

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 15

meeting date: 6 SEPTEMBER 2016
 title: CAPITAL MONITORING 2016/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To provide Policy and Finance Committee (this Committee) with information relating to the progress of the approved capital programme for the period to the end of July 2016.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities – to continue to be a well-managed council, providing efficient services based on identified customer need.
- Other considerations – none identified.

2 BACKGROUND

2.1 One scheme, totalling £100,000, was approved by the Policy and Finance Committee and Full Council at their respective meetings in February and March 2016.

2.2 In addition, there were four 2015/16 schemes that were not completed by the 31 March 2016 and had unspent budget available at that date. The total unspent balance on these schemes, £172,500, is known as slippage. This slippage has been transferred into the 2016/17 capital programme budget.

2.3 As a result of the above, the total approved budget for this Committee's capital programme of five schemes is £272,500. This is shown at Annex 1.

3 CAPITAL MONITORING 2016/17

3.1 The table below summarises this Committee's capital programme budget, expenditure to date and variance, as at the end of July 2016. Annex 1 shows the full capital programme by scheme. Annex 2 shows scheme details, financial information and budget holder comments to date for each scheme.

BUDGET			EXPENDITURE	
Original Estimate 2016/17 £	Slippage from 2015/16 £	Total Approved Budget 2016/17 £	Actual Expenditure including commitments as at end of July 2016 £	Variance as at end of July 2016 £
100,000	172,500	272,500	4,526	-267,974

3.2 At the end of July 2016, £4,526 had been spent or committed. This is only 1.7% of the annual capital programme budget for this Committee.

3.3 The main reasons for the underspend on the full year budget to date are:

- **OROOF - Council Offices Re-roofing (-£11,591) and WINDW – Council Offices Replacement Windows and Rooflights (-£1,383):** Work has now been completed within budget on the combined Council Offices Re-roofing and Council Offices Windows and Rooflights schemes. The remaining budgets on each scheme are for the 5% contract retention payment, due in May 2017, twelve months after the main contract work was completed. Thus, financial completion of the scheme can only take place in 2017/18, so the remaining budget of £12,974 will be moved into 2017/18 at Revised Estimate stage.
- **ITSAN – ICT Infrastructure Refresh (Storage Area Network (SAN) and Network and Server Replacement) (-£100,000):** No spend to date in-year. The estimated timeline is for the work to be put out to tender, bids received and the preferred contractor selected by late autumn 2016. This would allow the scheme to be completed by March 2017, as the refresh work is expected to take up to three months to complete. Tender documentation is currently being finalised.
- **TNSCP – Clitheroe Townscape Scheme (-£55,000):** There is no further progress on plans to spend the budget at this stage. The scheme is in abeyance awaiting further consideration in relation to the wider Clitheroe Market Development scheme. A report will be brought to a future meeting of this Committee when plans are drawn up.
- **ECDVI – Economic Development Initiatives (-£100,000):** There are no appropriate economic development opportunities in progress currently which are likely to be funded from this economic development capital pot.

4 CONCLUSION

- 4.1 At the end of July 2016, £4,526 had been spent or committed. This is only 1.7% of the annual capital programme budget for this Committee.
- 4.2 Work has been completed within budget on the combined contract for the Council Offices Re-roofing and Replacement Windows and Rooflights schemes. The outstanding retention payment cannot be paid until May 2017, so the remaining budget on these schemes will be moved into the 2017/18 capital programme budget.
- 4.3 The ICT Infrastructure Refresh work will be put out to tender, with work expected to be completed by year-end.
- 4.4 The Clitheroe Townscape scheme is in abeyance awaiting further consideration in relation to the wider Clitheroe Market Development scheme.
- 4.5 Expenditure will only take place on the Economic Development Initiatives scheme in-year if appropriate opportunities arise.

SENIOR ACCOUNTANT
PF48-16/AC/AC
26 August 2016

DIRECTOR OF RESOURCES

For further background information please ask for Andrew Cook.
BACKGROUND PAPERS – None

Policy and Finance Committee – Capital Programme 2016/17

Cost Centre	Scheme	Original Estimate 2016/17 £	Slippage from 2015/16 £	Total Approved Budget 2016/17 £	Actual Expenditure including commitments as at end of July 2016 £	Variation as at end of July 2016 £
ITSAN	ICT Infrastructure Refresh (Storage Area Network (SAN) and Network and Server Replacement)	100,000	0	100,000	0	-100,000
OROOF	Council Offices – Re-roofing	0	14,760	14,760	3,169	-11,591
WINDW	Council Offices – Replacement Windows and Rooflights	0	2,740	2,740	1,357	-1,383
TNSCP	Clitheroe Townscape Scheme	0	55,000	55,000	0	-55,000
ECDVI	Economic Development Initiatives	0	100,000	100,000	0	-100,000
	Total Policy and Finance Committee	100,000	172,500	272,500	4,526	-267,974

Policy and Finance Committee Individual Scheme Details

ITSAN – ICT Infrastructure Refresh (Storage Area Network (SAN) and Network and Server Replacement)

Service Area: ICT
Head of Service: Lawson Oddie

Brief Description:

The scheme allows for the future corporately coordinated update of ICT equipment, including desktop and network with better business continuity resilience and improved data storage to meet increased use of ICT software functionality and to also potentially allow for more flexible working practices. The solutions are the implementation of:

1. Central storage area network that will allow for the consolidation of data storage, more resilient server infrastructure and a move towards high availability of server resources.
2. Investigate the use of G-Cloud or other cloud based services to enhance the Authority's disaster/business continuity procedures.
3. Replace ageing network infrastructure (network switches etc).

Start date, duration and key milestones:

It would be envisaged that the scheme would be completed within the year, however there is always the option for the scheme to be phased over a couple of years, as there are discrete elements of the scheme that are not reliant on each other to be operational.

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of July 2016 £	Variance as at end of July 2016 £
Total Approved Budget 2016/17	100,000	0	-100,000
ANTICIPATED TOTAL SCHEME COST	100,000		

Financial Implications – REVENUE

This would be very difficult to quantify, as future technology available over time would likely offer different efficiencies than the technology available today.

Useful Economic Life

5 – 7 years.

Progress - Budget Holder Comments

July 2016: No spend to date in-year. The estimated timeline is for the work to be put out to tender, bids received and the preferred contractor selected by late Autumn 2016. This would allow the scheme to be completed by March 2017, as the refresh work is expected to take up to three months to complete. Tender documentation is currently being finalised.

May 2016: The work will be put out to tender, as the budget is greater than £50k.

Policy and Finance Committee Individual Scheme Details

OROOF - Council Offices – Re-roofing

Service Area: Council Offices
Head of Service: Adrian Harper

Brief Description:

As the appearance of the Council Offices forms the first impression to any visitors or residents of the borough, it is essential that they are maintained to a high standard. Overall the building is in a fair external condition, however it is noted that since construction in 1980 only minor repairs to the roof have been carried out. Due to the general life expectancy of fixing nails being approximately 15-20 years it is recommended that the roof be re-slatted. Following the survey of the office roof, in October 2013, it has been noted that there are a number of slipped slates, missing slates and lead tie fixings already present on the roof, this suggesting that corrosion of the current fixings is present.

The scheme would involve the provision of scaffolding with a 4 phased programme to involve, stripping off all existing slates and battens, storing any undamaged slates for reuse, supply and fit breathable roofing felt with new soft wood treated battens, supply and install new insulation and refix slates.

Start date, duration and key milestones:

April 2015: Tender and undertake programme of works.

June 2015: Commencement of works.

August 2015: Completion.

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of July 2016 £	Variance as at end of July 2016 £
Original Estimate 2016/17	0		
Slippage from 2015/16	14,760		
Total Approved Budget 2016/17	14,760	3,169	-11,591
Actual Expenditure 2015/16	152,739		
ANTICIPATED TOTAL SCHEME COST	167,499		

Financial Implications – REVENUE

Existing service – no change.

Useful Economic Life

25 – 30 years.

Progress - Budget Holder Comments

July 2016: All work is now completed on the combined Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes. The remaining budgets on each scheme are for the 5% contract retention payment, due in May 2017, twelve months after the main contract work was completed. Thus, financial completion of the scheme can only take place in 2017/18, so the remaining budget will be moved into 2017/18 at Revised Estimate stage. The combined scheme will be completed within budget.

**Policy and Finance Committee
Individual Scheme Details**

May 2016: The work on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes is complete. There is minor outstanding work to be completed internally on the link corridor frames/cladding. In addition, there is 5% contract retention for 12 months.

March 2016: The majority of the work on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes was complete by year-end. Minor work outstanding at year-end related to link corridor roofing and windows. In addition, there is 5% contract retention for 12 months. Slippage of the 2015/16 underspend on these schemes is requested to fund the minor work outstanding and the retention payment.

January 2016: Work is currently in progress on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes. It is expected to be completed by the year-end, weather permitting.

September/October 2015: The preferred contractor has been chosen for the combined Re-roofing and Replacement Windows and Roof Lights contract. The contract will be signed in October 2015. Provisional contract sums are within the combined budget of £256,400. Work will begin in autumn 2015 and is currently planned for completion in March 2016. Expenditure to date relates to professional staff time input, building regulations fees and building surveys.

July/August 2015: The Council Offices - Re-roofing scheme and Council Offices - Replacement Windows and Rooflights scheme have been combined together in one contract. The contract has been put out to tender. The preferred contractor will be chosen, following tender evaluation, by September 2015. The timing of the works is to be confirmed with the preferred contractor when the contract is awarded. At this point in time, scheme completion is expected within 2015/16. Expenditure to date relates to professional staff time input, building regulations fees and building surveys.

Policy and Finance Committee Individual Scheme Details

WINDW - Replacement Windows and Rooflights

Service Area: Council Offices
Head of Service: Adrian Harper

Brief Description:

The aim of this scheme is to replace the remaining original timber framed windows and rooflights in the Church Walk Council Offices. The timber beading that surround the glass panels in the original windows are deteriorating, in some cases have detached from the frames. This has the potential to present a health and safety risk to members of public and staff which use the car parks below. Some of the windows are ill fitting and allow draughts and leaks. A number of the roof lights exhibit water ingress and have reached their renewal point. It is noted that it would take around 25 years to replace all of the windows under the current revenue funded maintenance approach. Hence the resubmission of this application for capital funding for an accelerated replacement programme.

Start date, duration and key milestones:

April 2015: Specify and Tender.
June 2015: Commencement of works.
August 2015: Completion.

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of July 2016 £	Variance as at end of July 2016 £
Original Estimate 2016/17	0		
Slippage from 2015/16	2,740		
Total Approved Budget 2016/17	2,740	1,357	-1,383
Actual Expenditure 2015/16	86,157		
ANTICIPATED TOTAL SCHEME COST	88,897		

Financial Implications – REVENUE:

£500 savings per year.

Useful economic life:

15 - 20 years.

Progress - Budget Holder Comments

July 2016: All work is now completed on the combined Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes. The remaining budgets on each scheme are for the 5% contract retention payment, due in May 2017, twelve months after the main contract work was completed. Thus,

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financial completion of the scheme can only take place in 2017/18, so the remaining budget will be moved into 2017/18 at Revised Estimate stage. The combined scheme will be completed within budget.

May 2016: *The work on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes is complete. There is minor outstanding work to be completed internally on the link corridor frames/cladding. In addition, there is 5% contract retention for 12 months.*

March 2016: *The majority of the work on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes was complete by year-end. Minor work outstanding at year-end related to link corridor roofing and windows. In addition, there is 5% contract retention for 12 months. Slippage of the 2015/16 underspend on these schemes is requested to fund the minor work outstanding and the retention payment.*

January 2016: *Work is currently in progress on the combined contract for the Council Offices - Re-roofing and Council Offices Windows and Rooflights schemes. It is expected to be completed by the year-end, weather permitting.*

September/October 2015: *The preferred contractor has been chosen for the combined Re-roofing and Replacement Windows and Roof Lights contract. The contract will be signed in October 2015. Provisional contract sums are within the combined budget of £256,400. Work will begin in autumn 2015 and is currently planned for completion in March 2016. Expenditure to date relates to professional staff time input, building regulations fees and building surveys.*

July/August 2015: *The Council Offices - Re-roofing scheme and Council Offices - Replacement Windows and Rooflights scheme have been combined together in one contract. The contract has been put out to tender. The preferred contractor will be chosen, following tender evaluation, by September 2015. The timing of the works is to be confirmed with the preferred contractor when the contract is awarded. At this point in time, scheme completion is expected within 2015/16. Expenditure to date relates to professional staff time input, building regulations fees and building surveys.*

Policy and Finance Committee Individual Scheme Details

TNSCP - Clitheroe Townscape Scheme

Service Area: Regeneration

Head of Service: Colin Hirst and Adrian Harper

Brief Description:

The bid is a Council contribution to support the uplift of the Clitheroe Townscape, to include elements of the frontage of the buildings, the highway and features of the public realm. This would be a multi-agency approach involving LCC as Highways Authority and RVBC as a co-ordinating body, with the potential to seek third party funding from the Heritage Lottery Fund and other external partners.

Start date, duration and key milestones:

Anticipated design work: April 2015.

Anticipated start on site: May 2015

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of July 2016 £	Variance as at end of July 2016 £
Original Estimate 2016/17	0		
Slippage from 2015/16	55,000		
Total Approved Budget 2016/17	55,000	0	-55,000
Actual Expenditure 2015/16	0		
ANTICIPATED TOTAL SCHEME COST	55,000		

Financial Implications – REVENUE

None.

Useful Economic Life

Not applicable.

Progress - Budget Holder Comments

July 2016: There is no further progress on plans to spend the £55k budget at this stage. The scheme is in abeyance awaiting further consideration in relation to the wider Clitheroe Market Development scheme. A report will be brought to a future meeting of this Committee when plans are drawn up.

May/June 2016: £55k slippage has been approved by Policy and Finance Committee, which is the non-LCC funded budget for this scheme. Policy and Finance Committee resolved that officers should take a report to a future meeting to suggest plans for use of the remaining £55k budget.

March 2016: Following in-year discussions with LCC it was confirmed that LCC would only commit the £60k funding effectively to core maintenance work, with an expectation that Ribble Valley's capital spend would be additional funding also to be spent on core maintenance. Enhanced town centre

**Policy and Finance Committee
Individual Scheme Details**

improvements were the main focus of this scheme for Ribble Valley and as such it was not seen as appropriate for Ribble Valley's funding to be used in this way. Consequently, it is proposed that this scheme is reduced, following confirmation by LCC that the £60k funding is no longer available, and that officers consider what enhancement works could be achieved by the remaining budget in 2016/17.

***January 2016:** The scheme is on hold whilst we seek to establish whether Lancashire County Council's funding contribution will support expenditure on enhanced town centre improvements, which is the aim of the scheme, rather than core maintenance work. If a way forward is not agreed with the County Council before year-end, the scheme budget will be moved into 2016/17 as slippage. There will be a need to re-assess the scheme if agreement is not reached on enhanced improvements.*

***September 2015:** The series of options worked up for this scheme, in conjunction with Lancashire County Council, are being considered and further discussions are taking place with the County Council on the way forward. At this stage, it is expected that work will be completed in the 2015/16 financial year.*

***July 2015:** A series of options have been worked up for this scheme, in conjunction with Lancashire County Council. These options will be considered and a way forward then agreed. At this stage, it is expected that work will be completed in the 2015/16 financial year.*

Policy and Finance Committee Individual Scheme Details

ECDVI - Economic Development Initiatives

Service Area: Regeneration

Head of Service: Colin Hirst

Brief Description:

The project is to establish a general source of pump-priming and pre-investment funding to support the delivery of the Council's economic priorities. The bid particularly seeks to support our high growth sectors in the provision of land and premises or tourism infrastructure where applicable. The Council needs to be able to develop and respond to initiatives that will support delivery of business growth. In order to develop schemes, funding needs to be available to undertake works in areas such as valuation and feasibility assessments, due-diligence, initial planning and design work.

Start date, duration and key milestones:

Key milestones will depend upon the individual projects developed.

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of July 2016 £	Variance as at end of July 2016 £
Original Estimate 2016/17	0		
Budget moved from 2015/16	100,000		
Total Approved Budget 2016/17	100,000	0	-100,000
Actual Expenditure 2015/16	0		
Actual Expenditure 2014/15	0		
Actual Expenditure 2013/14	0		
ANTICIPATED TOTAL SCHEME COST	100,000		

Financial Implications – REVENUE

Unspecified – general revenue costs would be anticipated to be contained within existing budgets.

Useful Economic Life

Dependent upon the nature of the project.

Progress - Budget Holder Comments

July 2016: There are no appropriate economic development opportunities in progress currently which are likely to be funded from this economic development capital pot.

May/June 2016: The one site acquisition proposal being seriously considered will not now go ahead, as resolved by Policy and Finance Committee. There are no other appropriate economic development opportunities in progress currently which are likely to be funded from this economic development capital pot.

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Individual Scheme Details**

March 2016: One site acquisition investment was being considered in 2015/16, but no confirmation was in place for the acquisition to go ahead at year-end. Slippage of the 2015/16 underspend is requested to fund both the pump prime costs associated with the site acquisition being considered and any further economic development opportunities that may arise.

January 2016: The site acquisition approved by this Committee in October 2015 is the one economic development opportunity in progress currently that will require investment support funding from the Economic Development Initiatives budget. At this stage, the actual timing of the site acquisition and any support costs to be funded from this budget is not confirmed. Any unused budget from 2015/16 will be moved into 2016/17 as slippage.

September 2015: The District Valuer has secured initial agreement with land owners on values and details are being progressed to acquire a site. Expenditure has been drawn from other revenue budgets to fund pre-investment works so far.

July 2015: The Council has instructed the District Valuer to negotiate the purchase of some land on one scheme and we are currently awaiting the outcome of this. Expenditure has been drawn from other revenue budgets to fund pre-investment works so far.

September 2014: The Council continues to seek land for potential economic development. Expenditure has been drawn from revenue budgets to fund pre-investment works to date.

July 2014: The Council continues to seek land for potential economic development.

March 2014: Projects have not reached a stage where capital is required. Expenditure has been drawn from other revenue budgets to fund pre-investment works.

September 2013: Work on the scheme has been undertaken, however expenditure has been revenue based rather than capital.

July 2013: An area of land has been identified and measures are being taken to secure the land for industrial development.

March 2013: The Council is continuing pursuing the acquisition of land for employment purposes.

September 2012: No further progress since June 2012.

June 2012: Initial discussions have been held with relevant landowners. The District Valuer has been instructed to prepare valuation advice on potential sites. This advice has been received and is being given further consideration. The Asset Management Group has considered site options. An options report will be prepared once options are determined. Expenditure will be required on feasibility reports once an option is agreed and on pre-acquisition and due diligence processes.