

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 10

meeting date: 7 SEPTEMBER 2017
title: CAPITAL MONITORING 2017/18
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To provide this Committee with information relating to the progress of the approved 2017/18 capital programme, for the period to the end of July 2017.

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 Two new schemes for this Committee, totalling £211,000, were approved by the Policy and Finance Committee and Full Council at their meetings in February 2017.

2.2 Since approval of the budget for this Committee it was confirmed that the Disabled Facilities Grants (DFGs) funding for 2017/18 was £297,106. The DFGs scheme budget was initially set at £161,000 on the basis that this would be changed to reflect the DFGs funding that was received. Therefore, the DFGs original estimate budget was confirmed as £297,110 and this Committee's original estimate capital programme was increased by the difference of £136,110 to £347,110.

2.3 In addition to the original estimate budget, the following changes have been made so far in 2017/18:

- The Clitheroe Market Improvements scheme, totalling £175,000, was put on hold in 2016/17 and the scheme budget was moved from 2016/17 to the 2017/18 capital programme.
- Not all planned capital budgets for 2016/17 were spent on three schemes. The unspent balance of this, £210,190, is known as slippage. This slippage has been transferred into the 2017/18 capital programme budget.
- A new scheme, Remaining Share of Alma Place Property, with a budget of £26,670, was approved to be added to the 2017/18 capital programme in June 2017.

2.4 As a result of the above, the total approved budget for this Committee's capital programme of five schemes is £758,970. This is shown at Annex 1.

3 CAPITAL MONITORING 2017/18

3.1 The table overleaf summarises this Committee's capital programme budget, expenditure to date and variance, as at the end of July 2017. 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 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
347,110	175,000	210,190	26,670	758,970	120,216	-638,754

3.2 At the end of July 2017 £120,216 had been spent or committed. This is only 15.8% of the annual capital programme budget for this Committee.

3.3 The Remaining Share of Alma Place Property scheme has been completed and spend on the Affordable Warmth – Capital Grants scheme is in line with the current budget available.

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

- **DISCP – Disabled Facilities Grants (-£401,576):** Committed expenditure at the end of July 2017 was £65,664, based on six schemes approved prior to this financial year and eight schemes approved so far in 2017/18. There are a further eleven applications awaiting approval and three applications working towards approval following recommendation referrals received from Occupational Therapists. All these schemes can be funded from the remaining 2017/18 budget. Further applications are expected in-year but the budget is unlikely to be fully committed in-year, based on the level of applications received to date against the level of funding received from DCLG this year and the high level of slippage carried forward from 2016/17.

Lancashire County Council have now appointed additional Occupational Therapists. This may drive an increase in applications. In addition, if we get confirmation that the Council's proposed new schemes meet the regulations for use of DFG monies, then more eligible applications will be received.

- **LANGR – Landlord/Tenant Grants (-£59,620):** One scheme for £15,900 was approved at the end of July 2017 and there was one other potential application in the pipeline. However, the low level of commitments against budget is due to a combined three property application for £47,700 failing to gain planning approval, so this scheme is unlikely to go ahead in 2017/18. Housing officers will now encourage applications for smaller schemes in-year.
- **CMIMP – Clitheroe Market Improvements (-£175,000):** The scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

4 ADDITIONAL APPROVAL 2017/18

4.1 Lancashire County Council have paid the Council a further £10,251 of 2016/17 Affordable Warmth – Capital grant monies in 2017/18. This is money that the Council was unable to claim in 2016/17 under the original rules of the scheme. The Council can use this for further affordable warmth grant payments in 2017/18, subject to budget approval by Committee. This Committee is requested to recommend approval of the additional capital scheme budget of £10,250 to Policy and Finance Committee on this basis.

5 CONCLUSION

- 5.1 At the end of July 2017 £120,216 had been spent or committed. This is only 15.8% of the annual capital programme budget for this Committee.
- 5.2 The Remaining Share of Alma Place Property scheme has been completed.
- 5.3 Spend on the Affordable Warmth – Capital Grants scheme is in line with the current budget available and additional funding of £10,251 has now been received on this scheme.
- 5.4 The Disabled Facilities Grants budget may not be fully committed in-year, based on the level of applications received to date against the budget available. Applications may increase now that Occupational Therapist capacity has increased.
- 5.5 The Landlord/Tenant Grants scheme has a lower level of commitments against budget, due to a previously proposed scheme not currently able to go ahead. Housing officers will now encourage applications for smaller schemes in-year.
- 5.6 The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Recommend approval to Policy and Finance Committee of an additional capital budget of £10,250 for Affordable Warmth – Capital Grants. The additional budget will be funded by additional affordable warmth grant already received from Lancashire County Council.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH9-17/AC/AC
25 August 2017

For further information please ask for Andrew Cook.

BACKGROUND PAPERS:

Policy and Finance Committee, Five Year Capital Programme 2017-2018 to 2021-2022 report, 7 February 2017.

Health and Housing Committee, Capital Outturn 2016-17 report, 16 May 2017

Policy and Finance Committee, Reference from Committee – Recommended Purchase of 16 Alma Place, Clitheroe report, 27 June 2017

Health and Housing Committee – Capital Programme 2017/18

Cost Centre	Scheme	Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	0	-175,000
DISCP	Disabled Facilities Grants	297,110	0	170,130	0	467,240	65,664	-401,576
LANGR	Landlord/Tenant Grants	50,000	0	25,520	0	75,520	15,900	-59,620
CWARM	Affordable Warmth – Capital Grants	0	0	14,540	0	14,540	11,985	-2,555
PURAP	Remaining Share of Alma Place Property	0	0	0	26,670	26,670	26,667	-3
	Total Health and Housing Committee	347,110	175,000	210,190	26,670	758,970	120,216	-638,754

Individual Scheme Details and Budget Holder Comments

Clitheroe Market Improvements

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

The Clitheroe Market Improvements scheme bid for 2016/17 was initially approved in 2015, before the separate market re-development scheme plans were announced. There is now no need to progress the Clitheroe Market Improvements scheme in its original format because the market re-development scheme aims to improve Clitheroe Market for the future.

The Clitheroe Market Improvements scheme remains in the capital programme for now, but the detail of the scheme will be reviewed to take into account and complement the way forward decided for the market re-development scheme.

Revenue Implications:

Not known at this stage.

Timescale for Completion:

Not known at this stage.

Capital Cost:

	£	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
Original Estimate 2017/18	0		
Budget Moved from 2016/17	175,000		
Total Approved Budget 2017/18	175,000	0	-175,000
ANTICIPATED TOTAL SCHEME COST	175,000		

Budget holder comments:

July 2017: No change - The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

December 2016: The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

September 2016: The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

July 2016: No change to May 2016 comments.

May 2016: The Clitheroe Market Improvements scheme budget was initially approved in 2015, before the Clitheroe Market Development scheme plans were announced. The detail of the Clitheroe Market Improvements scheme will be reviewed to take into account and complement the final plans for the Clitheroe Market Development scheme. No expenditure will take place until that detail has been confirmed.

Individual Scheme Details and Budget Holder Comments

Disabled Facilities Grants

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

The scheme provides mandatory grant aid to adapt homes so that elderly and disabled occupants can remain in their own home. The maximum grant is £30,000 and for adults is means tested. The grants can provide for minor adaptation, for example the installation of a stair lift, up to the provision of a bathroom and bedroom extension.

Revenue Implications:

Existing service – no change

Timescale for Completion:

The disabled facilities grant budget operates on a financial year basis, April to March each year.

Capital Cost:

	£	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
Original Estimate 2017/18	297,110		
Slippage from 2016/17	170,130		
Total Approved Budget 2017/18	467,240	65,664	-401,576
ANTICIPATED TOTAL SCHEME COST	467,240		

Progress - Budget Holder Comments

July 2017: Committed expenditure at the end of July 2017 was £65,664, based on six schemes approved prior to this financial year and eight schemes approved so far in 2017/18. There are a further eleven applications awaiting approval and three applications working towards approval following recommendation referrals received from Occupational Therapists. All these schemes can be funded from the remaining 2017/18 budget. Further applications are expected in-year but the budget is unlikely to be fully committed in-year, based on the level of applications received to date against the level of funding received from DCLG this year and the high level of slippage carried forward from 2016/17.

There may be an increase in schemes approved and completed in-year as a result of the following:

- There are two large schemes being considered by Occupational Therapists currently and it is hoped that these may be recommended, approved and delivered as soon as possible.*
- Lancashire County Council have now appointed additional Occupational Therapists (there are now four in post in East Lancashire). This may drive an increase in applications.*
- If we get confirmation that the Council's new "DFG adaptations grants" and "provision to allow a discretionary grant above the current DFG maximum" proposed schemes meet the DCLG regulations for use of DFG monies, then more eligible applications will be received.*

Individual Scheme Details and Budget Holder Comments

Landlord/Tenant Grants

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

The scheme match funds a landlord's investment in a property in return for an affordable rental property. Conditions of the grant are nomination rights and a set rent level in line with LHA. The scheme is crucial for move on accommodation for families in the hostel as the social housing waiting list is so long. The scheme is also used to bring empty properties back into use.

Revenue Implications:

Existing service – no change

Timescale for Completion:

The grant budget operates on a financial year basis, April to March each year.

Capital Cost:

	£	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
Original Estimate 2017/18	50,000		
Slippage from 2016/17	25,520		
Total Approved Budget 2017/18	75,520	15,900	-59,620
ANTICIPATED TOTAL SCHEME COST	75,520		

Progress - Budget Holder Comments

July 2017: One scheme for £15,900 was approved at the end of July 2017 and there was one other potential application in the pipeline. However, the low level of commitments against budget is due to a combined three property application for £47,700 failing to gain planning approval, so this scheme is unlikely to go ahead in 2017/18. Housing officers will now encourage applications for smaller schemes in-year.

Individual Scheme Details and Budget Holder Comments

Affordable Warmth – Capital Grants

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

A grant scheme funded by Lancashire County Council in 2016/17, to allow the Council to provide sustainable heating and insulation grants to eligible applicants. The funding provided can only be spent for this purpose. Further funding is expected in 2017/18.

Revenue Implications:

None

Timescale for Completion

Throughout the financial year – April to March

Capital Cost:

	£	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
Original Estimate 2017/18	0		
Slippage from 2016/17	14,540		
Total Approved Budget 2017/18	14,540	11,985	-2,555
ANTICIPATED TOTAL SCHEME COST	14,540		

Progress - Budget holder comments:

July 2017: Committed expenditure at the end of July 2017 was £11,985, based on six grants approved in 2016/17 and eight grants approved so far in 2017/18. The initial budget, based on slippage from 2016/17, is highly likely to be spent in-year.

Note - Lancashire County Council have paid the Council a further £10,251 of 2016/17 Affordable Warmth – Capital grant monies in 2017/18. This is money that the Council was unable to claim in 2016/17 under the original rules of the scheme. The Council can use this for further affordable warmth grant payments in 2017/18, subject to budget approval by Committee.

Individual Scheme Details and Budget Holder Comments

Remaining Share of Alma Place Property

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

To complete the purchase of the leasehold on a one bedroom flat, 16 Alma Place, to be used as accommodation to help the Council discharge its homelessness duty. The property can be used as move-on accommodation which is let under licence and aimed at single people under 35. The Council already owns two thirds of the leasehold for this property, so is purchasing the remaining one third share.

Revenue Implications:

Initial enabling works and purchases – to be funded by DCLG Single Homelessness Initiative and Flexible Homelessness Support grants.

On-going costs planned to be covered by rental income each year.

Timescale for Completion:

Summer 2017

Capital Cost:

	£	Actual Expenditure and Commitments as at end of July 2017 £	Variance as at end of July 2017 £
Original Estimate 2017/18	0		
Additional Approval 2017/18	26,670		
Total Approved Budget 2017/18	26,670	26,667	-3
ANTICIPATED TOTAL SCHEME COST	26,670		

Progress - Budget holder comments:

July 2017: Scheme complete - The purchase of the remaining share of the leasehold for the property was completed on 19 July 2017.