

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

meeting date: 16 FEBRUARY 2021
 title: OVERALL REVISED CAPITAL PROGRAMME 2020/21
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To consider and approve the Council's overall revised capital programme for 2020/21.

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 2020/21

3.1 The original capital programme for 2020/21 was approved by Full Council in March 2020. 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 schemes was £3,527,940.

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

Capital programme 2020/21 movements	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
Original Estimate approved by Full Council in March 2020 (including scheme budgets moved from 2019/20 to 2020/21)	18	2,455,140
Slippage from 2019/20 on existing 2020/21 schemes	0	426,100
Slippage from 2019/20 on other schemes	10	348,310
Additional budget approvals in-year on 2020/21 existing schemes	0	132,550
Additional budget approvals in-year on new schemes	2	165,840
Total Approved Budget 2020/21	30	3,527,940

4 REVISING THE 2020/21 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 £1,925,000 for twenty-seven schemes, which is a reduction of £1,602,940 from the previously approved capital programme budget and a reduction of three 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.

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
Total Approved Budget 2020/21	30	3,527,940
<u>Schemes where full budget is proposed to be moved to 2021/22</u>		
Play Area Improvements 2020/21: It was initially planned that £40,000 was spent on a large refurbishment scheme at Kestor Lane play area in Longridge. However, the scheme will not take place in 2020/21 because of the Covid-19 impact earlier in the year on the capacity of companies the Council would seek quotes from and it is not satisfactory to carry out large play installation groundworks over the winter period. It is proposed to move the scheme budget into 2021/22.	-1	-40,000
Installation of a Second Parking Deck on Chester Avenue Car Park: Two options for additional parking in Clitheroe are being considered, those being Chester Avenue car park and a second site. Negotiations with site owners of the second site have been stalled by Covid-19. Once some form of agreement is reached on the second site a feasibility study must be carried out on both sites and submitted to Policy and Finance Committee for consideration before any capital works are planned. Thus, the scheme will not take place in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-1,230,000
Introduction of Planning Portal Link to the Planning Application System and Planning System Update: The planning system update element of the scheme was previously put on-hold awaiting the outcome of the planned wider process review in the Planning section. That planned wider process review has not taken place yet because of Covid-19 issues since Spring 2020. It is hoped that the wider process review can commence in 2021, Covid-19 permitting. Given this, the planning system update will not be undertaken in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-26,420
Network Infrastructure: There has been no progress to date on this scheme because ICT staff resources have been focussed on supporting the Council's Covid-19 response and new ways of working since the end of March 2020. Therefore, the scheme will not take place in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-30,000

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<u>Schemes where part of the budget is proposed to be moved to 2021/22</u>		
Dewhurst Road, Langho – Resurfacing Works: The main resurfacing contract works will not now take place in 2020/21, due to waiting on additional pre-tender works to be undertaken in 2020/21 and the timescales involved in the specification and tender process. Given this, it is proposed that £65,800 of the scheme budget is moved into 2021/22.	0	-65,800
Lift replacement at Council Offices: The main contract works are complete. However, the final retention payment on the main contract is not due until twelve months after practical completion, which will be summer 2021, Thus, it is proposed that £2,110 of the scheme budget is moved into 2021/22.	0	-2,110
Committee Administration IT System: The implementation of the ModGov system software is complete. The outstanding budget of £7,600 relates to IT hardware purchases. The hardware requirements needed to support the use of the system, possibly some laptops, will be considered in 2021 now the system software is up and running. Therefore, any IT hardware purchases, if required, will not be undertaken in 2020/21, so it is proposed that £7,600 of the scheme budget is moved into 2021/22.	0	-7,600
Landlord/Tenant Grants: The Landlord/Tenant Grants scheme budget will not be fully committed by year-end. Part of the in-year budget reduction, £136,740, is therefore proposed to be moved into 2021/22.	0	-136,740
Clitheroe Market Improvements: The work on the initial phase of market improvements is now complete. The unspent budget from this initial phase of works, £21,600, is to be added to the budget of £57,000 already set aside for a further phase of market improvements. The plans for this further phase of works will be worked up by officers in 2021, after consultation with the market traders, Thus, the further phase of works will not be undertaken in 2020/21. It is proposed that the remaining budget of £78,600 is moved to 2021/22.	0	-78,600
Economic Development Initiatives: There is currently just one development initiative scheme being considered that, if given the go ahead, would incur expenditure in 2020/21. If that scheme is approved to go ahead the Council's expenditure is estimated to be no more than £15,000 in 2020/21. Thus, it is proposed that the remaining £66,750 of the overall scheme budget is moved to 2021/22.	0	-66,750

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<u>Schemes where budget is proposed to be reduced</u>		
Lift replacement at Council Offices: Actual non-contract costs were lower than budgeted for, mainly due to less surveyors input, technical input, building regulations fees and temporary stairlift costs than initially planned for. Thus, it is proposed that the revised estimate budget is reduced by £4,290 to reflect the reduced costs.	0	-4,290
Completed schemes: The combined actual spend on four capital schemes already completed in-year was £10,660 lower than the combined total approved budgets for those schemes.	0	-10,660
<u>Schemes where budget is proposed to be increased</u>		
Replacement of Pickup Ford Ranger PK60 HKN: The estimated cost of the vehicle has increased because the initial scheme budget set in 2017 was based on estimated costs only at that stage, but the actual quote received for the vehicle specified now is higher. It is proposed that the budget is increased by £5,130 to £25,250.	0	5,130
Replacement of CCTV System: The budget slippage from 2019/20 for this scheme was for a new camera on Whalley Road. Permissions from Lancashire County Council to site the camera on the adopted footway have been held up by Covid-19 and in the meantime the contractor has updated the provisional cost quote for the camera, resulting in a proposed £2,800 budget increase. In addition to this, in January 2021 Policy and Finance Committee approved the installation of two new CCTV cameras as part of this scheme, to improve security and prevent vandalism at the Castle Grounds Bowling Green Café and Edisford Riverside Barrier. The proposed budget for the additional cameras is £10,930.	0	13,730
Dewhurst Road, Langho – Resurfacing Works: Flooding and drainage issues mean that additional pre-tender works are now required to be undertaken to enable the site to be clear from flooding before the main resurfacing works can take place. These pre-tender works were not included in the original scheme budget because officers were not aware of the flooding and drainage issues when the initial scheme budget was set in 2017. The proposed additional budget for the pre-tender works at this stage is £10,100. There is always the risk of further unexpected costs when drainage and culvert works are undertaken.	0	10,100
Disabled Facilities Grants: MHCLG announced in December 2020 that all local authorities will be given additional funding allocations for DFGs in 2020/21. The Council's additional allocation is £46,640, which will increase the DFGs revised estimate budget to £813,620.	0	46,640

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<p>Completed schemes: The majority of this proposed increase, £5,820, is on the Edisford Sports Complex scheme. This was a large scheme with spend across three financial years. The scheme is now complete and expenditure in 2020/21 was £5,814 higher than budgeted for, due to additional spend in 2019/20 on water connection works and additional WIFI, IT and equipment for the new building at the sports complex. In the context of the overall scheme, the overspend is only 0.4% of the overall scheme budget of £1,323,010. The remaining proposed budget increase of £50 is due to a minor overspend on one completed replacement van scheme.</p>	0	5,870
<p><u>Budgets proposed to be transferred between schemes in-year</u></p>		
<p>Landlord/Tenant Grants scheme and Longridge Affordable Housing scheme: 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, £5,000, be transferred to the Longridge Affordable Housing scheme in-year to fund final additional damp proofing and fire door installation works.</p>	0	0
<p><u>Budgets proposed for new schemes</u></p>		
<p>Replacement of Works Vehicle (Toilet Van) YP66 PZF: This scheme was added to the 2020/21 capital programme at short notice, after agreement by senior officers, because of the urgent need to purchase a replacement for a toilet van written off in a crash. The scheme is now complete, at a cost of £14,553, so it is proposed that a revised estimate budget of £14,560 is approved for the scheme.</p>	1	14,560
<p>Proposed Revised Estimate Capital Programme 2020/21</p>	27	1,925,000

5 FINANCING OF THE 2020/21 CAPITAL PROGRAMME

5.1 The capital resources to finance the capital programme for 2020/21 have also been revised, as shown in the table below.

	Total Approved Budget Financing 2020/21 £	Proposed Changes £	Revised Estimate Budget Financing 2020/21 £
Capital Programme Budget	3,527,940	-1,602,940	1,925,000
RESOURCES			
<u>Grants and Contributions</u>			
MHCLG - Disabled Facilities Grants	-676,330	-46,640	-722,970
Onward Homes – Disabled Adaptations	-90,650		-90,650
S106 Funding (via Capital Reserve)	-315,290		-315,290
<u>Borrowing</u>			
Unsupported Borrowing	-1,316,860	1,308,600	-8,260
<u>Usable Reserves</u>			
<i>Usable Capital Receipts</i>			
Usable Capital Receipts Reserve	-65,800	55,700	-10,100
<i>Earmarked Reserves</i>			
Capital Reserve Fund earmarked reserve	-114,210	85,480	-28,730
Fleming VAT Reclaim earmarked reserve	-15,100		-15,100
ICT Repairs and Renewals earmarked reserve	-30,000		-30,000
VAT Shelter earmarked reserve	-228,930	131,560	-97,370
Refuse (Wheelie Bins) earmarked reserve	-13,000		-13,000
Transparency Grant (Equipment) earmarked reserve	-8,430		-8,430
New Homes Bonus earmarked reserve	-273,500	44,350	-229,150
Community Housing Fund (Housing Related Grants) earmarked reserve	-157,530		-157,530
Business Rates Growth earmarked reserve	-122,420	22,220	-100,200
Rural Services Delivery Grant earmarked reserve	-75,390	360	-75,030
Planning earmarked reserve	-14,500	1,310	-13,190
Local Council Tax Support New Burdens (Equipment) earmarked reserve	-10,000		-10,000
Total of Resources Used	-3,527,940	1,602,940	-1,925,000

5.2 Earmarked reserves are used to fund £787,830 of the 2020/21 proposed revised capital programme, with the balance of funding coming from grants and contributions of £1,128,910 and borrowing of £8,260.

- 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 estimated in-year movements, are summarised in the table below and demonstrate that the Reserve will be maintained above the recommended minimum level in 2020/21.

Capital Earmarked Reserve	£
Opening Balance 1 April 2020	-931,767
Added In-year (incl. S106 monies)	-317,780
Used In-year (incl. S106 monies)	344,020
Closing Balance 31 March 2021	-905,527
Recommended Minimum Balance	-350,000

6 PERFORMANCE AGAINST THE PROPOSED 2020/21 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 2020 for each scheme. The summary position is shown below.

Committee	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 including commitments as at end of December 2020 £
Community Services	1,555,120	58,880	13,360	0	1,627,360	392,300	1,270,000	318,625
Planning and Development	0	40,920	48,680	0	89,600	61,870	26,420	61,861
Policy and Finance	95,800	108,730	33,480	25,000	263,010	158,310	105,510	142,452
Health and Housing	397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	678,280
Economic Development	0	81,750	20,000	0	101,750	35,000	66,750	0
OVERALL TOTAL	2,047,920	407,220	774,410	298,390	3,527,940	1,925,000	1,684,020	1,201,218

- 6.2 At the end of December 2020 £1,201,218 had been spent or committed on capital programme schemes. This is 62.4% of the full year proposed revised capital programme budget.

- 6.3 Of the twenty-seven schemes in the proposed revised capital programme at the end of December 2020:
- eleven have been completed
 - fourteen are in progress; and
 - two are on-going demand-led Housing 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 (£580,831):** The number of schemes approved and completed so far in 2020/21 has been significantly reduced 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).

Since summer 2020, there has been some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible. However, the rate of increase in DFGs work and grant payments made is only expected to be gradual for the foreseeable future, because many vulnerable clients may still be shielding, social distancing rules may not allow contractors to work in houses still occupied and there may be contractor and technical officer capacity issues. Indeed, the Housing team are using some outside agencies to increase the technical officer resources available to help complete more DFGs schemes in-year.

At this stage, there is no certainty that the scheme budget will be fully committed by year-end. Any unspent budget at year-end will be rolled forward as slippage into 2021/22 because this scheme is financed by ring-fenced DFGs grant income and funding from MHCLG and Onward Homes.

- **Replacement of Pickup Ford Ranger PK60 HKN (£25,250):** Different vehicle quotes were considered, given the higher cost of the scheme when compared to the original budget. The current aim is to order the replacement vehicle early in 2021, subject to the proposed additional budget being approved by this Committee, and completion in-year will then be dependent on supplier delivery timescales.
- **Play Area Improvements 2019/20 (£21,683):** £9,147 has been spent or committed so far on various improvement works. Further work in-year is on-going and will be a combination of routine improvement works, based on condition surveys, and some enhanced improvement works. At this stage, officers are aiming to utilise the remaining budget before year-end.
- **Gateway Signs for Whalley, Longridge and Clitheroe (£20,000):** No spend to date on this scheme to fund the installation of two new welcome signs and the replacement of a damaged sign at Simonstone. At this stage, it is hoped that installation will be completed within this financial year. However, this is subject to gaining the required permissions from Lancashire County Council, supplier delivery timescales and any impact from the on-going Covid-19 restrictions.
- **Replacement of CCTV System (£18,570):** Officers will order the additional CCTV cameras for Whalley Road, the Castle Grounds Bowling Green Café and Edisford Riverside Barrier early in 2021, subject to the proposed additional budget being approved by this Committee and receiving the required permissions from Lancashire County Council for the Whalley Road camera.

- **Economic Development Initiatives (£15,000):** The joint-funded site investigation and development modelling scheme for improving employment land site access at Salthill has still to be approved and bid for. If the scheme is approved to go ahead it is estimated at this stage that the expenditure will be completed before financial year-end.
- **Clitheroe Affordable Housing Scheme (£12,090):** The property purchase was completed in December 2020 and refurbishment works are planned for early 2021, which means the scheme is planned to be completed in this financial year.
- **Re-design of Corporate Website (£12,000):** The website refresh work is in progress and officers are working with the current website provider on evaluating website designs and layouts and undertaking accessibility legislation compliance work. At this stage, it is expected that the refresh will be completed before financial year-end and within the budget set.

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 £1,602,940 in the level of financing resources needed in 2020/21, when compared to the previously approved capital programme. It is proposed to move £1,684,020 of financing resources into 2021/22 to fund the capital schemes that are proposed to be moved into that year.
- 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 2020/21 is £1,925,000 for twenty-seven schemes, which is a reduction of £1,602,940 from the previously approved capital programme budget and a reduction of three schemes.

8.2 As a result, there is a reduction of £1,602,940 in the level of financing resources needed to fund the 2020/21 proposed revised capital programme. It is proposed to move £1,684,020 of financing resources into 2021/22 to fund the capital schemes that are proposed to be moved into that year.

8.3 Earmarked reserves are used to fund £777,730 of the 2020/21 proposed revised capital programme with the balance of funding coming from grants and contributions of £1,128,910, borrowing of £8,260 and Usable Capital Receipts of £10,100.

8.4 At the end of December 2020 £1,201,218 had been spent or committed on capital programme schemes. This is 62.4% of the full year proposed revised capital programme budget.

9 RECOMMENDED THAT COMMITTEE

9.1 Approve the overall revised capital programme for 2020/21.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF11-21/AC/AC
5 February 2021

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 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 including commitments as at end of December 2020 £
Community Services Committee									
PLAYU	Play Area Improvements 2020/21	40,000	0	0	0	40,000	0	40,000	0
PLAYT	Play Area Improvements 2019/20	0	28,000	2,830	0	30,830	30,830	0	9,147
REPWB	Replacement of Refuse Wheelie Bins	13,000	0	0	0	13,000	13,000	0	5,460
PDECK	Installation of a Second Parking Deck on Chester Avenue Car Park	1,230,000	0	0	0	1,230,000	0	1,230,000	0
RVKYK	Replacement of Refuse Collection Vehicle VN12 KYK	232,000	0	0	0	232,000	229,150	0	229,150
WVHKN	Replacement of Pickup Ford Ranger PK60 HKN	20,120	0	0	0	20,120	25,250	0	0
GWUC	Replacement of High-Top Transit Van PJ63 WUC	20,000	0	0	0	20,000	20,050	0	20,046
ESCPX	Edisford Sports Complex	0	30,880	2,450	0	33,330	39,150	0	39,144
RCCTV	Replacement of CCTV System	0	0	4,840	0	4,840	18,570	0	0
AABED	Automatic Access Barrier – Edisford River Bank	0	0	1,740	0	1,740	1,740	0	1,125
CPPAY	Off-Street Car Parks – Update of Payment Systems	0	0	1,500	0	1,500	0	0	0
WPZFB	Replacement of Works Vehicle (Toilet Van) YP66 PZF	0	0	0	0	0	14,560	0	14,553
Total Community Services Committee		1,555,120	58,880	13,360	0	1,627,360	392,300	1,270,000	318,625

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 including commitments as at end of December 2020 £
Planning and Development Committee									
PLOTT	Replacement of Plotter/Copier in the Planning Section	0	14,500	0	0	14,500	13,190	0	13,190
PLANN	Introduction of Planning Portal Link to the Planning Application System and Planning System Update	0	26,420	0	0	26,420	0	26,420	0
PRMLG	Primrose Lodge Blue and Greenway Project	0	0	48,680	0	48,680	48,680	0	48,671
Total Planning and Development Committee		0	40,920	48,680	0	89,600	61,870	26,420	61,861
Policy and Finance Committee									
DHRST	Dewhurst Road, Langho - Resurfacing Works	65,800				65,800	10,100	65,800	6,250
NTWRK	Network Infrastructure	30,000				30,000	0	30,000	0
COWEB	Re-design of Corporate Website		30,000			30,000	30,000	0	18,000
COLFT	Lift replacement at Council Offices		78,730	2,700		81,430	75,030	2,110	75,022
COADM	Committee Administration IT System			12,350		12,350	4,750	7,600	4,750
REPPC	Replacement PCs			10,000		10,000	10,000	0	10,000
CFUPG	Financial system upgrade			8,430		8,430	8,430	0	8,430
LANDB	Purchase of land behind Old Row, Barrow				25,000	25,000	20,000	0	20,000
Total Policy and Finance Committee		95,800	108,730	33,480	25,000	263,010	158,310	105,510	142,452

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 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 including commitments as at end of December 2020 £
Health and Housing Committee									
DISCP	Disabled Facilities Grants	347,000	0	329,960	90,020	766,980	813,620	0	232,789
LANGR	Landlord/Tenant Grants	50,000	59,940	58,300	0	168,240	26,500	136,740	25,264
CMIMP	Clitheroe Market Improvements	0	57,000	29,860	0	86,860	8,260	78,600	8,253
LONAH	Longridge Affordable Housing Scheme	0	0	125,770	0	125,770	130,770	0	125,692
CHCHG	Chipping Community Housing Grant	0	0	115,000	42,530	157,530	157,530	0	157,532
CLIAH	Clitheroe Affordable Housing Scheme	0	0	0	140,840	140,840	140,840	0	128,750
Total Health and Housing Committee		397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	678,280
Economic Development Committee									
ECDVI	Economic Development Initiatives	0	81,750	0	0	81,750	15,000	66,750	0
GWSGN	Gateway Signs for Whalley, Longridge and Clitheroe	0	0	20,000	0	20,000	20,000	0	0
Total Economic Development Committee		0	81,750	20,000	0	101,750	35,000	66,750	0
OVERALL CAPITAL PROGRAMME 2020/21 TOTAL									
		2,047,920	407,220	774,410	298,390	3,527,940	1,925,000	1,684,020	1,201,218