

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 7

meeting date: 7 JUNE 2018
title: CAPITAL OUTTURN 2017/18 AND CAPITAL PROGRAMME 2018/19
UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 The purpose of this report is to review the final outturn of the 2017/18 capital programme for this Committee and to seek member approval for the slippage of some capital scheme budgets from the 2017/18 financial year to the 2018/19 financial year.

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 The original capital programme for this Committee consisted of two schemes with a total budget of £347,110. Following this:

- One scheme budget of £175,000 was moved from the 2016/17 financial year to the 2017/18 financial year.
- Slippage of 2016/17 capital budgets on three schemes, totalling £210,190, was moved to the 2017/18 financial year.
- Additional budgets on two schemes, totalling £36,920, were approved by this Committee

2.2 As a result of the above, the total approved budget for this Committee's capital programme of five schemes was £769,220.

2.3 At revised estimate stage, the following changes were made to the capital programme:

- The Clitheroe Market Improvements budget of £175,000 was moved to the 2017/18 financial year, because the scheme is on hold awaiting the final plans for the Clitheroe Market Development scheme.
- The Affordable Warmth – Capital Grants scheme budget was increased by £13,010 because Lancashire County Council had allocated the Council £13,010 Affordable Warmth capital funding in Autumn 2017.

- The Disabled Facilities Grants scheme budget was increased by £31,460 because the DCLG allocated the Council £31,466 additional DFGs funding in early 2018 – *Please note, the DCLG had initially allocated £27,113 additional funding to the Council and an increase of £27,110 in the DFGs budget was approved by this Committee in January 2018. However, following this approval the DCLG then informed the Council that the actual additional DFGs funding to be paid to the Council was £31,466 rather than £27,113. Thus, the DFGs revised budget was increased by £31,460 rather than by £27,110.*

2.4 As a result of the above, the revised estimate budget for this Committee’s capital programme of four schemes was £638,690.

2.5 During the financial year this Committee has received reports monitoring the progress of schemes within the programme.

2.6 As part of the closure of accounts process, capital programme expenditure has been capitalised and added to the balance sheet or charged to revenue where appropriate.

3 CAPITAL OUTTURN 2017/18

3.1 The table below summarises the overall financial position on the capital schemes for this Committee. It shows budget approvals, actual expenditure in-year and slippage requested into 2018/19.

Original Estimate 2017/18 £	Budget Moved from 2016/17 £	Slippage from 2016/17 £	Additional Approvals 2017/18 £	Total Approved Budget 2017/18 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure 2017/18 £	Requested slippage into 2018/19 £
347,110	175,000	210,190	36,920	769,220	638,690	175,000	297,259	341,430

3.2 Actual expenditure on the capital programme was £297,259, which is only 46.5% of the revised estimate budget.

3.3 The Remaining Share of Alma Place Property scheme was completed in-year and within budget.

3.4 The other three schemes in the capital programme are on-going capital grants schemes and there have been underspends in-year on each of these schemes – Disabled Facilities Grants -£271,532, Landlord/Tenant Grants -£49,020 and Affordable Warmth - Capital Grants -£20,876. These three grant schemes continue into 2018/19 and slippage of the 2017/18 underspends on these schemes is requested.

3.5 Annex 1 shows the full capital programme budget and expenditure in-year for each scheme and highlights the requested slippage.

4 SLIPPAGE

4.1 Where capital schemes are not financially complete at year-end and there is an unspent budget to be moved into the next financial year, this is known as slippage. For this Committee slippage of £341,430 is requested into 2018/19 on three schemes:

- Disabled Facilities Grants, £271,530.
- Landlord/Tenant Grants, £49,020.
- Affordable Warmth – Capital Grants, £20,880.

4.2 Attached at Annex 2 are the individual requests for slippage forms. This Committee is asked to consider and approve these.

5 CAPITAL PROGRAMME 2018/19 UPDATE

5.1 This Committee's capital programme original estimate for 2018/19 included an indicative budget of £297,000 for Disabled Facilities Grants. As reported to Committee in March 2018, the actual scheme budget for Disabled Facilities Grants was to be confirmed when the 2018/19 actual grant allocation was notified to the Council.

5.2 MHCLG notified the Council in May 2018 that the actual Disabled Facilities Grants 2018/19 allocation is £320,991. Thus, the Disabled Facilities Grants scheme original estimate 2018/19 is now confirmed as £320,990.

6 RISK ASSESSMENT

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

- Resources – There are no additional financing requirements needed for this Committee's 2017/18 capital programme. A sum of £341,430 has been set aside in the Council's capital resources to fund the schemes with identified slippage into 2018/19.
- Technical, Environmental and Legal – None.
- Political – The Council is required to use ring-fenced funding received from central government and other local authorities only for the specific purposes it is granted for. The slippage on the Disabled Facilities Grants and Affordable Warmth – Capital Grants schemes falls within this area.
- Reputation – Those in need of financial assistance look to the Council for this assistance. The provision of it will help to improve the standard of living of the recipients which will enhance 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 Actual expenditure on the capital programme was £297,259, which is only 46.5% of the revised estimate budget.

7.2 One of the four schemes in the capital programme, The Remaining Share of Alma Place Property, was completed in-year and within budget.

- 7.3 There have been underspends in 2017/18 on each of the three housing capital grant schemes. These grant schemes continue into 2018/19 and slippage of the 2017/18 underspends on these schemes, totalling £341,430, is requested.
- 7.4 The Disabled Facilities Grants scheme original estimate budget 2018/19 is now confirmed as £320,990.
- 8 RECOMMENDED THAT COMMITTEE
- 8.1 Consider the requests for slippage shown at Annex 2 and approve the slippage of £341,430 into the 2018/19 financial year for three schemes.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH6-18/AC/AC
21 MAY 2018

BACKGROUND PAPERS: None

For further background information please ask for Andrew Cook.

**HEALTH AND HOUSING COMMITTEE
Capital Programme Outturn 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 £	Revised Estimate 2017/18 £	Budget Moved to 2018/19 £	Actual Expenditure 2017/18 £	Requested slippage into 2018/19 £
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	0	175,000	0	0
DISCP	Disabled Facilities Grants	297,110	0	170,130	0	467,240	498,700	0	227,168	271,530
LANGR	Landlord/Tenant Grants	50,000	0	25,520	0	75,520	75,520	0	26,500	49,020
CWARM	Affordable Warmth – Capital Grants	0	0	14,540	10,250	24,790	37,800	0	16,924	20,880
PURAP	Remaining Share of Alma Place Property	0	0	0	26,670	26,670	26,670	0	26,667	0
	Total Health and Housing Committee	347,110	175,000	210,190	36,920	769,220	638,690	175,000	297,259	341,430

Request for slippage into 2018/19

Cost Centre and Scheme Title	DISCP: Disabled Facilities Grants
Scheme Description	Disabled Facilities Grants (DFGs) are grants delivered by the Council to assist people with disabilities to be able to stay in their own home. The grant is administered in partnership with Social Services.
Head of Service	Colin Hirst
Year Originally Approved	2017/18 (Annual Scheme)
Revised Estimate 2017/18 for the Scheme	£498,700
Actual Expenditure in the Year 2017/18	£227,168
Variance - (Underspend) or Overspend	(£271,532)
Please provide full reasons for the (under) or over spend variance shown above?	The Council has underspent against the DFGs budget in terms of the value of payments made when DFGs grants are fully completed. However, at year-end there were 18 approved schemes in progress with approved commitments of £71,001. In addition, there were a further 29 schemes awaiting approval. It is estimated that these 47 schemes will use up the outstanding 2017/18 budget underspend and an element of the 2018/19 DFGs allocation.

Slippage Request

Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested.	£271,530
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	<p>The Disabled Facilities Grants scheme is on-going. The slippage will be spent on the currently approved schemes in progress and any further grants approved in 2018/19.</p> <p>NOTE - The underspent budget is financed by ring-fenced funding from central government, so any underspend from 2017/18 must be allocated to Disabled Facilities Grants in 2018/19</p>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2018/19.

Request for slippage into 2018/19

Cost Centre and Scheme Title	LANGR: Landlord/Tenant Grants
Scheme Description	To offer grant aid for the renovation of private sector properties with the condition that the units are affordable on completion and the Council has nomination rights.
Head of Service	Colin Hirst
Year Originally Approved	2017/18 (Annual Scheme)
Revised Estimate 2017/18 for the Scheme	£75,520
Actual Expenditure in the Year 2017/18	£26,500
Variance - (Underspend) or Overspend	(£49,020)
Please provide full reasons for the (under) or over spend variance shown above?	One large application, for several units, was due to take up the majority of the budget funds. However, this scheme did not receive planning approval, so could not go ahead. Further expressions of interest have not yet resulted in any further scheme applications.

Slippage Request

Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested.	£49,020
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	The Landlord/Tenant Grants scheme is on-going and enquiries have been received from potential applicants. Slippage is requested to supplement the approved 2018/19 budget to help increase affordable housing and the number of properties that the Council has nomination rights over in the borough. Officers are reviewing conversion opportunities in Clitheroe as a targeted project to encourage schemes to come forward.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2018/19.

Request for slippage into 2018/19

Cost Centre and Scheme Title	CWARM: Affordable Warmth – Capital Grants
Scheme Description	A grant scheme funded by Lancashire County Council in 2016/17 and 2017/18, to allow the Council to provide sustainable heating and insulation grants to eligible applicants.
Head of Service	Colin Hirst
Year Originally Approved	2017/18 (Annual Scheme)
Revised Estimate 2017/18 for the Scheme	£37,800
Actual Expenditure in the Year 2017/18	£16,924
Variance - (Underspend) or Overspend	(£20,876)
Please provide full reasons for the (under) or over spend variance shown above?	Lower levels of grant applications were received in-year when compared to the funding received from Lancashire County Council. Part of the lower level of applications in-year is due to the Council's Housing Energy officer post being vacant in Winter 2017/18. The post is now filled and the scheme is advertised by the Council and through partner organisations.

Slippage Request

Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested.	£20,880
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	The Affordable Warmth - Capital Grants scheme is on-going. NOTE - The underspent budget is financed by ring-fenced funding from LCC, so any underspend from 2017/18 must be allocated to Affordable Warmth – Capital Grants in 2018/19.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2018/19.