



Report to: Finance Committee
Agenda item: 5
Date: 22 November 2013
Subject: Capital Contingency Budget 2013/14
Sponsor: Interim Director of Corporate Resources
For: Decision

1. PURPOSE OF PAPER

1.1 The Capital Contingency budget for 2013/14 is £900k which appeared to be an appropriate amount for the Capital Programme of £11.2m. Contingency is held to cover for unknown events which cause potential delays and overspends within the Capital Programme.

1.2 The current capital forecast is £10.9m (£300k below the 2013/14 Capital Budget of £11.2m), which includes contingency of £0.9m.

Department	Original 2013/14 Budget	Revised 2013/14 Budget	Revised 2013/14 Budget- P7	P7 YTD Spend plus Commitment	Period 6 Forecast for P7 YTD Spend plus Commitment	Period 7 Full Year Forecast	Variance Budget/Fore cast
	£000	£000	£000	£000	£000	£000	£000
Estates	5,241	3,608	3,068	1,276	1,233	3,068	(540)
Technology	2,552	3,976	4,192	890	1,413	4,192	216
CCTV	35	17	103	(4)	(4)	103	86
Fleet	2,152	2,152	2,152	737	1,072	2,152	0
Other equipment etc	319	546	484	300	351	484	(62)
Contingency	900	900	900	0	0	900	0
TOTAL BTP FUNDED CAPITAL PROGRAMME	11,200	11,200	10,899	3,199	4,065	10,899	(300)

1.3 There are currently no specific delays or identified significant over expenditure within the programme. At this point in the year it would be appropriate to reduce the contingency to £300k. However, if there are is any potential additional spend for the remainder of the year which can be achieved then a business case should be made and approval sought from the Chief Executive BTPA. The use of the contingency should only be after any capital under spends have been used.



- 1.4 The Service Improvement Board, having reviewed the capital programme on 24 October 2013, identified that there are currently no areas of significant risk within the programme or projects that can be brought forward. In recognising this it is proposed to reduce the capital contingency by £600k. If unknown risks occur which can not be managed within the remaining forecast contingency fund of £300k then additional funds will be managed within the remaining capital programme.
- 1.4 The contingency fund for future years is under review for the required level based on experience of past profile of spend and the actual usage of the contingency. The nature of the British Transport Police's capital programme currently indicates that a lower level of contingency would be more appropriate in future years allowing more funding of active projects.

2. RECOMMENDATION

2.1 It is recommended that:

- 1) The forecast for the British Transport Police Capital Programme and the potential use of the Contingency is noted
- 2) The forecast contingency for 2013/14 is reduced by £600k to £300k
- 3) The level of contingency for future years is to be reviewed and a reduced level set to allow more projects to be progressed in future years.