and update them in-line with programme progress.
- 3.2 The Quarter 3 report forecast outturn of £12.134m reflected the impact of COVID-19 and the review of the Estates refurbishment programme.
- 3.3 As at year-end, the further variance reflects the proposed slippage of schemes to 2021/22.
- 3.4 The table below sets out the final outturn of £10.706m expenditure (subject to audit), £3.849m of identified slippage and £4.765m as a variance to budget:

2020/21 Scheme Expenditure	Capital Programme £m	Outturn Year-end £m	Variance Analysis		
			Slippage to 2021/22 £m	Variance to Budget £m	Total Variance £m
Building Works	8.150	1.730	(0.455)	(5.965)	(6.420)
Information Technology & Digital Transformation	6.186	5.151	(2.279)	1.244	(1.035)
Vehicles and Equipment	4.818	3.699	(1.089)	(0.030)	(1.119)
NERSOU Schemes - Northumbria's contributions	0.166	0.126	(0.026)	(0.014)	(0.040)
TOTAL CAPITAL PROGRAMME	19.320	10.706	(3.849)	(4.765)	(8.614)

4. CAPITAL OUTTURN POSITION 2020/21

- 4.1 Further details of the slippage and variations shown within the table above are set out below, and in **Appendix I**:
- 4.2 **Building Works** – The total variance to the programmed spend at year-end is £6.420m under budget, this is made up of £0.455m of scheme slippage, plus variances to individual schemes totalling £5.965m, the key points to note are as follows:

- 4.2.1 **Custody Improvement** - Bedlington Custody CCTV and fire alarm project has been reprioritised to align with the planned closure of the suite to carry out the cell call and affray alarm works later in 2021. The cell call system is in the process of being implemented across the Force custody suites. Both will be completed in 2021/22.
- 4.2.2 **Estates Refurbishment Programme** – Southwick refurbishment has been completed. The remaining refurbishment work on all other stations is being reviewed and rephased in order to account for the implications of post-COVID Estate requirements.
- 4.3 **Information Technology and Digital Transformation** – The overall variance to the programmed spend at year-end is £1.035m under budget, this is made up of £2.279m of scheme slippage, plus variances to individual schemes totalling £1.244m, the key points to note are as follows:
- 4.3.1 **Digital** – Cyber Crime as previously reported, no requirements were identified during the year. Business Analytics work to create a number of applications in the QlikSense product using external resources was delayed due to issues accessing skilled resources. These issues are resolved and further progress against the requirements is expected in early 2021/22.
- 4.3.2 **NPICCS Replacement** – Following development delays experienced by Northgate, re-planning and contract changes affecting the payment schedule have pushed some costs into 2021/22.
- 4.3.3 **People Management** – HRIT project, COVID and national lockdown have slowed progress initially, creating additional project manager costs and then further delays experienced in the project have led to a change in approach and project personnel. Work is ongoing on the Crown DMS project to configure the existing functionality that has not been used previously.
- 4.3.4 **ICT TECH** - National Enabler O365 project has seen delays to the implementation of the supporting technology and project activity due to reduced access to supplier time as a result of COVID-19. An alternative supplier has been identified and is delivering to expectations; it is anticipated that the work will be completed in the next financial year. The mobile phone refresh has also been delayed resulting in slippage to 2021/22.
As reported at Qtr. 3 the in-year decision to invest in a Digital Forensic Unit (DFU) storage solution and the additional device requirement for home-working have resulted in increased spend.
- 4.4 **Vehicles and Equipment** – The overall variance to the programmed spend at year-end is £1.119m under budget, this is made up of £1.089m of scheme slippage, plus variances to individual schemes totalling £0.030m, the key points to note are as follows:
- 4.4.1 **Vehicles** – The slippage to 2021/22 is a timing issue between order and receipt of vehicles. Some supply chain disruption, particularly surrounding electronic parts, have the potential to continue for some time.
- 4.4.2 **Equipment** – The lack of availability of installation engineers and the slower than usual turnaround on the supply of parts are both due to COVID 19 and are reflected in the slippage to 2021/22.
- 4.5 **Movement on the schemes** - At year-end, £3.849m has been identified as slippage and £4.765m as variance, bringing the total variance from the capital programme to £8.614m.
- 4.6 The capital programme for 2020/21 has been financed as shown in the table below:

Capital Financing 2020/21	Capital Programme	Outturn At 31 March 2021	Variance Outturn to Capital Programme
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	£m	£m	£m
Capital Expenditure	19.320	10.706	(8.614)
Funded by:			
Capital Receipts	0.000	0.000	0.000
Capital Grant & Contributions	(0.403)	(0.577)	(0.173)
Prudential Borrowing	(18.917)	(10.129)	8.788
Total Capital Financing	(19.320)	(10.706)	8.614

- 4.7 The impact on capital financing for 2020/21 is mainly reflected in the reduction in prudential borrowing required for the year. There was no planned use of capital receipts in 2020/21 as these are being retained in the short-term and focused on funding later years of the MTFS.
- 4.8 Total capital receipts received in 2020/21 are £7.097m, including the final payment for the sale of the former HQ site at Ponteland, as detailed in **Appendix 3**.
- 4.9 All prudential indicators for capital in 2020/21 were within the limits set for the year within the Treasury Management Policy and Strategy Statement 2020/21 to 2023/24.

5. REVISED CAPITAL PROGRAMME 2021/22

- 5.1 Variances to budget reflected in the year-end outturn for 2020/21 have been re-phased into the following year of the capital programme where appropriate. Year-end slippage to be added to the capital programme 2021/22 is £3.849m and represents further movements since the MTFS was completed. The revised 2021/22 capital programme is set out in the table below and detailed in **Appendix 2**:

2021/22 Scheme Expenditure	Capital Programme 2021/22 £m	Slippage from 2020/21 £m	Revised Capital Programme 2021/22 £m
Building Works	4.012	0.455	4.467
Information Technology & Digital Transformation	9.852	2.378	12.230
Vehicles and Equipment	3.580	0.990	4.570
NERSOU Schemes - Northumbria's contributions (Includes £0.040m increase for NERCPC works)	0.243	0.026	0.269
Total Capital Expenditure	17.687	3.849	21.536

f the revised capital programme 2021/22 is set out in the following table and reflects an increase in prudential borrowing for the year in relation to the slippage from 2020/21.

Capital Financing 2021/22	Capital Programme 2021/22 £m	Slippage from 2020/21 £m	Revised Capital Programme 2021/22 £m
Capital Expenditure	17.687	3.849	21.536
Funded by:			
Capital Receipts	0.000	0.000	0.000
Capital Grant & Contributions	0.493	0.000	0.493
Prudential Borrowing	17.194	(3.849)	21.043
Total Capital Financing	(17.687)	(3.849)	(21.536)

approach to prudential borrowing and the use of capital receipts over the medium term remains in-

line with the MTFS 2021/22 to 2024/25. The use of capital receipts remains focused over 2022/23 to 2024/25 ensuring that revenue costs of financing are affordable over the medium term and limiting increases in capital financing costs to the earlier years of the MTFS period.

6. CONSIDERATIONS

Government Protective Marking Scheme	Not protectively marked
Freedom of Information	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