

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 12

meeting date: 19 JUNE 2018
 title: CAPITAL OUTTURN 2017/18
 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 capital programme total approved budget for this Committee's nine schemes was £202,700, after the addition of slippage from the 2016/17 financial year, one additional budget approval in-year.

2.2 At revised estimate the capital programme for this committee was £147,700, made up of eight schemes.

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

2.4 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 Annex 1 shows the full capital programme budget and expenditure in-year for each scheme and highlights the requested slippage into 2018/19. The table below summarises the final outturn position.

| Original Estimate 2017/18 £ | Restated Budget Moved from 2016/17 £ | Slippage from 2016/17 £ | Additional Approvals 2017/18 £ | Total Approved Budget 2017/18 £ | Revised Estimate 2017/18 £ | Actual Expenditure 2017/18 £ | Requested slippage into 2018/19 £ |
|--------------------------------|-----------------------------------------|----------------------------|-----------------------------------|------------------------------------|-------------------------------|---------------------------------|--------------------------------------|
| 127,250 | 67,450 | 6,650 | 1,350 | 202,700 | 147,700 | 72,272 | 86,140 |

- 3.2 Actual expenditure on this Committee's capital programme was £72,272, which is only 48.9% of the revised estimate budget.
- 3.3 Five of the eight schemes in the revised estimate capital programme were completed in-year and there were no overspends against the budget set for four of the completed schemes.
- 3.4 The other completed scheme, Council Chamber – Tables and Seating Renewal scheme, overspent by £3,849. It should be noted that the work for this scheme and the Civic Suite Upgrade scheme were worked on together in-year giving a total budget of £56,250 across the two schemes. It was agreed that the combined costs should stay within the £56,250 combined budget and this approach is on-track, as follows:
- £15,099 final cost on the Council Chamber – Tables and Seating Renewal scheme.
 - £41,150 estimated cost of the Civic Suite Upgrade scheme, subject to completion of this scheme within the budget slippage allowed in 2018/19.
- 3.5 In addition, the Council is required to capitalise 50% of the Performance Reward Grants (PRG) expenditure that is paid out each year, this being £13,817 in 2017/18. This expenditure is added to this Committee's capital programme expenditure at year-end. In essence this is purely an accounting adjustment and it is not an overspend because the grants are fully funded from PRG grant monies that the Council have previously received.
- 3.6 Three schemes were not completed in-year, as follows:
- **Replacement Server for Revenues and Benefits (-£13,500):** The ICT section were awaiting technical and initial quote feedback from the main revenues system suppliers at year-end, before planning further quotes and the implementation approach for the server. Slippage of £13,500 into the 2018/19 financial year is required to purchase the replacement server.
 - **New Council Telephone System (-£45,000):** The scheme is still in development stage, having sought supplier input over a period of time on the most appropriate telephone system solution. This is an iterative process. Following supplier input, officers will now develop the system requirements, a detailed specification will be confirmed and quotes will be obtained. Slippage of £45,000 into the 2018/19 financial year is required to complete the delivery of the new system.
 - **Civic Suite Upgrade (-£31,490):** The work was all planned and ordered in 2017/18, but the following work still required completing at year-end: audio conferencing system installation, motorised curtains, other curtains and a small amount of electrical work. Slippage of £27,640 into the 2018/19 financial year is needed to fund this work.

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 £86,140 is requested into 2018/19 for three schemes:
- Replacement Server for Revenues and Benefits, £13,500.
 - New Council Telephone System, £45,000.
 - Civic Suite Upgrade, £27,640.
- 4.2 Attached at Annex 2 are the individual requests for slippage forms. This Committee is asked to consider and approve these requests.

5 RISK ASSESSMENT

5.1 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 £86,140 has been set aside in the Council's capital resources to fund the requested slippage.
- 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.

6 CONCLUSION

6.1 Actual expenditure on this Committee's capital programme was £72,272, which is only 48.9% of the revised estimate budget.

6.2 Five of the eight schemes in the revised estimate capital programme were completed in-year. In addition, the Council is required to capitalise 50% of the Performance Reward Grants (PRG) expenditure that is paid out each year, this being £13,817 in 2017/18.

6.3 Three schemes were not completed in 2017/18 and slippage of £86,140 has been requested to fund the completion of those schemes in the 2018/19 financial year.

7 RECOMMENDED THAT COMMITTEE

7.1 Consider the requests for slippage shown at Annex 2 and approve the slippage of £86,140 into the 2018/19 financial year for three schemes.

SENIOR ACCOUNTANT
PF34-18/AC/AC
4 June 2018

DIRECTOR OF RESOURCES

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

POLICY AND FINANCE 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 £ | Actual Expenditure 2017/18 £ | Requested slippage into 2018/19 £ |
|-------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|--------------------------------------|---------------------------------------|----------------------------------|------------------------------------|-----------------------------------------|
| OROOF | Council Offices – Re-roofing (retention) | 0 | 7,910 | 0 | 0 | 7,910 | 7,910 | 7,902 | 0 |
| WINDW | Council Offices – Replacement Windows and Rooflights (retention) | 0 | 4,540 | 0 | 0 | 4,540 | 4,540 | 4,541 | 0 |
| TNSCP | Clitheroe Townscape Scheme | 0 | 55,000 | 0 | 0 | 55,000 | 0 | 0 | 0 |
| RBSVR | Replacement server for Revenues and Benefits | 13,500 | 0 | 0 | 0 | 13,500 | 13,500 | 0 | 13,500 |
| PSEQP | Printing section equipment upgrade | 12,500 | 0 | 0 | 0 | 12,500 | 12,500 | 9,403 | 0 |
| CSEAT | Council chamber – Tables and Seating renewal scheme | 11,250 | 0 | 0 | 0 | 11,250 | 11,250 | 15,099 | 0 |
| PHONE | New Council telephone system | 45,000 | 0 | 0 | 0 | 45,000 | 45,000 | 0 | 45,000 |
| CSUPG | Civic suite upgrade | 45,000 | 0 | 0 | 0 | 45,000 | 45,000 | 13,510 | 27,640 |
| PRGCP | Performance Reward Grant | 0 | 0 | 0 | 0 | 0 | 0 | 13,817 | 0 |
| ITSAN | ICT Infrastructure Refresh (Storage Area Network (SAN) and Network and Server Replacement) | 0 | 0 | 6,650 | 1,350 | 8,000 | 8,000 | 8,000 | 0 |
| Total Policy and Finance Committee | | 127,250 | 67,450 | 6,650 | 1,350 | 202,700 | 147,700 | 72,272 | 86,140 |

Request for slippage into 2018/19

| | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost Centre and Scheme Title | RBSVR: Replacement Server for Revenues and Benefits |
| Scheme Description | Replacement of the current SUN M3000 server which hosts the Council's Revenues and Benefits system. In 2017, the current server will be over 5 years old. |
| Head of Service | Mark Edmondson |
| Year Originally Approved | 2017/18 |
| Revised Estimate 2017/18 for the Scheme | £13,500 |
| Actual Expenditure in the Year 2017/18 | £0 |
| Variance - (Underspend) or Overspend | (£13,500) |
| Please provide full reasons for the (under) or over spend variance shown above? | The ICT section are awaiting technical and initial quote feedback from the main revenues system suppliers at year-end, before planning further quotes and the implementation approach for the server. |

Slippage Request

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested. | £13,500 |
| 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. | Slippage of all the budget is required to purchase the replacement server for Revenues and Benefits. |
| By what date would the work or services related to any requested slippage be completed, if it were to be approved. | Within 2018/19 |

Request for slippage into 2018/19

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|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost Centre and Scheme Title | PHONE: New Council Telephone System |
| Scheme Description | A new telephone system for the Council, which is likely to incorporate: <ul style="list-style-type: none"> • A new system (including main switchboard). • Servers and updated handsets hardware to run the system on. • Technical/consultant input to help spec the detail of the system and assist with the procurement process. |
| Head of Service | Michelle Smith |
| Year Originally Approved | 2017/18 |
| Revised Estimate 2017/18 for the Scheme | £45,000 |
| Actual Expenditure in the Year 2017/18 | £0 |
| Variance - (Underspend) or Overspend | (£45,000) |
| Please provide full reasons for the (under) or over spend variance shown above? | The scheme is still in development stage, having sought supplier input over a period of time on the most appropriate telephone system solution. This is an iterative process. Following supplier input, officers will now develop the system requirements, a detailed specification will be confirmed and quotes will be obtained. |

Slippage Request

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested. | £45,000 |
| 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. | Slippage of the full scheme budget to complete the delivery of a new telephone system. |
| By what date would the work or services related to any requested slippage be completed, if it were to be approved. | March 2019 |

Request for slippage into 2018/19

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|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost Centre and Scheme Title | CSUPG: Civic Suite Upgrade scheme |
| Scheme Description | Upgrade of the main Council chamber with a new audio conferencing system, new lighting and electrical work, new curtains and carpet cleaning. Also, new curtains in other Committee rooms. |
| Head of Service | Adrian Harper |
| Year Originally Approved | 2017/18 |
| Revised Estimate 2017/18 for the Scheme | £45,000 |
| Actual Expenditure in the Year 2017/18 | £13,510 |
| Variance - (Underspend) or Overspend | (£31,490) |
| Please provide full reasons for the (under) or over spend variance shown above? | <p>The work was all planned and ordered in 2017/18, but the following work still required completing at year-end:</p> <ul style="list-style-type: none"> • Audio conferencing system was planned in for final fitting in mid-April, at an estimated further cost of £21,116. • Motorised and other curtains were ordered, at an estimated cost of £5,134, but delivery and installation was not complete at year-end. • A small amount of final electrical work, estimated at £45. |

Slippage Request

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Please grant the amount of Budget Slippage from 2017/18 to 2018/19 requested. | £27,640 |
| 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>Slippage will fund the following:</p> <ul style="list-style-type: none"> • Audio conferencing system, estimated cost £21,116. • Motorised and other curtains, estimated cost £5,134. • Final electrical work, estimated cost £45. <p>Slippage of £27,640 to 2018/19 is needed to cover these estimated costs plus some contingency.</p> |
| By what date would the work or services related to any requested slippage be completed, if it were to be approved. | The audio conferencing system, motorised curtains, other curtains and final electrical work was completed in April 2018. |