

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 10 JUNE 2021

title: CAPITAL OUTTURN 2020/21 AND CAPITAL PROGRAMME 2021/22
UPDATE

submitted by: DIRECTOR OF RESOURCES

principal author: ANDREW COOK

1 PURPOSE

1.1 To report the 2020/21 capital programme outturn for this Committee and to seek member approval for the slippage of some capital scheme budgets from the 2020/21 financial year to the 2021/22 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 2020/21 CAPITAL PROGRAMME BACKGROUND

2.1 Three capital schemes for this Committee's original estimate budget, totalling £513,940, were approved by the Special Policy and Finance Committee and Full Council at their meetings in February 2020 and March 2020 respectively. This included new annual budgets for two on-going grants schemes and also budget for two 2019/20 schemes that had been moved from the 2019/20 capital programme to the 2020/21 capital programme.

2.2 In addition to the original estimate budget above, the following budget changes were made:

- Five capital schemes were not completed by 31 March 2020 and had unspent budget available at that date. The total unspent budget of £658,890 on those schemes, known as slippage, was moved into the 2020/21 capital programme budget, after slippage requests from the budget holders were agreed by the Director of Resources.
- Following approval of the original estimate budget for this Committee, the Disabled Facilities Grants (DFGs) funding for 2020/21 from Central Government was confirmed as £346,368. The DFGs scheme budget was initially set at £347,000 on the basis that this would be changed to reflect the confirmed DFGs funding that was received. Therefore, the DFGs 2020/21 budget was decreased by £630 to £346,370.
- In June 2020, Onward Homes confirmed that they would contribute £90,655 towards the cost of disabled adaptations carried out in 2019/20 and 2020/21 on their properties under the DFGs regime. This funding is ring-fenced for disabled adaptations so the DFGs budget was increased by £90,650.

- In August 2020, the Emergency Committee approved an increase of £42,530 to the Chipping Community Housing Grant scheme budget from £115,000 to £157,530.
- In November 2020, Policy and Finance Committee approved a budget of £140,840 for the new Clitheroe Affordable Housing Scheme.

2.3 As a result of the above, the total approved budget for this Committee's capital programme of six schemes was £1,446,220. This is shown at Annex 1.

2.4 The revised capital programme budget of £1,277,520 for six schemes was then approved by the Special Policy and Finance Committee in February 2021, following a review of progress on all schemes in the capital programme. This included moving £215,340 of budget on two schemes into the 2021/22 financial year. The revised estimate budget is shown at Annex 1.

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

3 CAPITAL OUTTURN 2020/21

3.1 Annex 1 shows this Committee's capital programme outturn position by scheme, including budget approvals, actual expenditure in-year and requested slippage into 2021/22. The table below summarises the final outturn position.

Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure 2020/21 £	Requested Slippage into 2021/22 £
397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	679,007	595,170

3.2 Actual expenditure on the capital programme was £679,007, which is 53.2% of the revised estimate budget.

3.3 Three of the six capital programme schemes were completed in-year.

3.4 Three schemes were not completed in-year, as follows:

- **Disabled Facilities Grants (-£567,499):** A significantly reduced number of schemes have been approved and completed in-year because non-urgent DFGs related works, occupational therapy assessments and technical assessments were put on-hold due to Covid-19 from late March 2020 onwards. From June 2020, there was some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible, as lockdown restrictions were gradually eased. However, the rate of increase in DFGs work and grant payments made for the rest of 2020/21 was gradual because many vulnerable clients were shielding, social distancing rules made contractors' work in houses difficult and in some cases not possible and there were contractor and technical officer capacity issues re catching up on work later in-year.

Slippage of £567,500 into 2021/22 is requested to fund on-going DFGs spend throughout 2021/22. *NOTE - The underspent budget is financed by ring-fenced funding from MHCLG and Onward Homes, so any underspend from 2020/21 must be allocated to Disabled Facilities Grants in 2021/22.*

- **Landlord/Tenant Grants (-£15,900):** The revised budget set was based on two approved schemes in progress in-year. One scheme was completed in-year but one was not completed by year-end. Slippage of £15,900 into 2021/22 is requested to fund the payment of grant in 2021/22 on the one approved scheme that was not complete at 2020/21 financial year-end.
- **Clitheroe Affordable Housing Scheme (-£11,773):** The property was purchased in-year and some of the planned refurbishment work was completed also. However, scheme completion was put on-hold in January 2021 whilst the property was temporarily used as a homeless let. The homeless let was on-going at 2020/21 financial year-end. Slippage of £11,770 into 2021/22 is requested to fund the final refurbishment works required in 2021/22.

4 SLIPPAGE

4.1 Where capital schemes are not complete at year-end and budget is requested to be moved into the next financial year, this is known as slippage. For this Committee slippage of £595,170 is requested into 2021/22 for three schemes:

- Disabled Facilities Grants, £567,500.
- Landlord/Tenant Grants, £15,900.
- Clitheroe Affordable Housing Scheme, £11,770.

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

5 CAPITAL PROGRAMME 2021/22 UPDATE

5.1 This Committee’s capital programme original estimate for 2021/22 included an indicative budget of £347,000 for Disabled Facilities Grants. As reported to this Committee in March 2021, the actual scheme budget for Disabled Facilities Grants was to be confirmed when the 2021/22 actual grant allocation was notified to the Council.

5.2 MHCLG notified the Council in May 2021 that the actual Disabled Facilities Grants 2021/22 allocation is £393,008. Thus, the Disabled Facilities Grants scheme original estimate budget 2021/22 is now confirmed as £393,010.

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 2020/21 capital programme. Capital resources are already in place to fund the £595,170 requested slippage to the 2021/22 financial year. The Council is required to use any ring-fenced funding received only for the specific purposes it is granted for. The slippage on the Disabled Facilities Grants scheme falls within this area.
- 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 Actual expenditure on the capital programme was £679,007, which is 53.2% of the revised estimate budget.
- 7.2 Three of the six capital programme schemes were completed in-year.
- 7.3 Three schemes were not completed in 2020/21. Slippage of £595,170 has been requested to fund expenditure on those schemes in 2021/22.
- 7.4 The Disabled Facilities Grants scheme original estimate budget 2021/22 is now confirmed as £393,010.

8 RECOMMENDED THAT COMMITTEE

- 8.1 Approve the slippage of the following budgets into the 2021/22 capital programme:
- Disabled Facilities Grants, £567,500.
 - Landlord/Tenant Grants, £15,900.
 - Clitheroe Affordable Housing Scheme, £11,770.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH6-19/AC/AC
28 May 2021

For further information please ask for Andrew Cook.

BACKGROUND PAPERS: None

ANNEX 1

HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME OUTTURN 2020/21

Cost Centre	Scheme	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure 2020/21 £	Requested Slippage into 2021/22 £
DISCP	Disabled Facilities Grants	347,000	0	329,960	90,020	766,980	813,620	0	246,121	567,500
LANGR	Landlord/Tenant Grants	50,000	59,940	58,300	0	168,240	26,500	136,740	10,600	15,900
CMIMP	Clitheroe Market Improvements	0	57,000	29,860	0	86,860	8,260	78,600	8,164	0
LONAH	Longridge Affordable Housing Scheme	0	0	125,770	0	125,770	130,770	0	127,523	0
CHCHG	Chipping Community Housing Grant	0	0	115,000	42,530	157,530	157,530	0	157,532	0
CLIAH	Clitheroe Affordable Housing Scheme	0	0	0	140,840	140,840	140,840	0	129,067	11,770
Total Health and Housing Committee		397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	679,007	595,170

ANNEX 2

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2020/21**

Request for slippage into 2021/22

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.
Head of Service	Colin Hirst
Year Originally Approved	2020/21 (Annual Scheme)
Revised Estimate 2020/21 for the Scheme	£813,620
Actual Expenditure in the Year 2020/21	£246,121
Variance - (Underspend) or Overspend	(£567,499)
Please provide full reasons for the (under) or over spend variance shown above?	The 2020/21 underspend is due to the significantly reduced number of schemes approved and completed in-year because non-urgent DFGs related works, occupational therapy assessments and technical assessments were put on-hold due to Covid-19 from late March 2020 onwards (the grant recipients are in the most vulnerable categories of people). From June 2020, there was some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible, as lockdown restrictions were gradually eased. However, the rate of increase in DFGs work and grant payments made for the rest of 2020/21 was gradual because many vulnerable clients were shielding, social distancing rules made contractors' work in houses difficult and in some cases not possible and there were contractor and technical officer capacity issues re catching up on work later in-year.

Slippage Request

Please grant the amount of Budget Slippage from 2020/21 to 2021/22 requested.	£567,500
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.	Slippage will fund on-going DFGs spend in 2021/22. NOTE - The underspent budget is financed by ring-fenced funding from MHCLG and Onward Homes, so any underspend from 2020/21 must be allocated to Disabled Facilities Grants in 2021/22.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	On-going spend throughout 2021/22.

ANNEX 2

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2020/21**

Request for slippage into 2021/22

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	2020/21 (Annual Scheme)
Revised Estimate 2020/21 for the Scheme	£26,500
Actual Expenditure in the Year 2020/21	£10,600
Variance - (Underspend) or Overspend	(£15,900)
Please provide full reasons for the (under) or over spend variance shown above?	The revised budget set was based on two approved schemes in progress in-year. One scheme was completed in-year but one was not completed by the grant applicant in-year. Thus, the grant was not paid in-year.

Slippage Request

Please grant the amount of Budget Slippage from 2020/21 to 2021/22 requested.	£15,900
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.	Slippage will fund the payment of grant in 2021/22 on the one approved scheme that was outstanding at 2020/21 financial year-end. The wider Landlord/Tenant Grants scheme is on-going and the slippage will be added to the £186,740 budget already approved for Landlord/Tenant Grants in 2021/22.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	On-going spend throughout 2021/22.

ANNEX 2

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2020/21**

Request for slippage into 2021/22

Cost Centre and Scheme Title	CLIAH: Clitheroe Affordable Housing Scheme
Scheme Description	The purchase of one property in Clitheroe to be rented out as an affordable rental unit, utilising commuted sum monies. The property will be leased to a registered provider and the Council will have 100% nomination rights and the rent will be capped at LHA rate.
Head of Service	Colin Hirst
Year Originally Approved	2020/21
Revised Estimate 2020/21 for the Scheme	£140,840
Actual Expenditure in the Year 2020/21	£129,067
Variance - (Underspend) or Overspend	(£11,773)
Please provide full reasons for the (under) or over spend variance shown above?	The property was purchased in-year and some of the planned refurbishment work was completed also. However, scheme completion was put on-hold in January 2021 whilst the property was temporarily used as a homeless let. The homeless let was on-going at financial year-end.

Slippage Request

Please grant the amount of Budget Slippage from 2020/21 to 2021/22 requested.	£11,770
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.	The slippage requested will fund the final refurbishment works required in 2021/22.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	The refurbishment works are expected to be completed by September 2021, subject to contractor availability to complete the works.