

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No

meeting date: 24 SEPTEMBER 2019
title: OVERALL CAPITAL MONITORING 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To provide members with information relating to the progress of the Council's approved capital programme for the period to the end of July 2019.

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 Eighteen schemes, totalling £2,429,140, were approved for inclusion in the overall capital programme original estimate budget by the Special Policy and Finance Committee and Full Council at their respective meetings in February 2019 and March 2019.

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

- The 2018/19 capital programme budgets for two schemes, totalling £259,050, were moved from 2018/19 to the 2019/20 capital programme, following assessment of the progress on those schemes when the 2018/19 revised capital programme budget was set in January 2019.
- The 2019/20 budget for one scheme has been reduced by £2,290 because £2,292 was spent on necessary early work on that scheme towards the end of the 2018/19 financial year.
- There were eleven 2018/19 capital schemes that were not completed by 31 March 2019 and had unspent budget available at that date. The total unspent budget on these schemes was £678,270 and this is known as slippage. This slippage has been transferred into the 2019/20 capital programme budget.
- Additional budget approvals, totalling £386,870, have been granted on four capital schemes so far in 2019/20.

2.3 Consequently, the total approved budget for the 2019/20 overall capital programme of thirty two schemes is £3,751,040.

3 CAPITAL MONITORING 2019/20

3.1 The table overleaf summarises the overall capital programme by committee, showing the total approved budget, actual expenditure and variances as at the end of July 2019. Annex 1 shows the overall capital programme by scheme, including budget, actual expenditure and variances as at the end of July 2019.

Committee	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Actual Expenditure including commitments as at end of July 2019 £	Variance as at end of July 2019 £
Community Services	1,912,440	-2,290	57,870	11,500	1,979,520	615,455	-1,364,065
Planning and Development	14,500	0	26,420	0	40,920	0	-40,920
Policy and Finance	112,200	84,050	60,950	0	257,200	24,256	-232,944
Health and Housing	370,000	175,000	451,280	375,370	1,371,650	222,401	-1,149,249
Economic Development	20,000	0	81,750	0	101,750	0	-101,750
OVERALL TOTAL	2,429,140	256,760	678,270	386,870	3,751,040	862,112	-2,888,928

3.2 At the end of July 2019 £862,112 had been spent or committed. This is 23% of the overall capital programme budget for 2019/20.

3.3 Six schemes have been completed already. Based on the review of progress on each of the remaining twenty six schemes, at this stage:

- seventeen schemes are currently on-track to be completed in-year
- five schemes are in progress but may not be fully completed in-year
- two schemes are on hold, awaiting the result of a wider Planning system process review before any progress can be made; and
- two schemes are on-going Housing grants schemes.

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

- **Edisford Sports Complex (-£1,226,148):** The scheme is progressing well at the end of July 2019. The main contract work is on track for completion in September 2019, whilst all non-contract items are expected to be completed in October 2019, the main ones being purchase of a pitch maintenance tractor and furniture and equipment for the new building.

The capital scheme budget for the facility was first estimated at £1,430,440 and was approved by Special Policy and Finance Committee in February 2019. Since this time the main element of the works have been tendered and the contract awarded at a lower price. After allowing for contingencies the budget will be revised to reflect the successful tender and the other associated costs of the scheme to £1,323,010. Whilst unexpected costs may arise at any point during a project of this size, the indication at this time is that the full scheme will be within budget. The 2019/20 element of this overall budget is £1,320,720, after allowing for the £2,290 budget used on early work in 2018/19.

The scheme will not be financially complete at the end of 2019/20, as the main contract retention payment, based on 5% of the final contract costs including variations, cannot be paid until twelve months after the completion of the main work on the contract. The latest estimate of this retention amount is £61,730.

The revised budget and the contract retention amount will be included in the capital programme Revised Estimate budget, to be recommended to Community Services Committee in January 2020.

- **Replacement of CCTV System (-£60,000):** CCTV requirements are being specified currently, which will form the basis for tenders to be requested by October 2019. The aim is for the scheme to be completed by February/March 2020.
- **Play Area Improvements 2019/20 (-£37,709):** Main improvement and refurbishment works will be planned for October 2019 onwards, based on playground assessments after the school summer holidays in September 2019. The aim is to complete this work by the end of November 2019. Further improvement works may also be required in-year if regular playground assessment checks or insurance condition surveys identify any improvement work.
- **Replacement Mini Tractor with Bucket PN05 BYS (-£22,000):** Quotes have been received and an order has been placed in August 2019. Delivery is expected by October 2019.
- **Introduction of Planning Portal Link to the Planning Application System and Planning System Update (-£26,420):** The computerised system currently used within both the Planning and Building Control services is overdue to be upgraded and the upgrade is needed to facilitate the introduction of the Planning Portal. However, a review of how the upgraded software can be used to improve the efficiency and effectiveness of the service is currently underway. The proposed changes to the processes within the service and associated software costs will be reported to CMT by January 2020 and then to a future meeting of this Committee.

The current elements included in this capital scheme need to be compatible with the functionality of the Planning system going forwards and may change as a result of the wider process review. Given that, this scheme is now on-hold awaiting the outcome of the review.

- **Replacement of Plotter/Copier in the Planning Section (-£14,500):** The plotting/copying requirements in the Planning section have changed since this capital bid was submitted. The Planning section will review the needs of the section, in consultation with Building Control, and in line with the process review currently underway (see above) before going ahead or not with the purchase of a replacement. The proposed changes from the process review will be reported to CMT by January 2020 and then to a future meeting of this Committee.
- **Lift replacement at Council Offices (-£82,000):** The main contract work was out to tender at the end of July 2019. The contract has now been let with a start date expected for early 2020. Given the nine-week estimate for completion of works, it is hoped that the main contract work will be completed by March 2020, but this is dependent on the actual start date agreed and delivery of works without delay.

Whatever happens with the timing of the works, the scheme will not be financially complete at the end of 2019/20, as the main contract retention payment, based on 5% of the final contract costs, cannot be paid until twelve months after the completion of the main work on the contract. The latest estimate of this retention amount is £4,280.

The scheme budget has been re-assessed, now that the main contract has been let. The latest estimate for the full scheme costs is £92,340, with £89,390 of this being the budget required for 2019/20 and 2020/21. The increase of £5,340 from the original budget is due to higher main contract works costs than planned (new regulations require a top drive lift, which has increased beam and loft costs) and expert consultant costs not included in the original budget. This latest estimate does not include any increase for further unforeseen costs.

Elsewhere on this agenda, this Committee is requested to approve the additional budget of £5,340 on this scheme, which can be funded from the Capital earmarked reserve.

- **Replacement PCs (-£47,100):** Officers are currently looking to progress the purchase of replacement PCs and organise short training sessions on Windows 10 and Office 2019 prior to roll out. Aiming for PCs to be purchased and operational by the end of January 2020.
- **New Council telephone system (-£45,000):** Following the completion of work obtaining quotes and making supplier/site visits, the preferred supplier will be chosen by the end of September 2019. At this stage, installation of the replacement system is expected to be completed by March 2020.
- **Re-Design of Corporate Website (-£30,000):** Officers are currently in discussions with suppliers and quotes have been received, including an option to move to an alternative supplier. A suggested way forward will be reported to CMT by October 2019. The planned completion date for the scheme will be known once the preferred solution has been agreed with CMT and the timescale then agreed with the chosen supplier. Therefore, there is a possibility that the scheme may not be fully completed by year-end.
- **Committee Administration IT System (-£20,100):** An initial meeting has been held with the proposed supplier and a formal quote received. A report on the suggested solution and proposed supplier is included elsewhere on this meeting's agenda. If that suggested solution is approved by this Committee, then officers aim to complete the system and hardware implementation by March 2020, to allow use of the new Committee Administration system from the beginning of the new municipal year in May 2020.
- **Disabled Facilities Grants (-£490,419):** Committed expenditure at the end of July 2019 was based on twenty five schemes approved in 2018/19 and twenty schemes approved so far in 2019/20. In addition to this, there were a further sixteen applications working towards approval, three currently approved schemes where additional approvals may be required to fund further work now identified and there are fifteen referrals from Occupational Therapists that may become formal applications in the near future. Further referrals and applications are expected in-year.

This grant scheme is demand-led, being dependent on referrals from Occupational Therapists. Therefore, the actual level of committed expenditure for the year as a whole will be dependent on the number of and value of approved referrals in-year. The number of and value of referrals can vary throughout the year and between years. The DFG budget is monitored by officers on a monthly basis.

- **Landlord/Tenant Grants (-£134,240):** No schemes have been approved so far in 2019/20. A site visit has been made to one potential applicant, but the property would require planning permission in advance of a grant application. Housing Officers will look to promote the scheme more widely in coming months. At this

stage, there is no certainty that the scheme budget will be fully committed by year-end.

- **Clitheroe Market Improvements (-£175,000):** Initial plans to use part of the budget on this scheme comprise erecting new uniform canopies on all cabins, hand painting fascia signs on all cabins, refurbishing the market toilets and removing all stalls in the bull-ring. The budgeted cost of this initial work is expected to be confirmed at Health and Housing Committee on 12 September 2019 and the work is expected to be completed by March 2020. It is proposed to bring a further report to Health and Housing Committee in respect of any further improvements proposed to the Market.
- **Longridge Affordable Housing Scheme (-£234,000):** Following members approval to purchase two properties in Longridge, to be affordable units, discussions have been on-going with a registered provider, who will manage the properties, and a draft Management Agreement is currently under consideration. A joint visit has been arranged with the Council's surveying team and the registered provider's surveying team to view one of the properties in early September 2019. The scheme is on-track to be completed in-year, but is dependent on final agreement of the lease and Management Agreement and the time taken to complete purchase of and undertake any associated works on two suitable properties.
- **Chipping Community Housing Grant (-£115,000):** Chipping Community Land Trust have a planned completion date of November 2019 for the three properties being purchased. The Council will pay the grant monies to the Land Trust just prior to completion of the purchases, under a grant agreement between the Council and the Land Trust. The grant agreement has been considered by Corporate Management Team and is close to being finalised.
- **Gateway Signs for Whalley, Longridge and Clitheroe (-£20,000):** The Council is engaged in a dialogue with Lancashire County Council (LCC) regarding the process and the permissions required which will determine the number and location of the signs. Following this, quotes will be obtained for the signs and they can be purchased and installed. The aim is to complete the scheme by March 2020, dependent on the time taken to obtain permissions from LCC.
- **Economic Development Initiatives (-£81,750):** There are no current schemes in progress which are likely to be funded from this economic development capital pot. A number of site opportunities are being explored and will be the subject of future reports.

4 CONCLUSION

- 4.1 At the end of July 2019 £862,112 had been spent or committed. This is 23% of the overall capital programme budget for 2019/20.
- 4.2 Six schemes have been completed already. Based on the review of progress on each of the remaining twenty six schemes, at this stage:
- seventeen schemes are currently on-track to be completed in-year
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 - two schemes are on hold, awaiting the result of a wider Planning system process review before any progress can be made; and
 - two schemes are on-going Housing grants schemes.

- 4.3 Approval for £5,340 additional budget for the Lift replacement at Council Offices scheme is being requested from this Committee elsewhere on this agenda. As this request is subject to approval, this additional £5,340 has not been included within the budgets reported in this overall monitoring report.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF49-19/AC/AC
16 September 2019

Overall Capital Programme 2019/20

Cost Centre	Scheme	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Actual Expenditure including commitments as at end of July 2019 £	Variance as at end of July 2019 £
Community Services Committee								
PLAYT	Play Area Improvements 2019/20	40,000	0	0	0	40,000	2,291	-37,709
REPWB	Replacement of Refuse Wheelie Bins	10,000	0	0	0	10,000	10,000	0
RCCTV	Replacement of CCTV System	60,000	0	0	0	60,000	0	-60,000
RVHNX	Replacement of Refuse Collection Vehicle VU60 HNX	227,000	0	0	0	227,000	224,602	-2,398
RVTKN	Replacement of Paper Collection Vehicle VU06 TKN	50,000	0	0	0	50,000	51,322	1,322
GVGMW	Replacement Gang Mower (rvbc009)	30,000	0	0	0	30,000	24,400	-5,600
GVBYS	Replacement Mini Tractor with Bucket PN05 BYS	22,000	0	0	0	22,000	0	-22,000
GVJCB	Replacement of JCB Gravemaster Digger (rvbc005)	29,000	0	0	0	29,000	29,400	400
AABED	Automatic Access Barrier – Edisford River Bank	14,000	0	0	0	14,000	6,626	-7,374
ESCPX	Edisford Sports Complex	1,430,440	-2,290	0	0	1,428,150	202,002	-1,226,148
PLAYS	Play Area Improvements 2018/19	0	0	18,870	0	18,870	18,315	-555
GVKJJ	Replacement Truck (Ford) c/w tail lift PE60 KJJ	0	0	37,500	0	37,500	35,740	-1,760
CPPAY	Off-Street Car Parks – Update of Payment Systems	0	0	1,500	0	1,500	0	-1,500
CPHFT	Replacement of Leased Car Parking Van KR16 HFT	0	0	0	11,500	11,500	10,757	-743
Total Community Services Committee		1,912,440	-2,290	57,870	11,500	1,979,520	615,455	-1,364,065

Overall Capital Programme 2019/20

Cost Centre	Scheme	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Actual Expenditure including commitments as at end of July 2019 £	Variance as at end of July 2019 £
Planning and Development Committee								
PLOTT	Replacement of Plotter/Copier in the Planning Section	14,500	0	0	0	14,500	0	-14,500
PLANN	Introduction of Planning Portal Link to the Planning Application System and Planning System Update	0	0	26,420	0	26,420	0	-26,420
Total Planning and Development Committee		14,500	0	26,420	0	40,920	0	-40,920
Policy and Finance Committee								
COWEB	Re-Design of Corporate Website	30,000	0	0	0	30,000	0	-30,000
COFIR	Corporate Firewall	15,000	0	0	0	15,000	7,870	-7,130
COADM	Committee Administration IT System	20,100	0	0	0	20,100	0	-20,100
REPPC	Replacement PCs	47,100	0	0	0	47,100	0	-47,100
COLFT	Lift replacement at Council Offices	0	84,050	0	0	84,050	2,050	-82,000
QGARR	Queensway Garages – replace roof covering and repairs	0	0	1,830	0	1,830	228	-1,602
CFUPG	Financial system upgrade	0	0	14,120	0	14,120	14,108	-12
PHONE	New Council telephone system	0	0	45,000	0	45,000	0	-45,000
Total Policy and Finance Committee		112,200	84,050	60,950	0	257,200	24,256	-232,944

Overall Capital Programme 2019/20

Cost Centre	Scheme	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Actual Expenditure including commitments as at end of July 2019 £	Variance as at end of July 2019 £
Health and Housing Committee								
DISCP	Disabled Facilities Grants	320,000	0	360,120	26,370	706,490	216,071	-490,419
LANGR	Landlord/Tenant Grants	50,000	0	84,240	0	134,240	0	-134,240
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	0	-175,000
CWARM	Affordable Warmth – Capital Grants	0	0	6,920	0	6,920	6,330	-590
LONAH	Longridge Affordable Housing Scheme	0	0	0	234,000	234,000	0	-234,000
CHCHG	Chipping Community Housing Grant	0	0	0	115,000	115,000	0	-115,000
Total Health and Housing Committee		370,000	175,000	451,280	375,370	1,371,650	222,401	-1,149,249
Economic Development Committee								
GWSGN	Gateway Signs for Whalley, Longridge and Clitheroe	20,000	0	0	0	20,000	0	-20,000
ECDVI	Economic Development Initiatives	0	0	81,750	0	81,750	0	-81,750
Total Economic Development Committee		20,000	0	81,750	0	101,750	0	-101,750
OVERALL CAPITAL PROGRAMME 2019/20 TOTAL								
		2,429,140	256,760	678,270	386,870	3,751,040	862,112	-2,888,928