

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 13 JANUARY 2022
title: CAPITAL PROGRAMME REVIEW AND NEW BIDS
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

- 1.1 To ask Committee to consider the future capital programme for this Committee following a review of the existing capital programme, with proposed amendments, and the submission of new scheme bids. The details within this report cover the period 2022/23 to 2026/27.

2 BACKGROUND

- 2.1 This report will review the schemes that were approved in to the capital programme in March 2021, for the financial years 2022/23 to 2024/25. Also, new bids received from Heads of Service covering 2022/23, 2025/26 and 2026/27 are presented for consideration. No bids have previously been requested for 2025/26 or 2026/27.
- 2.2 In the same manner as previous years, all Heads of Service were asked to submit new capital bids. Capital bids from other sources, such as Directors and Committees, have also been considered where appropriate.

3 REVIEW OF THE CAPITAL PROGRAMME 2022/23 TO 2024/25

- 3.1 For this Committee there were originally 3 schemes approved for the financial years 2022/23 to 2024/25, totalling £1,259,700. These schemes are shown in Annex 1.
- 3.2 Review of the schemes by Heads of Service has identified proposed amendments to 1 previously approved scheme, Disabled Facilities Grants, totalling £138,000 over three years. This on-going grants scheme is always included in the capital programme at an indicative value, based on the current year's funding from Central Government, on the understanding that the actual scheme budget for each year will be set to match the actual Central Government grant funding received in that year.
- 3.3 The annual amounts for 2022/23, 2023/24 and 2024/25 included in the previously approved capital programme were £347,000 per year. The current year's funding from Central Government is £393,000, so it is proposed that the Disabled Facilities Grants indicative budgets are increased by £46,000 per year to £393,000 per year for 2022/23, 2023/24 and 2024/25 respectively.
- 3.4 This proposed £138,000 increase in the capital programme budget will be matched by external funding from Central Government, so no increased capital financing is required from the Council's internal resources.
- 3.5 The table below shows the proposed amendment and the financial impact on the 2022/23 to 2024/25 capital programme for this Committee. The proposed amendment is also shown in Annex 1.

	2022/23 £	2023/24 £	2024/25 £	TOTAL £
Previously Approved Capital Programme for Health and Housing Committee (Annex 1)	397,000	465,700	397,000	1,259,700
AMENDMENT 1: Disabled Facilities Grants (matched by Central Government funding)	46,000	46,000	46,000	138,000
Amended Capital Programme for Health and Housing Committee (Annex 1)	443,000	511,700	443,000	1,397,700

4 NEW CAPITAL BIDS FOR 2022/23, 2025/26 AND 2026/27

4.1 Heads of Service were also asked to put forward new bids for 2025/26 and 2026/27. For this Committee, 6 new bids have been submitted covering 2022/23, 2025/26 and 2026/27, totalling £2,170,740. This included 1 bid for 2022/23 received directly from the Health and Housing Committee.

4.2 A summary listing of the 2022/23, 2025/26 and 2026/27 new scheme bids is shown in Annex 2 and detailed information for each new scheme bid is shown in Annex 3.

4.3 This Committee should therefore consider the new scheme bids. Members are also asked to put forward any capital bid suggestions and amendments that they may wish to make at this stage.

4.4 Please note that other committees will be receiving similar reports for new scheme bids. **Bids from all committees will finally be considered alongside each other by the Budget Working Group and Policy and Finance Committee.**

5 APPROVED SCHEMES, PROPOSED AMENDMENTS AND NEW CAPITAL PROGRAMME BIDS - 2022/23 TO 2026/27

5.1 The table below provides a summary of the financial impact of the currently approved capital programme schemes and also the proposed amendments and new bids that have been received from Heads of Service and this Committee for 2022/23 to 2026/27, **if all bids were to be approved.**

2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
799,040	511,700	443,000	1,371,700	443,000	3,568,440

6 EXTERNAL FUNDING

6.1 External funding has been identified for the Disabled Facilities Grants scheme – £1,965,000 of indicative funding included (£393,000 per year for 5 years). The scheme is included in the capital programme on the basis that expenditure is fully financed by Central Government Disabled Facilities Grants funding each year.

7 ADDITIONAL REVENUE COSTS

7.1 A number of schemes include details of additional revenue costs, or potential revenue net savings.

7.2 The most significant of these is in respect of the capital bid in respect of the 'Alternative System for Dog Waste/Litter Bins Emptying' (Bid CAPHOU01).

7.3 In considering this scheme, members should be mindful of the additional revenue impact that this capital scheme would commit the council to. The capital scheme is for £356,040, and this would also commit the council to recurring annual revenue costs of £258,190.

7.4 These corresponding additional revenue costs are considered in the Original Estimate 2022/23 Revenue Budget report under the Growth Items.

8 RISK ASSESSMENT

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

- Resources – The **proposed amendments** and **new bids** that have been submitted for this Committee would increase the capital programme by £2,308,740.

This would require additional funding of £1,384,740. This is on the basis that the £924,000 increase in the Disabled Facilities Grants scheme budget over five years will be fully financed by Central Government Disabled Facilities Grants funding.

- 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.

9 CONCLUSION

9.1 There are currently 3 schemes in the proposed capital programme for this Committee for the period 2022/23 to 2024/25, totalling £1,397,700, after factoring in 1 proposed amendment which increases the capital programme budget by £138,000.

9.2 There are 6 new capital scheme bids covering 2022/23, 2025/26 and 2026/27, totalling £2,170,740.

10 RECOMMENDED THAT COMMITTEE

10.1 Confirm the schemes in the previously approved Capital Programme.

10.2 Request £138,000 of additional budget from Policy and Finance Committee for the changed estimates on the Disabled Facilities Grants scheme between 2022/23 and 2024/25. This proposed increased budget is on the basis that it is fully financed by Central Government Disabled Facilities Grants funding each year.

10.3 Consider the new capital bids and consequential additional revenue costs for 2022/23, 2025/26 and 2026/27 and determine which should be forwarded to Policy and Finance Committee to be considered as part of the Overall Capital Programme, and as part of the revenue budget, for associated revenue costs.

SENIOR ACCOUNTANT
CM04-22/AC/AC
4 January 2022

DIRECTOR OF RESOURCES

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

Health and Housing Committee
Previously Approved Capital Programme and Proposed
Amendments Summary – 2022/23 to 2024/25

HEALTH AND HOUSING COMMITTEE	2022/23 £	2023/24 £	2024/25 £	TOTAL £
Disabled Facilities Grants	347,000	347,000	347,000	1,041,000
Landlord/Tenant Grants	50,000	50,000	50,000	150,000
Drainage to New Section of Clitheroe Cemetery		68,700		68,700
Previously Approved Capital Programme for Health and Housing Committee	397,000	465,700	397,000	1,259,700
AMENDMENT 1: Disabled Facilities Grants (matched by Central Government funding)	46,000	46,000	46,000	138,000
Amended Capital Programme for Health and Housing Committee	443,000	511,700	443,000	1,397,700

Health and Housing Committee
Summary of New Capital Bids for 2022/23, 2025/26 and 2026/27

Bid Number	Schemes	2022/23 £	2025/26 £	2026/27 £	TOTAL £
CAPHOU01	Alternative System for Dog Waste/Litter Bins Emptying	356,040			356,040
CAPHOU02	St Mary's Closed Churchyard Fence Works		23,300		23,300
CAPHOU03	Supporting Affordable Housing Delivery		585,400		585,400
CAPHOU04	Temporary Housing Scheme		320,000		320,000
CAPHOU05	Disabled Facilities Grants (matched by Central Government funding)		393,000	393,000	786,000
CAPHOU06	Landlord/Tenant Grants		50,000	50,000	100,000
Total - 2022/23, 2025/26 and 2026/27 New Bids for Health and Housing Committee		356,040	1,371,700	443,000	2,170,740

Ribble Valley Borough Council

CAPHOU01

Capital Scheme Bid Form for **2022/23**

Health and Housing Committee bid

Capital Scheme Title

Alternative System for Dog Waste/Litter Bins Emptying - Vehicles and New Bins

Brief Description of the Scheme

At its October 2021 meeting the Health and Housing Committee approved to submit a capital bid and an associated revenue growth bid to underpin the planned implementation of an alternative system for dog waste/litter bin emptying across the whole of the borough. There are currently 560 bins in total across the borough and these are currently emptied in different ways by different teams of Council staff. The majority of bins are normally emptied once a week. The alternative system is proposed against a background of increasing dog ownership and in response to increased complaints of full and overflowing bins and evidence of increased misuse of bins and fly-tipping.

The alternative system responds to increased dog waste/litter bin emptying requirements by:

- Increasing the number of dog waste/litter bins to 800, which is an increase of 240 bins.
- Emptying each bin twice a week on a consistent basis, through the use of a new dedicated team of 8 additional staff with 8 additional vehicles.

This capital bid of £356,040 is for the purchase and installation of 240 new bins and the purchase of the 8 transit caged tipper vehicles. **The bid is for the 2022/23 financial year, to support the prompt introduction of the alternative system for dog waste/litter bin emptying.**

Environmental Considerations and Green Credentials

Full and overflowing bins and fly-tipping have negative impacts on the environment and present public health risks.

Use of electric vehicles considered but not pursued at this stage because of the high cost and the Council does not yet have charging facilities for electric vehicles at Salthill Depot.

A Breakdown of Your Bid

Costs	£
Equipment/Materials - Bins	52,040
Equipment/Materials - Vehicles	304,000
Total Capital Costs	356,040

Please detail other solutions that you have considered but dismissed.

Enhancing the existing systems by the addition of supplementary resources - this option had its merits but the new stand alone service system was preferred given its sole focus on dog waste/litter bin emptying.

Timescale for Completion

2022/23

Any Risks to Completion

None identified.

Revenue Budget Implications - Income and Expenditure

Increased/Decreased Costs - Enter decreases with a minus sign	£
Employee costs per annum - 8 staff posts	214,760
Fuel costs per annum - 8 vehicles	19,430
Vehicle maintenance costs per annum - 8 vehicles	24,000
Changes to Revenue Costs	258,190
Changes to Revenue Income	0
Net Revenue Impact	258,190

Ribble Valley Borough Council

CAPHOU02

Capital Scheme Bid Form for **2025/26**

Head of Service

Head Of Engineering Services

Capital Scheme Title

St Mary's Closed Churchyard Fence Works

Brief Description of the Scheme

The churchyard at St Mary's Church, Clitheroe is classed as a closed churchyard and is the responsibility of this council.

A number of years ago a risk assessment was carried out on the drop in level between the churchyard and St Mary's Street. At that time the council's insurance company were consulted. An internal risk assessment was carried out. As a result a small section of fence and a gate was installed warning of the danger to the public in this section of the churchyard. The grass on this area still had to be cut by the council's grounds maintenance section but the staff were made aware of the dangers.

No fence to the large drop has been erected to date.

The issue has been raised again with the insurers and they have stated that another risk assessment should be undertaken.

The churchyard is located in a conservation area and the depth of the drop is such that the proposed fence cannot be climbed. Thus, it is expected that the price of the fence will be substantial.

Environmental Considerations and Green Credentials

None considered.

A Breakdown of Your Bid

Costs	£
Contractors	5,600
Equipment/Materials	16,900
Internal Staff Time	200
Planning Fees/Building Regulations	600
Total Capital Costs	23,300

Please detail other solutions that you have considered but dismissed.

Timescale for Completion

2025/26.

Any Risks to Completion

Lead times for some of the materials need to be considered before work commences.
Churchyard in conservation area so permissions may take a long time.

Revenue Budget Implications - Income and Expenditure

Increased/Decreased Costs - Enter <u>decreases</u> with a minus sign	£
There is no maintenance budget for this closed churchyard and costs would normally have to be paid out of the Estates budget.	
Changes to Revenue Costs	0
Changes to Revenue Income	0
Net Revenue Impact	0

Head of Service

Head of Regeneration and Housing

Capital Scheme Title

Supporting Affordable Housing Delivery

Brief Description of the Scheme

The scheme is to acquire up to 3 housing units. These will be likely to be rented to households in need nominated from our waiting lists. The scheme will result in additional affordable housing stock being provided by the Council, in particular seeking to address delivery in those areas where supply from other sources is constrained. Typically new-built housing sites tend to be located at larger settlements limiting the delivery of additional units from this source through development. Whilst it is not the intention to preclude delivery in larger settlements which may offer increased value for money benefits, the scheme will be seeking to respond to opportunities to acquire properties to meet identified housing pressures such as smaller starter homes and housing solutions for young people. The scheme will be targeted at acquiring market stock but could include conversion where a suitable property becomes available. The capital scheme will provide cost to purchase and undertake improvements to enable the Council to offer the unit as an affordable rented home. The availability of rental units is becoming increasingly challenging in the area and is set to become more so as private sector solutions are less likely to be forthcoming. This will help address a key area of need identified through the Council's evidence base. This project is a further phase in the Council using its role as a Registered Provider to be proactive in supporting delivery of affordable housing. The Council has successfully delivered 3 properties since late 2019 as part of a pilot approach using Section 106 monies to provide 2 units in Longridge and 1 in Clitheroe, enabling the Council to monitor issues around direct housing delivery in terms of costs and the implications for management and administration. Units acquired under this scheme would be delivered by way of a management agreement with an appropriate body (existing properties are managed through an agreement with MossCare St Vincents) which provides an effective management approach and protects the Council's interests. There may be the potential to use £45,000 of Landlord/Tenant Grants funding from that existing capital scheme for renovations on this scheme.

Environmental Considerations and Green Credentials

Units delivered through this scheme would be upgraded where appropriate to include energy efficiency measures to the fabric of the property. In sourcing properties energy efficiency would be taken into account in the decision to purchase and opportunities to link with other sources of funding would be sought.

A Breakdown of Your Bid

Costs	£
Cost of Land	540,000
Contractors	39,400
Other	6,000
Total Capital Costs	585,400

Please detail other solutions that you have considered but dismissed.

Options for delivery are limited, private sector has traditionally provided schemes. The Council could act in its own right as a developer and acquire land and develop housing units but this is higher risk, resource and skill intensive, which the Council is not geared towards. The Council could consider as an alternative leasing properties to then sub let but this does not give the Council an asset and again generates risk to the Council as landlord.

Timescale for Completion

Timeframes would be dependent upon availability of properties and the nature of any renovations necessary to bring the property up to appropriate standard. This can be condensed by careful selection of turnkey properties but this will always be reflected in the price. Following approval of the capital scheme and the project principle, early properties could be sourced and delivered as soon as 3 months, subject to approval and conveyancing process. The process to source units would commence as soon as the capital scheme is agreed and the delivery year commences in financial year 2025/26. If agreed as a scheme it would be possible to consider moving the scheme forward for earlier delivery, subject to capital funding being available.

Any Risks to Completion

Lack of suitable properties is the main risk. As the scheme relates to house purchase there are associated risks with schemes not progressing but against which costs to purchase may have been incurred. The scheme will also be at risk from housing market increases over the longer term, however costs have been inflated to reflect delivery in 2025/26.

Revenue Budget Implications - Income and Expenditure

Increased/Decreased Costs - Enter <u>decreases</u> with a minus sign		£
Revenue budget costs, as per current agreements - repairs and building insurance budgets.		2,200
Changes to Revenue Costs		2,200
Increased/Decreased Income - Enter <u>increases</u> with a minus sign		£
Rental Income from 3 properties based on LHA rates adjusted for rental agreement registered provider costs (1x3 bed, Longridge) and (1x2 bed and 1x3 bed Clitheroe)		-13,500
Changes to Revenue Income		-13,500
Net Revenue Impact		-11,300

Head of Service

Head of Regeneration and Housing

Capital Scheme Title

Temporary Housing Scheme

Brief Description of the Scheme

This project focuses on the delivery of additional flexibility for the Council to meet demands for temporary housing. It proposes the purchase of two units of accommodation, one to serve Clitheroe and one to serve the Longridge area. These units would be operated as temporary short stay accommodation, but could also provide the flexibility to meet temporary safe house provision in connection with the Council's Domestic Abuse duties if necessary. Increasing demands on temporary accommodation are leading to greater use of bed and breakfast accommodation which is not appropriate in relation to families and victims of Domestic Abuse. Supplementing the general accommodation available at the Council's homeless unit (Joiners Arms), it would enable the Council to respond to demand of the service by offering a wider temporary offer. There may be the potential to transfer £20,000 funding from the Landlord/Tenant Grants capital scheme to support costs on this scheme.

Environmental Considerations and Green Credentials

Environmental considerations and Green Credentials of property sources would be taken into account, for example construction type and existing energy efficiency measures. Where renovation was required opportunity to improve energy efficiency and mitigating for carbon would be implemented within the scope of the budget.

A Breakdown of Your Bid

Costs	£
Cost of Land	300,000
Contractors	20,000
Total Capital Costs	320,000

Please detail other solutions that you have considered but dismissed.

Main option is to manage with bed and breakfast. However, in line with guidance, bed and breakfast should not be used for families with children. Shared mixed hostel accommodation is not appropriate for Domestic Abuse victims and will mean support will not be available through standard contracts. Support would need to be delivered by the Council as it would be excluded from existing commissioned services and there is a consequent risk to the ability of the Council to meet its statutory duties.

Timescale for Completion

It is anticipated that as a minimum properties could be delivered within 6 months from the commencement of the capital year, subject to suitable properties becoming available.

Any Risks to Completion

The cost of property will be subject to market fluctuations, the risk that conveyancing can break down before completion and that suitable properties in an appropriate condition cannot be sourced.

Revenue Budget Implications - Income and Expenditure

Increased/Decreased Costs - Enter <u>decreases</u> with a minus sign	£
Cleaning	600
Repairs & Maintenance	1,800
Council Tax	600
Utilities and Insurance	1,100
Furnishings	1,700
Changes to Revenue Costs	5,800
Increased/Decreased Income - Enter <u>increases</u> with a minus sign	£
Tenant Rental Income (includes service charge)	-8,000
Changes to Revenue Income	-8,000
Net Revenue Impact	-2,200

Ribble Valley Borough Council

CAPHOU05

Capital Scheme Bid Form for **2025/26 and 2026/27**

Head of Service

Head of Regeneration and Housing

Capital Scheme Title

Disabled Facilities Grants

Brief Description of the Scheme

The scheme provides grant aid to adapt homes so elderly and disabled occupants can remain in their own home. The grants can provide for minor adaptation, for example the installation of a stair lift, up to the provision of a bathroom and bedroom extension.

This bid is for £393,000 per year for both 2025/26 and 2026/27. The yearly bid amounts are indicative only and are based on the current year's Disabled Facilities Grants funding from Central Government. The actual scheme budget for each year will be set to match the actual government grant funding received in each year.

Environmental Considerations and Green Credentials

Any construction is to be carried out to comply with current Building Regulations. Providing facilities to enable people to remain in their own homes can reduce the need for additional specialist buildings to be created.

A Breakdown of Your Bid

Costs		£
Grants 2025/26		393,000
Grants 2026/27		393,000
Total Capital Costs		786,000
Funding (Please List Any External Funding Below)		£
DFGs FUNDING FROM DLUHC (PER ANNUM)		-393,000
Total External Funding		-393,000

Please detail other solutions that you have considered but dismissed.

Not Applicable - Grant funded scheme for DFGs only.

Timescale for Completion

The Disabled Facilities Grants budget operates throughout the financial year.

Any Risks to Completion

The population age of Ribble Valley occupants is increasing and therefore demand for the service will continue, but with finite resources.

The scheme is dependent on the level of funding awarded by the Government.

Revenue Budget Implications - Income and Expenditure

Changes to Revenue Costs		0
Increased/Decreased Income - Enter <u>increases</u> with a minus sign		£
Administration fees are paid to the Council for any individual DFG schemes that the Council's Housing and Surveyors teams administer. The administration fee on each individual DFG scheme is 10%. The actual administration fee income varies each year, dependent on the number of schemes completed.		
Changes to Revenue Income		0
Net Revenue Impact		0

Ribble Valley Borough Council

CAPHOU06

Capital Scheme Bid Form for **2025/26 and 2026/27**

Head of Service

Head of Regeneration and Housing

Capital Scheme Title

Landlord/Tenant Grants

Brief Description of the Scheme

The scheme match funds a landlord's investment in a property in return for an affordable rental property. Conditions of the grant are nomination rights and a set rent level in line with LHA. The scheme is crucial for move-on accommodation for families in temporary accommodation as the social housing waiting list is so long. The scheme is also used to bring empty properties back into use.

This bid is for £50,000 for 2025/26 and £50,000 for 2026/27.

Environmental Considerations and Green Credentials

A Breakdown of Your Bid

Costs		£
	Grants 2025/26	50,000
	Grants 2026/27	50,000
	Total Capital Costs	100,000

Please detail other solutions that you have considered but dismissed.

Timescale for Completion

The Landlord/Tenant Grants budget operates throughout the financial year.

Any Risks to Completion

Demand for the scheme.

Revenue Budget Implications - Income and Expenditure

Changes to Revenue Costs		0
Increased/Decreased Income - Enter <u>increases</u> with a minus sign		£
Administration fees are paid to the Council for any individual LTG schemes that the Council's Housing and Surveyors teams administer. The administration fee on each individual LTG scheme is 5% + VAT. The actual administration fee income varies each year, dependent on the number of schemes completed.		
Changes to Revenue Income		0
Net Revenue Impact		0