

POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

Key Decisions

Title and Reference - (PCC/57/2013)

Capital Monitoring Report 2013/14 – Quarter 2

Summary

The revised estimate for the capital programme for 2013/14 at 30 September 2013 is £20.694m compared with the original estimate of £22.750m, a reduction of £2.056m in budgeted expenditure. This movement primarily relates to slippage of expenditure on schemes to 2014/15. Expenditure of £4.287m had been incurred by 30 September 2013.

All the prudential indicators were within agreed limits during the second quarter of 2013/14.

Recommendation/ Findings:

The Commissioner is requested to approve the revised estimate and financing arrangements and to note that the prudential indicators for the second quarter 2013/14 are within the agreed limits.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 14.11.13

Information and advice provided to the Police and Crime Commissioner for Northumbria

Capital Monitoring Report 2013/14 – Quarter 2

1. Purpose of the Report

- 1.1 To inform the Police and Crime Commissioner (the Commissioner) of the latest position with regard to the 2013/14 capital budget and the prudential indicators as at 30 September 2013

2. Revised Estimate and Actual Expenditure

- 2.1 The original capital estimate for the financial year 2013/14 provided for total capital expenditure of £22.750m. This was revised in June 2013 to £24.382m to reflect slippage from 2012/13 but has since been revised at 30 September 2013 to £20.694m, a reduction of £2.056m on the original estimate and £3.688m on the revised estimate at June.

- 2.2 Actual expenditure at the 30 September 2013 was £4.287m. A summary is shown in the table below and in detail in Appendix B.

	Original Estimate 2013/14	Revised Estimate June 2013	Revised Estimate September 2013	Actual Expenditure September 2013
	£m	£m	£m	£m
Major Building Schemes	16.390	16.975	16.102	3.531
Minor Building Works	0.871	1.411	1.231	0.059
ICT	2.239	2.474	0.664	0.194
Vehicles & Equipment	3.250	3.522	2.697	0.503
TOTAL	22.750	24.382	20.694	4.287

3. Building Works

- 3.1 The estimate for cell refurbishments has been reduced by £0.180m from the revised estimate at Quarter 1; this is to allow for further consideration to ensure HMIC privacy requirements are met. This is expected to carry forward into 2014/15 and is fully reflected in the capital estimates in the revised Medium Term Financial Strategy.
- 3.2 The estimate for estates rationalisation has been reduced by £0.760m from the Qtr 1 estimate. This reflects the time taken to procure alternative sites for Dogs and Scientific Support taking longer than anticipated. The under spend is expected to carry forward into 2014/15 and is fully reflected in the revised Medium Term Financial Strategy.

4. ICT

- 4.1 The estimate has been reduced by £1.772m from the revised estimate at Quarter 1; this reflects the ICT Transformation project (Information Management

and Mobile Data schemes) commencing in 2014/15. This will be reflected in the capital estimates in the revised Medium Term Financial Strategy.

5. Fleet

5.1 The Fleet forecast has been revised down by £0.709m from the revised estimate at Quarter 1 of which £0.330m is expected to carry forward into 2014/15. This carry forward reflects the estimated lead times on delivery of vehicles being purchased and the remaining under spend is a saving based on a decision not to replace vehicles previously included in the fleet capital programme.

6. Capital Financing

6.1 It is anticipated at this stage that the capital programme for 2013/14 will be financed from the following sources:

	Original	Revised	Revised
	Budget	Estimate	Estimate
	£m	£m	£m
Capital Grants	3.496	3.556	3.556
Capital Receipts	1.844	2.049	1.776
Prudential Borrowing	17.410	18.777	15.362
Total	22.750	24.382	20.694

6.2 In accordance with the assumptions in the Medium Term Financial Strategy, available capital grants and capital receipts are utilised before Prudential Borrowing. The revenue impact of new borrowing has been built into the Medium Term Financial Strategy assumptions.

7 Prudential Indicators

7.1 The 2013/14 Prudential Indicators were agreed by the Commissioner on 27 February 2013 (PCC/12/2013). All of the prudential indicators were within agreed limits during the second quarter of 2013/14 and are set out in Appendix C.

8. Conclusion

8.1 The 2013/14 revised capital estimate at Quarter 2 is £2.056m below the original estimate, and all prudential indicators were within agreed limits.

9. Financial Considerations

9.1 Financial implications are considered throughout this report.

10. Legal Considerations

10.1 Relevant legislation and guidance has been complied with in accounting and financing of the Capital Programme.

11. Equality Considerations

11.1 There are no equality implications arising from the contents of this report.

12. Risk Management Considerations

12.1 Associated risks have been considered and recorded as appropriate.

13. Background and Supporting Papers

Capital Monitoring Report 2013/14 – Quarter 1 (PCC/53/2013)

Council Tax Precept and Revenue and Capital Budgets 2013/14 (PCC/12/2013)

Quarter 2 Capital Monitoring 2013/14

Scheme	ORIGINAL ESTIMATE 2013/14 £000	REVISED ESTIMATE REPORTED - JUN 13 £000	REVISED ESTIMATE FORECAST - SEPT 13 £000	ACTUAL PAYMENTS TO DATE £000
<u>MAJOR BUILDING SCHEMES</u>				
Newcastle City Centre Police Station	14,300	14,821	14,742	3,430
North Tyneside Police Station - Retention	0	34	0	0
Firearms Facility	200	230	230	54
Estates Rationalisation	1,890	1,890	1,130	47
TOTAL MAJOR BUILDING SCHEMES	16,390	16,975	16,102	3,531
<u>MINOR BUILDING WORKS</u>				
Cell Refurbishments	450	456	276	0
Aerial Masts	4	20	20	13
Refurbishment of Westgate Road	16	175	175	16
Decommissioning sites	60	169	169	0
Energy Management Initiatives	150	150	150	30
Public Area CCTV	191	441	441	0
TOTAL MINOR BUILDING WORKS	871	1,411	1,231	59
TOTAL BUILDING SCHEMES	17,261	18,386	17,333	3,590
<u>COMPUTERS AND COMMUNICATIONS</u>				
Service Access – PCs	50	50	14	0
Service Hosting - Servers/SAN	250	323	243	70
Resource Management System	0	27	7	1
Data & Telephony Network Refresh	175	175	175	0
Telephone Network/Voice Uplift	0	104	104	37
Automatic Number Plate Recognition (ANPR)	38	38	0	0
Microsoft Licences	70	70	70	67
Performance Management and Business Intelligence System (PMIS)	0	31	31	17
Geographic Information System (GIS)	56	56	20	0
Information Management	500	500	0	0
Mobile Data	1,100	1,100	0	2
TOTAL COMPUTERS & COMMUNICATIONS	2,239	2,474	664	194
<u>VEHICLES AND EQUIPMENT</u>				
Replacement of Operational Vehicles	2,704	2,953	2,244	307
Body Armour Revalidation/Replacement	320	343	227	449
TSU - Technology Refresh	106	106	106	49
TSU - Telephony refresh	120	120	120	100
TOTAL VEHICLES AND EQUIPMENT	3,250	3,522	2,697	503
TOTAL CAPITAL PROGRAMME	22,750	24,382	20,694	4,287

Prudential Indicators 2013/14

Authorised Limit for External Debt		
	2013/14 £000 Reported Indicator	2013/14 £000 Position at end of 2nd Quarter
Borrowing	170,000	93,131
Other Long Term Liabilities	0	0
Total	170,000	93,131
Maximum YTD £95.132m		

Operational Boundary for External Debt		
	2013/14 £000 Reported Indicator	2013/14 £000 Position at end of 2nd Quarter
Borrowing	145,000	93,131
Other Long Term Liabilities	0	0
Total	145,000	93,131
Maximum YTD £95.132m		

Upper Limit on Fixed and Variable Interest Rate Exposures		
Range	2013/14 £000 Reported Indicator	2013/14 £000 Position at end of 2nd Quarter
Fixed Rate	85,206 -20,617	61,273 <i>max 83,278</i> <i>min 42,506</i>
Variable	12,750 -20,000	-15,455 <i>max 0,000</i> <i>min -16,317</i>
All within agreed limits. (Max and Min YTD)		

<i>Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing</i>				
	2013/14 £000 Reported Indicator		2013/14 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	20%	0%	7.34%	7.36%
12 months to 24 months	40%	0%	18.07%	21.01%
24 months to 5 years	60%	0%	30.60%	32.56%
5 years to 10 years	70%	0%	21.48%	27.83%
10 years and above	90%	0%	22.52%	26.17%
All within agreed limits.				

<i>Upper Limit on amounts invested beyond 364 days</i>			
	2013/14 £000 Reported Indicator	2013/14 £000 Actual Position	2013/14 £000 Maximum YTD
Investments	15,000	0	0