ANNEX B

NOTTINGHAMSHIRE POLICE & CRIME COMMISSIONER

DRAFT

# Capital Programme 2023-2028

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE

January 2023

# 1. Introduction

The Commissioner is supportive of capital expenditure which improves the efficiency and effectiveness of the service provided to the public of Nottinghamshire.

The majority of capital expenditure relates to the buildings, IT systems and fleet.

The ability for the Commissioner to finance capital expenditure through borrowing is limited by the affordability of a rising Capital Financing Requirement, a key prudential indicator. In keeping within the indicator limits some major capital projects are being financed from revenue/reserves. Where capital receipts are available these are utilised to finance short life assets. Both actions reduce the burden on the revenue budgets in future years.

# 2. Capital Programme 2023-24

This programme is built upon the current priorities within the Force. Ensuring premises and equipment are fit for purpose, appropriately maintained, and replaced at the end of their useful life.

It is currently estimated that there will be approximately £3,513k slippage from 2022-23 (P9) capital programme into 2023-24, these figures will be re-evaluated and confirmed atthe end of the financial year.

The detailed programme, proposed by the Force, for 2023-24 is provided in **Appendix A.**

The proposed programme is summarised in the table below:

| **£'000s** | | | | | |
|---|---|---|---|---|---|
| **Capital Expenditure** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** |
| Estates & Facilities | 2,433 | 2,116 | 2,174 | 2,234 | 2,296 |
| Information Services | 2,082 | 315 | 315 | 112 | 115 |
| Fleet | 2,604 | 2,758 | 2,696 | 2,432 | 1,591 |
| Operations | 197 | 0 | 0 | 0 | 0 |
| **Capital Programme** | **7,316** | **5,189** | **5,185** | **4,778** | **4,002** |

Inflation has been added over the life of the 5-year programme to show what we expect the impact to be, based on current assumptions.

Work continues in line with the building condition survey from 2017, a refresh of this survey will take place during 2023-24. Projects to ensure the custody suites remain Home Office compliant and general improvements to the force estate to make best use of the space available continue to progress.

An investment within IT to replace the existing airwave radios en masse will take place as many are beyond end of life and have been retained longer than planned to tie in with the Home Office Emergency Services Network (ESN) programme which now sees further delays.

Fleet shows the on-going replacement of vehicles as well as provision for replacing written off vehicles.

Operations reflects the replacement of 4 safety camera partnership vans and cameras.

## 3. Medium Term Capital Programme

It is normal practice to provide an indication of the capital programme for 2023-24 to 2027-28. With the understanding that this part of the programme will be subject to change following a detailed business case and affordability assessment.

An indicative proposed programme for the 5 years is provided in **Appendix A**.

## 4. Financing

Financing is included within the Treasury Management Strategy and is summarised in the table below:

| **£'000s** | | | | | |
|---|---|---|---|---|---|
| **Capital Expenditure** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** |
| Estates & Facilities | 2,433 | 2,116 | 2,174 | 2,234 | 2,296 |
| Information Services | 2,082 | 315 | 315 | 112 | 115 |
| Fleet | 2,604 | 2,758 | 2,696 | 2,432 | 1,591 |
| Operations | 197 | 0 | 0 | 0 | 0 |
| **Capital Programme** | **7,316** | **5,189** | **5,185** | **4,778** | **4,002** |
| | | | | | |
| **Financed by:** | | | | | |
| Capital Receipts | -535 | -300 | -300 | -300 | -300 |
| Capital Grants | 0 | 0 | 0 | 0 | 0 |
| Direct Revenue Financing | -600 | 0 | 0 | 0 | 0 |
| Capital Reserve | -197 | 0 | 0 | 0 | 0 |
| Loans | -5,984 | -4,889 | -4,885 | -4,478 | -3,702 |
| **Total Financed by:** | **-7,316** | **-5,189** | **-5,185** | **-4,778** | **-4,002** |

# 5. Revenue Implications

Capital Expenditure does have revenue implications; generally, these have the greatest impact in the year after the capital expenditure has been incurred/project completed. These costs reflect a depreciation cost and a cost of borrowing. The cost of borrowing is made up of a mixture of interest only and EIP (equal instalments of principal and interest) loans. Where interest only loans have been taken the capital sum will need to be repaid. Depreciation is allocated over the life of the asset.

The Revenue budget for 2023-24 includes the estimated Minimum Revenue Provision (MRP) based on expenditure prior to 1 April 2022, including an estimated total cost of existing borrowing and new borrowing planned in 2023-24.

The MTFS makes adjustments for significant changes in MRP and interest costs.

Some capital projects have an instant and direct impact on revenue for example additional building space, the running costs of these projects are built into the revenue budgets.

ANNEX B

# Appendix A

**Capital Programme 2023-24 to 2027-28**
**PRIORITY SCHEMES RECOMMENDED FOR INCLUSION IN THE MEDIUM TERM PLAN**

| | | Year | | | | |
|---|---|---|---|---|---|---|
| **Suggested Priority** | **Project Name** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** |
| 1 | Custody Improvements | 113,000 | 116,000 | 119,000 | 123,000 | 127,000 |
| | Is Investment Programme | 1,949,000 | 0 | | | |
| **1 Total** | | **2,062,000** | **116,000** | **119,000** | **123,000** | **127,000** |
| 2 | Building Condition Works | 1,105,000 | 1,800,000 | 1,855,000 | 1,911,000 | 1,969,000 |
| | Estates Improvements | 0 | | | | |
| | Fleet | 2,603,713 | 2,757,861 | 2,696,137 | 2,432,458 | 1,590,998 |
| | Is Replacement Programme | 133,000 | 315,000 | 315,000 | 112,000 | 115,000 |
| | Operations | 197,380 | | | | |
| | Techn Serv Refresh & Upgrades | | 0 | 0 | | |
| **2 Total** | | **4,039,093** | **4,872,861** | **4,866,137** | **4,455,458** | **3,674,998** |
| 3 | Environmental Improvements | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| | Estates Improvements | 505,000 | | | | |
| | New Build Projects | 510,000 | | | | |
| **3 Total** | | **1,215,000** | **200,000** | **200,000** | **200,000** | **200,000** |
| 4 | Environmental Improvements | 0 | 0 | | | |
| **4 Total** | | **0** | **0** | | | |
| **Grand Total** | | **7,316,093** | **5,188,861** | **5,185,137** | **4,778,458** | **4,001,998** |

**Priority Key:**

| | |
|---|---|
| 1 | Statutory Requirement - no choice in order to stay legal we have to do this, led by National Initiative and ongoing programmes. |
| 2 | Necessary to maintain/modernise to maintain existing structure |
| 3 | Rationalisation / Business Changes / Spend to Save |
| 4 | Desirable Improvements |