

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 6 FEBRUARY 2018  
title: OVERALL REVISED CAPITAL PROGRAMME 2017/18  
submitted by: DIRECTOR OF RESOURCES  
principal author: ANDREW COOK

### 1 PURPOSE

1.1 To consider and approve the Council's overall revised capital programme for 2017/18.

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 needs.
- Other Considerations – none identified.

### 2 BACKGROUND

2.1 In total, twenty one schemes, totalling £1,128,310, were approved for inclusion in the overall capital programme original estimate budget by the Policy and Finance Committee and Full Council at their respective meetings in February 2017. This included:

- £785,860 on sixteen new capital schemes; and
- £342,450 of 2016/17 capital programme budgets on five schemes that were moved from 2016/17 to the 2017/18 capital programme, following assessment of progress on those schemes when the 2016/17 revised capital programme budget was set in February 2017.

2.2 In addition, the following amendments have been made to the capital programme in-year:

- Disabled Facilities Grants (DFGs) funding for 2017/18 from the DCLG was subsequently confirmed as £297,106. The DFGs scheme original estimate 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 capital scheme budget was confirmed as £297,110, an increase of £136,110.
- There were seven 2016/17 capital schemes that were not completed by 31 March 2017 and had unspent budget available at that date. The total unspent balance on these schemes, £270,640, is known as slippage. This slippage was transferred into the 2017/18 capital programme budget.
- One scheme, totalling £100,000, was transferred from the Policy and Finance Committee to the new Economic Development Committee, because the nature of the scheme is in line with the Economic Development Committee's objectives.
- One new scheme with a budget of £26,670 was approved to be added to the 2017/18 capital programme in June 2017.
- Additional budgets of £14,840 across four existing schemes were approved by Policy and Finance Committee in September 2017.

2.3 Consequently, the total approved budget for the 2017/18 overall capital programme of twenty seven schemes was £1,576,570. This is shown at Annex 1.

2.4 Regular reports have been presented to all Committees on progress with the capital programme.

### 3 REVISING THE 2017/18 CAPITAL PROGRAMME

3.1 To revise the 2017/18 capital programme we have discussed each of the schemes in the capital programme with budget holders and reviewed the programme to reflect their progress and estimated full year expenditure.

3.2 Following this review, the revised estimate is £1,274,220 for twenty four schemes, which is a reduction of £302,350 from the previously approved capital budget. The reasons for this are:

- **Clitheroe Market Improvements (-£175,000):** This scheme has been moved to the 2018/19 financial year in line with current proposals for the market redevelopment scheme. Consequently this scheme is now in the 2018/19 capital programme instead.
- **Economic Development Initiatives (-£100,000):** There are no development opportunities earmarked to draw on the funds from the Economic Development Initiatives capital scheme at this stage in the year. It is recommended that the 2017/18 revised estimate is reduced to nil and the £100,000 budget is moved to the 2018/19 financial year.
- **Clitheroe Townscape Scheme (-£55,000):** This was part of a larger scheme led by Lancashire County Council. Unless Lancashire County Council reinstates their funding, the scheme will be removed.
- **Ribblesdale Pool Improvement Work (-£11,880):** The main contract value for this scheme was finalised in May 2017. The final value was £11,877 less than the 2016/17 budget slippage transferred into the 2017/18 capital programme for this scheme.
- **Vehicle and Plant Completed schemes (-£4,940):** The actual spend on the completed refuse collection vehicle, works vehicle and Scag mowers schemes was slightly lower than the total approved budgets for these schemes.
- **Disabled Facilities Grants (+£31,460):** Extra Disabled Facilities Grants funding has been allocated to the Council directly from the DCLG. *Note - The allocation was originally notified to the Council as £27,113 in December 2017 and this was reported to Health and Housing Committee. On 24 January 2018, DCLG announced a higher allocation to the Council of £31,466, so the budget has been increased accordingly to reflect this.*
- **Affordable Warmth - Capital Grants (+£13,010):** Extra funding has been received from Lancashire County Council for the Affordable Warmth Capital Grants scheme.

3.3 Annex 1 shows the full capital programme, with the budget and actual expenditure (including commitments) at the end of December 2017 for each scheme. The summary position is shown below.

Committee	Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Budget transferred between committees in 2017/18 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure including commitments as at end of December 2017 £
Community Services	447,610	0	23,600	0	3,240	474,450	457,630	0	349,748
Planning and Development	0	0	30,200	0	0	30,200	30,200	0	0
Policy and Finance	127,250	167,450	6,650	-100,000	1,350	202,700	147,700	0	29,278
Health and Housing	347,110	175,000	210,190	0	36,920	769,220	638,690	175,000	267,312
Economic Development	0	0	0	100,000	0	100,000	0	100,000	0
<b>OVERALL TOTAL</b>	<b>921,970</b>	<b>342,450</b>	<b>270,640</b>	<b>0</b>	<b>41,510</b>	<b>1,576,570</b>	<b>1,274,220</b>	<b>275,000</b>	<b>646,338</b>

3.4 At the end of December 2017 £646,338 had been spent or committed on capital programme schemes. This is 50.7% of the full year capital programme revised estimate budget.

3.5 Of the twenty four schemes in the capital programme:

- eight have been completed
- nine are estimated, at this stage, to be completed in-year
- four are unlikely to be completed in-year; and
- three are capital grants schemes, which still have budget available for further grant approvals.

3.6 The main reasons for the £627,882 underspend to date against the full year revised estimate are as follows:

- **Disabled Facilities Grants, Landlord/Tenant Grants and Affordable Warmth Capital Grants (-£371,375):** Lower levels of grant applications have been approved for the year to date when compared to the levels of full-year funding the Council has in place for these grants. Further applications are expected in-year. The level of these and the rate at which applications in the system are approved will determine whether these grant budgets will be fully committed or not by year-end.
- **Civic suite upgrade (-£45,000):** The sound system from the preferred supplier will be demonstrated to the member task and finish group in mid-January 2018, for their agreement before an order is placed. Work will also be undertaken on new lighting. It is expected that the scheme will be completed by the end of the financial year.

- **Play Area Improvements 2017/18 (-£28,358):** Refurbishment and specific improvements work is on-going. Works and purchases of approximately £12,500 are taking place in January 2018. Further improvement work will be planned once this early 2018 work is completed, dependent on the budget available at that stage. Further works may also be required later in-year if regular playground assessment checks or insurance condition surveys identify any further improvement work. Some budget will be kept unallocated until March 2018 to ensure any currently unforeseen work can be funded.
- **Renewal of Sections of Floor to Residual Waste Transfer Station (-£19,500):** The work was always planned to be undertaken late in the financial year, when there is less green waste transfer, to allow the waste transfer station to continue to operate as effectively as possible whilst the work is undertaken. The work is likely to be started in February 2017 and completed before the end of the financial year.
- **Off-Street Car Parks – Update of Payments Systems (-£16,340):** The order for the work is due to be placed in the near future and the work is expected to be completed by the end of the financial year.
- **Council chamber - tables and seating renewal scheme (-£11,250):** Samples of chairs and tables from the preferred supplier will be considered by the member task and finish group in mid-January 2018, so they can select their preferred fabric types and colours before the order is placed. It is expected that the scheme will be completed by the end of the financial year.
- **New Council telephone system (-£45,000):** An initial meeting and follow up telephone conference with a potential supplier have taken place. The potential supplier will now visit the Council and officers will then develop the system requirements. Following this, a detailed specification will be confirmed and quotes will be obtained. Given this, completion within the current financial year cannot be estimated with any certainty at this stage. If the scheme is not completed by year-end, then any unspent budget will be rolled forward at year-end to support spend in 2018/19.
- **Castle Museum – Refurbishment of Windows (-£40,950):** Work is on-going by the works administration team. At this stage, the completion of the scheme within the current financial year is unlikely because lintel work is now needed that requires listed building consent, which will not be granted until at least March 2018. If the scheme is not completed by year-end, then any unspent budget will be rolled forward at year-end to support spend in 2018/19.
- **Introduction of Planning Portal Link to the Planning Application System and Planning System Update (-£30,200):** The scheme will not be fully implemented in this financial year, as it will be twelve months before the whole M3 Planning system will be migrated over to Assure. However, some progress on Planning Portal integration and partial migration to the Assure system is being made and there may be some spend before year-end. Any unspent budget will be rolled forward at year-end to support spend in 2018/19.
- **Replacement server for Revenues and Benefits (-£13,500):** ICT are awaiting technical and initial quote feedback from the main revenues system suppliers, before planning further quotes and the implementation approach. Given this, there is no planned end date at this stage and completion within the current financial year cannot be estimated with any certainty at this stage. If the scheme is not completed by year-end, then any unspent budget will be rolled forward at year-end to support spend in 2018/19.

3.7 Updated capital evaluation forms completed by the responsible officers for these schemes have been reported to all committees in previous committee cycles.

#### 4 FINANCING OF THE 2017/18 CAPITAL PROGRAMME

4.1 The capital resources to finance the capital programme for 2017/18 have also been revised, as shown in the table below.

	<b>Current Financing 2017/18 £</b>	<b>Revised Financing 2017/18 £</b>
<b>Total Approved Budget</b>	<b>1,576,570</b>	<b>1,274,220</b>
<b><u>Resources</u></b>		
<b><i>Grants and Contributions</i></b>		
DCLG - Disabled Facilities Grants	-297,110	-328,570
Lancashire County Council – Affordable Warmth Grant	-10,250	-23,260
<b><i>Borrowing</i></b>		
Unsupported Borrowing	-250,010	-75,010
<b><i>Usable Reserves</i></b>		
Capital Grants Unapplied	-184,670	-184,670
VAT Shelter earmarked reserve	-234,000	-234,000
New Homes Bonus earmarked reserve	-242,000	-189,060
Capital Reserve Fund earmarked reserve	-310,450	-203,450
Fleming VAT Reclaim earmarked reserve	-16,820	-4,940
Housing Government Grants earmarked reserve	-26,670	-26,670
ICT Repairs and Renewals earmarked reserve	-1,350	-1,350
<b><i>Contributions from Revenue Budgets</i></b>		
Car Parks revenue	-1,790	-1,790
Grounds Maintenance revenue	-1,450	-1,450
<b>Total of Resources Used</b>	<b>-1,576,570</b>	<b>-1,274,220</b>

4.2 Shown below is a summary of the movements on available capital resources from 1 April 2017 to the anticipated closing balance at 31 March 2018.

<b>Resource</b>	<b>Opening Balance 1 April 2017 £</b>	<b>Added in Year £</b>	<b>Used in Year £</b>	<b>Closing Balance 31 March 2018 £</b>
Capital Grants Unapplied b/f	-197,690	0	184,670	<b>-13,020</b>
Capital Receipts Unapplied	-804,280	-53,330	0	<b>-857,610</b>
Capital Reserve Fund**	-821,420	-18,560	203,450	<b>-636,530</b>

Resource	Opening Balance 1 April 2017 £	Added in Year £	Used in Year £	Closing Balance 31 March 2018 £
New Grants and Contributions in Year	0	-351,830	351,830	0
Use of VAT Shelter	0	-234,000	234,000	0
Use of New Homes Bonus	0	-189,060	189,060	0
Fleming VAT Reclaim Reserve	0	-4,940	4,940	0
Unsupported Borrowing	0	-75,010	75,010	0
Other Earmarked Reserves	0	-28,020	28,020	0
Revenue Budgets Contributions	0	-3,240	3,240	0
<b>Total</b>	<b>-1,823,390</b>	<b>-957,990</b>	<b>1,274,220</b>	<b>-1,507,160</b>

\*\* The recommended minimum level of the Capital Reserve Fund is £350,000

## 5 COMMENTS ON OVERALL POSITION

5.1 The revised 2017/18 capital programme is £1,274,220. This is:

- an increase of £145,910 from the originally approved capital programme at this time last year of £1,128,310; and
- a decrease of £302,350 in the level of financing resources needed to fund the revised capital programme when compared to the resources needed to fund the current total approved capital programme of £1,576,570.

5.2 The changes are summarised in the table below.

	£	£
<b>Original Capital Programme 2017/18</b>		<b>1,128,310</b>
Disabled Facilities Grants additional funding – April 2017	136,110	
Slippage from 2016/17	270,640	
Additional approval for new scheme	26,670	
Additional approvals – four schemes	14,840	
<b>Net changes to the Total Approved Budget</b>		<b>448,260</b>
<b>Total Approved Capital Programme 2017/18</b>		<b>1,576,570</b>
Scheme budgets moved to 2018/19 – two schemes	-275,000	
Scheme removed pending reinstated external funding - one scheme	-55,000	
Scheme budgets reduced at Revised Estimate – four schemes	-16,820	
Disabled Facilities Grants additional funding – January 2018	31,460	
Affordable Warmth Capital Grants additional funding	13,010	
<b>Net changes at Revised Estimate</b>		<b>-302,350</b>
<b>Revised Capital Programme 2017/18</b>		<b>1,274,220</b>

5.3 As shown earlier, the revised capital programme is fully financed.

## 6 RISK ASSESSMENT

6.1 The approval of this report may have the following implications:

- Resources – Approval of the revised capital programme will see an increase of £145,910 in the level of financing resources needed in 2017/18, when compared to the original capital programme, and £275,000 of capital financing resources will be moved into 2018/19.
- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

## 7 CONCLUSION

7.1 The overall revised capital programme for 2017/18 is £1,274,220 for twenty four schemes, which is an increase of £145,910 from the original capital programme approved at this time last year.

7.2 The increased capital programme for 2017/18 is fully financed and £275,000 of capital financing resources will be moved into 2018/19.

7.3 The level of capital resources continues to be a matter of concern. However, the level of the capital reserve will not fall below the suggested minimum of £350,000.

7.4 At the end of December 2017 £646,338 had been spent or committed on capital programme schemes. This is 50.7% of the full year capital programme revised estimate budget.

## 8 RECOMMENDED THAT COMMITTEE

8.1 Approve the overall revised capital programme for 2017/18.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF16-18/AC/AC  
26 January 2018

For further background information please ask for Andrew Cook.

BACKGROUND PAPERS - None

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED CAPITAL PROGRAMME 2017-18**

Cost Centre	Scheme	Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Budget Transferred between Committees in 2017/18 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure including commitments as at end of December 2017 £
	<b><u>Community Committee</u></b>									
PLAYR	Play Area Improvements 2017/18	40,000	0	0	0	0	40,000	40,000	0	11,642
CPPAY	Off-Street Car Parks – Update of Payment Systems	14,550	0	0	0	1,790	16,340	16,340	0	0
CMWIN	Castle Museum – Refurbishment of Windows	62,560	0	0	0	0	62,560	62,560	0	21,610
TSFLR	Renewal of Sections of Floor to Residual Waste Transfer Station	19,500	0	0	0	0	19,500	19,500	0	0
RVJJK	Replacement of Twin-bodied Refuse Collection Vehicle (VU59 JJK)	218,000	0	0	0	0	218,000	216,630	0	216,626
WCOJV	Replacement of Works Vehicle (PO54 COJ)	23,500	0	0	0	0	23,500	20,950	0	20,953
GVSWO	Replacement of Mower (Kubota) PN09 SWO	15,500	0	0	0	1,450	16,950	16,950	0	16,949
SCGMW	Replacement of Scag Mower 4x4 (rvbc016) and Scag Mower (rvbc014)	13,000	0	0	0	0	13,000	11,980	0	11,976
GVLSY + GVTZG	Replacement Pick-up Vehicles (Ford Ranger S/C 4WD x 2) - PK07 LSY and PK07 TZG	41,000	0	0	0	0	41,000	41,000	0	40,421
RPIMP	Ribblesdale Pool Improvement Work	0	0	16,820	0	0	16,820	4,940	0	4,943
PLAYQ	Play Area Improvements 2016/17	0	0	6,780	0	0	6,780	6,780	0	4,628
	<b>Total Community Committee</b>	<b>447,610</b>	<b>0</b>	<b>23,600</b>	<b>0</b>	<b>3,240</b>	<b>474,450</b>	<b>457,630</b>	<b>0</b>	<b>349,748</b>

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED CAPITAL PROGRAMME 2017-18**

Cost Centre	Scheme	Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Budget Transferred between Committees in 2017/18 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure including commitments as at end of December 2017 £
	<b><u>Planning and Development Committee</u></b>									
PLANN	Introduction of Planning Portal Link to the Planning Application System and Planning System Update	0	0	30,200	0	0	30,200	30,200	0	0
	<b>Total Planning and Development Committee</b>	<b>0</b>	<b>0</b>	<b>30,200</b>	<b>0</b>	<b>0</b>	<b>30,200</b>	<b>30,200</b>	<b>0</b>	<b>0</b>
	<b><u>Policy and Finance Committee</u></b>									
OROOF	Council Offices – Re-roofing (retention)	0	7,910	0	0	0	7,910	7,910	0	7,902
WINDW	Council Offices – Replacement Windows and Rooflights (retention)	0	4,540	0	0	0	4,540	4,540	0	4,541
TNSCP	Clitheroe Townscape Scheme	0	55,000	0	0	0	55,000	0	0	0
ECDVI	Economic Development Initiatives	0	100,000	0	-100,000	0	0	0	0	0
RBSVR	Replacement server for Revenues and Benefits	13,500	0	0	0	0	13,500	13,500	0	0
PSEQP	Printing section equipment upgrade	12,500	0	0	0	0	12,500	12,500	0	8,835
CSEAT	Council chamber – Tables and Seating renewal scheme	11,250	0	0	0	0	11,250	11,250	0	0
PHONE	New Council telephone system	45,000	0	0	0	0	45,000	45,000	0	0
CSUPG	Civic suite upgrade	45,000	0	0	0	0	45,000	45,000	0	0
ITSAN	ICT Infrastructure Refresh (Storage Area Network (SAN) and Network and Server Replacement)	0	0	6,650	0	1,350	8,000	8,000	0	8,000
	<b>Total Policy and Finance Committee</b>	<b>127,250</b>	<b>167,450</b>	<b>6,650</b>	<b>-100,000</b>	<b>1,350</b>	<b>202,700</b>	<b>147,700</b>	<b>0</b>	<b>29,278</b>

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED CAPITAL PROGRAMME 2017-18**

Cost Centre	Scheme	Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Budget Transferred between Committees in 2017/18 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure including commitments as at end of December 2017 £
	<b><u>Health and Housing Committee</u></b>									
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	0	175,000	0	175,000	0
DISCP	Disabled Facilities Grants	297,110	0	170,130	0	0	467,240	498,700	0	197,174
LANGR	Landlord/Tenant Grants	50,000	0	25,520	0	0	75,520	75,520	0	26,500
CWARM	Affordable Warmth – Capital Grants	0	0	14,540	0	10,250	24,790	37,800	0	16,971
PURAP	Remaining Share of Alma Place Property	0	0	0	0	26,670	26,670	26,670	0	26,667
	<b>Total Health and Housing Committee</b>	<b>347,110</b>	<b>175,000</b>	<b>210,190</b>	<b>0</b>	<b>36,920</b>	<b>769,220</b>	<b>638,690</b>	<b>175,000</b>	<b>267,312</b>
	<b><u>Economic Development Committee</u></b>									
ECDVI	Economic Development Initiatives	0	0	0	100,000	0	100,000	0	100,000	0
	<b>Total Economic Development Committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>OVERALL CAPITAL PROGRAMME 2017/18 TOTAL</b>		<b>921,970</b>	<b>342,450</b>	<b>270,640</b>	<b>0</b>	<b>41,510</b>	<b>1,576,570</b>	<b>1,274,220</b>	<b>275,000</b>	<b>646,338</b>