

For Decision	
Public	
Report to:	Strategic Resources and Performance Meeting
Date of Meeting:	13 September 2016
Report of:	Mark Kimberley Temporary Head of Finance
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Agenda Item:	9

Period 3 Capital Monitoring and Forecast Report 2016-2017

1. Purpose of the Report

- 1.1 To provide information on the actual expenditure against the 2016-17 Capital Programme to the end of June 2016. The budgets presented now include slippage approved by the OPCC 21 June 2016. Information is also provided on the anticipated expenditure for the remainder of the year, and on any updates on the progress of schemes

2. Recommendations

- 2.1 That the Period 3 forecast of £12.124m is approved.(Para 4.4)
- 2.2 That the variations to the programme are approved. (Para 4.5 and 4.6)

3. Reasons for Recommendations

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

4. Summary of Key Points

- 4.1 There are three main areas to the Capital Programme:
- Estates Projects controlled by Tim Wendels, Head of Estates and Facilities Management.
 - Information Services Projects controlled by Christi Carson, Head of Information Services.
 - Other Projects – which have managers from across the Force or OPCC
- 4.2 The original budget for the year was £6.933m and slippage approved to be carried forward from 2015-16 was £6.200m. Additionally two new projects costing £0.2410m have been agreed to be added to the programme. The revised budget for the year is therefore is £13.373m. The forecast at period 3 was £12.124m.

- 4.3 An indication of the financing and resultant MRP costs is also now included and summarised in the following table.

	2016/17 Forecast £m
Estates	5.023
IT	5.978
Other	1.123
Total	12.124
Financed by	
Capital Grant	1.448
Capital Receipts	0.548
Capital Contributions	0
Borrowing	10.128
Total	12.124
Additional MRP estimate generated for 2017-18 revenue	0.854

- 4.4 A summary of the position at the end of period 3 is shown in the table below

	£m
Original Programme approved by the PCC	6.933
Slippage approved to be carried forward from 2015-16	6.200
Original Approved Budget	13.133
New projects approved by OPCC	
Create Kirkby in Ashfield shared service hub	0.150
Replace Digital Investigation Unit equipment	
Project slippage to 2017-18 identified	-1.155
Net underspends	-0.094
Revised Forecast	12.124
Spent P3	1.549
Budget remaining	10.575

- 4.3 Cumulative expenditure at Period 3 on all schemes was £1.549m, which equates to less than 13% of the Revised Forecast. The cumulative expenditure is detailed by scheme in Appendix 1 and summarised in the following table:

	Original Budget for Year	2015-16 Carry Forward	Original Budget inc c'fwd	Forecast Period 3	Actual spend to Period 3	Budget Left
	£m	£m	£m	£m	£m	£m
Estates	3.120	2.952	6.072	5.023	0.398	4.625
I & S	3.495	2.393	5.888	5.978	1.013	4.965
Other	0.318	0.855	1.173	1.123	0.138	0.985
Total Forecast	6.933	6.200	13.133	12.124	1.549	10.575

- 4.4 There have been no virements approved between schemes in the first three months of the year.
- 4.5 There has been slippage into 2016-17 estimated on Estates projects of £1.155m.

Scheme	Slippage	Reason
	£m	
Bridewell Refurbishment	-0.550	Subject to feasibility and various option consideration has caused delays. Expected to start February 2017
Bunkered Fuel Tank Works	-0.150	Locations and provision to be reconsidered in view of Tri-Force Collaboration
Lift replacement - Mansfield	-0.055	Whole project delayed until 2017-18 – not practicable to complete with the open plan work being done in 2016-17
Mansfield - create open plan space	-0.400	Options on space utilisation being considered
	-1.155	

- 4.6 There have been net under –spends on projects in the first three months of £0.094m.

Scheme	Under (-)/ Over	Reason
	£m	
Bulwell Refurbishment	-0.150	The whole scheme discontinued pending further decisions. Any replacement scheme would require a new business case
Carlton - EMAS Community Station	0.060	To create a small extension to the original project to create sufficient female toilet provision
Watnall Road Response Hub	0.040	This extra expenditure allows heat recovery ventilation and storage space for response teams
Bassetlaw/Broxtowe ANPR provision	-0.050	Project complete and savings made
Other	0.006	Historical retention
	-0.094	

5. Financial Implications and Budget Provision

- 5.1 The financing of the Capital Programme has a direct effect on the future year's revenue costs both in terms of MRP charge and borrowing costs. Insufficient schemes were identified as savings during scrutiny, however project managers must continue to seek savings within the prescribed criterion. The phasing of projects following the delay caused by scrutiny must now be properly assessed. The volume of expenditure currently predicted for the second half of the year seems unrealistic but will have big impacts on borrowing and cash flow decisions.

6. Human Resources Implications

- 6.1 None known.

7. Equality Implications

- 7.1 None known.

8. Risk Management

- 8.1 None known.

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

- 9.1 The Business Case approval for individual projects are linked to Police and Crime Plan Priorities.

10. Changes in Legislation or other Legal Considerations

- 10.1 Not Applicable

11. Details of outcome of consultation

- 11.1 Not Applicable

12. Appendices

- 12.1 Appendix 1 - Capital Forecast Period 3 2016-17.