

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

meeting date: 16 FEBRUARY 2021
title: FOUR YEAR CAPITAL PROGRAMME 2021/22 – 2024/25
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To provide members with details of the previously approved capital programme schemes for 2021/22 to 2024/25.
- 1.2 The report asks for member consideration of a small number of adjustments to this previously approved capital programme, notably to the 2021/22 and 2022/23 financial years.
- 1.3 This year there are no new additional bids to consider and the capital programme will go forward as a four-year capital programme rather than a five-year capital programme.
- 1.4 The proposals within the report have been reported to and supported by Service Committees and Budget Working Group. Should committee agree with the proposals in this report, members are asked to recommend a capital programme for 2021/22-2024/25 to Full Council on 2 March 2021.

2 REVIEWING THE EXISTING CAPITAL PROGRAMME 2021/22 to 2024/25

- 2.1 The future capital programme budget is reviewed and updated each year. In recent years, the Council has been setting a proposed and fully funded five-year capital programme each year. The process of updating the programme has involved reviewing and updating the schemes that were approved in the previous year's programme for what will become the first four years of the new five-year programme and submitting new bids for year five of the new five-year programme.
- 2.2 Given the additional burdens caused by, and priority focus on, Covid-19 issues throughout 2020, on the recommendation of Budget Working Group it was agreed at Policy and Finance that the capital programme budget update process for this year would be streamlined. This involves moving to a four-year capital programme only, covering 2021/22 to 2024/25, and there being no new capital bids for 2025/26 (year five).
- 2.3 Heads of Service/Directors were therefore asked to review and update the proposed four-year capital programme, as follows:
 - Review the 2021/22 capital schemes already in the capital programme to confirm that costings are correct and that they will be able to be completed in that year.
 - Review the current year's (2020/21) capital schemes to identify whether any may need to be moved to the 2021/22 financial year.
- 2.4 Each committee have considered and approved the proposed four-year capital programme for their own committee and the proposals have also been considered and supported by Budget Working Group. The proposed programmes from all committees are now reported here alongside each other for consideration by Special Policy and Finance Committee.

3 PREVIOUSLY APPROVED SCHEMES

3.1 The previously approved capital programme for 2021/22 to 2024/25 is summarised below.

3.2 The Disabled Facility Grant (DFG) scheme in any given year will be adjusted as required to match the actual external funding received in year.

Committee Expenditure	2021/22	2022/23	2023/24	2024/25	TOTAL
Community Services Committee	578,200	626,900	510,800	451,000	2,166,900
Economic Development Committee					0
Health and Housing Committee	424,300	397,000	509,600	397,000	1,727,900
Planning and Development Committee					0
Policy and Finance Committee		226,600	118,200	88,080	432,880
Total Schemes	1,002,500	1,250,500	1,138,600	936,080	4,327,680
Financing					
Disabled Facility Grants	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-50,000	-50,000	-50,000		-150,000
Capital Earmarked Reserve			-401,982		-401,982
New Homes Bonus Earmarked Reserve	-272,000		-306,637		-578,637
External Funding towards Castle Keep Repointing	-222,240				-222,240
External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle Renewals Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Refuse (Wheeled Bins) Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve		-474,387		-480,680	-955,067
Usable Capital Receipts	-98,260	-266,100			-364,360
Total Resources	-1,002,500	-1,250,500	-1,138,600	-936,080	-4,327,680

4 ADJUSTMENTS TO THE PREVIOUSLY APPROVED SCHEMES

4.1 There has been just one adjustment proposed to the previously approved schemes and this is in respect of the Castle Keep Lime Repointing Works and Repairs.

- **Castle Keep Lime Re-pointing Works and Repairs (Subject to External Funding), £293,200:** This scheme is dependent on external funding to cover the vast majority of the scheme costs. No external funding is currently available, so this scheme has been moved back to 2022/23, subject to securing external funding for that year. The scheme will not take place unless the scheme cost less external funding remains within the net £70,960 budget available. Potential funding for this scheme was initially budgeted at £222,240.

4.2 The above item would result in the following adjustments to the table at paragraph 3.2. This has a net nil impact.

Adjustments	2021/22	2022/23	2023/24	2024/25	Net
Community Services Committee	-293,200	293,200			0
Total Schemes	-256,020	293,200	0	0	0
Financing					
New Homes Bonus	70,960	-70,960			0
External Funding towards Castle Keep Repointing	222,240	-222,240			0
Total Resources	293,200	-293,200	0	0	0

5 REVISING THE 2020/21 CAPITAL PROGRAMME

5.1 In arriving at a suggested Revised Capital Programme for the current financial year 2020/21, there have been 10 schemes/part schemes that have been proposed to be moved to the 2021/22 financial year as they would not be completed by 31 March 2021 for various reasons.

5.2 These schemes will be moved with their associated financing.

Schemes and Financing to be moved from 2020/21 to 2021/22	Impact on 2021/22 £
Community Services Committee	
Play Area Improvements 2020/21	40,000
Installation of a Second Parking Deck on Chester Avenue Car Park	1,230,000
Economic Development Committee	
Economic Development Initiatives	66,750
Health and Housing Committee	
Landlord/Tenant Grants	136,740
Clitheroe Market Improvements	78,600

Schemes and Financing to be moved from 2020/21 to 2021/22	Impact on 2021/22 £
Planning and Development Committee	
Introduction of Planning Portal Link to the Planning Application System and Planning system Update	26,420
Policy and Finance Committee	
Dewhurst Road, Langho – Resurfacing Works	65,800
Network Infrastructure	30,000
Lift Replacement at Council Offices	2,110
Committee Administration IT System	7,600
Total Value of Schemes	1,684,020
<u>Associated Financing</u>	
New Homes Bonus	-40,000
VAT Shelter Earmarked Reserve	-136,740
Business Rates Growth Earmarked Reserve	-37,600
Capital Earmarked Reserve	-94,920
Rural Services Delivery Grant Earmarked Reserve	-360
Usable Capital Receipts	-65,800
Borrowing	-1,308,600
Total Value of Financing	-1,684,020

6 FINAL PROPOSED FOUR-YEAR CAPITAL PROGRAMME

6.1 The final proposed five year capital programme is shown at Annex 1, together with the associated financing. The table below provides a summary by committee. This includes the transfer of one scheme from 2021/22 to 2022/23 as shown in section 4 of this report. It also includes the transfer of 10 schemes/part schemes from the current financial year 2020/21 to 2021/22 as shown at section 5 of the report.

Committee Expenditure	2021/22	2022/23	2023/24	2024/25	TOTAL
Community Services Committee	1,555,000	920,100	510,800	451,000	3,436,900
Economic Development Committee	66,750	0	0	0	66,750
Health and Housing Committee	639,640	397,000	509,600	397,000	1,943,240
Planning and Development Committee	26,420	0	0	0	26,420
Policy and Finance Committee	105,510	226,600	118,200	88,080	538,390
TOTAL	2,393,320	1,543,700	1,138,600	936,080	6,011,700

6.2 The overall financing of the proposed capital programme is shown in the table below.

Financing	2021/22	2022/23	2023/24	2024/25	TOTAL
Disabled Facility Grants	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-186,740	-50,000	-50,000		-286,740
Capital Earmarked Reserve	-94,920		-401,982		-496,902
New Homes Bonus Earmarked Reserve	-241,040	-70,960	-306,637		-618,637
External Funding towards Castle Keep Repointing		-222,240			-222,240
External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle Renewals Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Refuse (Wheeled Bins) Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve	-37,600	-474,387		-480,680	-992,667
Rural Services Delivery Grant Earmarked Reserve	-360				-360
Usable Capital Receipts	-164,060	-266,100			-430,160
Borrowing	-1,308,600				-1,308,600
TOTAL	-2,393,320	-1,543,700	-1,138,600	-936,080	-6,011,700

6.3 The council's policy is to maintain the Capital Earmarked Reserve at or above the minimum recommended balance of £350,000. The table below shows that the balance of the Capital Earmarked Reserve will be at or above this level for the life of the recommended capital programme.

Capital Reserve	2021/22	2022/23	2023/24	2024/25
Forecast Opening Balance	-905,527	-810,607	-810,607	-408,625
Taken from Reserve	94,920	0	401,982	0
Forecast Closing Balance	-810,607	-810,607	-408,625	-408,625
Recommended Minimum Balance	-350,000	-350,000	-350,000	-350,000

7 CONCLUSION

7.1 Given the additional burdens caused by, and priority focus on, Covid-19 issues throughout 2020, the capital programme budget update process for this year has been streamlined. This has involved moving to a four-year capital programme only, covering 2021/22 to 2024/25, and there being no new capital bids for 2025/26 (year five).

7.2 The focus of this budget update process has been on a:

- Review of the 2021/22 capital schemes already in the capital programme to confirm that costings are correct and that they will be able to be completed in that year.
- Review of the current year's (2020/21) capital schemes to identify whether any may need to be moved to the 2021/22 financial year.

7.3 There has been just one scheme in the existing 2021/22 capital programme that has needed to be amended. This amendment has only been the movement of the scheme from the 2021/22 financial year to the 2022/23 financial year, together with associated scheme financing. This movement has a net nil impact.

7.4 As part of the review of the current year's capital programme (2020/21) there have been 10 schemes/part schemes moved from the 2020/21 financial year in to the 2021/22 financial year, totalling £1,684,020. Whilst this is an increase to the 2021/22 capital programme, there is an associated decrease in the 2020/21 financial year – with associated financing also being moved to fully fund these schemes.

8 RISK ASSESSMENT

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

- Resources – Approval of the proposed forward capital programme will see financing of £4,371,460 through the use of earmarked reserves, borrowing and usable capital receipts.

Additionally, by way of external funding, it is forecast that we will use £1,388,000 of Disabled Facility Grant funding, £222,240 external funding towards the Castle Keep Repointing scheme and £30,000 external funding towards the Mardale Changing Rooms refurbishment scheme.

Total financing for the proposed five-year capital programme is £6,011,700.

- 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 normal capital bid appraisal process.

9 RECOMMENDED THAT SPECIAL POLICY AND FINANCE COMMITTEE

9.1 Recommend to Council the Capital Programme for 2021/22 to 2024/25 as set out in Annex 1.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF12-21/LO/AC
5 February 2021

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£
COMMUNITY SERVICES COMMITTEE					
Play Area Improvements	40,000	45,000	45,000	46,000	176,000
Play Area Improvements (Moved from 2020/21)	40,000				40,000
Replacement of Refuse Wheelie Bins	13,000	13,000	14,000	15,000	55,000
Replacement of Refuse Collection Vehicle VU62 HXK	232,000				232,000
Installation of a Second Parking Deck on Chester Avenue Car Park (Moved from 2020/21)	1,230,000				1,230,000
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		293,200			293,200
Replacement of Refuse Iveco Tipper (PO60 AYK)		40,600			40,600
Replacement of Hustler Trimstar Mower x 2 (rvbc017 and rvbc018)		14,000			14,000
Replacement of John Deere Mower 4x4 (PE15 YVK)		21,500			21,500
Replacement of Kubota Mower PN09 KXP		20,000			20,000
Ribblesdale Pool Filter and Pipework Replacement		44,000			44,000
Replacement Football Goals		15,000			15,000
Replacement of Refuse Collection Vehicle (PJ63 JZO)		245,000			245,000

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
Replacement of Ford Tail Lift Truck PE60 KJJ with high Top Transit Van		20,000			20,000
Salthill Depot Garage – Replace roller shutter doors and rewire garage		25,000			25,000
Replacement of Pay and Display machines		123,800			123,800
Roof Renewal and Upgrade to Parks Store Building in Castle Grounds			65,300		65,300
Refurbishment of Bowling Green Café in Castle Grounds			48,000		48,000
Longridge Depot 'Ambulance' Shed Refurbishment			42,900		42,900
Replacement of Refuse Collection Vehicle PK63 JZP			249,000		249,000
Replacement of Concrete Bays to Rear of Depot			25,600		25,600
Replacement Kubota Mower PO15 HYJ			21,000		21,000
Replacement Drain Jetter - trailer mounted				18,000	18,000
Replacement of Refuse Collection Vehicle VN65 WHR				253,000	253,000
Refurbishment of Mardale Playing Field Changing Rooms (Subject to receipt of external funding)				76,000	76,000
Replacement of 2 Scag Mowers (rvbc014 + rvbc015) and 1 Scag 4x4 Mower (rvbc016)				22,000	22,000
Replacement of Kubota Mower PO67 BNV				21,000	21,000
Total Community Services Committee	1,555,000	920,100	510,800	451,000	3,436,900

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
HEALTH AND HOUSING COMMITTEE					
Disabled Facilities Grants (external funding expected to cover all spend - TBC)	347,000	347,000	347,000	347,000	1,388,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	200,000
Landlord/Tenant Grants (Moved from 2020/21)	136,740				136,740
Clitheroe Market Improvements (Moved from 2020/21)	78,600				78,600
Replacement of Pest Control Van (PK13 FJP)	13,800				13,800
Replacement of Dog Warden Van (PE64 EYC)	13,500				13,500
Drainage to New Section of Clitheroe Cemetery			68,700		68,700
Joiners Arms Roof Renewal			43,900		43,900
Total Health and Housing Committee	639,640	397,000	509,600	397,000	1,943,240

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
ECONOMIC DEVELOPMENT COMMITTEE					
Economic Development Initiatives <i>(Moved from 2020/21)</i>	66,750				66,750
Total Economic Development Committee	66,750	0	0	0	66,750
PLANNING AND DEVELOPMENT COMMITTEE					
Introduction of Planning Portal Link to the Planning Application System and Planning System Update <i>(Moved from 2020/21)</i>	26,420				26,420
Total Planning and Development Committee	26,420	0	0	0	26,420
POLICY AND FINANCE COMMITTEE					
Dewhurst Road, Langho – Resurfacing Works <i>(Moved from 2020/21)</i>	65,800				65,800
Network Infrastructure <i>(Moved from 2020/21)</i>	30,000				30,000
Lift Replacement at Council Offices, Clitheroe <i>(Moved from 2020/21)</i>	2,110				2,110
Committee Administration IT System <i>(Moved from 2020/21)</i>	7,600				7,600
Brookfoot Footbridge, Ribchester – Replacement of Bridge		110,000			110,000
ICT Infrastructure Refresh		116,600			116,600

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
Revenues and Benefits Replacement Server			27,400		27,400
Cyber Security Solutions Refresh			58,300		58,300
Replacement Air Conditioning Units in Server Room			10,000		10,000
E-Recruitment System			22,500		22,500
Replacement PCs				66,000	66,000
Firewall Refresh				22,080	22,080
Total Policy and Finance Committee	105,510	226,600	118,200	88,080	538,390
Total for all Committees	2,393,320	1,543,700	1,138,600	936,080	6,011,700

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£
FINANCED FROM:					
Disabled Facilities Grant Funding	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-186,740	-50,000	-50,000		-286,740
Capital Earmarked Reserve	-94,920		-401,982		-496,902
New Homes Bonus Earmarked Reserve	-241,040	-70,960	-306,637		-618,637
Rural Services Delivery Grant Earmarked Reserve	-360				-360
Potential External Funding for Castle Keep Repointing		-222,240			-222,240
Potential External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle and Plant Renewal Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Wheeled Bins Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve	-37,600	-474,387		-480,680	-992,667
Usable Capital Receipts	-164,060	-266,100			-430,160
Borrowing	-1,308,600				-1,308,600
	-2,393,320	-1,543,700	-1,138,600	-936,080	-6,011,700