

<b>For Comment &amp; Decision</b>	
<b>Public/Non Public*</b>	<b>Public</b>
<b>Report to:</b>	<b>Strategic Resources and Performance Meeting</b>
<b>Date of Meeting:</b>	<b>May 2016</b>
<b>Report of:</b>	<b>Temporary Head of Finance</b>
<b>Report Author:</b>	<b>Pamela Taylor</b>
<b>Agenda Item:</b>	<b>06</b>

## **CAPITAL OUT-TURN AND SLIPPAGE 2015-2016**

### **1. Purpose of the Report**

- 1.1 This report is to inform the Police & Crime Commissioner of the capital out-turn and request approval of budget slippage into 2016-2017

### **2. Recommendations**

- 2.1 The Commissioner is requested to approve
- The capital expenditure of £8.895m. (4.3)
  - The slippage of £6.110m as a formal addition to the 2016-2017 programme.(4.3)

### **3. Reasons for Recommendations**

- 3.1 To provide an update and out-turn on this major area of expenditure as required by Financial Regulations.

### **4. Summary of Key Points**

- 4.1 The figures included here are expected to be the final ones for the year however during the final accounts process they are subject to amendment. They are also an update to the Period 11 forecast report provided.
- 4.2 The expenditure on capital has been closely monitored throughout the year and variations reported on a regular basis both to the Force Executive Group and the Commissioner.
- 4.3 The aim of the force has been to eliminate projects from the programme unless essential for either keeping business as usual or being appropriate to meet the potential future needs of the Strategic Alliance. Hence the net savings on the programme of £5.172m in the year.
- 4.4 There have been no virements in Period 12.

- 4.5 The summary information for expenditure and financing is summarised in the following table:

Area	Original Budget including slippage £m	Additional funding approved inc virement £m	Saving (-) / over -spend £m	Forecast Period 11	Actual Spend 2015-16 £m	Slippage into 2016-17 £m	Slip-page as a revised budget %
Estates	7.266	1.902	-2.619	3.951	3.597	-2.952	45%
IS	4.770	0.574	-0.737	3.735	2.279	-2.328	51%
Other	8.141	0.077	-4.369	4.645	3.019	-0.830	21%
Slippage risk				-4.000			
<b>Total</b>	<b>20.177</b>	<b>2.553</b>	<b>-7.700</b>	<b>8.331</b>	<b>8.895</b>	<b>-6.110</b>	<b>41%</b>
<b>Financed by</b>							
Capital Grant & Contribution	2.748			2.748	3.267		
Capital Receipts	1.369			1.369	1.369		
Borrowing	16.060			4.214	4.259		
<b>Total</b>	<b>20.177</b>			<b>8.331</b>	<b>8.895</b>		

- 4.6 The detailed information is included in Appendix 1 to this Report and brief reasons for the slippage are included in Appendix 2. The net slippage of £6.110m is requested as a formal addition to the 2016-2017. Capital Programme. In proposing this slippage budget managers have been asked to consider whether it is wholly essential to complete the original project and savings have been incorporated where possible.
- 4.7 To keep the borrowing taken, to be in line with the minimum possible a slippage risk has been taken every month to take a pessimistic view of the progress of schemes. The estimate of overall spending was £8.331m including this risk at the end of February. The final expenditure was £8.895m.
- 4.8 The level of slippage was impacted by an in year review which essentially meant a freeze on starting projects mid-year for about 6 weeks. However the project managers need to be more pro-active in profiling projects realistically to ensure sound financial management, cash flow planning and achieve appropriate levels of borrowing.

## 5. Financial Implications and Budget Provision

- 5.1 The level of capital expenditure impacts on the revenue account via borrowing costs and MRP.

## **6. Human Resources Implications**

6.1 None as a direct result of this report.

## **7. Equality Implications**

7.1 None as a direct result of this report.

## **8. Risk Management**

8.1 None.

## **9. Policy Implications and links to the Police and Crime Plan Priorities**

9.1 None as a direct result of this report.

## **10. Changes in Legislation or other Legal Considerations**

10.1 None

## **11. Details of outcome of consultation**

11.1 Not applicable

## **12. Appendices**

A Detailed Capital Out-turn  
B Analysis of slippage

## **13. Background Papers**

13.1 Decision records are published on the Police & Crime Commissioner website.