

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

CAPITAL MONITORING Q1

(PCC/600/2024)

Summary

The capital forecast for 2024/25 at 30 June 2024 is £36.705m as set out below:

2024/25	Capital Programme	Slippage 2023/24	Adjustment to Capital	Revised Capital	Actual Spend Q1
	£m	£m	£m	£m	£m
Building Works	8.162	1.088	8.852	18.102	0.571
Digital Policing & Digital Transformation	12.402	3.063	(6.339)	9.126	0.848
Vehicles and Equipment	8.539	0.446	(0.136)	8.849	1.176
NEROCU Schemes - Northumbria's contributions	0.199	0.077	(0.031)	0.245	0.002
SUBTOTAL	29.302	4.674	2.346	36.322	2.597
Total Funded Schemes	0.637	0.049	(0.304)	0.382	0.021
TOTAL CAPITAL PROGRAMME	29.940	4.723	2.042	36.705	2.619

The capital programme will be financed as follows:

Capital Financing 2024/25	Capital Programme	Slippage 2023/24	Adjustment to Capital	Revised Capital
	£m	£m	£m	£m
Capital Expenditure	29.940	4.723	2.042	36.705
Funded by:				
Capital Receipts	(7.405)	(0.222)	0.167	(7.459)
Capital Grant & Contributions	(0.637)	(0.049)	0.304	(0.382)
Prudential Borrowing	(21.897)	(4.452)	(2.513)	(28.863)
Total Funding	(29.940)	(4.723)	(2.042)	(36.705)

All prudential indicators were within the approved limits.

Recommendation/Findings:

- Note the 2024/25 Capital Monitoring position for Qtr. 1 as at 30 June 2024.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.



Signature

Date 3/9/2024

BUSINESS MEETING	08 AUGUST 2024
CAPITAL MONITORING Q1	
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 2024/25 as at 30 June 2024 and to request that the Commissioner approves the revised capital programme for the 2024/25 financial year.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- Note the Capital Monitoring for Q1 as at 30 June 2024.
 - Approve the adjustments to the capital programme 2024/25.

3. BACKGROUND

- 3.1 The capital programme of £29.940m was approved on 29 February 2024 as part of the MTFs and Capital Strategy 2024/25 to 2027/28.
- 3.2 The Capital Outturn Report for 2023/24 reported slippage of £4.723m into 2024/25 financial year, bringing the capital programme 2024/25 to a total of £34.663m.

CAPITAL MONITORING 2024/25 – QUARTER I

- 3.3 The Northumbria Police Estates Strategy 2024 – 2030 was approved in April 2024, which includes new Estates projects, some of which need to be built into the 2024/25 capital programme.
- 3.4 As at Quarter I, a full review of the capital programme has taken place to include the new Estates Strategy and establish whether any of the original budgets and slippages need to be re-profiled into future years, or if the estimates remain accurate and realistic in terms of delivery within this financial year.
- 3.5 The table below sets out the original capital programme, slippage from 2023/24, the adjustments to the capital programme at Q1, the revised capital programme and actual spend, as at 30 June 2024. The forecast outturn position at Q1 is therefore aligned with the revised capital programme requirement of £36.705m.

2024/25 Scheme Expenditure	Capital Programme £m	Slippage 2023/24 £m	Adjustment to Capital £m	Revised Capital £m	Actual Spend Q1 £m
Building Works	8.162	1.088	8.852	18.102	0.571
Digital Policing & Digital Transformation	12.402	3.063	(6.339)	9.126	0.848
Vehicles and Equipment	8.539	0.446	(0.136)	8.849	1.176
NEROCU Schemes - Northumbria's contributions	0.199	0.077	(0.031)	0.245	0.002
SUBTOTAL	29.302	4.674	2.346	36.322	2.597
Total Funded Schemes	0.637	0.049	(0.304)	0.382	0.021
TOTAL CAPITAL PROGRAMME	29.940	4.723	2.042	36.705	2.619

- 3.6 Details of the capital movements are in **Appendix I** which sets out a high-level summary of the key budget areas, with further detail below:

3.6.1 **Building Works** – The budget has been reviewed and rephased to include the new Estates Strategy for the next 8 years. The major change for 2024/25 is the proposed acquisition of an operational training base site.

3.6.2 **Digital Policing and Digital Transformation –**

Digital Transformation

Digital - Development of the Archive Data Store and Business Analytics have been rephased in-line with the delivery schedule of the RMS-Niche project.

People Management – Migration of Unit 4 will not happen this year and People Intelligence System is in the early stages of discovery/design work and is likely to pan out over two financial years.

Digital Policing

Digital enablement – The current proposals (Firearms licencing, replacement of Cycfreedom, E-Safety and Electronic signatures) are SAAS projects and catered for in revenue. The capital budget has therefore been adjusted downwards.

Network Refresh – LAN – The tender process is underway, but a contract will not be signed until Q1 2025 resulting in a rephasing of the budget to 2025/26.

National Enabler – There are no plans in the current year.

Hardware Refresh:

- PCs & Laptops – A retender is in progress as the current outcome does not allow for equipment selection to best match business needs.
- Servers – The new network manager has reviewed the full requirement for servers and SAN refresh and the programme has been updated to reflect the review, the tender process is due to start.

3.6.3 **Vehicles and Equipment**

Replacement of Operational Vehicles – The programme has been revised to take account of manufacturers' latest lead times and availability of vehicles.

3.6.4 **Funded Capital Schemes**

Energy Investment Scheme – The Salix grant for Alnwick will not be used. Work is ongoing to obtain agreement from the funding body to transfer funding to be used at Ashington Police Station instead.

3.7 The revised capital programme for 2024/25 will be financed as shown in the following table:

Capital Financing 2024/25	Capital Programme £m	Slippage 2023/24 £m	Adjustment to Capital £m	Revised Capital £m
Capital Expenditure	29.940	4.723	2.042	36.705
Funded by:				
Capital Receipts	(7.405)	(0.222)	0.167	(7.459)
Capital Grant & Contributions	(0.637)	(0.049)	0.304	(0.382)
Prudential Borrowing	(21.897)	(4.452)	(2.513)	(28.863)
Total Funding	(29.940)	(4.723)	(2.042)	(36.705)

- 3.8 The changes to capital financing are related to the slippage 2023/24 and the adjustments to capital at Q1, highlighted in 3.6.
- 3.9 The sale of one vehicle has resulted in a capital receipt of £0.030m; there are no other capital receipts currently expected in-year. Capital receipts carried forward from previous years amount to £11.926m.
- 3.10 The prudential indicators for capital are set out in **Appendix 2** including liability benchmark. All indicators were within the agreed limits as at 30 June 2024

4. 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

CAPITAL PROGRAMME 2024/25

Schemes	APPROVED 2024'25 £000's	Slippage 2023'24 £000's	Adjustment to Capital Programme £000's	Revised Capital Programme £000's	Actual Spend Q1 Jun24 £000's
BUILDING WORKS					
Energy Investment Scheme	363	0	(224)	139	11
Energy Investment Scheme - Fleet decarbonisation EV charging	387	0	(387)	0	0
Estates Transition & Relocation	715	76	0	791	254
Custody Improvements	488	43	(349)	182	3
Estates Refurbishments and Upgrades Programme	4,375	970	(210)	5,135	303
SARC at St Georges	31	0	0	31	0
Estates Systems Management - Alarm Monitoring System	100	0	(50)	50	0
Automatic Access Control System	950	0	(455)	495	0
New Communications Centre	254	0	246	500	0
New Kennel Block	500	0	(160)	340	0
New Operational Training	0	0	10,320	10,320	0
New Covert Site	0	0	120	120	0
TOTAL BUILDING WORKS	8,162	1,088	8,852	18,102	571
DIGITAL POLICING & DIGITAL TRANSFORMATION					
TRANSFORMATION BOARD					
Digital	886	47	(700)	233	0
NPICCS Replacement	1,202	789	0	1,991	19
People Management	395	142	(281)	256	0
DIGITAL POLICING					
Digital Enablement	500	128	(330)	298	5
ESN	1,232	471	(100)	1,603	149
Network Refresh	3,273	656	(2,100)	1,829	188
Information Management	100	40	(40)	100	0
Provision for Change in National Programme	150	0	(150)	0	0
Hardware Refresh	4,664	791	(2,638)	2,816	487
TOTAL DIGITAL POLICING & DIGITAL TRANSFORMATION	12,402	3,063	(6,339)	9,126	848
VEHICLES AND EQUIPMENT					
Replacement of Operational Vehicles	5,548	145	(136)	5,557	1,130
Taser Refresh	38	75	0	113	0
TSU	50	124	0	174	8
Operation Equipment	179	72	0	251	38
ANPR Cameras Refresh Programme	75	30	0	105	0
ANPR Mobile	200	0	0	200	0
Body worn videos	1,724	0	0	1,724	0
Body armour refresh	726	0	0	726	0
TOTAL VEHICLES AND EQUIPMENT	8,539	446	(136)	8,849	1,176
NEROCU schemes, Northumbria contributions					
TSU (Regional) - Contribution to NEROCU	66	0	0	66	0
Fleet Capital contribution to NEROCU	133	77	(31)	179	2
TOTAL NEROCU CONTRIBUTION CAPITAL SCHEMES	199	77	(31)	245	2
CAPITAL PROGRAMME TOTAL	29,302	4,674	2,346	36,322	2,597
FUNDED CAPITAL SCHEMES					
ESN Control Room Conversion	0	26	(26)	0	0
Hypothecation vehicles	29	0	0	29	0
Energy Investment Scheme	608	0	(278)	330	0
Funded vehicles - Special Branch Vehicles	0	23	0	23	21
TOTAL FUNDED CAPITAL SCHEMES	637	49	(304)	382	21
TOTAL CAPITAL SPEND	29,940	4,723	2,042	36,705	2,619

Prudential Indicators 2024/25

Authorised Limit for External Debt		
	2024/25 £000 Reported Indicator	2024/25 £000 Position at end of 1st Quarter
Borrowing	175,000	81,969
Other Long Term Liabilities	0	0
Total	175,000	81,969
Maximum YTD £86.969m		

Operational Boundary for External Debt		
	2024/25 £000 Reported Indicator	2024/25 £000 Position at end of 1st Quarter
Borrowing	155,000	81,969
Other Long Term Liabilities	0	0
Total	155,000	81,969
Maximum YTD £86.969m		

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
	2024/25 £000 Reported Indicator		2024/25 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	60%	0%	12.20%	17.25%
12 to 24 months	40%	0%	0.00%	0.00%
24 months to 5 years	40%	0%	18.91%	20.13%
5 years to 10 years	40%	0%	6.10%	6.50%
10 years and above	80%	0%	62.79%	66.87%
All within agreed limits.				

Upper Limit on amounts invested beyond 364 days			
	2024/25 £000 Reported Indicator	2024/25 £000 Actual Position	2024/25 £000 Maximum YTD
Investments	15,000	0	0

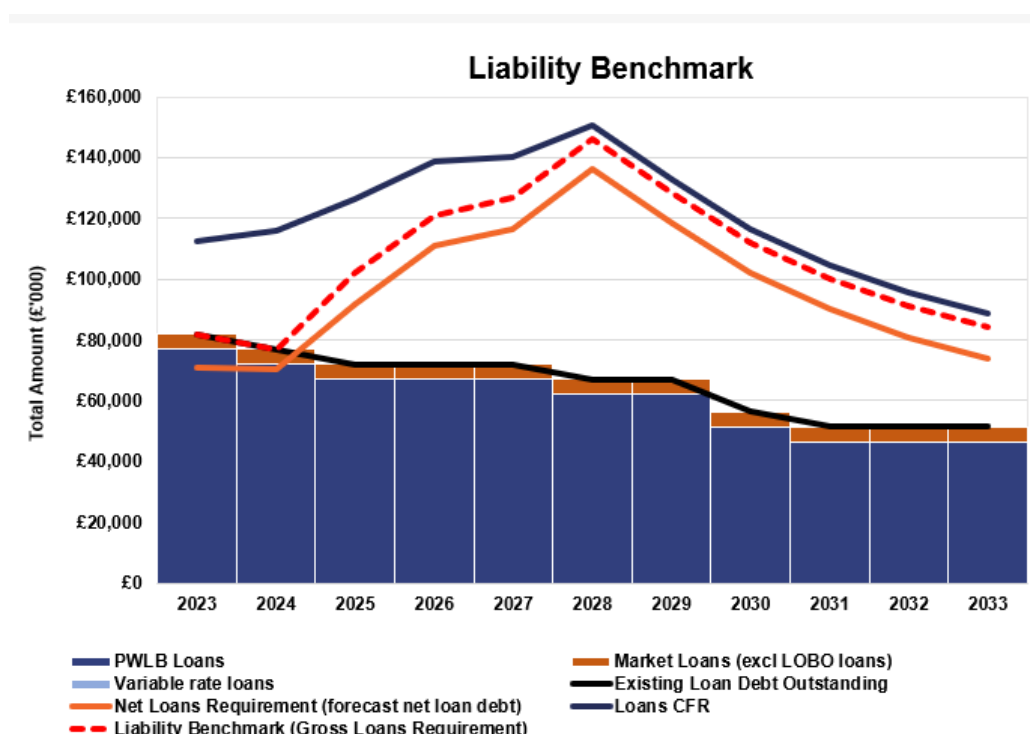
Liability Benchmark

In addition to the prudential indicators set out above a new debt treasury indicator, the Liability Benchmark, has been adopted in 2024/25 to support the financing risk management of the capital financing requirement (CFR).

The Liability Benchmark is presented as a chart which sets out the following:

- **Existing Loan Debt Outstanding** – this is the profile of the Commissioners existing loans which takes into account the scheduled loan repayments due within the period.
- **The Loans CFR (Capital Financing Requirement)** – this is the total requirement that the Commissioner has for prudential borrowing to support capital expenditure. This includes the CFR as at the last year-end plus approved future borrowing for planned capital expenditure within the existing MTFS capital programme and less those amounts due to be set aside under the MRP (Minimum Revenue Provision) policy adopted by the Commissioner.
- **Net Loans Requirement** – this is a forecast of the Commissioner’s net loan debt, i.e. net of investments for treasury management purposes.
- **Gross Loans Requirement** – this is the Liability Benchmark and represents a forecast of the level of gross loans debt the Commissioner will require in accordance with budget plans.

The Liability Benchmark chart is set out below.



The chart shows that the Commissioner’s existing loan debt comprises mainly PWLB debt plus a smaller element attributable to market loans. The Commissioner has no variable rate loans.

The Liability Benchmark chart demonstrates a requirement for new borrowing to be taken over the period from the 2024/25 financial year. Whilst the approach to borrowing remains to maximise the use of internal borrowing, the chart demonstrates that the extent to which internal borrowing can be used as a temporary financing tool will reduce over the medium to longer term, as reserve balances reduce in-line with budget plans under the Commissioner’s Medium Term Financial Strategy (MTFS).