

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 4 FEBRUARY 2020  
 title: OVERALL REVISED CAPITAL PROGRAMME 2019/20  
 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 2019/20.

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 The Council operate a five-year capital programme, with a review undertaken every year to examine whether the programme still marries with our current and future plans.

2.2 As part of that review we also undertake a detailed examination of the current year's capital schemes to make any adjustments to the budgets, based on progress, and to ensure that they are included in the correct financial year, should any scheme delays be identified.

### 3 CURRENT APPROVED CAPITAL PROGRAMME 2019/20

3.1 The original capital programme for 2019/20 was approved by Full Council in March 2019. Since then regular reports have been presented to all committees with regards to the progress of the capital programme. There have also been a number of further approvals and adjustments made during the year. As a result, the total approved budget for the Council's overall capital programme of thirty-three schemes was £4,099,300.

3.2 The table below provides a summary of the in-year movements, leading to the total approved budget:

Capital programme 2019/20 movements	Impact on number of Capital schemes in 2019/20	Impact on Capital Programme Budget 2019/20 £
<b>Original Estimate approved by Full Council in March 2019</b>	<b>18</b>	<b>2,429,140</b>
Scheme budgets moved from 2018/19 to 2019/20	2	259,050
2019/20 scheme budget reduced due to early work in 2018/19	0	-2,290
Slippage from 2018/19 on existing 2019/20 schemes	0	444,360
Slippage from 2018/19 on other schemes	9	233,910
Additional budget approvals in-year on 2019/20 existing schemes	0	49,710
Additional budget approvals in-year on new schemes	4	685,420
<b>Total Approved Budget 2019/20</b>	<b>33</b>	<b>4,099,300</b>

4 REVISING THE 2019/20 CAPITAL PROGRAMME

- 4.1 We have now 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.
- 4.2 Following this review, the proposed revised estimate is £3,562,870 for twenty-nine schemes, which is a reduction of £536,430 from the previously approved capital programme budget and a reduction of four schemes. The proposed revised estimate capital programme by scheme is shown in Annex 1 and the budget changes made as part of the review are explained in the table below.

<b>Capital programme 2019/20 Proposed Revised Estimate changes</b>	<b>Impact on number of Capital schemes in 2019/20</b>	<b>Impact on Capital Programme Budget 2019/20 £</b>
<b>Total Approved Budget 2019/20</b>	<b>33</b>	<b>4,099,300</b>
<b><u>Schemes where full budget is proposed to be moved to 2020/21</u></b>		
<b>Replacement of Plotter/Copier in the Planning Section scheme and Introduction of Planning Portal Link to the Planning Application System and Planning System Update scheme:</b> These two schemes are on hold awaiting the outcome of the wider process review in the Planning section. As a result, the schemes will not be completed in-year and it is proposed that the budgets be moved into 2020/21.	-2	-40,920
<b>Re-Design of Corporate Website:</b> The scheme has been delayed due to the wider implications of recent regulations and it will not be possible to complete this work in-year. Thus, it is proposed that the budget be moved into 2020/21.	-1	-30,000
<b>Economic Development Initiatives:</b> There are currently no development opportunities earmarked to draw on the funds from this budget at this stage in the year. Thus, it is proposed that the budget be moved into 2020/21.	-1	-81,750
<b><u>Schemes where part of the budget is proposed to be moved to 2020/21</u></b>		
<b>Edisford Sports Complex:</b> The retention payment on the main contract, estimated at £30,880, only becomes payable twelve months after practical completion of the contract works. Therefore, £30,880 of the budget is proposed to be moved into 2020/21.		-30,880
<b>Play Area Improvements 2019/20:</b> Plans are being developed to significantly upgrade Kestor Lane play area in Longridge, but the budget required would be unaffordable from within the 2019/20 play areas scheme budget alone. Thus, £28,000 budget is proposed to be moved into 2020/21 to be used alongside some of the Play Area Improvements 2020/21 budget to fund the upgrade costs.		-28,000
<b>Clitheroe Market Improvements:</b> £118,000 is required to cover the estimated costs of the initial work being undertaken in-year. Therefore it is proposed that £57,000 of the budget be moved into 2020/21 to fund further improvements to the Market.		-57,000

<b>Capital programme 2019/20 Proposed Revised Estimate changes</b>	<b>Impact on number of Capital schemes in 2019/20</b>	<b>Impact on Capital Programme Budget 2019/20 £</b>
<b>Landlord/Tenant Grants:</b> The Landlord/Tenant Grants scheme budget will not be fully committed by year-end. Part of the in-year budget reduction, £59,940, is therefore proposed to be moved into 2020/21.		-59,940
<b>Lift replacement at Council Offices:</b> Main contract works will now start in March 2020, with completion planned in June 2020. In addition, the retention payment on the main contract only becomes payable twelve months after practical completion of the contract works. Thus, £78,730 of the budget is proposed to be moved into 2020/21 and 2021/22.		-78,730
<b><u>Schemes where budget is proposed to be reduced</u></b>		
<b>Edisford Sports Complex:</b> Contract awarded at a lower price than that included in the original estimate budget.		-107,430
<b>New Council telephone system:</b> Proposed reduction as the system chosen uses the Council's current telephony infrastructure rather than it being a replacement of both the telephone system and telephony infrastructure, as originally anticipated.		-14,500
<b>Completed schemes:</b> The combined actual spend on the eleven capital schemes already completed in-year was £18,430 lower than the combined total approved budgets for those schemes.		-18,430
<b><u>Schemes where budget is proposed to be increased</u></b>		
<b>Replacement PCs:</b> Three further IT systems are now requiring upgrades in early 2020 to ensure Windows 10 compatibility going forwards. It is proposed that the additional budget for these upgrades be funded from the Capital earmarked reserve and contributions from some 2019/20 revenue budgets.		10,450
<b>Lift replacement at Council Offices:</b> Estimated scheme costs have increased, due to higher estimated building regulations and expert consultant costs. It is proposed that the additional budget required be funded from the Capital earmarked reserve.		700
<b><u>Budgets proposed to be transferred between schemes in-year</u></b>		
<b>Landlord/Tenant Grants scheme and Longridge Affordable Housing scheme:</b> The Landlord/Tenant Grants scheme budget will not be fully committed by year-end. It is proposed that part of the in-year budget reduction on that scheme, £16,000, be transferred to the Longridge Affordable Housing scheme in-year to fund additional house purchase and stamp duty costs.		0
<b>Proposed Revised Estimate Capital Programme 2019/20</b>	<b>29</b>	<b>3,562,870</b>

6 FINANCING OF THE 2019/20 CAPITAL PROGRAMME

6.1 The capital resources to finance the capital programme for 2019/20 have also been revised, as shown in the table below.

	<b>Total Approved Budget Financing 2019/20 £</b>	<b>Proposed Changes £</b>	<b>Revised Estimate Budget Financing 2019/20 £</b>
<b>Capital Programme Budget</b>	<b>4,099,300</b>	<b>-536,430</b>	<b>3,562,870</b>
<b><u>Resources</u></b>			
<b><i>Grants and Contributions</i></b>			
MHCLG - Disabled Facilities Grants	-346,370		-346,370
S106 Funding	-558,920		-558,920
<b><i>Borrowing</i></b>			
Unsupported Borrowing	-175,000	57,000	-118,000
<b><i>Usable Reserves</i></b>			
Capital Grants Unapplied reserve	-367,040		-367,040
Capital Reserve Fund earmarked reserve	-156,550	103,740	-52,810
Fleming VAT Reclaim earmarked reserve	-30,000	28,000	-2,000
ICT Repairs and Renewals earmarked reserve	-54,100	34,140	-19,960
VAT Shelter earmarked reserve	-262,100	86,450	-175,650
Refuse earmarked reserve	-10,000		-10,000
Invest to Save earmarked reserve	-1,830	1,600	-230
Transparency Grant (Equipment) earmarked reserve	-14,120		-14,120
New Homes Bonus earmarked reserve	-371,470		-371,470
Community Housing Fund (Housing Related Grants) earmarked reserve	-115,000		-115,000
Business Rates Growth earmarked reserve	-1,520,250	138,310	-1,381,940
Rural Services Delivery Grant earmarked reserve	-84,050	72,690	-11,360
Planning earmarked reserve	-14,500	14,500	0
Local Council Tax Support New Burdens (Equipment) earmarked reserve	-18,000		-18,000
<b>Total of Resources Used</b>	<b>-4,099,300</b>	<b>536,430</b>	<b>-3,562,870</b>

5.2 The Council relies heavily on the use of its earmarked reserves to fund the capital programme. In 2019/20 the estimated use of earmarked reserves will be £2,539,580. The balance of funding comes from grants and contributions of £905,290 and borrowing of £118,000.

- 5.3 The Council's policy is to maintain the Capital Earmarked Reserve at or above the minimum recommended balance of £350,000. The opening and estimated closing balances on this Reserve, together with in-year movements, are summarised in the table below and demonstrate that the Reserve will be maintained above the recommended minimum level in 2019/20.

<b>Capital Earmarked Reserve</b>	<b>£</b>
<b>Opening Balance 1 April 2019</b>	<b>-892,943</b>
Added In-year	-45,480
Used In-year	52,810
<b>Closing Balance 31 March 2020</b>	<b>-885,613</b>
<b>Recommended Minimum Balance</b>	<b>-350,000</b>

## 6 PERFORMANCE AGAINST THE PROPOSED 2019/20 REVISED CAPITAL PROGRAMME

- 6.1 Annex 1 shows the full capital programme, with the budget and actual expenditure (including commitments) at the end of December 2019 for each scheme. The summary position is shown below.

<b>Committee</b>	<b>Original Estimate 2019/20 £</b>	<b>Budget Moved from 2018/19 £</b>	<b>Slippage from 2018/19 £</b>	<b>Additional Approvals 2019/20 £</b>	<b>Total Approved Budget 2019/20 £</b>	<b>Revised Estimate 2019/20 £</b>	<b>Budget Moved to 2020/21 £</b>	<b>Actual Expenditure including commitments for 2019/20 as at end of December 2019 £</b>
Community Services	1,912,440	-2,290	57,870	11,500	1,979,520	<b>1,800,520</b>	<b>58,880</b>	<b>1,726,722</b>
Planning and Development	14,500	0	26,420	324,920	365,840	<b>324,920</b>	<b>40,920</b>	<b>182,210</b>
Policy and Finance	112,200	84,050	60,950	23,340	280,540	<b>162,720</b>	<b>108,730</b>	<b>116,820</b>
Health and Housing	370,000	175,000	451,280	375,370	1,371,650	<b>1,254,710</b>	<b>116,940</b>	<b>575,817</b>
Economic Development	20,000	0	81,750	0	101,750	<b>20,000</b>	<b>81,750</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>2,429,140</b>	<b>256,760</b>	<b>678,270</b>	<b>735,130</b>	<b>4,099,300</b>	<b>3,562,870</b>	<b>407,220</b>	<b>2,601,569</b>

- 6.2 At the end of December 2019 £2,601,569 had been spent or committed on capital programme schemes. This is 73% of the full year proposed revised capital programme budget.
- 6.3 Eleven of the twenty-nine schemes in the revised capital programme have been completed. Of the other eighteen schemes in the programme:

- nine are currently on-track to be completed in-year at this stage;
- three are on-track to be completed in-year, subject to tight procurement, permissions and supplier target dates being met;
- one is on-track to be fully completed in-year work-wise, but financial completion can only happen in 2020/21;
- three will be partly completed at year-end and fully completed in 2020/21; and
- two are on-going demand-led capital grants schemes.

6.4 Progress on the schemes with the largest remaining budgets is as follows, with variances shown being against the proposed revised estimate:

- **Disabled Facilities Grants (-£330,214):** There is actual and committed expenditure of £376,276 at the end of December 2019. This grant scheme is demand-led, being dependent on referrals from Occupational Therapists and more referrals and approvals are expected between now and the end of the financial year. As a result, a significant proportion of the £706,490 budget is likely to be committed to approved grants by year-end.
- **Primrose Lodge Blue and Greenway Project (-£142,710):** The unspent budget relates to remaining contributions that the Council is due to pay to Ribble Rivers Trust when the majority of spend has been undertaken on the next element of the project. The Trust have confirmed that the project works are ongoing, despite some initial delays, and they are aiming to complete the project by Summer 2020. As a result, there is a strong possibility that the Council may pay the remaining contributions on the project before financial year-end, subject to works not being delayed further.
- **Longridge Affordable Housing Scheme (-£138,760):** The scheme is progressing well. One property was purchased in early December 2019 and associated works are planned so that this property may be transferred to the registered provider before year-end. An offer has been accepted on a second property, subject to contract. At this stage, the scheme is on-track to be completed in-year, but is dependent on the purchase completion date for the second property and the time taken to undertake the associated works on the two properties.
- **Chipping Community Housing Grant (-£115,000):** The purchase of the three properties by Chipping Community Land Trust has been delayed, but the Trust still plan to complete the purchases in February or March 2020 and the grant agreement that underpins this scheme is close to being finalised. The Council will pay the grant monies to the Trust just prior to completion of the purchases, in line with the grant agreement, and the scheme will be complete at that stage.
- **Replacement of CCTV System (-£60,000):** Following specification of the CCTV requirements, the tender documentation is being finalised and tenders are to be requested in early January 2020. The aim is for the scheme to be completed by March 2020, subject to the tender requests being issued as planned and the availability of cameras and equipment at the preferred supplier.
- **Landlord/Tenant Grants (-£58,300):** There are currently three potential applicants that are interested in making formal applications in-year. If these potential applications lead to grant approvals in-year, then the revised estimate budget should cover the approved amounts. Housing officers will continue to promote the scheme in-year.

- **Clitheroe Market Improvements (-£36,570):** The initial phase of work in 2019/20 comprises erecting new uniform canopies and hand painting fascia signs on all cabins, refurbishing the market toilets and removing all stalls in the bullring. The market toilets were open to the public by Christmas 2019 and the other work is on-going and is currently expected to be completed by the end of February 2020.
- **Gateway Signs for Whalley, Longridge and Clitheroe (-£20,000):** A proposal for two Gateway Signs and replacement of one existing sign has been recommended to the Economic Development Committee January 2020 meeting. The aim is to complete the work by the end of March 2020, subject to Committee approval, gaining the required permissions from LCC and supplier delivery timescales.

## 7 RISK ASSESSMENT

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

- Resources – Approval of the revised capital programme will see a decrease of £536,430 in the level of financing resources needed in 2019/20, when compared to the previously approved capital programme. However, £407,220 of this would be moved into 2020/21 to finance the schemes that are proposed to be moved to 2020/21.
- 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.

## 8 CONCLUSION

- 8.1 The proposed revised capital programme for 2019/20 is £3,562,870 for twenty-nine schemes, which is a reduction of £536,430 from the previously approved capital programme budget and a reduction of four schemes.
- 8.2 As a result, there is a reduction of £536,430 in the level of financing resources needed to fund the 2019/20 proposed revised capital programme. However, it is proposed to move £407,220 of this into 2020/21 to fund the capital schemes where all or part of their budget is to be moved into that year.
- 8.3 Earmarked reserves are used to fund £2,539,580 of the 2019/20 proposed revised capital programme, with the balance of funding coming from grants and contributions of £905,290 and borrowing of £118,000.
- 8.4 At the end of December 2019 £2,601,569 had been spent or committed on capital programme schemes. This is 73% of the full year proposed revised capital programme budget.

9 RECOMMENDED THAT COMMITTEE

9.1 Approve the overall revised capital programme for 2019/20.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF11-19/AC/AC  
23 January 2020

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

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED 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 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure including commitments for 2019/20 as at end of December 2019 £
<b>Community Services Committee</b>									
PLAYT	Play Area Improvements 2019/20	40,000	0	0	0	40,000	12,000	28,000	6,287
REPWB	Replacement of Refuse Wheelie Bins	10,000	0	0	0	10,000	10,000	0	10,000
RCCTV	Replacement of CCTV System	60,000	0	0	0	60,000	60,000	0	0
RVHNX	Replacement of Refuse Collection Vehicle VU60 HNX	227,000	0	0	0	227,000	224,600	0	224,602
RVTKN	Replacement of Paper Collection Vehicle VU06 TKN	50,000	0	0	0	50,000	51,320	0	51,322
GVG MW	Replacement Gang Mower (rvbc009)	30,000	0	0	0	30,000	24,400	0	24,400
GVBYS	Replacement Mini Tractor with Bucket PN05 BYS	22,000	0	0	0	22,000	18,580	0	18,575
GVJCB	Replacement of JCB Gravemaster Digger (rvbc005)	29,000	0	0	0	29,000	29,400	0	29,400
AABED	Automatic Access Barrier – Edisford River Bank	14,000	0	0	0	14,000	14,000	0	10,317
ESCPX	Edisford Sports Complex	1,430,440	-2,290	0	0	1,428,150	1,289,840	30,880	1,286,948
PLAYS	Play Area Improvements 2018/19	0	0	18,870	0	18,870	18,320	0	18,315
GVKJJ	Replacement Truck (Ford) c/w tail lift PE60 KJJ	0	0	37,500	0	37,500	35,740	0	35,740
CPPAY	Off-Street Car Parks – Update of Payment Systems	0	0	1,500	0	1,500	1,500	0	0
CPHFT	Replacement of Leased Car Parking Van KR16 HFT	0	0	0	11,500	11,500	10,820	0	10,816
<b>Total Community Services Committee</b>		<b>1,912,440</b>	<b>-2,290</b>	<b>57,870</b>	<b>11,500</b>	<b>1,979,520</b>	<b>1,800,520</b>	<b>58,880</b>	<b>1,726,722</b>

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED 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 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure including commitments for 2019/20 as at end of December 2019 £
<b>Planning and Development Committee</b>									
PLOTT	Replacement of Plotter/Copier in the Planning Section	14,500	0	0	0	14,500	0	14,500	0
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	0
PRMLG	Primrose Lodge Blue and Greenway Project	0	0	0	324,920	324,920	324,920	0	182,210
<b>Total Planning and Development Committee</b>		<b>14,500</b>	<b>0</b>	<b>26,420</b>	<b>324,920</b>	<b>365,840</b>	<b>324,920</b>	<b>40,920</b>	<b>182,210</b>
<b>Policy and Finance Committee</b>									
COWEB	Re-Design of Corporate Website	30,000	0	0	0	30,000	0	30,000	0
COFIR	Corporate Firewall	15,000	0	0	0	15,000	10,860	0	10,855
COADM	Committee Administration IT System	20,100	0	0	0	20,100	20,100	0	12,500
REPPC	Replacement PCs	47,100	0	0	18,000	65,100	75,550	0	62,820
COLFT	Lift replacement at Council Offices	0	84,050	0	5,340	89,390	11,360	78,730	2,069
QGARR	Queensway Garages – replace roof covering and repairs	0	0	1,830	0	1,830	230	0	228
CFUPG	Financial system upgrade	0	0	14,120	0	14,120	14,120	0	11,359
PHONE	New Council telephone system	0	0	45,000	0	45,000	30,500	0	16,989
<b>Total Policy and Finance Committee</b>		<b>112,200</b>	<b>84,050</b>	<b>60,950</b>	<b>23,340</b>	<b>280,540</b>	<b>162,720</b>	<b>108,730</b>	<b>116,820</b>

**SPECIAL POLICY AND FINANCE COMMITTEE  
OVERALL REVISED 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 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure including commitments for 2019/20 as at end of December 2019 £
<b>Health and Housing Committee</b>									
DISCP	Disabled Facilities Grants	320,000	0	360,120	26,370	706,490	<b>706,490</b>	<b>0</b>	<b>376,276</b>
LANGR	Landlord/Tenant Grants	50,000	0	84,240	0	134,240	<b>58,300</b>	<b>59,940</b>	<b>0</b>
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	<b>118,000</b>	<b>57,000</b>	<b>81,430</b>
CWARM	Affordable Warmth – Capital Grants	0	0	6,920	0	6,920	<b>6,920</b>	<b>0</b>	<b>6,871</b>
LONAH	Longridge Affordable Housing Scheme	0	0	0	234,000	234,000	<b>250,000</b>	<b>0</b>	<b>111,240</b>
CHCHG	Chipping Community Housing Grant	0	0	0	115,000	115,000	<b>115,000</b>	<b>0</b>	<b>0</b>
<b>Total Health and Housing Committee</b>		<b>370,000</b>	<b>175,000</b>	<b>451,280</b>	<b>375,370</b>	<b>1,371,650</b>	<b>1,254,710</b>	<b>116,940</b>	<b>575,817</b>
<b>Economic Development Committee</b>									
GWSGN	Gateway Signs for Whalley, Longridge and Clitheroe	20,000	0	0	0	20,000	<b>20,000</b>	<b>0</b>	<b>0</b>
ECDVI	Economic Development Initiatives	0	0	81,750	0	81,750	<b>0</b>	<b>81,750</b>	<b>0</b>
<b>Total Economic Development Committee</b>		<b>20,000</b>	<b>0</b>	<b>81,750</b>	<b>0</b>	<b>101,750</b>	<b>20,000</b>	<b>81,750</b>	<b>0</b>
<b>OVERALL CAPITAL PROGRAMME 2019/20 TOTAL</b>									
		<b>2,429,140</b>	<b>256,760</b>	<b>678,270</b>	<b>735,130</b>	<b>4,099,300</b>	<b>3,562,870</b>	<b>407,220</b>	<b>2,601,569</b>