

# POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

## Key Decisions

### Title and Reference – (PCC/44/2013)

Capital Outturn Report 2012/13

### Summary

Actual expenditure for 2012/13 at 31 March 2013 totalled £23.355m, £2.111m less than the revised estimate of £25.466m approved at Quarter 3. Primarily the variance relates to expenditure being carried forward into 2013/14 for ongoing schemes.

All available capital grants and capital receipts have been utilised to fund the Capital Programme before prudential borrowing resulting in £18.783m borrowing to fund the Programme.

All the prudential indicators agreed by the former police authority were within agreed limits in 2012/13.

### Recommendation/ Findings:

The Commissioner is requested to:

- note the provisional capital outturn for 2012/13 as set out in Appendix B and the prudential indicators for 2012/13 as set out in Appendix C; and
- agree the provisional financing of the capital programme as set out in paragraph 8.1 of Appendix A.

### Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 27.06.13

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

### Capital Outturn Report 2012/13

#### 1. Purpose of the Report

- 1.1 To inform the Police and Crime Commissioner (the Commissioner) of the provisional capital expenditure outturn and the prudential indicators, prior to completion and audit of the Statement of Annual Accounts.

#### 2. Revised Estimate

- 2.1 The original capital budget for the financial year 2012/13 provided for total capital expenditure of £29.177m (Appendix B column 1). This was revised at 31 December 2012 to £25.466m (Appendix B column 2), a reduction of £3.711m, to reflect progress on schemes and a review of spending commitments to essential and key priority areas.

#### 3. Financial Performance

- 3.1 Actual expenditure for 2012/13 at 31 March 2013 totalled £23.355m, £2.111m less than the revised estimate. Details of each scheme are provided in Appendix B. A summary of the main programme variations is detailed below:

	£m	£m
<b>2012/13 Revised capital estimate</b>		<b>25.466</b>
Main programme variances:		
Newcastle City Centre Police Station	(0.521)	
Firearms Facilities	(0.303)	
Public Area CCTV	(0.211)	
Refurbishment of Westgate Road	(0.159)	
Vehicles	(0.327)	
Other variances (see Appendix B)	(0.590)	
		(2.111)
<b>Capital Expenditure as at 31 March 2013</b>		<b>23.355</b>

#### 4. Major Building Schemes

- 4.1 The major components of the Estates Strategy were the delivery of Newcastle City Centre Police Station, a new Firearms Facility, and the rationalisation of the Force Estate. Actual expenditure for the year totalled £17.375m, £0.943m less than the revised estimate as detailed in Major Buildings Section in appendix B. All schemes were scheduled to continue beyond March 2013 and therefore the 2012/13 underspend will be considered within the 2013/14 programme.

## 5. Minor Building Works

- 5.1 The Minor Buildings Works expenditure of £1.412m was £0.581m less than the revised estimate of £1.993m. The main underspend of £0.211m for Public Area CCTV will be carried forward to 2013/14 pending final decisions on an integrated ANPR and CCTV strategy. The remaining underspends as detailed in appendix B for ongoing schemes will be considered within the 2013/14 programme.

## 6. Computers and Communication

- 6.1 Actual expenditure on Computers and Communication schemes was £1.621m, £0.248m less than the revised estimate of £1.869m. As part of ongoing schemes the underspends detailed in Appendix B, will be considered within the 2013/14 programme.

## 7. Vehicles and Equipment

- 7.1 Actual expenditure for vehicles and equipment as at 31 March 2013 was £2.947m, which was £0.339m less than the revised estimate. All vehicles were purchased in 2013/14 with the underspend being carried forward to complete the conversion of a number of the new vehicles.

## 8. Capital financing

- 8.1 It is proposed that the capital programme for 2012/13 will be financed as follows:

	<b>Revised Estimate £m</b>	<b>Provisional Financing £m</b>
Capital Grants and other contributions	3.744	3.752
Capital Receipts	1.202	0.820
Prudential Borrowing	20.520	18.783
<b>Total</b>	<b>25.466</b>	<b>23.355</b>

- 8.2 In accordance with the assumptions in the Medium Term Financial Strategy, available capital grants and capital receipts are utilised to fund the capital programme before Prudential Borrowing. Five property sales were agreed in 2012/13, four of which were finalised and income received in 2012/13.

- 8.3 The revenue impact of new borrowing will be met from the Capital Development Reserve in accordance with the Reserves Policy. The revenue implications in 2012/13 from the provisional Prudential Borrowing are included in the Revenue Outturn report.

## 9. Prudential Indicators

- 9.1 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 fourth quarter of 2012/13 and are set out in Appendix C.

## **10. Conclusion**

- 10.1 The 2012/13 provisional capital outturn is £2.111m below the revised estimate for the year.

## **11. Financial considerations**

- 11.1 Financial implications are considered throughout this report.

## **12. Legal considerations**

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

## **13. Equality considerations**

- 13.1 There are no equality implications arising from the content of this report.

## **14. Risk Management considerations**

- 14.1 Associated risks have been considered and recorded as appropriate.

## **15. Background and supporting papers**

Appendix B – Capital Outturn 2012/13

Appendix C – Prudential Indicators 2012/13

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

## Appendix B

### POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

#### CAPITAL OUTTURN 2012/13

	ORIGINAL ESTIMATE 2012/13 £000s (1)	REVISED ESTIMATE 2012/13 £000s (2)	ACTUAL PAYMENTS 2012/13 £000s (3)	VARIANCE 2012/13 £000s (4)
<b><u>MAJOR BUILDING SCHEMES</u></b>				
Newcastle City Centre Police Station	10,900	9,000	8,479	(521)
North Tyneside - New Command HQ	0	212	178	(34)
Operations/Training Firearms Facilities	9,650	8,506	8,203	(303)
Estates Rationalisation	750	600	515	(85)
	<b>21,300</b>	<b>18,318</b>	<b>17,375</b>	<b>(943)</b>
<b><u>MINOR BUILDING WORKS</u></b>				
Cell Refurbishments	450	210	204	(6)
Energy Management Initiatives	150	150	143	(7)
Aerial Masts	72	75	59	(16)
Public Area CCTV	250	250	39	(211)
Adaptations Budget	50	0	0	0
Gateshead Police Station adaptations	3	3	3	0
Custody Suite upgrade CCTV	190	215	102	(113)
Refurbishment of Westgate Road	460	722	563	(159)
Helicopter Support Unit, Newcastle Airport	110	228	268	40
Decommissioning Sites	200	140	31	(109)
	<b>1,935</b>	<b>1,993</b>	<b>1,412</b>	<b>(581)</b>
<b>TOTAL BUILDING SCHEMES</b>				
	<b>23,235</b>	<b>20,311</b>	<b>18,787</b>	<b>(1,524)</b>
<b><u>COMPUTERS AND COMMUNICATIONS</u></b>				
Technology Refresh	150	5	5	0
Application Server Refresh	745	533	460	(73)
Mobile Data	0	220	205	(15)
Resource Management System	0	39	12	(27)
Automatic Number Plate Recognition (ANPR)	91	85	86	1
Confidential Network	50	101	102	1
Telephone Network	400	385	281	(104)

Operating Systems Refresh	70	0	0	0
Performance Management and Business Intelligence System (PMIS)	45	64	33	(31)
Geographic Information System (GIS)	0	0	0	0
Information Management & Communication	500	0	0	0
Airwave Refreshment - Covert Equipment	45	44	44	0
Airwave Refreshment - Handled Equipment	410	393	393	0
	<b>2,506</b>	<b>1,869</b>	<b>1,621</b>	<b>(248)</b>
<b><u>VEHICLES AND EQUIPMENT</u></b>				
Vehicles	2,400	2,250	1,923	(327)
Technical Support Unit- Technology Refresh	106	106	117	11
Body Armour Replacement	930	930	907	(23)
	<b>3,436</b>	<b>3,286</b>	<b>2,947</b>	<b>(339)</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>29,177</b>	<b>25,466</b>	<b>23,355</b>	<b>(2,111)</b>

## PRUDENTIAL INDICATORS 2012/13

<b>Authorised Limit for External Debt</b>		
	<b>2012/13 £000 Reported Indicator</b>	<b>2012/13 £000 Outturn</b>
Borrowing	140,000	75,133
Other Long Term Liabilities	0	0
<b>Total</b>	<b>140,000</b>	<b>75,133</b>
Maximum YTD £75.133m		

<b>Operational Boundary for External Debt</b>		
	<b>2012/13 £000 Reported Indicator</b>	<b>2012/13 £000 Outturn</b>
Borrowing	115,000	75,133
Other Long Term Liabilities	0	0
<b>Total</b>	<b>115,000</b>	<b>75,133</b>
Maximum YTD £75.133m		

<b>Limit on Fixed and Variable Interest Rates Exposures</b>		
<b>Range</b>	<b>2012/13 £000 Reported Indicator</b>	<b>2012/13 £000 Outturn</b>
Fixed Rate	66,996 -63,128	59,386 <i>max 59,734</i> <i>min 16,262</i>
Variable	15,264 -30,000	-4,860 <i>max 609</i> <i>min -14,886</i>
All within agreed limits (Max and Min YTD)		

<b>Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing</b>				
	<b>2012/13 Reported Indicator</b>		<b>2012/13 Outturn</b>	
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual Percentage</b>	<b>Maximum YTD</b>
Under 12 months	20%	0%	2.67%	2.86%
12 months to 24 months	35%	0%	15.75%	15.75%
24 months to 5 years	80%	0%	25.84%	34.81%
5 years to 10 years	80%	0%	27.84%	36.35%
10 years and above	90%	0%	27.91%	39.87%
All within agreed limits				

<b>Upper Limit on amounts invested beyond 364 days</b>			
	<b>2012/13 £000 Reported Indicator</b>	<b>2012/13 £000 Outturn</b>	<b>2012/13 £000 Maximum YTD</b>
Investments	15,000	0	0