

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decision

Title and Reference

Capital Programme 2016/17 – Year End Outturn

(PCC/282/2017)

Summary

The Capital Programme Outturn for 2016/17 is shown below:

2016/17 Scheme Expenditure	Capital			Variance analysis			
	Revised Programme 09/06/2016	Forecast Outturn End of Qtr3	Final Outturn	Slippage at Qtr3	Additional Slippage Year end	Under/Over Spend	Total
	£m	£m	£m	£m	£m	£m	£m
TOTAL CAPITAL PROGRAMME	13.253	8.956	8.603	(4.384)	(0.459)	0.193	(4.650)
Northumbria Contributions to NERSOU	0.029	0.000	0.582	0.000	0.000	0.553	0.553
TOTAL INCLUDING NERSOU	13.282	8.956	9.185	(4.384)	(0.459)	0.747	(4.096)
TOTAL FUNDED CAPITAL SCHEMES	0.000	0.672	0.702				0.702
TOTAL CAPITAL SPEND	13.282	9.628	9.887				(3.395)

The programme was funded as follows:

	Revised Capital £m	Capital Outturn £m	Variance Forecast to Budget
Capital Spend Programme	13.282	9.887	(3.395)
Capital Receipts	(9.743)	(6.193)	3.550
Capital Grant & Contributions	(1.518)	(2.213)	(0.695)
Prudential Borrowing	(2.021)	(1.481)	0.540
Total Funding	(13.282)	(9.887)	3.395

All Prudential Indicators were within the approved limits.

Recommendation / Findings:

- To note the capital outturn for 2016/17, funding and capital Prudential Indicators.
- Approve the carry forward of the additional £0.459m slippage at year end to the capital programme for 2017/18.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.



Signature

Date 29.06.17

--

Joint Business Meeting	29 June 2017
Capital Outturn Report 2016/17 – Subject to Audit	
Report of Joint Chief Finance Officer	
Author: Sylvie Walker-Barras, Accountant, Finance Department	

1. PURPOSE

1.1 This report sets out the capital outturn, subject to audit, including how the capital programme has been financed from capital receipts & borrowing as at 31 March 2017.

2. RECOMMENDATION

2.1 To note the report.

2.2 To approve the carry forward of the additional £0.459m slippage at year end to the capital programme for 2017/18.

3. BACKGROUND

3.1 The capital programme is prepared and approved in February each year and monitored and revised quarterly during the year, with the budget updated for slippage in June/July. In between these points, budget managers review their budgets and update them in line with programme progress. The provisional capital outturn variations to budget are analysed into two main categories:

- Slippage – capital projects which have not progressed in accordance with the plans included within the approved capital programme. Slippage between financial years is recognised within a revision to the annual capital programme.
- Under/Over Spend – where the actual expenditure is different to the budget, which can arise due to a variation in price and / or volume of works for goods or services that were originally estimated.

4. CAPITAL OUTTURN 2016/17 – SUBJECT TO AUDIT

4.1 As at Quarter 3, projects that had slipped were reviewed and a total of £4.384m slippage of the capital programme was carried forward into future years. £1.199m was carried forward into the 2017/18 capital programme, the remainder of the slippage was mainly the ESN programme carried forward into 2018/19. These are included within the 2017/18 – 2020/21 MTFS approved capital programme.

4.2 The table below shows the capital outturn variations to budget at year end. The full capital programme for 2016/17, including slippage, is set out in Appendix 1.

2016/17 Scheme Expenditure	Capital			Variance analysis			
	Revised Programme 09/06/2016 £m	Forecast Outturn End of Qtr3 £m	Final Outturn £m	Slippage at Qtr3 £m	Additional Slippage Year end £m	Under/Over Spend £m	Total £m
TOTAL CAPITAL PROGRAMME	13.253	8.956	8.603	(4.384)	(0.459)	0.193	(4.650)
Northumbria Contributions to NERSOU	0.029	0.000	0.582	0.000	0.000	0.553	0.553
TOTAL INCLUDING NERSOU	13.282	8.956	9.185	(4.384)	(0.459)	0.747	(4.096)

TOTAL FUNDED CAPITAL SCHEMES	0.000	0.672	0.702				0.702
TOTAL CAPITAL SPEND	13.282	9.628	9.887				(3.395)

4.3 Since the Quarter 3 2016/17 report a further £0.459m has been identified as slippage and £0.193m as overspend, excluding contributions to NERSOU.

4.4 The summary table of the proposed slippage is set out below. The full capital programme for 2017/18 including slippage is set out in Appendix 4.

2017/18 Scheme Expenditure	Approved Capital £m	Slippage & Change £m	Revised Programme £m
Total Major Building Works	0.000	0.139	0.139
Total Minor Building Works	1.904	0.281	2.185
Total Computers & Communications	7.884	0.039	7.923
Total Vehicles and Equipment	2.804	0.000	2.804
NERSOU New Building	0.600	(0.531)	0.069
TOTAL CAPITAL PROGRAMME	13.192	(0.072)	13.120

4.5 Further details of the slippage at year end are as follows:

Major Building Works

- a. The retention payment for Newcastle City Centre Police Station has been partly paid in 2016/17 when most of the snagging list was completed. Approximately £0.139m is still due once a small number of outstanding defects are rectified.

Minor Building Works

- b. Estates decommissioning & transition – the disposal of properties has taken longer than expected and decommissioning costs will slip into 2017/18 for the remaining properties. The dilapidation costs of Crowhall Road have not been agreed and will also slip into 2017/18.

Computers and Communication

- c. ICT final outturn is broadly in line with Quarter 3 forecast. One project has been re-phased to 2017/18.

5. CAPITAL FINANCING

5.1 The capital programme for 2016/17 has been financed as shown in the table below:

	Revised Capital £m	Capital Outturn £m	Variance Forecast to Budget
Capital Spend Programme	13.282	9.887	(3.395)
Capital Receipts	(9.743)	(6.193)	3.550
Capital Grant & Contributions	(1.518)	(2.213)	(0.695)
Prudential Borrowing	(2.021)	(1.481)	0.540
Total Funding	(13.282)	(9.887)	3.395

- 5.2 The capital financing approach remains to maximise the use of Capital Receipts to support the Capital Programme after the use of grant and also to maximise overall benefit in underpinning the revenue budget.
- 5.3 Capital receipts are a key strategic funding source for the capital programme and significant receipts are expected over the next 3 years as the estates rationalisation programme continues. The provisional outturn for capital receipts is £9.483m detailed on Appendix 2 and the receipts have been partially used towards funding the capital programme 2016/17.
- 5.4 The MTFS sets out that the majority of capital spending for short life assets will be financed from capital receipts. Building works with longer asset lives will be supported by prudential borrowing as this provides the most cost effective form of financing.
- 5.5 The revenue impact of borrowing is met from within the Capital Financing budget. The revenue implications in 2016/17 of the Prudential Borrowing are included in the OPCC Revenue Outturn report.

6. PRUDENTIAL INDICATORS

- 6.1 The prudential indicators for capital are set out in Appendix 3. All indicators were within the agreed limits as at 31 March 2017. The annual Treasury Management report was considered by the Joint Independent Audit Committee on 19 June 2017 and reported to the OPCC Business Meeting on 22 June 2017.

7. CONSIDERATIONS

Report Exemption	<i>Non-exempt</i>
Consultation	<i>All allocated budget holders</i>
Resource	<i>No</i>
Equality	<i>No</i>
Legal	<i>No</i>
Risk	<i>No</i>
Communication	<i>No</i>
Evaluation	<i>No</i>