

# NORTHUMBRIA POLICE AND CRIME COMMISSIONER

## Key Decision

### Title and Reference

### CAPITAL MONITORING Q1

(PCC/686/2025)

### Summary

The 2025/26 Capital Budget has been revised at Quarter 1 to £55.610m.

The forecast outturn position at 30 June 2025 is in line with the budget, as set out below:

2025/26	Capital	Slippage	Adjustment	Revised	Actual
Scheme Expenditure	Programme	2024/25	to Capital	Capital	Spend Q1
	£m	£m	£m	£m	£m
Building Works	39.346	0.471	(7.211)	32.607	1.123
Digital Policing & Digital Transformation	16.897	0.185	(1.314)	15.768	0.324
Vehicles and Equipment	7.342	0.070	(0.896)	6.517	0.388
NEROCU Schemes - Northumbria's contributions	0.402	0.031	0.009	0.442	0.041
<b>SUBTOTAL</b>	<b>63.987</b>	<b>0.757</b>	<b>(9.411)</b>	<b>55.334</b>	<b>1.876</b>
<b>Total Funded Schemes</b>	<b>0.598</b>	<b>0.029</b>	<b>(0.350)</b>	<b>0.276</b>	<b>0.000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>64.585</b>	<b>0.786</b>	<b>(9.761)</b>	<b>55.610</b>	<b>1.876</b>

The revised capital programme will be financed as follows:

Capital Financing 2025/26	Capital	Slippage	Adjustment	Revised
	Programme	2024/25	to Capital	Capital
	£m	£m	£m	£m
<b>Capital Expenditure</b>	<b>64.585</b>	<b>0.786</b>	<b>(9.761)</b>	<b>55.610</b>
Funded by:				
Capital Receipts	(5.750)	(0.086)	0.377	(5.460)
Capital Grant & Contributions & Reserves	(3.998)	(0.029)	0.350	(3.677)
Prudential Borrowing	(54.837)	(0.671)	9.034	(46.473)
<b>Total Funding</b>	<b>(64.585)</b>	<b>(0.786)</b>	<b>9.761</b>	<b>(55.610)</b>

All prudential indicators were within the approved limits.

### Recommendation/Findings:

- Note the Capital Monitoring for Q1 as at 30 June 2025.
- Approve the adjustments to the capital programme 2025/26.

### Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

S. E. D

Signature

Date 14/08/2025

<b>Joint Business Meeting</b>	<b>14 August 2025</b>
<b>Capital Monitoring Q1</b>	
<b>Report of:</b> Gail Thompson, Joint Chief Finance Officer	
<b>Author:</b> Sylvie Walker-Barras, Senior Accountant	

## 1. PURPOSE

- 1.1 The purpose of this report is to set out the capital forecast for 2025/26 as at 30 June 2025 and to request that the Police and Crime Commissioner (PCC) approves the revised capital programme for the 2025/26 financial year.

## 2. RECOMMENDATION

- 2.1 The Police and Crime Commissioner is requested to:
- Note the Capital Monitoring for Q1 as at 30 June 2025.
  - Approve the adjustments to the capital programme 2025/26.

## 3. BACKGROUND

- 3.1 The capital programme of £64.585m was approved on 27 March 2025 as part of the Medium-Term Financial Strategy (MTFS) and Capital Strategy 2025/26 to 2028/29.
- 3.2 The Capital Outturn Report for 2024/25 reported slippage of £0.786m into 2025/26 financial year, bringing the capital programme 2025/26 to a total of £65.371m.

## 4. KEY OUTCOMES

### Capital Monitoring Position Q1 2025/26

- 4.1 In line with the Estates Strategy, the PCC approved the acquisition of Cobalt 9 on 26 June 2025.
- 4.2 As at Quarter 1, a full review of the capital programme has taken place to 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.
- 4.3 The table below sets out the original capital programme, slippage from 2024/25, the adjustments to the capital programme at Q1, the revised capital programme and actual spend, as at 30 June 2025. The forecast outturn position at Q1 is therefore aligned with the revised capital programme requirement of £55.610m:

<b>2025/26 Scheme Expenditure</b>	<b>Capital Programme £m</b>	<b>Slippage 2024/25 £m</b>	<b>Adjustment to Capital £m</b>	<b>Revised Capital £m</b>	<b>Actual Spend Q1 £m</b>
Building Works	39.346	0.471	(7.211)	32.607	1.123

Digital Policing & Digital Transformation	16.897	0.185	(1.314)	15.768	0.324
Vehicles and Equipment	7.342	0.070	(0.896)	6.517	0.388
NEROCU Schemes - Northumbria's contributions	0.402	0.031	0.009	0.442	0.041
<b>SUBTOTAL</b>	<b>63.987</b>	<b>0.757</b>	<b>(9.411)</b>	<b>55.334</b>	<b>1.876</b>
<b>Total Funded Schemes</b>	<b>0.598</b>	<b>0.029</b>	<b>(0.350)</b>	<b>0.276</b>	<b>0.000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>64.585</b>	<b>0.786</b>	<b>(9.761)</b>	<b>55.610</b>	<b>1.876</b>

- 4.4 Details of the capital movements are in **Appendix I**, which sets out a high-level summary of the key budget areas. Key points to note:

### **Building Works**

- 4.5 Estates Refurbishment and Upgrades Programme - A full review of the programme has been completed with some refurbishments paused, pending final decision on operational requirements and redeployments and others re-phased to later years, following an agreement to defer the date by which the Force will have completed the decarbonisation of its estate. Prioritisation has been given to those locations which have the greatest need for refurbishment based on frequency of use and building condition status.
- 4.6 New Kennels - Lease terms which are broadly acceptable have been discussed with the Freeman of the City. A requirement to pay the survey and legal costs of the landlord has arisen, negotiations to offset the costs by a delayed or reduced rent are taking place.
- 4.7 New Operational Training – The budget has been re-phased to best match the expected expenditure in 2025/26.

### **Digital Policing and Digital Transformation**

#### **Digital Transformation**

- 4.8 People Management – Integrated People Platform – The budget has been partly re-phased to 2026/27 to reflect procurement and implementation timelines.

#### **Digital Policing**

- 4.9 Emergency Services Network (ESN) - ESN phones & install budget has been moved back to 2026/27.
- 4.10 ESN - Airwave pre-ESN - The ICCS refresh is expected to be completed in Q2 2026/27, part of the budget has been rephased to match the expected delivery timeline.
- 4.11 Hardware Refresh – Servers/SAN – Meraki licences & F5 Netscaler replacing citrix have been catered for within the revenue budget.

### **Vehicles & Equipment**

- 4.12 Equipment – Low value items (including TSU equipment, body armour and body worn video) have been re-categorised as revenue expenditure.

### **NEROCU Schemes – Northumbria's contributions**

- 4.13 The budget was set based on 52.62% contribution; this has been updated to the agreed contribution of 53.86%.

## Funded Capital Schemes

4.14 Funded Capital Schemes – Energy Investment Scheme – The refurbishment of Byker has been paused pending final decision on operational requirements and redeployments, decarbonisation work is not going ahead at this time.

4.15 Funded Capital Schemes – Airport Vehicles – Both the van and 4x4 replacements will be delivered during this financial year.

4.16 The capital programme for 2025/26 will be financed as shown in the table below.

Capital Financing 2025/26	Capital Programme £m	Slippage 2024/25 £m	Adjustment to Capital £m	Revised Capital £m
<b>Capital Expenditure</b>	<b>64.585</b>	<b>0.786</b>	<b>(9.761)</b>	<b>55.610</b>
Funded by:				
Capital Receipts	(5.750)	(0.086)	0.377	(5.460)
Capital Grant & Contributions & Reserves	(3.998)	(0.029)	0.350	(3.677)
Prudential Borrowing	(54.837)	(0.671)	9.034	(46.473)
<b>Total Funding</b>	<b>(64.585)</b>	<b>(0.786)</b>	<b>9.761</b>	<b>(55.610)</b>

4.17 The changes to capital financing are related to the variances highlighted in the above report.

4.18 Capital receipts carried forward from previous years amount to £6.273m. These are planned for use within the current MTFS period 2025/26 to 2028/29.

4.19 The prudential indicators for capital are set out in **Appendix 2**. All indicators were within the agreed limits as at 30 June 2025.

## 5. CONSIDERATIONS

<b>Government Security Classification</b>	OFFICIAL
<b>Freedom of Information</b>	Non-exempt
<b>Consultation</b>	
All allocated budget holders	
<b>Resources</b>	
Included within the report	
<b>Code of Ethics</b>	
There are no code of ethics implications	
<b>Equality</b>	
There are no Equality implications	
<b>Legal</b>	
There are no Legal implications	
<b>Risk</b>	
Included within the report	
<b>Communication</b>	
No further communications are planned	
<b>Evaluation</b>	
No evaluation required	

Schemes	APPROVED 2025'26 £000's	Slippage 2024'25 £000's	Adjustments to Capital Programme £000's	Revised Capital Programme £000's	Actual Spend Q1 Jun25 £000's
<b>BUILDING WORKS</b>					
Energy Investment Scheme	127			127	
Estates Transition & Relocation	577	4		581	112
Custody Improvements	519	71		590	21
Estates Refurbishments and Upgrades Programme	11,216	380	(6,499)	5,097	760
New Force Headquarters	13,174		300	13,474	189
New Kennel Block	4,112		(2,212)	1,900	
Estates Systems Management - Alarm Monitoring System	50			50	
Automatic Access Control System	772	17		789	42
New Operational Training	8,800		1,200	10,000	
<b>TOTAL BUILDING WORKS</b>	<b>39,346</b>	<b>471</b>	<b>(7,211)</b>	<b>32,607</b>	<b>1,123</b>
<b>DIGITAL POLICING &amp; DIGITAL TRANSFORMATION BOARD</b>					
Digital	1,022	0	0	1,022	11
NPICCS Replacement	3,370	130	0	3,500	84
People Management	497	2	(150)	349	0
<b>DIGITAL POLICING</b>					
Digital Enablement	50	0	0	50	0
ESN	2,518	12	(1,025)	1,505	28
Network Refresh	3,122	13	0	3,136	32
Hardware Refresh	6,317	28	(139)	6,206	170
<b>TOTAL DIGITAL POLICING &amp; DIGITAL TRANSFORMATION</b>	<b>16,897</b>	<b>185</b>	<b>(1,314)</b>	<b>15,768</b>	<b>324</b>
<b>VEHICLES AND EQUIPMENT</b>					
Replacement of Operational Vehicles	5,178	56		5,234	324
Marine boats replacement	52			52	0
Taser Refresh	301			301	0
TSU	111		(111)	0	0
Body worn videos	384		(384)	0	0
ANPR Cameras Refresh Programme	286	5		291	15
ANPR Mobile	375	9		384	40
Operation Equipment	254			254	9
Body armour refresh	400	0	(400)	0	0
<b>TOTAL VEHICLES AND EQUIPMENT</b>	<b>7,342</b>	<b>70</b>	<b>(896)</b>	<b>6,517</b>	<b>388</b>
<b>NEROCU schemes, Northumbria contributions</b>					
Building Capital contribution to NEROCU	200			200	0
TSU (Regional) - Contribution to NEROCU	66		1	67	0
Fleet Capital contribution to NEROCU	136	31	8	175	41
<b>TOTAL NEROCU CONTRIBUTION CAPITAL SCHEMES</b>	<b>402</b>	<b>31</b>	<b>9</b>	<b>442</b>	<b>41</b>
<b>CAPITAL PROGRAMME TOTAL</b>	<b>63,987</b>	<b>757</b>	<b>(9,411)</b>	<b>55,334</b>	<b>1,876</b>
<b>FUNDED CAPITAL SCHEMES</b>					
Operational - Camera Enforcement Vehicles	206			206	0
Energy Investment Scheme - Byker	392		(392)	0	0
Funded vehicles - Airport Vehicles	0	29	42	70	0
<b>TOTAL FUNDED CAPITAL SCHEMES</b>	<b>598</b>	<b>29</b>	<b>(350)</b>	<b>276</b>	<b>0</b>
<b>TOTAL CAPITAL SPEND</b>	<b>64,585</b>	<b>786</b>	<b>(9,761)</b>	<b>55,610</b>	<b>1,876</b>

## Prudential Indicators 2025/26

<i>Authorised Limit for External Debt</i>		
	<b>2025/26 £000 Reported Indicator</b>	<b>2025/26 £000 Position at end of 1st Quarter</b>
Borrowing	175,000	86,969
Other Long Term Liabilities	0	0
<b>Total</b>	<b>175,000</b>	<b>86,969</b>
Maximum YTD £86.969m		

<i>Operational Boundary for External Debt</i>		
	<b>2025/26 £000 Reported Indicator</b>	<b>2025/26 £000 Position at end of 1st Quarter</b>
Borrowing	155,000	86,969
Other Long Term Liabilities	0	0
<b>Total</b>	<b>155,000</b>	<b>86,969</b>
Maximum YTD £86.969m		

<i>Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing</i>				
	<b>2025/26 £000 Reported Indicator</b>		<b>2025/26 £000 Actual Position</b>	
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual Percentage</b>	<b>Maximum YTD</b>
Under 12 months	80%	0%	11.50%	11.50%
12 to 24 months	60%	0%	0.00%	0.00%
24 months to 5 years	40%	0%	29.32%	31.11%
5 years to 10 years	40%	0%	0.00%	0.00%
10 years and above	80%	0%	59.18%	62.79%
All within agreed limits.				

<i>Upper Limit on amounts invested beyond 364 days</i>			
	<b>2025/26 £000 Reported Indicator</b>	<b>2025/26 £000 Actual Position</b>	<b>2025/26 £000 Maximum YTD</b>
Investments	15,000	0	0

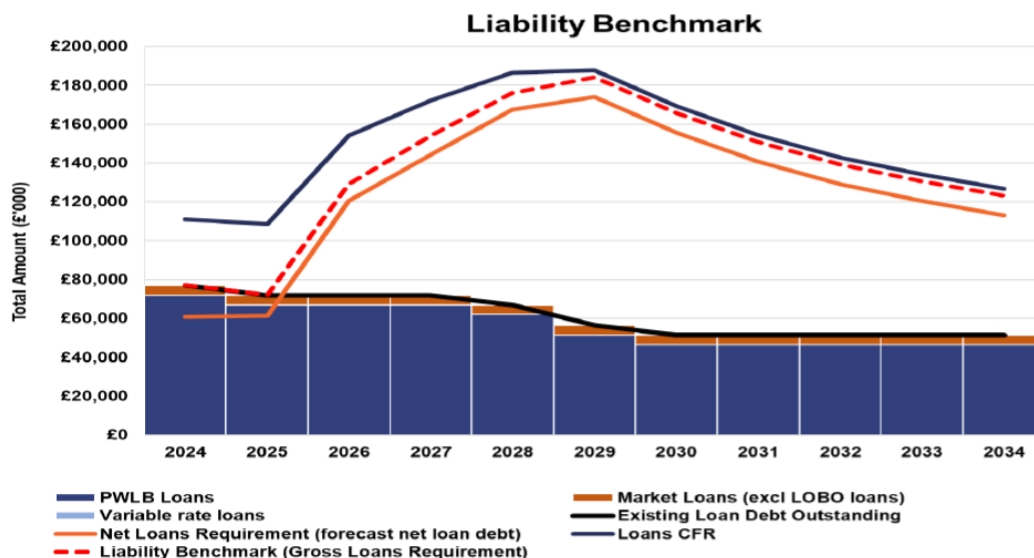
## Liability Benchmark

In addition to the prudential indicators set out above a new debt treasury indicator, the Liability Benchmark, has been adopted in 2025/26 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 2025/26 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).