

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

INFORMATION

Agenda Item No 11

meeting date: 11 OCTOBER 2016
 title: CAPITAL MONITORING 2016/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To provide members with information on the progress of the approved Community Committee 2016/17 capital programme for the period to the end of August 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 In total six new schemes for Community Committee, totalling £374,500, were approved by the Policy and Finance Committee and Full Council at their meetings in February and March 2016 respectively.

2.2 One scheme within the programme, £209,000 for Ribblesdale Pool Improvement Work, was approved subject to receiving external funding of £150,000 from Sport England.

2.3 The full capital programme is shown at Annex 1.

3 CAPITAL MONITORING 2016/17

3.1 The table below summarises the total Community Committee capital programme budget, expenditure to date and variance, as at the end of August 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 £	Total Approved Budget 2016/17 £	Actual Expenditure including commitments as at end of August 2016 £	Variance as at end of August 2016 £
374,500	374,500	132,531	-241,969

3.2 At the end of August 2016, £132,531 had been spent or committed. This is 35.4% of the annual capital programme for this Committee.

3.3 Two of the vehicle and plant purchase schemes have now been completed within budget. Orders have been placed for the other two vehicle and plant purchase schemes and these schemes are on track to be completed in-year and within budget.

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

- **RPIMP – Ribblesdale Pool Improvement Work (-£209,000):** The current timetable is for the work to be put out to tender and a contractor appointed by early November 2016 and for the improvement work to be carried out between December 2016 and February 2017. Work is on-going to finalise and agree the Lottery Funding Agreement with Sport England.
- **PLAYQ – Play Area Improvements 2016/17 (-£30,023):** Main improvement works will be undertaken from Autumn 2016 onwards, following completion of the post summer holiday playground assessments. Further improvement works may also be required in-year if regular playground assessment checks or insurance condition surveys identify any improvement work. Some budget will be kept unallocated until March 2017 to ensure any currently unforeseen work can be funded.

4 CONCLUSION

4.1 At the end of August 2016, £132,531 had been spent or committed. This is 35.4% of the annual capital programme for this Committee.

4.2 Two schemes have been completed within budget and, at this stage, it is expected that the other four schemes will be completed in-year and within budget.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

CM11-16/AC/AC
30 September 2016

For further background information please ask for Andrew Cook.

BACKGROUND PAPERS – Policy and Finance Committee Overall Capital Programme 2016-2019 report, 9 February 2016

Community Services Committee - Capital Programme 2016/17

Cost Centre	Scheme	Original Estimate 2016/17 £	Total Approved Budget 2016/17 £	Actual Expenditure including commitments as at end of August 2016 £	Variance as at end of August 2016 £
WVDHX	Replacement of Works Section Small Van – Ford Transit Toilet Van (PF09 DHX)	12,000	12,000	11,082	-918
PLAYQ	Play Area Improvements 2016/17	40,000	40,000	9,977	-30,023
FORKL	Replacement of Salthill Depot Multi Use Fork Lift Truck	16,000	16,000	15,975	-25
GVUKE	Replacement of John Deere Gang Mower Tractor (PN05 UKE)	46,000	46,000	44,051	-1,949
GVFRV	Replacement of MAN 7.7 RO-RO Truck (PN06 FRV) with equivalent spec	51,500	51,500	51,446	-54
RPIMP	Ribblesdale Pool Improvement Work	209,000	209,000	0	-209,000
	Total Community Committee	374,500	374,500	132,531	-241,969

Community Services Committee – Capital Programme 2016/17

WVDHX – Replacement of Works Section Small Van – Ford Transit Toilet Van (PF09 DHX)

Service Area: Works Administration

Head of Service: Adrian Harper

Brief Description:

Replacement of the Works Administration section small Ford Transit, currently used to service the Council toilets, with an equivalent spec vehicle. The annual mileage of the vehicle is now 17,500 as only one vehicle is used on the toilets support. Dedicated and reliable transport is necessary for the service to function efficiently.

Start date, duration and key milestones:

Start April 2016.

Financial Implications – CAPITAL:

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	12,000	11,082	-918
ANTICIPATED TOTAL SCHEME COST	12,000		

Financial Implications – ANNUAL REVENUE:

£100 per annum reduced fuel costs expected – new vehicle will be more fuel efficient.

Useful economic life:

5 years.

Progress - Budget Holder Comments

August/September 2016: Delivery of replacement van expected in Autumn 2016. Further work will be undertaken to make the van fit for purpose after delivery, such as fitting an extractor fan and switching over the two way radio. These costs are expected to be less than £900, so the final costs are expected to be within budget.

July 2016: No change to May 2016 comments.

May 2016: Order has been placed for the replacement van for £11,082. Delivery is expected by September 2016. There will be some further costs to make the van fit for purpose after delivery, such as fitting an extractor fan and switching over the two way radio. These costs are expected to be less than £900, so the final costs are expected to be within budget.

Community Services Committee – Capital Programme 2016/17

PLAYQ - Play Area Improvements 2016/17

Service Area: Play Areas

Head of Service: Mark Beveridge

Brief Description:

Provide a fund for improving and maintaining the Council's eighteen play areas.

Start date, duration and key milestones:

Start Date – April 2016

Anticipated Completion Date – March 2017

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	40,000	9,977	-30,023
ANTICIPATED TOTAL SCHEME COST	40,000		

Financial Implications – REVENUE

None expected.

Useful Economic Life

The life expectancy varies, depending upon the type of equipment purchased. Location and intensity of use is also a factor.

Progress - Budget Holder Comments

August/September 2016: Gates and fencing work now completed at Kestor Lane. Main improvement works will be undertaken from autumn 2016 onwards, following completion of the post summer holiday playground assessments. Further improvement works may also be required in-year if regular playground assessment checks or insurance condition surveys identify any improvement work. Some budget will be kept unallocated until March 2017 to ensure any currently unforeseen work can be funded.

July 2016: No change to May 2016 comments.

May 2016: Spend to date relates to improvement work across several play areas, including gates and fencing work ordered for Kestor Lane. Main improvements will be planned for September 2016 onwards, based on playground assessments after the summer school holidays. Further improvement works may also be required in-year if regular playground assessment checks or insurance condition surveys identify any improvement work. Some budget will be kept unallocated until March 2017 to ensure any currently unforeseen work can be funded.

Community Services Committee – Capital Programme 2016/17

FORKL – Replacement of Salthill Depot Multi Use Fork Lift Truck

Service Area: Salthill Depot

Head of Service: Adrian Harper

Brief Description:

The current forklift truck was purchased as a refurbished unit in 2003. It is not heavily used (meaning not continuous) but it is used for various applications on practically a daily basis and it is absolutely essential that a manoeuvrable and reliable forklift truck is on hand for sections of the depot to use. The numbers of drivers trained and certified to use this piece of equipment has been increased to reflect its importance in the efficient operation of the depot. It would be appropriate to source a replacement machine.

Start date, duration and key milestones:

Procurement dependent on equipment available.

Financial Implications – CAPITAL:

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	16,000	15,975	-25
ANTICIPATED TOTAL SCHEME COST	16,000		

Financial Implications – ANNUAL REVENUE:

Existing service – no change.

Useful economic life:

Expected to be no less than 13 years.

Progress - Budget Holder Comments

August/September 2016: Scheme completed – Replacement fork lift truck now delivered and paid for.

July 2016: An order was placed in June for a new fork lift truck for £15,850, within budget. No other costs expected. The delivery date is to be confirmed but is likely to be approximately 3 months because we require a bespoke configuration of controls.

May 2016: Procurement process in progress.

Community Services Committee – Capital Programme 2016/17

GVUKE – Replacement of John Deere Gang Mower Tractor (PN05 UKE)

Service Area: Grounds maintenance

Head of Service: Mark Beveridge

Brief Description:

This large tractor is used to power the gang mower that cuts all the large areas of grass that are maintained by the Council, to include pitches at Longridge, Clitheroe, the Castle fields and contract work for, for example, CRGS. The current tractor purchased new in 2005 will be 11 years old at the programmed replacement date and its reliability will be failing. The machine should be replaced if the demand for cutting remains at current levels.

Start date, duration and key milestones:

In 2016/17

Financial Implications – CAPITAL:

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	46,000	44,051	-1,949
ANTICIPATED TOTAL SCHEME COST	46,000		

Financial Implications – ANNUAL REVENUE:

Existing service – no change.

Useful economic life:

Expected life anticipated to be 10 years.

Progress - Budget Holder Comments

August/September 2016: Scheme completed – Gang Mower Tractor now delivered and paid for.

July 2016: Procurement process completed. An order was placed for a Gang Mower Tractor for £44,051 in June 2016, within budget. No other costs expected. The Tractor has been delivered in early August 2016.

May 2016: Procurement process to be completed in June 2016 and order to be placed when quotes are received.

Community Services Committee – Capital Programme 2016/17

GVFRV – Replacement of MAN 7.7 RO-RO Truck (PN06 FRV) with equivalent spec

Service Area: Grounds maintenance

Head of Service: Mark Beveridge

Brief Description:

This roll-on-roll-off skip loader is a multi-use vehicle that is used for the transportation of equipment and bulk materials for the maintenance of parks and for the seasonal transportation of mowing equipment. It was purchased in 2006. It will be 10 years old at the time of the programmed replacement and its reliability will be failing. The machine should be replaced if the demand for cutting and maintenance remains at current levels.

Start date, duration and key milestones:

In 2016/17

Financial Implications – CAPITAL:

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	51,500	51,446	-54
ANTICIPATED TOTAL SCHEME COST	51,500		

Financial Implications – ANNUAL REVENUE:

Existing service – no change.

Useful economic life:

Expected life anticipated to be 10 years.

Progress - Budget Holder Comments

August/September 2016: No change to July 2016 comments. No specific delivery date has been confirmed as yet.

July 2016: Procurement process completed. An order has been placed for the RO-RO Truck for £51,446, within budget. No other costs expected. Delivery expected by Autumn 2016.

May 2016: This is a specialist vehicle and estimated cost is above £50k so is being purchased via a tender process. Closure date for bids is 22 June 2016 and all bids will be considered then.

Community Services Committee – Capital Programme 2016/17

RPIMP – Ribblesdale Pool Improvement Work

Service Area: Ribblesdale Pool
Head of Service: Mark Beveridge

Brief Description:

An improvement scheme which comprises modernisation work to the reception and changing areas and pool viewing balcony, and the creation of separate disability changing area provision with access from reception and straight to the pool hall.

Start date, duration and key milestones – UPDATED:

Works originally planned for December 2016. The timeline is now planned for December 2016 to February 2017, as reported to this Committee on 23 August 2016.

Financial Implications – CAPITAL

	£	Actual Expenditure and Commitments as at end of August 2016 £	Variance as at end of August 2016 £
Total Approved Budget 2016/17	209,000	0	-209,000
ANTICIPATED TOTAL SCHEME COST	209,000		

Financial Implications – REVENUE – UPDATED:

It was initially anticipated that the improvement work would take place in December 2016 and there would be no revenue implications. However, the detailed schedule of works for the scheme subsequently highlighted that the amount of works required and the time taken to undertake those works would be greater than originally planned, which by necessity meant the pool closure period needed to increase. The closure from December 2016 to the end of February 2017 has a £70k revenue implication. This was reported verbally to Community Committee on 23rd August 2016. A number of options are being considered to mitigate the revenue impact of the work.

Useful Economic Life

15 years.

Progress - Budget Holder Comments

August/September 2016: The current timetable is for the work to be put out to tender and a contractor appointed by early November 2016 and for the improvement work to be carried out between December 2016 and February 2017. Work is on-going to finalise and agree the Lottery Funding Agreement with Sport England.

July 2016: External funding of £150,000 from Sport England was confirmed in June 2016, subject to the signing of the Lottery Funding Agreement between the council and Sport England. The detailed specification for the improvement work is being worked up at present. The current timetable is for the scheme contractor to be chosen via tender and for the work to be carried out between December 2016 and February 2017.

May 2016: Initial bid submitted to Sport England in March 2016 for £150,000 grant funding and further bid information submitted in May 2016. Awaiting the formal funding announcement in June 2016.