

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

CAPITAL MONITORING QUARTER 3

(PCC/631/2025)

Summary

The 2024/25 Capital Budget has been revised at Quarter 3 to £20.012m.

The forecast outturn position at 31 December 2024 is in line with the budget, as set out below:

2024/25 Scheme Expenditure	Capital Programme £m	Rephased to MTFs Underspend £m	Revised Capital Programme £m	Actual Spend £m	Forecast Outturn Q2 £m	Forecast Outturn Q3 £m	Total Variance £m
Building Works	18.102	13.633	4.470	2.115	6.715	4.470	(2.245)
Digital Policing & Digital Transformation	9.126	1.300	7.826	1.928	8.780	7.826	(0.954)
Vehicles and Equipment	8.849	2.194	6.655	2.327	8.774	6.655	(2.119)
NEROCU Schemes - NP's contributions	0.245	0.000	0.245	0.230	0.245	0.245	0.000
SUBTOTAL	36.322	17.127	19.195	6.599	24.514	19.195	(5.318)
Total Funded Schemes	0.382	0.435	0.817	0.113	0.432	0.817	0.385
TOTAL CAPITAL PROGRAMME	36.705	17.562	20.012	6.712	24.946	20.012	(4.933)

The revised capital programme will be financed as follows:

Capital Financing 2024/25	Revised Capital £m	Forecast Outturn £m	Total Variance £m
Capital Expenditure	20.012	20.012	0.000
Funded by:			
Capital Receipts	(5.735)	(5.735)	0.000
Capital Grant & Contributions	(0.817)	(0.817)	0.000
Prudential Borrowing	(13.460)	(13.460)	0.000
Total Funding	(20.012)	(20.012)	0.000

All prudential indicators were within the approved limits.

Recommendation/Findings:

- Note the 2024/25 Capital monitoring position for Qtr. 3 as at 31 December 2024.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

S. E. D

Signature

Date 21/1/2025

JOINT BUSINESS MEETING	21 JANUARY 2025
CAPITAL MONITORING QUARTER 3	
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 31 December 2024 and the re-profiling to the MTFS 2025/26 to 2028/29.

2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- a. Note the Capital monitoring position for Qtr. 3 as at 31 December 2024.

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.
- 3.3 The Northumbria Police Estates Strategy 2024 – 2030 was approved in April 2024, which includes new Estates projects, some of which were built into the 2024/25 capital programme at Qtr. 1. A full review of the capital programme was also undertaken to establish whether any of the original budgets and slippages needed to be re-profiled into future years, or if the estimates remained accurate and realistic in terms of delivery within this financial year, resulting in a revised capital programme of £36.705m which was approved on 3 September 2024.

CAPITAL MONITORING 2024/25 – QUARTER 3

- 3.4 As at Quarter 3, projects are progressing in line with the agreed capital programme with some now delayed until the next financial year.
- 3.5 The budget has been revised to take into account the latest estimates and spend profile, with the slippage being re-profiled into the new MTFS 2025/26 to 2028/29 capital programme. The forecast capital outturn and variations are set out in the table below:

2024/25 Scheme Expenditure	Capital Programme £m	Rephased to MTFS /Underspend £m	Revised Capital Programme £m	Actual Spend £m	Forecast Outturn Q2 £m	Forecast Outturn Q3 £m	Total Variance £m
Building Works	18.102	(13.633)	4.470	2.115	6.715	4.470	(2.245)
Digital Policing & Digital Transformation	9.126	(1.300)	7.826	1.928	8.780	7.826	(0.954)
Vehicles and Equipment	8.849	(2.194)	6.655	2.327	8.774	6.655	(2.119)
NEROCU Schemes - NP's contributions	0.245	0.000	0.245	0.230	0.245	0.245	0.000
SUBTOTAL	36.322	(17.127)	19.195	6.599	24.514	19.195	(5.318)
Total Funded Schemes	0.382	0.435	0.817	0.113	0.432	0.817	0.385
TOTAL CAPITAL PROGRAMME	36.705	(16.693)	20.012	6.712	24.946	20.012	(4.933)

- 3.6 The movement in the forecast outturn position at Q3 is currently projecting a reduction in expenditure of £4.933m, against the position reported at Q2.

3.7 The revised capital budget as at Q3 is therefore £20.012m, aligned with the latest forecast outturn for the year. Budgets have been reprofiled to the MTF5 2025/26 to 2028/29 Capital Programme where appropriate.

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

3.8.1 **Building Works –**

Estates Refurbishment Programme - Whickham - Following contract award, work on the refurbishment of Whickham started on 9th December 2024, the Contractor provided a work/payment schedule which has informed the budget requirement and consequently £1.454m has been rephased to 2025/26.

Automatic Access Control System – The supplier carried out a final survey of properties and a rollout has been agreed, resulting in rephasing of £0.469m to 2025/26.

New Operational Training – The balance of the budget for professional fees will not be used this financial year and has been rephased to 2025/26.

New Covert Site – Requirements will be catered within the New Comms Centre and a separate budget is no longer required, resulting in an underspend of £0.120m.

3.8.2 **DIGITAL POLICING AND DIGITAL TRANSFORMATION –**

Digital Transformation –

Business Analytics - A contractor has been recruited; however, the full budget will not be required this financial year resulting in the rephasing of £0.029m to 2025/26.

Integrated People Platform – Current work on E-recruit & onboarding is catered for in revenue, resulting in the rephasing of £0.075m to 2025/26.

Crown DMS - The project timeline is being revised to be delivered after NICHE go-live in 2026, resulting in rephasing of £0.136m to 2025/26.

Digital Policing -

Digital Enablement - Fingerprinting devices were budgeted for; the Met have offered to provide 5 devices free of charge. PSD data migration from Cyclop to Centurion – The costs related to the migration will be to modify a third-party tool and the data transfer, those costs do not meet the capitalisation rules and will be catered for in revenue. The result is an underspend of £0.018m

Network Refresh – Telephony – As reported last quarter, The Nuance IVR product proposed by BT has been withdrawn and a new solution is being sought. Enhanced IVR and Teams integration will not be completed in the current year resulting in a movement of £0.480m.

Network Refresh WAN – The forecast has been revised to include all known costs, resulting in rephasing of £0.216m to next year, which will be part of the LAN project budget.

3.8.3 **Vehicles and Equipment**

ANPR Cameras Refresh Programme – The installation of a number of cameras ordered will not be completed by year end, resulting in rephasing of £0.036m to 2025/26.

Body Worn Video – Following contract award, purchase of the devices will follow, however the roll out programme will be planned once a project manager is in place. The budget has been rephased between years, resulting in a movement of £1.724m.

Body Armour Refresh, following audit and the start of the roll out, the programme has been reviewed and rephased between years, resulting in an underspend of £0.359m.

3.8.4 Funded Capital Schemes

LEDS funding was received for the next generation firewall, resulting in a movement of £0.069m.

A Salix grant for energy investment has been secured for Ashington resulting in a movement of £0.278m.

The National Rural Crime Unit are replacing one of their vehicles, not previously reported, which is over 6 years old, resulting in a movement of £0.027m.

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

Capital Financing 2024/25	Revised Capital £m	Forecast Outturn £m	Total Variance £m
Capital Expenditure	20.012	20.012	0.000
Funded by:			
Capital Receipts	(5.735)	(5.735)	0.000
Capital Grant & Contributions	(0.817)	(0.817)	0.000
Prudential Borrowing	(13.460)	(13.460)	0.000
Total Funding	(20.012)	(20.012)	0.000

3.10 There are no changes to the capital receipts reported at Quarter 2. Capital receipts carried forward from previous years amount to £11.926m.

3.11 The prudential indicators for capital are set out in **Appendix 2** including liability benchmark. All indicators were within the agreed limits as at 31 December 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
APPENDIX 1

Schemes	Capital Programme £000's	Rephased to the MTFS £000's	Underspend / (Adjustment) £000's	Revised Capital Programme at Qtr3 £000's	Actual Spend Dec24 £000's	24/25 Qtr2 Forecast £000's	24/25 Qtr3 Forecast £000's	Movement Qtr2 to Qtr3 £000's
BUILDING WORKS								
Energy Investment Scheme	139	0	0	139	109	139	139	0
Estates Transition & Relocation	791	0	0	791	717	791	791	0
Custody Improvements	182	0	0	182	105	182	182	0
Estates Refurbishments and Upgrades Programme	5,135	2,368	0	2,767	1,151	4,317	2,767	(1,550)
New SARC	31	0	6	25	25	31	25	(6)
New Communications Centre	500	350	0	150	4	150	150	0
New Kennel Block	340	0	0	340	4	340	340	0
Estates Systems Management - Alarm Monitoring System	50	0	0	50	0	50	50	0
Automatic Access Control System	495	469	0	25	0	495	25	(469)
New Operational Training	10,320	10,320	0	0	0	100	0	(100)
New Covert Site	120	0	120	0	0	120	0	(120)
TOTAL BUILDING WORKS	18,102	13,507	126	4,470	2,115	6,715	4,470	(2,245)
DIGITAL POLICING & TRANSFORMATION								
TRANSFORMATION BOARD								
Digital	233	29	0	205	0	233	205	(29)
NPICCS Replacement	1,991	0	0	1,991	504	1,991	1,991	0
People Management	256	211	0	45	18	256	45	(211)
DIGITAL POLICING								
Digital Enablement	298	0	114	184	14	202	184	(18)
ESN	1,603	0	0	1,603	173	1,603	1,603	0
Network Refresh	1,829	846	0	982	456	1,679	982	(696)
Information Management	100	0	100	0	0	0	0	0
Hardware Refresh	2,816	0	0	2,816	765	2,816	2,816	0
TOTAL DIGITAL POLICING & DIGITAL TRANSFORMATION	9,126	1,086	214	7,826	1,928	8,780	7,826	(954)
VEHICLES AND EQUIPMENT								
Replacement of Operational Vehicles	5,557	0	0	5,557	2,112	5,557	5,557	0
Taser Refresh	113	0	75	38	0	38	38	0
TSU	174	0	0	174	14	174	174	0
Operation Equipment	251	0	0	251	70	251	251	0
ANPR Cameras Refresh Programme	105	36	0	68	25	105	68	(36)
ANPR Mobile	200	0	0	200	0	200	200	0
Body worn videos	1,724	1,676	48	0	0	1,724	0	(1,724)
Body armour refresh	726	0	359	360	100	726	360	(366)
Body armour dogs		0	0	7	7		7	7
TOTAL VEHICLES AND EQUIPMENT	8,849	1,712	482	6,655	2,327	8,774	6,655	(2,119)
NEROCU schemes, Northumbria contributions								
TSU (Regional) - Contribution to NEROCU	66	0	0	66	51	66	66	0
Fleet Capital contribution to NEROCU	179	0	0	179	179	179	179	0
TOTAL NEROCU CONTRIBUTION CAPITAL SCHEMES	245	0	0	245	230	245	245	0
CAPITAL PROGRAMME TOTAL	36,322	16,305	822	19,195	6,599	24,514	19,195	(5,318)
FUNDED CAPITAL SCHEMES								
LEDS funding for Next Generation Firewall	0	0	(69)	69	69		69	69
Hypothecation vehicles	29	0	(11)	41	0	29	41	11
Energy Investment Scheme - Whickham	330	0	0	330	0	330	330	0
Energy Investment Scheme - Ashington		0	(278)	278	0		278	278
Funded vehicles - Airport Vehicles	0	0	(29)	29	0	29	29	0
Funded vehicles - Special Branch Vehicles	23	0	(21)	44	44	44	44	0
Funded vehicles - National Rural Crime Unit Vehicles	0	0	(27)	27	0	0	27	27
TOTAL FUNDED CAPITAL SCHEMES	382	0	(435)	817	113	432	817	385
TOTAL CAPITAL SPEND	36,705	16,305	387	20,012	6,712	24,946	20,012	(4,933)

Prudential Indicators 2024/25

Authorised Limit for External Debt		
	2024/25 £000 Reported Indicator	2024/25 £000 Position at end of 3rd Quarter
Borrowing	175,000	71,969
Other Long Term Liabilities	0	0
Total	175,000	71,969
Maximum YTD £86.969m		

Operational Boundary for External Debt		
	2024/25 £000 Reported Indicator	2024/25 £000 Position at end of 3rd Quarter
Borrowing	155,000	71,969
Other Long Term Liabilities	0	0
Total	155,000	71,969
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%	0.00%	17.25%
12 to 24 months	40%	0%	0.00%	0.00%
24 months to 5 years	40%	0%	21.54%	21.54%
5 years to 10 years	40%	0%	6.95	6.95%
10 years and above	80%	0%	71.52%	71.52%
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

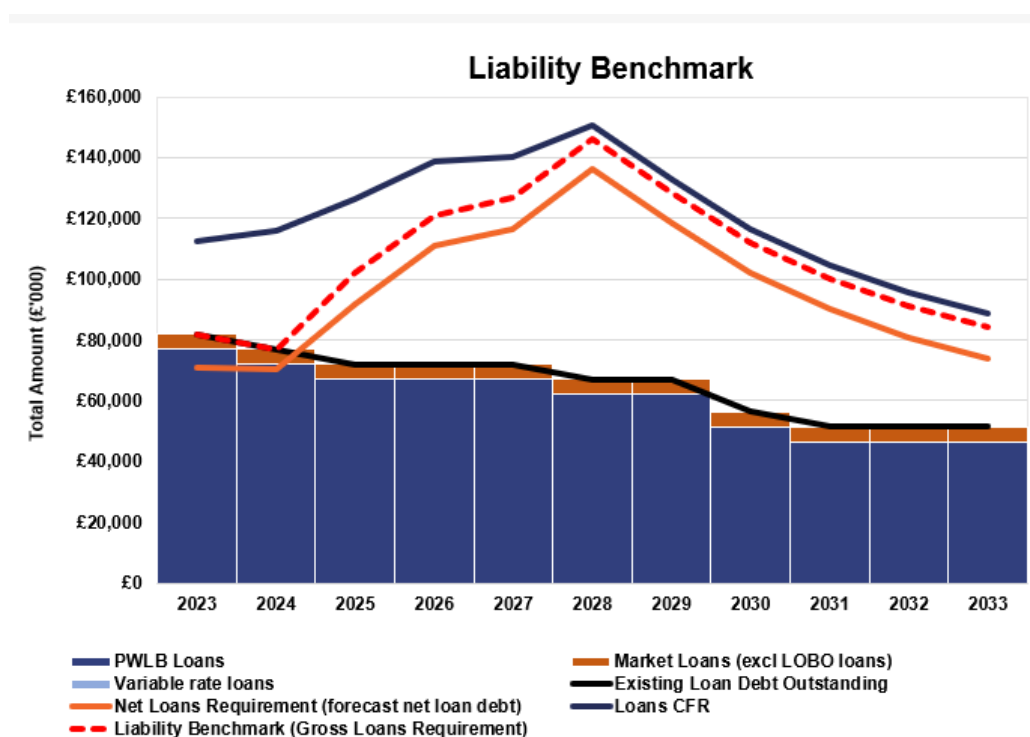
Liability Benchmark

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).