

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

Capital Monitoring Q3 2023/24

(PCC/551/2024)

Summary

The capital forecast for 2023/24 at 31 December 2023 is as follows:

2023/24 Scheme Expenditure	Capital Programme £m	Actual Spend £m	Forecast Outturn Qtr2 £m	Forecast Outturn Qtr3 £m	Total Movement £m
Building Works	6.721	2.386	5.142	4.860	(0.282)
Digital Policing & Digital Transformation	11.581	3.302	9.693	8.468	(1.226)
Vehicles and Equipment	7.374	2.645	5.751	5.872	0.120
NEROCU Schemes - Northumbria's contributions	0.441	0.280	0.441	0.441	0.000
SUBTOTAL	26.117	8.613	21.027	19.640	(1.387)
Total Funded Schemes	0.329	0.303	0.329	0.407	0.077
TOTAL CAPITAL PROGRAMME	26.446	8.916	21.357	20.047	(1.310)

The programme will be financed as follows:

Capital Financing 2023/24	Capital Programme £m	Forecast Outturn £m	Total Variance £m
Capital Expenditure	26.446	20.047	(6.399)
Funded by:			
Capital Receipts	(5.833)	(5.729)	0.104
Capital Grant & Contributions	(0.329)	(0.406)	(0.077)
Prudential Borrowing	(20.284)	(13.912)	6.372
Total Funding	(26.446)	(20.047)	6.399

All prudential indicators were within the approved limits.

Recommendation/Findings:

- a. Note the Capital Monitoring position and forecast for Qtr. 3 as at 31 December 2023

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 25/1/2024

Business Meeting	25 January 2024
Capital Monitoring Q3 2023/24	
Report of: Kevin Laing, Joint Chief Finance Officer	
Author: Sylvie Walker-Barras, Senior Accountant	

1. PURPOSE

- 1.1 The purpose of this report is to set out the capital forecast for 2023/24 as at 31 December 2023.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the Capital Monitoring for Qtr. 3 as at 31 December 2023.

3. BACKGROUND

- 3.1 The 2023/24 capital programme of £33.376m was approved by the Commissioner on 30 March 2023 as part of the Capital Strategy 2023/24 to 2026/27.
- 3.2 The Capital Outturn report for 2022/23 reported slippage of £5.831m into the 2023/24 financial year. There has also been a reprofiling of capital programme spend, resulting in adjustments to future years of £12.761m, bringing the capital budget 2023/24 to a revised total of £26.446m.

CAPITAL MONITORING 2023/24 – QUARTER 3

- 3.2 As at Quarter 3, projects are progressing in line with the agreed capital programme with some now delayed until the next financial year.
- 3.3 The forecast capital outturn and variations to the revised programme, as at 31 December 2023 are set out in the table below:

2023/24 Scheme Expenditure	Capital Programme £m	Actual Spend £m	Forecast Outturn Qtr2 £m	Forecast Outturn Qtr3 £m	Total Movement £m
Building Works	6.721	2.386	5.142	4.860	(0.282)
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SUBTOTAL	26.117	8.613	21.027	19.640	(1.387)
Total Funded Schemes	0.329	0.303	0.329	0.407	0.077
TOTAL CAPITAL PROGRAMME	26.446	8.916	21.357	20.047	(1.310)

- 3.4 The movement from Qtr2 to Qtr3 forecast positions is currently projecting a further £1.310m underspend.
- 3.5 The forecast outturn position of £20.047m reflects a total variance of £6.399m (underspend) against the capital budget for 2023/24.
- 3.6 At Qtr3 £6.255m has been rephased into the new MTFs capital programme estimates for 2024/25 to 2027/28.

4. KEY OUTCOMES

- 4.1 Details of the capital monitoring variances are set out below and **Appendix I** sets out a high-level summary of the key budget areas.

Key points to note:

4.2 Building Works –

- Energy Investment Scheme – A further funding application has been submitted for decarbonisation grant for Byker, increase of £0.013m.
- Estates Transition & Relocation – The work to be carried out on the ABE suite at Bedlington will start in early 2024/25, resulting in rephasing of £0.115m.
- Estates Refurbishments & Upgrades Programme – Some of the professional fees for Byker and Alnwick have been rephased to 2024/25, reduction of £0.060m.
- SARC at St-Georges – Additional work to the car park has been carried out, resulting in additional expenditure of £0.028m. The scheme is still within the overall programme allocation.
- Work on the planning of FCC / Northern Command / Ops is ongoing. Professional fees are not expected to exceed the current order placed, resulting in a reduction of £0.018m.
- New Kennel Block – Professional fees likely to occur before the end of the financial year should not exceed £0.020m, resulting in a reduction of £0.130m which will not be required as Kennelling is now fully factored in the new costs from 2024/25.

4.3 Digital Policing and Digital Transformation –

Transformation:

- Development of the Archive Data Store had been paused to enable the installation of the new NPICCS servers, has now restarted. Forecast spend has been revised as a review with Niche Implementation is pending, resulting in rephasing of £0.030m to 2024/25.
- (Records Management System) NEC – The Final capital costs are £0.098m, resulting in an underspend of £0.036m against budget.
- NPICCS replacement - Niche RMS Implementation – The contract for the new RMS has been awarded and spend for the year is forecasted to be £1.002m.

Digital Policing:

- Digital Enablement – Digital Policing have identified a number of projects which will not go ahead resulting in a reduction of £0.150m.
- Network Refresh - Telephony – BT contract will not be fully completed by year-end, resulting in rephasing of £0.150m to 2024/25.
- Data modelling/data transformation - the budget has been transferred to Business Analytics for 2024/25, resulting in movement of £0.119m.
- National Enabler - Sentinel has been delivered through Microsoft and does not require funding, reduction of £0.100m.
- Hardware Refresh – PCs & Laptops – The tender has not yet gone out and purchases of laptops & PCs have been delayed, resulting in rephasing of £0.975m to 2024/25.
- Hardware Refresh - Servers / SAN refresh – SAN warranty is to be extended for another two years, negating the requirement to refresh the equipment in the current financial year, a reduction of £0.600m
- Hardware Refresh – Others – Work related to RMS has been delayed and will be carried out next year, resulting in the rephasing of £0.068m.

4.4 Vehicle and Equipment –

- Body worn videos – Software assurance has been procured to extend the life of the body worn video devices, thus delaying the requirement for a full refresh, forecast increase of £0.114m.

4.5 The capital programme for 2023/24 will be financed as shown in the table below:

Capital Financing 2023/24	Capital Programme £m	Forecast Outturn £m	Total Variance £m
Capital Expenditure	26.446	20.047	(6.399)
Funded by:			
Capital Receipts	(5.833)	(5.729)	0.104
Capital Grant & Contributions	(0.329)	(0.406)	(0.077)
Prudential Borrowing	(20.284)	(13.912)	6.372
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- 4.6 The underspend on the capital programme will impact mainly on prudential borrowing which will be £6.372m lower than forecast within the capital budget for 2023/24. Capital receipts will be applied to fund short-life assets (mainly vehicles) to minimise the impact on revenue costs of capital financing in line with the Capital Strategy and MTFS plans.
- 4.7 **Capital Receipts** - The sale of 2 Volvo vehicles has resulted in capital receipts of £0.041m. Year-to-date capital receipts are £0.123m in total. Capital receipts carried forward from previous years amount to £17.280m bringing the total to £17.403m. Capital receipts will be used in full over the MTFS period to finance the capital programme.
- 4.8 The prudential indicators for capital are set out in **Appendix 2**. All indicators were within the agreed limits as at 31 December 2023.

5. CONSIDERATIONS

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