

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No

meeting date: 7 FEBRUARY 2012
 title: OVERALL REVISED CAPITAL PROGRAMME 2011/12
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To consider the overall revised capital programme.

2 LATEST POSITION BY COMMITTEE

2.1 Annex 1 (PINK) shows the position by scheme, as presented to committees in the current cycle. Summarised by committee the situation is as follows:

Committee	BUDGET ANALYSIS						EXPENDITURE
	Original Estimate 2011/12	Slippage	Additional Approvals	Total Approved Budget	Revised Estimate 2011/12	Budget Moved to 2012/13	Actual to Date
	£	£	£	£	£		£
Community Services	270,000	38,290	118,580	426,870	206,790	185,080	100,684
Planning and Development	0	0	0	0	0	0	0
Policy and Finance	55,000	0	126,650	181,650	154,810	0	42,255
Health and Housing	280,000	119,230	120,430	519,660	393,280	122,740	155,477
	605,000	157,520	365,660	1,128,180	754,880	307,820	298,416

2.2 As you can see we have spent only 40% of the revised estimate to date. This highlights that on some schemes there is still some progress to be made if the full programme is to be achieved, particularly on housing grant schemes.

2.3 However, just over £100,000 of the above underspend is in respect of the recently awarded flood grants, where the work will be completed by the end of March under the terms of the grant.

2.4 The council have also just been notified that it is to receive additional resources from the Government for Disabled Facilities Grants schemes. The additional grant income has been used to increase the grant budget by £19,180. However, it is anticipated that this will not be spent by the end of the financial year and so the increased budget has been moved in the table above to the 2012/13 financial year.

2.5 Furthermore, the above revised estimate has been prepared on the assumption that the earlier agenda item on the remodelling of the platform gallery is approved in addition to the remodelling scheme for level B reception approved at your last meeting. I have brought in a total budget for these schemes of £100,000 at this stage, but this may change. For the purposes of this report it has been assumed that these schemes will be funded from earmarked revenue reserves set aside at the end of the last financial year.

2.6 As can be seen in the table above and at Annex 1, it is proposed to move a large proportion of the capital budget to the 2012/13 financial year. The table below provides a summary of the schemes that are to be moved. By moving the budget now, this should resolve the level of slippage at the end of the financial year, which has been of concern in past years.

Cost Centre	Scheme Title	Total Approved Budget	Revised Estimate	Budget Moved to 2012/13	Reasons
RVFXV	Replace Refuse Collection Vehicle	200,000	165,000	165,000	Delivery not expected until after 31 March 2012
WMOOR	Whalley Moor - Woodland Paths and Nature Trails	40,080	20,000	20,080	Completion of the scheme will span the end of the financial year
DISCP	Disabled Facilities Grants	234,180	165,000	69,180	There has been a reduced number of referrals from occupational therapists and additional grant received
LANGR	Landlord Tenant Grants	156,080	111,080	45,000	Take up of the grants has been less than anticipated
REPPF	Repossession Prevention Fund	13,560	5,000	8,560	Take up in the year has been less than anticipated for this government funded initiative
		643,900	466,080	307,820	

3 RESOURCES

3.1 The amount of capital resources available for 2011/12 has also been revised and consists of:

- ❖ Spare resources carried forward from 2010/11
- ❖ Slippage, i.e. resources promised for the previous year but not yet received
- ❖ Government grants
- ❖ Grants and Contributions towards specific schemes
- ❖ Estimated usable capital receipts from sales of land, council houses etc
- ❖ Use of the VAT Shelter receipts

The revised estimate of the total resources for 2011/12 is set out in detail in Annex 2 (CREAM).

3.2 This now leaves estimated spare resources at 31 March 2012 of only £174,881:

	£'000
Total Resources	1,218
Less Revised Capital Spending Plans	755
Less Schemes moved to 2012/13	308
Spare Resources	155

4 COMMENTS ON OVERALL POSITION

- 4.1 At this time last year we forecast we would have spare resources of £56,702 by the end of March 2011. A comparison between the actual position and the expected position is as follows:

	Position Expected as at Jan 2011	Position Expected as at Jan 2012	Difference
	£'000	£'000	£'000
Resources B/Fwd From 2010/11	70	209	139
Resources Expected in 2011/12	592	1,009	417
	662	1,218	556
Expenditure on Schemes 2011/12	605	755	150
Expected Resources at 31/03/12	57	463	406
Schemes Moved to 2012/13	0	308	308
Expected Resources at 31/03/12 after allowing for schemes moved to 2012/13	57	155	98

- 4.2 As shown above, it is anticipated that only £155,700 in capital resources will be held at the end of the 2011/12 financial year, which is below the suggested minimum balance of £300,000. Discussions have taken place at the Budget Working Group with regard to this low level of capital resources and it was recommended that £267,000 of revenue resources in 2011/12 be added to the capital reserve in order to ensure that the level does not fall below £300,000 over the life of the suggested forward capital programme shown elsewhere on the agenda.

4.3 **Variations in Resources**

The variations in resources, which were not budgeted for when the revised estimates were prepared this time last year (i.e. at January 2011) are shown below. They are analysed between resources brought forward and those expected in the year.

	£'000	£'000
<i>Changes in Resources B/Fwd From 2010/11</i>		
Changes in Resources Received:		
Actual available in 2010/11	2,083	
Expected at Revised Estimate Time	2,221	-138
Lower Used in 2010/11 Due to Reduction in		277
		139
<i>Changes in Resources Expected in 2011/12</i>		
Increased Disabled Facilities Grants	24	
Increased Environment Agency - Flood Grant	101	
Increased Big Lottery (Longridge Adventure Play Area)	79	
Increased Big Lottery (Whalley Moor Woodland)	40	
Use of Land Charges Earmarked Reserve	9	
Use of Invest to Save Reserve	100	
Revenue Contribution from Legal Services	9	
Increased Usable Capital Receipts	95	
Reduced Residual Values from Vehicles	-17	
Reduced Contribution from Lancs County Developments Ltd	-15	
Reduction in borrowing plans	-8	417
Total		556

4.4 Variations in Expenditure

The variations on expenditure on Schemes between January 2011 and January 2012 are as follows:

	£'000
<i>Slippage From 2010/11</i>	158
<i>Schemes Added to or Deleted from 2011/12 Programme</i>	
Longridge Adventure Play Area	79
Whalley Moor Woodland Paths and Nature Trails	40
Land Charges System	27
Flood Grants	101
Clitheroe Market Redevelopment - scheme deleted	-30
Remodelling of Reception Areas and Gallery	100
<i>Schemes Increased at Revised Estimate Time:</i>	
Contact Centre CRM Replacement	3
Disabled Facilities Grants	19
<i>Schemes Reduced at Revised Estimate Time:</i>	
Purchase of Refuse Collection Vehicle - Reduced Scheme	-35
Clitheroe Cemetery Extension (CPO)	-4
<i>Schemes Moved to 2012/13 at Revised Estimate Time:</i>	
Purchase of Refuse Collection Vehicle	-165
Whalley Moor Woodland Paths and Nature Trails	-20
Disabled Facilities Grants	-69
Landlord Tenant Grants	-45
Repossession Prevention Fund	-9
Net Total Change on Scheme Expenditure	150

5 CONCLUSION

5.1 There have been a number of variations affecting both expenditure and resources. Overall, resources brought forward from 2010/11 have increased by £139,000. However, this is more than offset by the slippage carried forward into the current year.

5.2 Overall Expenditure is increased by £149,880. There have been some substantial increases to the capital budgets through the addition of schemes and slippage which has largely been offset by the transfer of a large portion of budget to the 2012/13 financial year. This is particularly due to:

- Whalley Moor Woodland Paths and Nature Trails – it is known that the scheme will not be completed by the 31 March 2012.
- Purchase of Refuse Collection Vehicle – delivery is not expected until after the 31 March 2012.
- Housing Grants – difficulties in committing the full budget by the 31 March 2012.

5.3 The movement in the capital programme is summarised in the table below.

	£'000
Slippage from 2010/11	158
Schemes added or deleted (Net)	317
Schemes increased at Revised Estimate for the current year	22
Schemes reduced at Revised Estimate for the current year	-39
Schemes Moved to 2012/13 at Revised Estimate Time	-308
	150

5.4 With only three months of the financial year remaining there is some progress to be made if we are to achieve the revised programme in full.

5.5 The level of capital resources continues to be a matter of concern, however it is recommended with the revised capital programme that £267,000 of revenue resources in 2011/12 be added to the capital reserve in order to ensure that the level does not fall below £300,000 over the life of the suggested forward capital programme shown elsewhere on the agenda.

6 RECOMMENDED THAT COMMITTEE

6.1 Approve the overall revised capital programme for 2011/12.

HEAD OF FINANCIAL SERVICES

PF11-12/LO/AC
30 January 2012

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2011/12**

Cost Centre	Schemes	BUDGET ANALYSIS					Budget Moved to 2012/13 £	EXPENDITURE ANALYSIS
		Original Estimates 2011/12 £	Slippage £	Additional Approvals £	Total Approved Budget £	Revised Estimate 2011/12 £		Total Expenditure to Date £
<u>Community Services Committee</u>								
BADWC	Badger Well Water Culvert Collapse		8,070		8,070	8,070		2,597
CALOP	Calderstones Open Space		4,520		4,520	4,520		3,279
CARPK	Car Parks Rolling Programme	40,000			40,000	40,000		1,039
CPKMS	Replace Car Parking Machines and Software		6,860		6,860	6,860		61
EDFCR	Football Changing Rooms Refurbishment		5,590		5,590	5,590		0
GRFLG	Castle Grounds Green Flag Award Scheme		6,330		6,330	6,330		1,844
LADVE	Longridge Adventure Play Facility			78,500	78,500	78,500		75,459
PBRNG	Repairs to Riverside Path Brungerly		5,490		5,490	5,490		5,441
PITCH	Football Pitch Drainage and Improvement Works	10,000			10,000	10,000		578
PLAYM	Improvements to Children's Play Areas	20,000			20,000	20,000		8,957
RVFXV	Replace Refuse Collection Vehicle VX53 TZJ	200,000			200,000		165,000	0
SPARK	Salthill Play Area		1,430		1,430	1,430		1,429
WMOOR	Whalley Moor - Woodland paths and nature trails			40,080	40,080	20,000	20,080	0
	Total Community Services Committee	270,000	38,290	118,580	426,870	206,790	185,080	100,684
<u>Policy and Finance Committee</u>								
CCCRM	Contact Centre CRM Replacement	25,000			25,000	28,160		28,259
CMRED	Clitheroe Market Redevelopment	30,000			30,000	0		0
CNTSR	Remodelling of Reception Areas and Gallery			100,000	100,000	100,000		895
LCSYS	Land Charges System			26,650	26,650	26,650		13,200
	Total Policy & Finance Committee	55,000	0	126,650	181,650	154,810	0	42,255

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2011/12**

Cost Centre	Schemes	BUDGET ANALYSIS					Budget Moved to 2012/13 £	EXPENDITURE ANALYSIS
		Original Estimates 2011/12 £	Slippage £	Additional Approvals £	Total Approved Budget £	Revised Estimate 2011/12 £		Total Expenditure to Date £
<i>Health and Housing Committee</i>								
CMEXT	Clitheroe Cemetery Extension		4,590		4,590	950		948
DISCP	Disabled Facilities Grants	180,000	35,000	19,180	234,180	165,000	69,180	96,304
EEGRT	Energy Efficiency Grant		2,000		2,000	2,000		300
FLDGR	Flood Grants			101,250	101,250	101,250		47
LANGR	Landlord/Tenant Grants	100,000	56,080		156,080	111,080	45,000	53,206
REPPF	Repossession Prevention Fund		13,560		13,560	5,000	8,560	1,672
RESGT	Renewable Energy Source Grants		8,000		8,000	8,000		3,000
	Total Housing Committee	280,000	119,230	120,430	519,660	393,280	122,740	155,477
	TOTALS	605,000	157,520	365,660	1,128,180	754,880	307,820	298,416

**SPECIAL POLICY AND FINANCE COMMITTEE
REVISED CAPITAL RESOURCES 2011/12**

Resources	Actual Brought Forward £	Original 2011/12 £	Adjustments £	Total Revised Capital Resources 2011/12 £
Disabled Facilities Grants		108,000	24,282	132,282
VAT Shelter		172,000		172,000
Usable Capital Receipts (Sale of Land at Sabden)		145,000		145,000
Usable Capital Receipts (Other)		15,000	95,000	110,000
Vehicle Residual Values		16,750	-16,750	0
Unsupported Borrowing		100,000	-8,070	91,930
Contribution from Revenue (CRM Replacement)		20,000		20,000
Contribution from Lancashire County Developments Ltd		15,000	-15,000	0
Housing Capital Grant	137,120			137,120
Repossession Prevention Fund	14,060			14,060
EGovernment	23,134			23,134
Capital Reserve Fund	34,665			34,665
Big Lottery - Longridge Adventure Play Area			78,500	78,500
Big Lottery - Friends of Whalley Moor Woodland			40,080	40,080
Flood Grants			101,250	101,250
Revenue Contribution from Land Charges Reserve			9,000	9,000
Revenue Contribution from Legal Services			9,380	9,380
Revenue Contribution from Invest to Save Reserve			100,000	100,000
TOTAL	208,979	591,750	417,672	1,218,401
Revised Estimate of Programme Expenditure				754,880
Schemes Moved to 2012/13				307,820
Spare Resources				155,701
Top Up of Capital Reserve from Revenue 2011/12				267,000
Spare Resources after Top Up				422,701