

NORTHUMBRIA POLICE AND CRIME COMMISSIONER**Key Decision****Title and Reference****CAPITAL MONITORING QTR. 3 2021/22****(PCC/455/2022)****Summary**

The capital forecast for 2021/22 at 31 December 2021 is as follows:

2021/22 Scheme Expenditure	Capital Programme £m	Actual Spend Qtr. 3 £m	Forecast Outturn Qtr. 2 £m	Forecast Outturn Qtr. 3 £m	Variance Qtr. 2 to Qtr. 3 £m
Building Works	4.496	0.507	2.502	2.002	(0.500)
Information Technology & Digital Transformation	12.075	2.767	12.027	9.139	(2.888)
Vehicles and Equipment	4.541	1.719	4.565	2.780	(1.785)
NERSOU Schemes - Northumbria's contributions	0.269	0.116	0.269	0.172	(0.097)
TOTAL CAPITAL PROGRAMME	21.381	5.108	19.363	14.093	(5.270)
TOTAL FUNDED CAPITAL SCHEMES	0.155	0.009	0.070	0.079	0.009
TOTAL CAPITAL SPEND	21.536	5.117	19.433	14.172	(5.261)

The programme has been financed as follows:

	Capital Programme £m	Forecast Outturn £m	Total Variance £m
Capital Spend Programme	21.536	14.172	(7.364)
Funded by:			
Capital Receipts	0.000	0.000	0.000
Capital Grant & Contributions	(0.493)	(0.417)	0.076
Prudential Borrowing	(21.043)	(13.755)	7.288
Total Funding	(21.536)	(14.172)	7.364

All prudential indicators were within the approved limits.

Recommendation/Findings:

- a. To note the Capital Monitoring for Qtr.3, as at 31 December 2021

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature

Date 11/01/ 2022

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Business Meeting (BM)	11 January 2022
Capital Monitoring QTR. 3 2021/22	
Report of: Mike Tait, Joint Chief Finance Officer	
Author: Sylvie Walker-Barras, Accountant	

1. PURPOSE

- 1.1 The purpose of this report is to set out the capital forecast for 2021/22 at 31 December 2021.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the report.

3. BACKGROUND

- 3.1 At 07 July 2021 Business Meeting, a revised capital programme of £21.536m was agreed including funded schemes.

CAPITAL MONITORING 2021/22 – QUARTER 3

- 3.2 As at Quarter 3, most projects have started with some awaiting the outcome of reviews and some projects progressing at a slower pace due to the impact of shortages caused by high demand, lockdowns, social distancing, and other measures in place during the pandemic.
- 3.3 The forecast capital outturn and variations to the revised programme, as at 31 December 2021 are set out in the table below:

2021/22 Scheme Expenditure	Capital Programme £m	Actual Spend Qtr. 3 £m	Forecast Outturn Qtr. 2 £m	Forecast Outturn Qtr. 3 £m	Variance Qtr. 2 to Qtr. 3 £m
Building Works	4.496	0.507	2.502	2.002	(0.500)
Information Technology & Digital Transformation	12.075	2.767	12.027	9.139	(2.888)
Vehicles and Equipment	4.541	1.719	4.565	2.780	(1.785)
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TOTAL CAPITAL SPEND	21.536	5.117	19.433	14.172	(5.261)

- 3.4 The variance from Quarter 2 to Quarter 3 forecast positions is currently projecting a further £5.261m 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:

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- 3.6 **Estates Programme** – The reported position at Quarter 2 was a forecast outturn of £2.502m; the revised position at Quarter 3 is a forecast outturn of £2.002m which reflects £2.494m underspend against budget; the movement from Quarter 3 is a reduction of £0.500m.

Whilst there will be slippage in the Estates programme, planning is underway to recommence the planned programme of major refurbishments to the Force estate. As reported at Quarter 2, limited improvements are taking place at Washington Police Station, and the restart of the refurbishment scheme will be at Byker with proposals to be presented to the Executive Team for approval in January 2022 prior to further reporting through BM for procurement sign-off. The next scheme to be progressed will be for Alnwick which will be reported through the Executive Team in the first quarter of 2022. Improvements are also ongoing across the estate such as at South Shields to improve ABE facilities, Bedlington to cater for uplift numbers, at MEL and Houghton to improve the condition of rest areas.

- 3.7 **Information Technology and Digital Transformation** - The reported position at Quarter 2 was a forecast outturn of £12.027m and £0.048m underspend against budget. The revised position at Quarter 3 is a forecast outturn of £9.139m which reflects a £2.936m underspend against budget; the movement from Quarter 2 is therefore a reduction in forecast of £2.887m.

3.7.1 **Digital** – At Quarter 3 the underspend of £0.764m is made up of £0.214m slippage on Business Analytics as the work to create a number of applications in the QlikSense product will not all be completed in the current year as they are linked to the delivery of the NPICCS replacement project. £0.550m slippage on Archived Data Store as the work is also linked to the NPICCS replacement project and will now not begin until 2022/23.

3.7.2 **NPICCS Replacement Project** – The underspend of £0.629m will be slippage to 2022/23 as the work has been rephased.

3.7.3 **People Management** – The underspend of £0.440m is made up of £0.200m slippage on HRIT due to delays relating to complexity of interfaces with the Unit 4 System and of £0.240m slippage on Crown as the anticipated upgrade to the system was put on hold whilst the workforce schedule module was implemented.

3.7.4 **T25 Operational Programme** – The underspend of £0.180m will be slippage to 2022/23 for Modernising Public Contact as the scheme has been rephased to 2022/23 to enable the delivery of Call Back Assist software.

3.7.5 **ESN** – The underspend of £0.213m will be slippage to 2022/23 for Airwave pre-ESN as the ICCS refresh which is determined nationally will now take place in July 2022.

3.7.6 **Network Refresh** – The underspend of £0.600m will be slippage to 2022/23 for Network Refresh – Telephony as most of the telephony refresh work will be carried next year.

3.7.7 **ICT Refresh** - The underspend of £0.062m will be slippage to 2022/23 for ICT refresh – Other which covers consultancy work for Finance system upgrade, however due to staff shortages, some of the work will now have to be carried out next year.

- 3.8 **Vehicles & Equipment** – The reported position at Quarter 2 was a forecast outturn of £4.565m and no movement against budget. The revised position at Quarter 3 is a forecast outturn of £2.780m, the movement from Quarter 2 is therefore a reduction of £1.785m.

The underspend is made up of £1.735m slippage on Fleet, uncertainty continues around the availability of vehicles, worldwide supply chain shortages together with price increases. This forecast accounts for the change in procurement approach to certain vehicle categories following national issues around one current vehicle manufacturer as reported in Quarter 2.

£0.050m relates to TSU technology refresh being slipped into 2022/23 as the Asset Tracking & Image Transfer Systems are subject to National decision by the Surveillance Operations Room Project which hasn't been finalised.

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- 3.9 **NERSOU SCHEMES - Northumbria's contributions** - The reported position at Quarter 2 was a forecast outturn of £0.269m and no movement against budget. The revised position at Quarter 3 is a forecast outturn of £0.172m, the movement from Quarter 2 is therefore £0.097m.

The slippage on NERSOU Fleet is as a result of the same issues stated under point 3.8 above in relation to uncertainty around vehicle availability and supply issues.

- 3.10 **Funded Scheme - ESN** - The reported position at Quarter 2 was a forecast outturn of £0.070m and a variance of £0.085m underspend against budget. The revised position at Quarter 3 is a forecast outturn of £0.079m, and £0.076m underspend against budget; the movement from Quarter 2 is therefore £0.009m.

This reflects the upgrade purchased for the Covert Airwave devices which has been funded by a further Home Office grant.

- 3.11 The capital programme for 2021/22 will be financed as shown in the table below:

	Capital Programme £m	Forecast Outturn £m	Total Variance £m
Capital Spend Programme	21.536	14.172	(7.364)
Funded by:			
Capital Receipts	0.000	0.000	0.000
Capital Grant & Contributions	(0.493)	(0.417)	0.076
Prudential Borrowing	(21.043)	(13.755)	7.288
Total Funding	(21.536)	(14.172)	7.364

- 3.12 The changes to capital financing are related to the variances highlighted under point 3.3.
- 3.13 Currently there are no capital receipts expected in-year. Capital receipts carried forward from previous years amount to £22.153m and are planned for use within the later years of the current MTFS.
- 3.14 The prudential indicators for capital are set out in **Appendix 2**. All indicators were within the agreed limits as at 31 December 2021.

4. CONSIDERATIONS

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

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Evaluation
No