

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 6

meeting date: 27 JANUARY 2015
 title: PROPOSED CAPITAL PROGRAMME 2015-2018
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To recommend the proposed future three-year capital programme (2015/16-2017/18) for this committee.

2 BACKGROUND

2.1 This report will review the draft programme of schemes for the next three financial years (2015/16 to 2017/18), based on the bids received from Heads of Service.

2.2 Schemes were considered at this time last year for the 2015/16 and 2016/17 financial years. No bids have previously been requested for the 2017/18 financial year.

2.3 In the same manner as previous years, 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.

3 DRAFT PROGRAMME 2015/16 TO 2017/18

3.1 The proposed schemes have been entered into the draft programme in two ways. Firstly, Heads of Service were asked to review the programme of provisionally approved schemes for 2015/16 and 2016/17 and suggest any amendments that were required to those schemes. This review identified no changes to the provisionally approved schemes for 2015/16 and 2016/17.

3.2 Secondly, Heads of Service were asked to put forward bids for the 2017/18 capital programme. Four bids totalling £285,150 have been received for 2017/18, as shown in Annex 1. Further bids for 2015/16 and 2016/17 were not expected unless there were schemes supported by new funding or new circumstances had arisen since this time last year. No new bids were received for 2015/16 and 2016/17.

3.3 Annex 2 shows the financial impact for each financial year of the provisionally approved 2015/16 and 2016/17 schemes and the new bids put forward for 2017/18. A summary is shown below.

Schemes	2015/16 £	2016/17 £	2017/18 £	TOTAL £
Previously Approved schemes brought forward	282,500	0	0	282,500
New Bids	0	0	285,150	285,150
Total of all schemes	282,500	0	285,150	567,650

- 3.4 All of the new bids received, totalling £285,150, would require funding from the Council's available capital resources. These capital resources are currently low.
- 3.5 Annex 1 shows the four new scheme bids for this committee in detail and how each particular scheme links to the Council's ambitions.
- 3.6 Committee members should therefore consider the new scheme bids, as attached, and those schemes previously approved for 2015/16 and 2016/17 and put forward any amendments to those bids that they may wish to make at this stage.
- 3.7 It must be noted that other committees will be receiving similar reports for the new scheme bids. Bids from all committees will finally be considered alongside each other by the Budget Working Group and Policy and Finance Committee against the limited financial resources that are available to finance the capital programme.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
- Resources – The proposals as submitted in the new bid forms would require funding from Council resources, at least £285,150.
 - 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.

5 CONCLUSION

- 5.1 Previously approved capital schemes for the 2015/16 and 2016/17 financial year have been reviewed and re-confirmed by Heads of Service. These total £282,500.
- 5.2 New capital scheme bids for 2017/18 have been received, totalling £285,150.
- 5.3 None of the new capital scheme bids have associated external funding, yet the Council's existing capital resources to fund such schemes are currently low.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Consider the future three-year programme for 2015/16 to 2017/18 as attached and agree any amendments they wish to make.
- 6.2 Recommend to Policy and Finance Committee a future three-year capital programme for this committee's services.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF7-15/AC/AC
5 January 2015

For further background information please ask for Andrew Cook.

**Policy and Finance Committee
New Capital Bid Submissions**

BID 1 : Church Walk Council Offices – Replacement of Original Windows and Roof Lights

Service Area: Council offices

Head of Service: Terry Longden

Brief Description:

This is a resubmission of a scheme that was submitted in 2013.

The aim of this scheme is to replace the remaining original timber framed windows and roof lights in the Church Walk Council Offices.

The timber beading that surround the glass panels in the original windows are deteriorating, in some cases have detached from the frames. This has the potential to present a health and safety risk to members of public and staff which use the car parks below. Some of the windows are ill fitting and allow draughts and leaks. A number of the roof lights exhibit water ingress and have reached their renewal point.

Over the last two years five windows and three roof lights have been replaced as part of a planned maintenance programme (from revenue funding). As the windows and roof lights are of the same age, they have reached a similar stage of deterioration. There are 57 windows and 9 roof lights that have not yet been replaced. It is noted that it would take around 25 years to replace all of the windows under the current revenue funded maintenance approach. Hence the resubmission of this application for capital funding for an accelerated replacement programme.

The replacement of the frames can be undertaken from inside the building without the need for an external scaffold but there will be considerable disruption to the normal office works to allow the contractors access to the windows, even allowing for a proportion for the works to be undertaken outside normal office working hours.

Note that the erecting of an external scaffold to the building to assist with the installation of the windows and roof lights would cost an estimated additional £20,000 (not included in the bid figure). The availability of the scaffold when replacing the windows would however result in:-

- a) some reduction in the tender price for the actual installation works
- b) a reduction in the disruptions and interference that the works would cause to the Council's normal working practices within the offices.

It is difficult at this stage to quantify the net additional cost of the scaffold.

Policy and Finance Committee New Capital Bid Submissions

NOTE:

1. Included in the 2015 /16 capital programme is the replacement of the roof to the Church Walk offices. This project includes the provision of scaffold to the elevations of the building and this facility, with little modification, could be utilised to assist with the window replacement works if the timing of the two projects is suitably adjusted.

Options for aligning the two schemes are to:-

- a) delay the replacement of the roof until 2017/18 (2 year delay) to match the proposal outlined on this bid form for a window replacement also in 2017/18 . This option is not recommended as the roof is showing signs of failure, i.e.- slipping and loose slates
- b) delay the replacement of the roof by 1 year to 2016/17 and to advance the window replacement by 1 year to 2016/17
- c) advance the windows by 2 years to 2015/16 to match the timescale of the existing approved bid for the roof.

Overriding aim/ambition that the scheme meets:

- To be a well-managed council.
- To help make people's lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

CDM Regulations will be applicable. Health and Safety at work Act 1974.

Improving service performance, efficiency and value for money:

The scheme will improve the thermal efficiency of the Council Offices and therefore potentially result in reduced gas consumption, heating costs and associated carbon emissions.

Consultation:

Corporate Management Team have been informed of the replacement of roof lights (CMT report 3rd July 2013 Item 3).

Start date, duration and key milestones:

April 2017: Specify and Tender.

June 2017: Commencement of works.

August 2017: Completion.

Policy and Finance Committee New Capital Bid Submissions

Financial Implications – CAPITAL:

Breakdown	2015/16 £	2016/17 £	2017/18 £
Contractors (NB includes £2,500 for the 2018/19 financial year)	-	-	86,400
Internal Staff Salaries	-	-	2,500
TOTAL	-	-	88,900

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Premises Related Costs	-500
Total Estimated <u>Annual</u> SAVING	-500
Estimated Lifespan	15 years
Net Total Estimated <u>Lifetime</u> SAVING	7,500

Useful economic life:

The new windows and roof lights are expected to last between 15 and 20 years.

Additional supporting information:

N/A

Impact on the environment:

Whenever possible we will specify timber from a sustainable source, and materials with a high recycled content.

We will ask the contractors to sort and recycle any waste materials.

Risk:

- Political: N/A
- Economic: N/A
- Sociological: N/A
- Technological: N/A
- Legal: N/A
- Environmental: N/A

**Policy and Finance Committee
New Capital Bid Submissions**

BID 2: Council chamber – Seating renewal scheme

Service Area: Civic Suite

Head of Service: Terry Longden

Brief Description:

The chairs are over 25 years old and have been repaired on a number of occasions. However the quality of these repairs is being increasingly compromised or made more difficult by the condition of the timber around the repairs. In order to prevent the use of the furniture becoming hazardous to the user it is proposed that the chairs are replaced. The particular model of chair is obsolete and therefore individual chairs cannot be replaced.

There are 45 chairs in total, 3 of which have become hazardous to use, cannot be further repaired and therefore been removed, including the chairman's seat.

Overriding aim/ambition that the scheme meets:

- To be a well-managed council.
- To help make people's lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

Health & Safety at Work Act 1974.

Improving service performance, efficiency and value for money:

The operation of the Civic Suite, and particularly the Council Chamber, is essential to ensuring the smooth running of the Council.

Consultation:

A number of council members and officers have commented adversely on the condition of the furniture.

Start date, duration and key milestones:

May 2017: Contact potential suppliers and request samples.

July 2017: Consultation with CMT regarding design / material options.

September 2017: Obtain firm quotations and place order.

November 2017: Receive delivery of new furniture, recycle redundant chairs.

Policy and Finance Committee New Capital Bid Submissions

Financial Implications – CAPITAL:

Breakdown	2015/16 £	2016/17 £	2017/18 £
Equipment/Materials	-	-	10,500
Internal Staff Salaries	-	-	750
TOTAL	-	-	11,250

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Premises Related Costs	-150
Total Estimated <u>Annual</u> SAVING	-150
Estimated Lifespan	15 years
Net Total Estimated <u>Lifetime</u> SAVING	-2,250

Useful economic life:

The expected useful economic life of the new furniture would be 15 years.

Additional supporting information:

The operation of the Council Chambers is important in ensuring the smooth running of the Council.

Impact on the environment:

The selection of chairs with a high recycled content will be included in the procurement process.

Risk:

- **Political:** Expenditure on chairs for the Council may be seen as an extravagance. It should be reported that the existing furniture can no longer be effectively repaired and only a limited number of chairs can be salvaged from the Council Chamber for reuse in other areas of the Council.
- **Economic:** N/A
- **Sociological:** N/A
- **Technological:** N/A
- **Legal:** N/A
- **Environmental:** N/A

**Policy and Finance Committee
New Capital Bid Submissions**

BID 3: Replacement Server for Revenues & Benefits

Service Area: ICT (for Revenues and Benefits)

Head of Service: Lawson Oddie and Mark Edmondson

Brief Description:

This scheme allows for the future replacement of the current SUN M3000 server which hosts the Council's Revenues and Benefits system. In 2017, the current server would be over 5 years old.

Overriding aim/ambition that the scheme meets:

- To be a well-managed council.

Government or other imperatives to the undertaking of this scheme:

Not applicable

Improving service performance, efficiency and value for money:

This will allow Revenues and Benefits to process Council Tax and Benefits into the future on a reliable platform.

Consultation:

None required – the Head of Revenues and Benefits would be involved in the process of installation to ensure minimal service impact.

Start date, duration and key milestones:

During 2017/18

Financial Implications – CAPITAL:

Breakdown	2015/16 £	2016/17 £	2017/18 £
Equipment/Materials	-	-	25,000
TOTAL	-	-	25,000

Financial Implications – ANNUAL REVENUE:

None

Useful economic life:

5 – 7 years.

Policy and Finance Committee New Capital Bid Submissions

Additional supporting information:

-

Impact on the environment:

Newer ICT equipment is inevitably more efficient in the use of energy

Risk:

- **Political:** *IT hardware failure could result in reputational damage for the Council if it impacts on a service area of high public profile. The method of implementation of the scheme would ensure minimal service disruption.*
- **Economic:** *Non-replacement of IT hardware presents the risk of major failure and consequential expenditure which would not be budgeted for. This would also impact on service delivery in other areas of the Council.*
- **Sociological:** *None.*
- **Technological:** *IT hardware can rapidly become obsolete through technological advances. Care will be taken to ensure that the most up to date technology is taken advantage of.*
- **Legal:** *The Waste Electrical and Electronic Equipment Directive (WEEE Directive) will be followed in the disposal of obsolete hardware. There is no danger of breaching EU legislation around procurement - Contract Procedure Rules will be followed.*
- **Environmental:** *With IT hardware soon becoming out-dated, disposal of old and obsolete hardware can be an issue. The Council use an external company in the disposal of IT hardware and abide by the WEEE Directive.*

**Policy and Finance Committee
New Capital Bid Submissions**

BID 4: ICT Infrastructure refresh

Service Area: ICT

Head of Service: Lawson Oddie

Brief Description:

This scheme would be a progression from the recent shorter term refresh of desktop ICT equipment (using refurbished equipment) across the Council. This was done to allow a move to more recent OS and Microsoft Office and CoreCAL under an Enterprise Agreement and to allow us to continue to be PSN compliant.

This scheme would allow for the future corporately coordinated update of ICT equipment, including desktop and network with better business continuity resilience and improved data storage to meet increased use of ICT software functionality and to also potentially allow for more flexible working practices. The solutions proposed would be the implementation of:

1. Central storage area network that will allow for the consolidation of data storage, more resilient server infrastructure and a move towards high availability of server resources.
2. Virtual Desktop Infrastructure (VDI) - a desktop-oriented service that hosts user-desktop environments on remote servers. This would allow users to access their desktop from any location, without having to use a single client device. For IT administrators, this means a more centralized, efficient client environment that is easier to maintain and able to respond more quickly to the changing needs of the user and business. Also, the cost of the desktop client would be less than the purchase of a standard PC.
3. Investigate the use of G-Cloud or other cloud based services to enhance the Authority's disaster/business continuity procedures.
4. Replace ageing network infrastructure (network switches etc).

Overriding aim/ambition that the scheme meets:

- To be a well-managed council.

Government or other imperatives to the undertaking of this scheme:

N/A

Improving service performance, efficiency and value for money:

Enable the use of technologies that allow seamless disaster/business continuity, high availability of ICT resources, the provision of ICT resources for the future and enable a more flexible working environment.

Consultation:

None at this stage.

Policy and Finance Committee New Capital Bid Submissions

Start date, duration and key milestones:

It would be envisaged that the scheme would be completed within the year, however there is always the option for the scheme to be phased over a couple of years, as there are discrete elements of the scheme that are not reliant on each other to be operational.

Financial Implications – CAPITAL:

Breakdown	2015/16 £	2016/17 £	2017/18 £
Equipment/Materials	-	-	160,000
TOTAL	-	-	160,000

Financial Implications – ANNUAL REVENUE:

There may be some energy savings experienced through the implementation of Virtual Desktop Infrastructure, but this would be very difficult to quantify, as the technology available in three years' time would likely offer different efficiencies than the technology available today.

Useful economic life:

5 – 7 years.

Additional supporting information:

-

Impact on the environment:

Would help facilitate a greener ICT environment.

Risk:

- **Political:** *IT hardware failure could result in reputational damage for the Council if it impacts on a service area of high public profile. The method of implementation of the scheme would ensure minimal service disruption.*
- **Economic:** *Non-replacement of IT hardware presents the risk of major failure and consequential expenditure which would not be budgeted for. This would also impact on service delivery in other areas of the Council.*
- **Sociological:** *None.*
- **Technological:** *IT hardware can rapidly become obsolete through technological advances. Care will be taken to ensure that the most up to date technology is taken advantage of.*
- **Legal:** *The Waste Electrical and Electronic Equipment Directive (WEEE Directive) will be followed in the disposal of obsolete hardware. There is no danger of breaching EU legislation around procurement - Contract Procedure Rules will be followed.*

**Policy and Finance Committee
New Capital Bid Submissions**

- **Environmental:** *With IT hardware soon becoming out-dated, disposal of old and obsolete hardware can be an issue. The Council use an external company in the disposal of IT hardware and abide by the WEEE Directive.*

Policy and Finance Committee
Financial Impact of the Proposed Three-Year Capital Programme

Scheme Title	2015/16 £	2016/17 £	2017/18 £	TOTAL £	
<u>Previously Approved Bids</u>					
Clitheroe Townscape scheme	115,000			115,000	
Council Offices - Re-roofing scheme	167,500			167,500	
Subtotal of Previously Approved Bids	282,500	0	0	282,500	
<u>New Bids Received (as at Annex 1)</u>					BID NUMBER
Church Walk Council Offices - Replacement of Original Windows and Rooflights			88,900	88,900	1
Council chamber - seating renewal scheme			11,250	11,250	2
Replacement server for Revenues & Benefits			25,000	25,000	3
ICT Infrastructure refresh			160,000	160,000	4
Subtotal of New Bids Received (as at Annex 1)	0	0	285,150	285,150	
TOTAL	282,500	0	285,150	567,650	
<i>Note - no external funding identified for any of these schemes</i>					