NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

CAPITAL OUTTURN POSITION 2025/26

(PCC/758/2026)

Summary

The capital outturn position for 2025/26, subject to audit is set out below:

			Variance Analysis			
2025/26 Scheme Expenditure	**Revised Capital £m**	**Outturn Position £m**	**Rephased To MTFS £m**	**Additional Slippage to 2026/27 £m**	**Overspend/ (Underspend) £m**	**Total Variance £m**
Building Works	14.700	6.975	(6.911)	(0.815)	0.000	(7.725)
Digital Policing & Digital Transformation	6.333	5.744	(0.351)	(0.196)	(0.041)	(0.589)
Vehicles and Equipment	5.656	4.610	(0.977)	(0.043)	(0.026)	(1.046)
NEROCU Schemes - Northumbria's contributions	0.327	0.247	0.000	(0.060)	(0.020)	(0.079)
SUBTOTAL	**27.015**	**17.576**	**(8.239)**	**(1.113)**	**(0.087)**	**(9.439)**
Total Funded Schemes	**0.274**	**0.299**	**0.000**	**(0.041)**	**0.066**	**0.025**
TOTAL CAPITAL PROGRAMME	**27.289**	**17.875**	**(8.239)**	**(1.154)**	**(0.021)**	**(9.414)**

The capital programme for 2025/26 has been financed as shown in the table below:

Capital Financing 2025/26	**Capital Programme £m**	**Capital Outturn £m**	**Total Variance £m**
Capital Expenditure	**27.289**	**17.875**	**(9.414)**
Funded by:			
Capital Receipts	(4.699)	(4.641)	0.058
Capital Grant & Contributions & Reserves	(2.674)	(2.699)	(0.025)
Prudential Borrowing	(19.916)	(10.535)	9.381
Total Funding	**(27.289)**	**(17.875)**	**9.414**

All prudential indicators were within the approved limits.

Recommendation/Findings:

a. Note the 2025/26 capital outturn position as at 31 March 2026, subject to audit; and
b. Approve the required capital programme slippage into 2026/27

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature S. E. D

Date 6/7/2026

Joint Business Meeting	06 July 2026
Capital Outturn Position 2025/26	
Report of: Gail Thompson, Joint Chief Finance Officer	
Author: Sylvie Walker-Barras, Senior Accountant	

1. PURPOSE

1.1 The purpose of this report is to present the capital outturn position for 2025/26, subject to audit and the proposed slippage to be carried forward to 2026/27.

2. RECOMMENDATION

2.1 The Police and Crime Commissioner is requested to:

a. Note the capital outturn position as at 31 March 2026; and

b. Approve the required capital programme slippage into 2026/27.

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 At Quarter 1 the budget was adjusted to account for slippage from the 2024/25 capital programme, and a full review of planned 2025/26 expenditure, bringing the revised capital programme 2025/26 to a total of £55.610m which was approved on 14 August 2025.

3.3 At Quarter 3 the budget has been further revised to take account of the latest estimates and spend profile, with the slippage being re-profiled into the new MTFS 2026/27 to 2029/30 capital programme. The revised capital budget which was approved is £27.289m.

4. KEY OUTCOMES

Capital Outturn Position 2025/26

4.1 Some projects have progressed at a slower pace or have been pushed back to the next financial year (FY), either due to the time required for the tender process, completion timeline of purchases or awaiting decision/outcome.

4.2 At Quarter 3 £28.244m was rephased to the MTFS 2026/27 to 2029/30 as appropriate and £0.077m was identified as underspend not required.

4.3 The outturn position reflects a further £8.239m rephased to the MTFS at Period 11, £1.154m of additional slippage to 2026/27 and £0.021m as variance (net underspend) to the budget.

4.4 The table below sets out the capital outturn of £17.875m, subject to audit:

			Variance Analysis			
2025/26 Scheme Expenditure	Revised Capital £m	Outturn Position £m	Rephased To MTFS £m	Additional Slippage to 2026/27 £m	Overspend/ (Underspend) £m	Total Variance £m

Building Works	14.700	6.975	(6.911)	(0.815)	0.000	(7.725)
Digital Policing & Digital Transformation	6.333	5.744	(0.351)	(0.196)	(0.041)	(0.589)
Vehicles and Equipment	5.656	4.610	(0.977)	(0.043)	(0.026)	(1.046)
NEROCU Schemes - Northumbria's contributions	0.327	0.247	0.000	(0.060)	(0.020)	(0.079)
SUBTOTAL	**27.015**	**17.576**	**(8.239)**	**(1.113)**	**(0.087)**	**(9.439)**
Total Funded Schemes	**0.274**	**0.299**	**0.000**	**(0.041)**	**0.066**	**0.025**
TOTAL CAPITAL PROGRAMME	**27.289**	**17.875**	**(8.239)**	**(1.154)**	**(0.021)**	**(9.414)**

4.5 Details of the capital monitoring variances are shown in **Appendix 1,** which sets out a high-level summary of the key budget areas. Key points to note:

Building Works

4.6 In year expenditure was £6.975m. The total variance to the revised programme is £7.725m, this is made up of £6.911m rephased to the MTFS and £0.815m of scheme slippage.

4.7 Custody Improvements - Work is underway to upgrade the CCTV systems at various locations but was not completed by the end of the FY.

4.8 Estates Refurbishments and Upgrades Programme – Stage 2 of Alnwick refurbishment and the replacement gates at Hexham were not completed at 31 March.

4.9 New Force HQ – Following receipt of tenders there was a requirement for a period of value engineering to align project costs with the budget. The completion of the purchase of the new building was delayed to 2026/27 FY, the purchase was completed in May 2026.

4.10 New Kennels - Professional Fees to year end have been updated to reflect RIBA 0-3 stages and partial completion of RIBA 4 stage.

Digital Policing and Digital Transformation

4.11 In year expenditure was £5.744m. The total variance to the revised programme is £0.589m, this is made up of £0.351m rephased to the MTFS, £0.196m of scheme slippage and variances to individual schemes of £0.041m.

Digital Transformation

4.12 People Management - Crown DMS – Milestone 4 system build was not completed at 31 March.

Digital Policing

4.13 ESN - Airwave pre-ESN - The contract for the provision of the Integrated Communication Control System (ICCS) has been signed, the first milestone was due on contract signature. At Q3 the budget for ICCS had been rephased to 2026/27, the outturn position has been adjusted to cater for milestone one in 2025/26.

4.14 ESN - Airwave pre-ESN – Motorola has limited the warranty purchase period for the airwave devices acquired in 2023/24 & 2024/25. For warranty up to 2030, the purchase had to be completed by 31 March 2026.

4.15 Network & Hardware Refresh – The IT hardware tender which covers LAN kit, user devices (laptops, mobiles, keyboards etc), servers and audio-visual equipment is expected to have a contract in place in 2026/27.

Vehicle and Equipment

4.16 £4.610m was spent in year. The total variance to the programme is £1.046m, this is made up of £0.977m rephased to the MTFS, £0.043m of scheme slippage and variances to individual schemes of £0.026m.

4.17 Equipment - Taser Refresh – Following the T10 device authorisation by the Home Secretary in September 2025, the supplier informed the Home Office of a change in a key critical component (shape & design of firing probe). The change is being re-assessed, resulting in a delay in the purchase of T10 tasers.

4.18 Equipment – ANPR - The IT hardware tender under point 4.15 also covers ANPR cameras and is expected to have a contract in place in 2026/27.

4.19 Operational Equipment
Forensics - Procurement strategy has been approved for the purchase of the forensics Leica kit and will proceed to contract award; however, the purchase of the equipment has not been completed by year-end.
Custody - The Home Office has now approved custody breathalysers Intoxilyser 9000 which have been ordered but not yet received.

NEROCU Schemes – Northumbria's contributions

4.20 £0.247m was spent in year. The total variance to the programme is £0.079m, this is made up of £0.059m of scheme slippage and variances to individual schemes of £0.020m.

Funded Capital Schemes

4.21 In year spend was £0.299m. The total variance to the programme is £0.025m, this is made up of £0.041m of scheme slippage and variances to individual schemes of £0.066m.

4.22 The capital programme for 2025/26 has been financed as shown in the table below:

Capital Financing 2025/26	**Capital Programme £m**	**Capital Outturn £m**	**Total Variance £m**
Capital Expenditure	**27.289**	**17.875**	**(9.414)**
Funded by:			
Capital Receipts	(4.699)	(4.641)	0.058
Capital Grant & Contributions & Reserves	(2.674)	(2.699)	(0.025)
Prudential Borrowing	(19.916)	(10.535)	9.381
Total Funding	**(27.289)**	**(17.875)**	**9.414**

4.23 The changes to capital financing are related to the variances highlighted in the above report. Planned use of the Operational Systems Reserve has not changed from the forecast at Q3.

4.24 In-year capital receipts relate to the sale of the houses at Fairfield, sale of five vehicles, third party payments for two vehicles written off and the trade-in of HPE servers, a total of £1.300m.

4.25 Capital receipts carried forward from previous years amount to £6.273m. The balance of capital receipts carried forward in reserves at 31 March 2026 is £2.932m and these are planned for use within the current MTFS period 2026/27 to 2029/30.

4.26 The prudential indicators for capital are set out in **Appendix 2.** All indicators were within the agreed limits as at 31 March 2026.

5. CONSIDERATIONS

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

CAPITAL PROGRAMME 2025/26						
Schemes	Capital Programme £000's	Outturn Position £000's	Rephased to MTFS £000's	Slippage to 2026/27 £000's	Overspend (Underspend) £000's	Total Variance £000's
BUILDING WORKS						
Energy Investment Scheme	127	93	-	(33)	-	(33)
Estates Transition & Relocation	524	508	-	(16)	-	(16)
Custody Improvements	277	147	-	(130)	-	(130)
Estates Refurbishments and Upgrades Programme	4,390	3,993	-	(397)	-	(397)
New Force Headquarters	8,100	1,175	(6,706)	(219)	-	(6,925)
New Kennel Block	500	279	(204)	(17)	-	(221)
Automatic Access Control System	783	780	-	(3)	-	(3)
TOTAL BUILDING WORKS	14,700	6,975	(6,911)	(815)	-	(7,725)
DIGITAL POLICING & DIGITAL TRANSFORMATION						
TRANSFORMATION BOARD						
Digital	227	210	1	(17)	-	(16)
NPICCS Replacement	2,714	2,700	16	(31)	-	(15)
People Management	117	(0)	-	(76)	(41)	(117)
DIGITAL POLICING						
ESN	176	663	510	(22)	-	487
Network Refresh	651	256	(356)	(40)	-	(395)
Hardware Refresh	2,448	1,915	(522)	(10)	0	(533)
TOTAL DIGITAL POLICING & DIGITAL TRANSFORMATION	6,333	5,744	(351)	(196)	(41)	(589)
VEHICLES AND EQUIPMENT						
Replacement of Operational Vehicles	4,473	4,434	-	(39)	-	(39)
Marine boats replacement	52	52	-	-	0	0
Taser Refresh	301	-	(275)	-	(26)	(301)
ANPR Cameras Refresh Programme	191	17	(171)	(3)	-	(174)
ANPR Mobile	384	31	(353)	-	-	(353)
Operation Equipment	254	77	(178)	-	-	(178)
TOTAL VEHICLES AND EQUIPMENT	5,656	4,610	(977)	(43)	(26)	(1,046)
NEROCU schemes, Northumbria contributions						
Building Capital contribution to NEROCU	85	44	-	(41)	-	(41)
TSU (Regional) - Contribution to NEROCU	67	48	-	-	(20)	(20)
Fleet Capital contribution to NEROCU	175	156	-	(19)	-	(19)
TOTAL NEROCU CONTRIBUTION CAPITAL SCHEMES	327	247	-	(60)	(20)	(79)
CAPITAL PROGRAMME TOTAL	27,015	17,576	(8,239)	(1,113)	(87)	(9,439)
FUNDED CAPITAL SCHEMES						
LEDS funding	-	24		-	24	24
Funded vehicles - Airport Vehicles	29	-	-	(29)	-	(29)
Funded vehicles - National Rural Crime Unit	44	44	-	-	-	-
NEROCU - TSU balance	-	42	-	-	42	42
NEROCU - Fleet balance	200	188	-	(12)	0	(12)
TOTAL FUNDED CAPITAL SCHEMES	274	299	-	(41)	66	25
TOTAL CAPITAL SPEND	27,289	17,875	(8,239)	(1,154)	(21)	(9,414)

Prudential Indicators 2025/26

Authorised Limit for External Debt		
	2025/26 **£000** **Reported Indicator**	**2025/26** **£000** **Position at end of 4th Quarter**
Borrowing	175,000	86,969
Other Long Term Liabilities	0	0
Total	**175,000**	**86,969**
Maximum YTD £86.969m		

Operational Boundary for External Debt		
	2025/26 **£000** **Reported Indicator**	**2025/26** **£000** **Position at end of 4th Quarter**
Borrowing	155,000	86,969
Other Long Term Liabilities	0	0
Total	**155,000**	**86,969**
Maximum YTD £86.969m		

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
	2025/26 **£000** **Reported Indicator**		**2025/26** **£000** **Actual Position**	
	Upper Limit	**Lower Limit**	**Actual Percentage**	**Maximum YTD**
Under 12 months	80%	0%	11.50%	11.50%
12 to 24 months	60%	0%	11.50%	11.50%
24 months to 5 years	40%	0%	17.82%	31.11%
5 years to 10 years	40%	0%	0.00%	0.00%
10 years and above	80%	0%	59.18%	66.87%
All within agreed limits.				

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

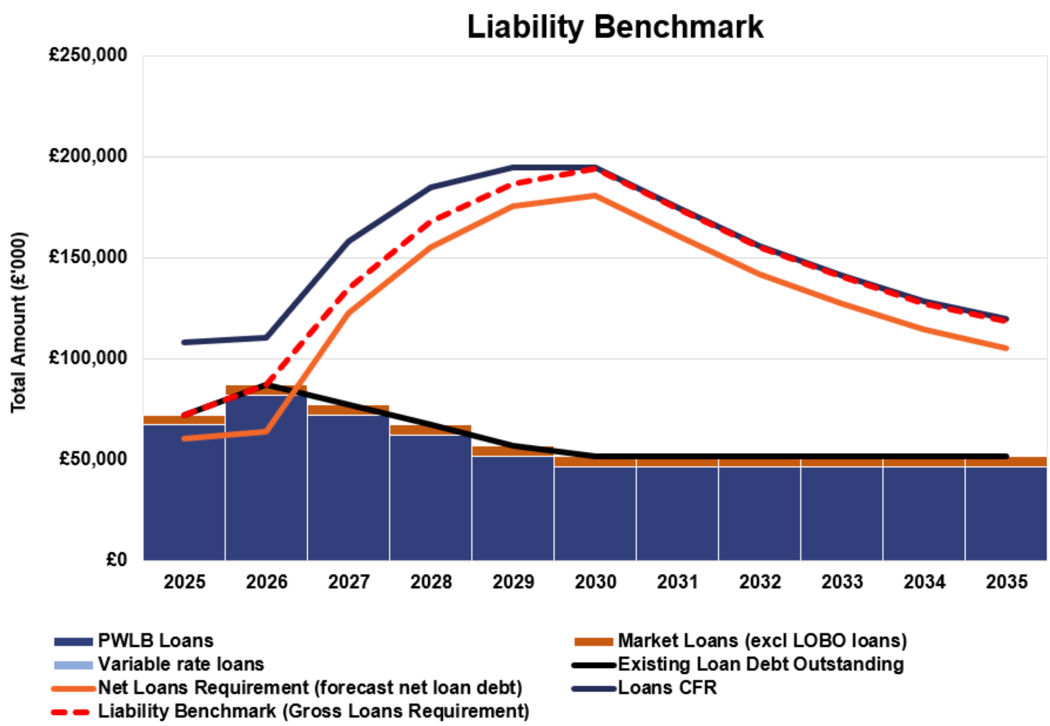
Liability Benchmark

In addition to the prudential indicators set out above a new debt treasury indicator, the Liability Benchmark, has been adopted since 2023/24 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 2026/27 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).