

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 12 FEBRUARY 2013
title: OVERALL CAPITAL PROGRAMME 2013-16
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To recommend a capital programme for 2013/16 to Full Council on 5 March 2012

2 BACKGROUND

2.1 Before a capital programme can be approved, consideration needs to be given to whether it is:

- Affordable, both in capital and revenue terms
- Achievable in terms of staff resources and time scales
- In line with Council priorities

2.2 Last financial year the Budget Working Group reviewed the Council's Capital Programme and agreed that

- in future years a three-year capital programme would be set
- the forward programme should be analysed into the following themes, together with a recommended funding stream:
 - Housing Schemes – VAT Shelter
 - Service Support and Delivery – Borrowing and Revenue
 - Economic Growth and Prosperity – New Homes Bonus
 - Community Assets – Future Community Infrastructure Levy

2.3 In the same manner as the previous financial year, all Heads of Service were asked to submit capital bids, bearing in mind the limited financial resources that are available to finance the capital programme. Heads of Service were asked to put forward schemes which were the **absolute basic requirement** to keep the council's services running.

2.4 A bid form was completed for each scheme, asking for such details as how the scheme linked to the Council's ambitions, the revenue implications, full capital costs, risk management, performance management.

2.5 Schemes were previously requested at this time last year for the 2013/14 and 2014/15 financial years. However, no bids had previously been requested for the 2015/16 financial year.

2.6 Full details of all bids were presented to members during the recent committee cycle as part of the forward capital programme reports. The Budget Working Group (BWG) and Corporate Management Team (CMT) have also met to consider the draft programme and made a number of proposals/amendments.

3 THE DRAFT CAPITAL PROGRAMME AS SUBMITTED TO SERVICE COMMITTEES

3.1 The table below summarises the capital schemes as they were submitted to service committees in the current cycle.

	2013/14	2014/15	2015/16	TOTAL
	£	£	£	£
Community Services Committee	593,000	250,000	389,000	1,232,000
Planning and Development	0	116,000	0	116,000
Policy and Finance Committee	0	40,000	115,000	155,000
Health and Housing Committee	251,000	206,000	195,000	652,000
TOTAL	844,000	612,000	699,000	2,155,000

3.2 Annex 1 (BLUE) shows the above totals broken down by scheme. Also shown at Annex 1 (BLUE) are the various categories that each of the schemes fall within. The purpose of these categories is to give the **recommended** funding mechanism for that particular scheme. Alternative funding mechanisms can be used where seen more appropriate.

3.3 The table below summarises the impact of the proposals received for the next three years, by category.

Draft Summary Based on Existing Schemes and New Bids Received					
Category of Capital Spend	Recommended Method of Financing	2013/14 Proposals £	2014/15 Proposals £	2015/16 Proposals £	Total Proposals £
Housing Services	VAT Shelter	240,000	195,000	195,000	630,000
Service Support and Delivery	Borrowing and Revenue	564,000	377,000	349,000	1,290,000
Economic Growth and Prosperity	New Homes Bonus	0	0	115,000	115,000
Community Assets	Use of Future Proposed Community Infrastructure Levy (CIL) or current Section 106	40,000	40,000	40,000	120,000
TOTAL		844,000	612,000	699,000	2,155,000

3.4 Annex 2 (YELLOW) shows details of the actual method of financing that would result, if all the bids were approved, and after allowing for external financing that has been indicated as likely to be received.

4 CAPITAL BUDGETS MOVED FROM 2011/12 TO 2012/13

4.1 As shown in some detail on the Revised Capital Programme 2012/13 report elsewhere on the agenda, a substantial amount of capital budget is recommended for transfer to the 2013/14 financial year. The reasons for this and the amounts involved are shown in the table below.

Cost Centre	Scheme Title	Total Approved Budget 2012/13	Revised Estimate 2012/13	Budget Moved to 2013/14	Reasons
CMEXT	Clitheroe Cemetery Installation of Infrastructure	90,000	6,000	84,000	The installation of the infrastructure has now been scheduled for June/July 2013. Design work and specification has been carried out in 2012/13
DISCP	Disabled Facilities Grants	249,330	165,000	84,330	There has been a reduced number of referrals from occupational therapists and additional grant received
REPPF	Repossession Prevention Fund	41,890	8,600	33,290	Take up in the year has been less than anticipated for this government funded initiative
		381,220	179,600	201,620	

4.2 All associated resources to finance this transfer of budget will also be moved to the 2013/14 financial year and therefore has no impact on the affordability of the 2013/16 Forward Capital Programme. Details of the financing to be used is detailed below:

- **Clitheroe Cemetery Installation of Infrastructure:** *Unsupported Borrowing of £84,000*
- **Disabled Facilities Grants:** *DCLG Disabled Facilities Grant of £57,514 and VAT Shelter of £26,816*
- **Repossession Prevention Fund:** *Government Repossession Prevention Grant of £33,290*

5 REVIEW OF THE CAPITAL PROGRAMME 2012/15

5.1 CMT reviewed the potential programme following submission of all bids in early January 2013. The Budget Working Group met on 24 January 2013 to consider the Capital Programme and their recommendations for each scheme can be seen in Annex 1 (BLUE) alongside the original bids.

5.2 The recommendations of CMT and the Budget Working Group are summarised below:

Scheme	Original Bid Amounts			CMT and Budget Working Group Comments
	2013/14 £	2014/15 £	2015/16 £	
<u>Planning and Development Committee</u> Community Infrastructure Levy (CIL) Consultancy Work		100,000		Recommend that this scheme is DELETED from the current proposed three-year capital programme. A detailed report is needed to Planning and Development Committee on the approach and plan for the implementation of CIL. Current bid would be a revenue item.
<u>Planning and Development Committee</u> MVM Software		16,000		Recommended that this scheme should be MOVED forward to the current financial year (2012/13) in order to fast track this service improvement.
<u>Policy and Finance Committee</u> Storage Area Network		40,000		Recommended that this scheme be DELETED from the current proposed three-year capital programme. The scheme could be delayed and therefore there is not the urgency for its current inclusion.
<u>Health and Housing Committee</u> Disabled Facilities Grants	120,000	120,000	120,000	Recommended that this scheme be REDUCED TO £109,000 , which is the exact level of the DCLG external funding received, with no top up from Ribble Valley resources
<u>Health and Housing Committee</u> Purchase and Repair Scheme	45,000			NO CHANGE to value of the scheme. However, recommend focus on bringing current empty properties in to use.

Recommended Programme

- 5.3 Annex 3 (GREEN) shows the resultant recommended programme along with the scheme budgets already carried forward from the current year. This slightly reduced programme helps ensure an achievable capital programme.

Resources to finance the Capital Programme

- 5.4 Annex 4 (PINK) shows the potential capital resources we expect to receive (or already have in hand) over the life of the recommended programme.

Financing the Capital Programme

- 5.5 Resources to finance the proposed capital schemes have been applied in a manner to best match the nature of the asset and the anticipated asset life. The Cemetery Infrastructure scheme which has been moved from the 2012/13 financial year is shown as being financed from borrowing, as was the initial intention when the scheme was first approved.
- 5.6 No future borrowing is intended to be used to finance the capital programme for its three-year life, which has the benefit of reducing the revenue budget impact of the Minimum Revenue Provision (MRP) which must be accounted for, and is the consequential revenue impact of the past and any future use of borrowing. Instead it is recommended that a number of the Council's Earmarked Reserves are utilised, which is indeed the purpose for which they were initially set aside.

5.7 The table below summarises the proposals and demonstrates their affordability:

	2013/14	2014/15	2015/16	Total
	£	£	£	£
Total of all proposed schemes	1,034,620	445,000	688,000	2,167,620
Total Resources Available	-1,353,043	-445,000	-688,000	-2,486,043
Balance Remaining	-318,423	-318,423	-318,423	-318,423

5.8 Members will see that the proposed scheme is affordable and maintains a level of capital balances above the minimum level of £300,000.

6 CONCLUSION

6.1 The resulting programme including schemes moved from 2012/13 is affordable, with the overall level of capital reserves being maintained at a level above £300,000.

6.2 The proposed programme has been kept to the **absolute basic requirements** to keep the Council's services running over the coming three years.

7 RECOMMENDED THAT SPECIAL POLICY AND FINANCE COMMITTEE

7.1 Recommend to Council the Capital Programme for 2013/16 as set out in Annex 3 (GREEN).

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF13-13/LO/AC
5 February 2013

ANNEX 1

**SPECIAL POLICY AND FINANCE COMMITTEE – THREE YEAR CAPITAL PROGRAMME
PREVIOUSLY APPROVED SCHEMES AND NEW SCHEME BIDS – WITH CMT AND BUDGET WORKING GROUP RECOMMENDATIONS**

EXPENDITURE	Previously Approved and New Bids			Budget Working Group and CMT Recommendations			Category
	2013/14 £	2014/15 £	2015/16 £	2013/14 £	2014/15 £	2015/16 £	
<i><u>Community Services Committee</u></i>							
Replacement Vehicle PK06 VWY - Vauxhall Vivaro 2900 DTI LWB Panel Van	13,000			13,000			Service Support and Delivery
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle			200,000			200,000	Service Support and Delivery
Replacement of 4 x 4 Tractor/Mower (PNO4 NPZ)			17,000			17,000	Service Support and Delivery
Play Area Improvements	40,000	40,000	40,000	40,000	40,000	40,000	Community Assets
Replacement of Kubota Mower PN05 PLO			19,000			19,000	Service Support and Delivery
Replace Scag Mower			9,000			9,000	Service Support and Delivery
Two Heavy Goods Trailers			6,000			6,000	Service Support and Delivery
Replacement of 2 Tri Star Mowers			16,000			16,000	Service Support and Delivery
Retention of Weekly Collection of Residual Waste - Purchase of Vehicles and Bins	540,000	210,000		540,000	210,000		Service Support and Delivery
Replacement of Waste Transfer Station Loader Shovel			70,000			70,000	Service Support and Delivery
Replacement of multi use panel van (currently Vauxhall Vivaro)			12,000			12,000	Service Support and Delivery
Total Community Services Committee	593,000	250,000	389,000	593,000	250,000	389,000	

ANNEX 1

SPECIAL POLICY AND FINANCE COMMITTEE – THREE YEAR CAPITAL PROGRAMME PREVIOUSLY APPROVED SCHEMES AND NEW SCHEME BIDS – WITH CMT AND BUDGET WORKING GROUP RECOMMENDATIONS

EXPENDITURE	Previously Approved and New Bids			Budget Working Group and CMT Recommendations			Category
	2013/14 £	2014/15 £	2015/16 £	2013/14 £	2014/15 £	2015/16 £	
<u>Planning and Development Committee</u>							
MVM Software		16,000			0		Service Support and Delivery
Community Infrastructure Levy (CIL) Consultancy Work		100,000			0		Service Support and Delivery
Total Planning and Development Committee	0	116,000	0	0	0	0	
<u>Policy and Finance Committee</u>							
Storage Area Network		40,000			0		Service Support and Delivery
Clitheroe Townscape Scheme			115,000			115,000	Economic Growth and Prosperity
Total Policy and Finance Committee	0	40,000	115,000	0	0	115,000	
<u>Health and Housing Committee</u>							
Replacement of Pest Control Vehicle PO07 WPB		11,000			11,000		Service Support and Delivery
Replacement of Pest Control Vehicle PE56 EFB	11,000			11,000			Service Support and Delivery
Purchase and Repair Scheme	45,000			45,000			Housing Services

ANNEX 1

**SPECIAL POLICY AND FINANCE COMMITTEE – THREE YEAR CAPITAL PROGRAMME
PREVIOUSLY APPROVED SCHEMES AND NEW SCHEME BIDS – WITH CMT AND BUDGET WORKING GROUP RECOMMENDATIONS**

EXPENDITURE	Previously Approved and New Bids			Budget Working Group and CMT Recommendations			Category
	2013/14 £	2014/15 £	2015/16 £	2013/14 £	2014/15 £	2015/16 £	
Disabled Facilities Grants	120,000	120,000	120,000	109,000	109,000	109,000	Housing Services
Landlord/Tenant Grants	75,000	75,000	75,000	75,000	75,000	75,000	Housing Services
Total Health and Housing Committee	251,000	206,000	195,000	240,000	195,000	184,000	
TOTAL OF PREVIOUSLY APPROVED AND NEW BIDS	844,000	612,000	699,000	833,000	445,000	688,000	

**SPECIAL POLICY AND FINANCE COMMITTEE
POSSIBLE FINANCING IF ALL BIDS RECEIVED WERE TO BE APPROVED**

Possible financing if all bids received were to be approved					
Category of Capital Spend	Method of Financing	2013/14 Proposals £	2014/15 Proposals £	2015/16 Proposals £	Total Proposals £
Housing Services	VAT Shelter	-131,000	-86,000	-86,000	-303,000
	Government DFG funding	-109,000	-109,000	-109,000	-327,000
Housing Services	Total Financing	-240,000	-195,000	-195,000	-630,000
Service Support and Delivery	Borrowing**	-24,000	-100,000	-100,000	-224,000
	Revenue <i>(to be identified)</i>	0	-67,000	-249,000	-316,000
	External Funding - confirmed from DCLG	-540,000	-210,000	0	-750,000
Service Support and Delivery	Total Financing	-564,000	-377,000	-349,000	-1,290,000
Economic Development and Prosperity	New Homes Bonus			-48,000	-48,000
	External Funding			-67,000	-67,000
Economic Development and Prosperity	Total Financing	0	0	-115,000	-115,000
Community Assets	Use of Community Infrastructure Levy monies (or S106 Agreements)	-40,000	-40,000	-40,000	-120,000
Community Assets	Total Financing	-40,000	-40,000	-40,000	-120,000
TOTAL		-844,000	-612,000	-699,000	-2,155,000

*** Please note that the borrowing shown would be for short term assets such as vehicles, not long term assets as previously agreed.*

SPECIAL POLICY AND FINANCE COMMITTEE
BUDGET WORKING GROUP RECOMMENDATIONS INCORPORATING BUDGETS MOVED FROM 2012/13
FORWARD CAPITAL PROGRAMME 2013/2016

EXPENDITURE	BUDGET WORKING GROUP AND CMT RECOMMENDATIONS				
	2013/14			2014/15	2015/16
	Proposed Budget £	Budget Moved from 2012/13 £	Total Proposed Budget £	Proposed Budget £	Proposed Budget £
<u><i>Community Services Committee</i></u>					
Replacement Vehicle PK06 VWY - Vauxhall Vivaro 2900 DTI LWB Panel Van	13,000		13,000		
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle					200,000
Replacement of 4 x 4 Tractor/Mower (PNO4 NPZ)					17,000
Play Area Improvements	40,000		40,000	40,000	40,000
Replacement of Kubota Mower PN05 PLO					19,000
Replace Scag Mower					9,000
Two Heavy Goods Trailers					6,000
Replacement of 2 Tri Star Mowers					16,000
Retention of Weekly Collection of Residual Waste - Purchase of Vehicles and Bins	540,000		540,000	210,000	
Replacement of Waste Transfer Station Loader Shovel					70,000
Replacement of multi use panel van (currently Vauxhall Vivaro)					12,000

SPECIAL POLICY AND FINANCE COMMITTEE
BUDGET WORKING GROUP RECOMMENDATIONS INCORPORATING BUDGETS MOVED FROM 2012/13
FORWARD CAPITAL PROGRAMME 2013/2016

EXPENDITURE	BUDGET WORKING GROUP AND CMT RECOMMENDATIONS				
	2013/14			2014/15	2015/16
	Proposed Budget £	Budget Moved from 2012/13 £	Total Proposed Budget £	Proposed Budget £	Proposed Budget £
Total Community Services Committee	593,000	0	593,000	250,000	389,000
<u><i>Planning and Development Committee</i></u>					
MVM Software				0	
Community Infrastructure Levy (CIL) Consultancy Work				0	
Total Planning and Development Committee	0	0	0	0	0
<u><i>Policy and Finance Committee</i></u>					
Storage Area Network				0	
Clitheroe Townscape Scheme					115,000
Total Policy and Finance Committee	0	0	0	0	115,000
<u><i>Health and Housing Committee</i></u>					
Clitheroe Cemetery Installation of Infrastructure		84,000	84,000		

**SPECIAL POLICY AND FINANCE COMMITTEE
BUDGET WORKING GROUP RECOMMENDATIONS INCORPORATING BUDGETS MOVED FROM 2012/13
FORWARD CAPITAL PROGRAMME 2013/2016**

EXPENDITURE	BUDGET WORKING GROUP AND CMT RECOMMENDATIONS				
	2013/14			2014/15	2015/16
	Proposed Budget £	Budget Moved from 2012/13 £	Total Proposed Budget £	Proposed Budget £	Proposed Budget £
Replacement of Pest Control Vehicle PO07 WPB				11,000	
Replacement of Pest Control Vehicle PE56 EFB	11,000		11,000		
Purchase and Repair Scheme	45,000		45,000		
Disabled Facilities Grants	109,000	84,330	193,330	109,000	109,000
Landlord/Tenant Grants	75,000		75,000	75,000	75,000
Repossession Prevention Fund		33,290	33,290		
Total Health and Housing Committee	240,000	201,620	441,620	195,000	184,000
TOTAL OF PREVIOUSLY APPROVED AND NEW BIDS	833,000	201,620	1,034,620	445,000	688,000

**SPECIAL POLICY AND FINANCE COMMITTEE
PROPOSED RESOURCES FOR FORWARD CAPITAL PROGRAMME – 2013/2016**

RESOURCES	Budget Working Group Recommendations				
	2013/14			2014/15	2015/16
	Resources Anticipated and Brought Forward £	Resources to fund schemes from 2012/13 £	Total Proposed Resources £	Proposed Resources £	Proposed Resources £
Resources Brought Forward					
- Disabled Facilities Grants		-57,514	-57,514		
- Retention of Weekly Collection of Residual Waste - DCLG	-222,000		-222,000		
- Repossession Prevention Fund	-4,237	-33,290	-37,527		
- Capital Reserve Fund	-314,186		-314,186		
Unsupported Borrowing		-84,000	-84,000		
Revenue - Earmarked Reserves	-24,000		-24,000	-11,000	-349,000
Disabled Grants	-109,000		-109,000	-109,000	-109,000
New Homes Bonus			0		-48,000
Retention of Weekly Collection of Residual Waste - DCLG	-318,000		-318,000	-210,000	
External Funding and Revenue Contributions - Clitheroe Townscape Scheme			0		-67,000
S106 Agreements (CIL in future years) - may need to be funded from revenue contributions	-40,000		-40,000	-40,000	-40,000
VAT Shelter	-120,000	-26,816	-146,816	-75,000	-75,000
TOTAL RESOURCES IDENTIFIED	-1,151,423	-201,620	-1,353,043	-445,000	-688,000
TOTAL OF PROPOSED PROGRAMME			1,034,620	445,000	688,000
(BALANCE OF RESOURCES TO CARRY FORWARD)/OVER COMMITMENT			-318,423	-318,423	-318,423

ANNEX 5

**SPECIAL POLICY AND FINANCE COMMITTEE
PROPOSED FINANCING OF FORWARD CAPITAL PROGRAMME – 2013/2016
BY CATEGORY OF CAPITAL SPEND**

Category of Capital Spend	Method of Financing	Schemes				Total Proposals £
		2013/14 Proposals £	moved from 2012/13 £	2014/15 Proposals £	2015/16 Proposals £	
Housing Services	VAT Shelter	-120,000	-26,816	-75,000	-75,000	-296,816
	Government DFG funding	-109,000	-57,514	-109,000	-109,000	-384,514
	Government Repossession Prevention funding		-33,290			-33,290
Housing Services	Total Financing	-229,000	-117,620	-184,000	-184,000	-714,620
Service Support and Delivery	Borrowing	0	-84,000	0	0	-84,000
	Revenue (<i>to be identified</i>)	-24,000		-11,000	-349,000	-384,000
	External Funding - confirmed from DCLG	-540,000		-210,000	0	-750,000
Service Support and Delivery	Total Financing	-564,000	-84,000	-221,000	-349,000	-1,218,000
Economic Development and Prosperity	New Homes Bonus				-48,000	-48,000
	External Funding				-67,000	-67,000
Economic Development and Prosperity	Total Financing	0	0	0	-115,000	-115,000
Community Assets	Use of Community Infrastructure Levy monies (or S106 Agreements) - may need to be financed from revenue in the shorter term	-40,000		-40,000	-40,000	-120,000
Community Assets	Total Financing	-40,000	0	-40,000	-40,000	-120,000
TOTAL		-833,000	-201,620	-445,000	-688,000	-2,167,620