

POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

Key Decisions

Title and Reference

**Capital Monitoring Report 2012/13 – Quarter 3
(PCC/05/2013)**

Summary

The revised estimate for the capital programme for 2012/13 at 31 December 2012 is £25.466m compared with the original estimate of £29.177m, a reduction of £3.711m in expenditure for the year. The movement primarily relates to slippage of expenditure on schemes to 2013/14. Expenditure of £17.131m had been incurred by 31 December 2012.

All the prudential indicators agreed by the former police authority were within agreed limits during the third quarter of 2012/13.

Recommendation/ Findings:

The Commissioner is requested to agree the revised estimate for the 2012/13 capital programme and note that the prudential indicators for the third quarter 2012/13 are within the agreed limits.

Police and Crime Commissioner for Northumbria

I hereby approve the recommendation above.

Signature



Date 14.02.13

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

Capital Monitoring Report 2012/13 – Quarter 3

1. Purpose of the Report

- 1.1 To inform the Police and Crime Commissioner (the Commissioner) of the latest position with regard to the 2012/13 capital budget and the prudential indicators as at 31 December 2012.

2. Revised Estimate

- 2.1 The original capital budget for the financial year 2012/13 provided for total capital expenditure of £29.177m, as detailed in column 1 of Appendix A (attached). This has been revised at 31 December 2012 to £25.466m (Appendix A column 4), a reduction of £3.711m, as summarised below and detailed in Appendix B:

	£000	£000
Original Programme 2012/13		29,177
Previous budget revisions agreed at Quarters 1 & 2	(1,009)	
Net Budget revisions at Quarter 3	(2,702)	
		<hr/>
		(3,711)
Revised Capital Estimate at 31 December 2012		25,466

3. Major Building Schemes

- 3.1 The major components of the Estates Strategy continue to be the delivery of Newcastle City Centre Police Station and the Operations/Training Firearms Facility, and the estate rationalisation. An update of the Estates Strategy will be provided to the Commissioner by the Property Adviser. Variations in scheme estimates for 2012/13 are summarised below:

- **Newcastle City Centre Police Station** – The revised estimate for 2012/13 has reduced by £1.9m from £10.9m to £9m to reflect slippage of works into the next financial year, partly due to delays in tenants, Network Rail vacating Kings House. As part of the condition of sale they could remain in Kings House until their new location was ready. Overall the scheme is still anticipated to be delivered on time and within budget.
- **Estates rationalisation** – The estimate for 2012/13 relates to works undertaken at Communications and Command Blocks 67/69 at HQ and refurbishment works associated with other departmental moves. The forecast in-year underspend of £0.150m will slip to 2013/14.

4. Minor Building Works

4.1 The Minor Buildings Works estimate has increased from £1.990m to £1.993m. Works associated with handling asbestos at Westgate Road Police Station have increased costs by £0.103m, which have been partly offset by savings in the Adaptations budget and slippage on the decommissioning sites scheme.

5. Computers and Communication

5.1 The estimate for Computers and Communication schemes has reduced from £2.524m to £1.869m, a reduction of £0.655m from the revised estimate at quarter 2. The main variances comprise:

- **Technology Refresh** – An additional £0.070m savings based on fewer PC/printer failures than anticipated to date. No further replacements are now planned in 2012/13.
- **Application Server Refresh** - £0.262m saving from the virtualisation programme reducing the need to replace some servers and also from reduced system requirements.
- **Telephone Network** – Final works on scheme will slip expenditure of £0.175m into quarter 1 2013/14 and minor savings within the scheme has resulted in a reduced estimate of £0.211m.

6. Vehicles and Equipment

6.1 There is no change in the estimates for Vehicles and Equipment.

7. Capital financing

7.1 It is anticipated at this stage that the capital programme for 2012/13 will be financed from the following sources:

	Original Budget £m	Revised Estimate £m
Capital Grants	3.362	3.744
Capital Receipts	1.400	1.202
Prudential Borrowing	24.415	20.520
Total	29.177	25.466

7.2 The additional capital grant relates to grant funding received from the Home Office in previous years for the helicopter support unit which was not utilised in 2011/12 but will be used to complete the scheme in 2012/13; and grant from NPIA received previously to fund the Mobile Data pilot.

7.3 Anticipated capital receipts are from the sale of police houses and former police stations. To date, five property sales have been agreed in 2012/13.

7.4 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.

8. Prudential Indicators

8.1 The 2012/13 Prudential Indicators were agreed by the former Police Authority on 22 February 2012. All of the prudential indicators were within agreed limits during the third quarter of 2012/13 and are set out in Appendix C.

9. Actual Payments

9.1 As detailed in Appendix A, accrued capital payments totalled £17.131m at the end of December. Actual payments are consistent with the revised estimates.

10. Financial Implications

10.1 Financial implications are considered throughout this report.

11. Human Rights Implications

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

12. Equal Opportunities

12.1 There are no equal opportunities implications arising from the contents of this report.

13. Background and supporting papers

13.1 Appendix A – Revised Estimate for 2012/13 Capital Programme
Appendix B – Capital Programme Movement 2012/13
Appendix C – Prudential Indicators 2012/13

POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

QUARTER 3 CAPITAL MONITORING 2012/13

	ORIGINAL ESTIMATE 2012/13 £000s (1)	REVISED ESTIMATE -JUNE 12 £000s (2)	REVISED ESTIMATE -SEPT 12 £000s (3)	REVISED ESTIMATE -DEC 12 £000s (4)	ACTUAL PAYMENTS -DEC 12 £000s (5)
MAJOR BUILDING SCHEMES					
Newcastle City Centre Police Station	10,900	10,900	10,900	9,000	5,563
North Tyneside - New Command HQ	0	212	212	212	177
Operations/Training Firearms Facilities	9,650	8,506	8,506	8,506	7,680
Estates Rationalisation	750	750	750	600	211
	21,300	20,368	20,368	18,318	13,631
MINOR BUILDING WORKS					
Cell Refurbishments	450	450	210	210	33
Energy Management Initiatives	150	150	150	150	114
Aerial Masts	72	65	65	75	58
Public Area CCTV	250	250	250	250	30
Adaptations Budget	50	50	50	0	0
Gateshead Police Station adaptations	3	3	3	3	3
Custody Suite upgrade CCTV	190	215	215	215	43
Refurbishment of Westgate Road	460	619	619	722	437
Helicopter Support Unit, Newcastle Airport	110	228	228	228	174
Decommissioning Sites	200	200	200	140	9
	1,935	2,230	1,990	1,993	901
TOTAL BUILDING SCHEMES	23,235	22,598	22,358	20,311	14,532
COMPUTERS AND COMMUNICATIONS					
Technology Refresh	150	150	75	5	5
Application Server Refresh	745	795	795	533	169
Mobile Data	0	0	220	220	165
Resource Management System	0	39	39	39	3
Automatic Number Plate Recognition (ANPR)	91	123	123	85	77
Confidential Network	50	141	101	101	23
Telephone Network	400	596	596	385	210
Operating Systems Refresh	70	70	0	0	0
Performance Management and Business Intelligence System (PMIS)	45	49	64	64	31
Geographic Information System (GIS)	0	56	56	0	0
Information Management & Communication	500	500	0	0	0
Airwave Refreshment - Covert Equipment	45	45	45	44	0
Airwave Refreshment - Handled Equipment	410	410	410	393	44
	2,506	2,974	2,524	1,869	727
VEHICLES AND EQUIPMENT					
Vehicles	2,400	2,400	2,250	2,250	953
Technical Support Unit- Technology Refresh	106	106	106	106	85
Body Armour Replacement	930	930	930	930	834
	3,436	3,436	3,286	3,286	1,872
TOTAL CAPITAL PROGRAMME	29,177	29,008	28,168	25,466	17,131

QUARTER 3 CAPITAL PROGRAMME MOVEMENT 2012/13**£000s**

Net Budget revisions Quarter 3

Slippage: Newcastle City Centre Police Station	(1,900)
Slippage: Estates rationalisation	(150)
Additional expenditure: Aerial masts	10
Saving: Adaptations	(50)
Review of scheme: Refurbishment of Westgate Road	103
Slippage: Decommissioning sites	(60)
Saving: Technology Refresh	(70)
Saving: Application Server Refresh	(262)
Slippage: Automatic Number Plate Recognition	(38)
Savings/slippage: Telephone network	(211)
Slippage: GIS	(56)
Saving: Airwave refresh – covert equipment	(1)
Saving: Airwave refresh – handheld equipment	(17)

Total net budget revisions Quarter 3**(2,702)**

PRUDENTIAL INDICATORS 2012/13

Authorised Limit for External Debt		
	2012/13 £000 Reported Indicator	2012/13 £000 Position at end of 3rd Quarter
Borrowing	140,000	70,133
Other Long Term Liabilities	0	0
Total	140,000	70,133
Maximum YTD £70.136m		

Operational Boundary for External Debt		
	2012/13 £000 Reported Indicator	2012/13 £000 Position at end of 3rd Quarter
Borrowing	115,000	70,133
Other Long Term Liabilities	0	0
Total	115,000	70,133
Maximum YTD £70.136m		

Limit on Fixed and Variable Interest Rates Exposures		
Range	2012/13 £000 Reported Indicator	2012/13 £000 Actual Position @ 31 Dec 12
Fixed Rate	66,996 -63,128	45,422 <i>max 58,717</i> <i>Min 16,262</i>
Variable	15,264 -30,000	-8,095 <i>max 609</i> <i>Min -14,886</i>
All within agreed limits (Max and Min YTD)		

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
	2012/13 £000 Reported Indicator		2012/13 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	20%	0%	2.86%	2.86%
12 months to 24 months	35%	0%	2.62%	3.07%
24 months to 5 years	80%	0%	34.81%	34.81%
5 years to 10 years	80%	0%	29.82%	36.35%
10 years and above	90%	0%	29.90%	39.87%
All within agreed limits.				

Upper Limit on amounts invested beyond 364 days			
	2012/13 £000 Reported Indicator	2012/13 £000 Actual Position	2012/13 £000 Maximum YTD
Investments	15,000	0	0