

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 6

meeting date: 22 JANUARY 2019
title: REVISED CAPITAL PROGRAMME 2018/19
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To approve the 2018/19 revised estimate for this Committee's capital programme.

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 Three schemes, totalling £156,420, were approved as this Committee's original estimate capital programme by the Policy and Finance Committee and Full Council at their respective meetings in February 2018 and March 2018.

2.2 Three schemes in the 2017/18 capital programme were not completed by 31 March 2018 and had unspent budget available at that date. The total unspent budget on these schemes, totalling £86,140 and known as slippage, was transferred into the 2018/19 capital programme budget.

2.3 An additional budget of £10,500 was approved by this Committee in September 2018 for the additional estimated costs of the Replacement server for Revenues and Benefits scheme. This is known as an additional approval.

2.4 As a result of the above, the total approved budget for this Committee's capital programme of six schemes was £253,060. This is shown at Annex 1.

2.5 Regular reports have been presented to this Committee on progress with the capital programme.

3 REVISING THE 2018/19 CAPITAL PROGRAMME

3.1 We have now discussed each of the schemes in the capital programme with budget holders and revised the programme to reflect their progress and estimated full year expenditure. Following this review, the revised estimate is £161,730 for six schemes, which is a reduction of £91,330 from the previously approved capital budget. The reasons for this are as follows:

- **Lift replacement at Council Offices (-£84,050):** The work specification needs to be completed before the scheme is put out to tender. The work specification is expected to be completed in 2018/19 at an estimated cost of £2,950. However, the time then required for the tendering and contractor selection means that no spend will take place on the main contract work before the end of 2018/19. Thus, it is recommended that the revised estimate budget is reduced to £2,950 and the remaining budget of £84,050 is moved to the 2019/20 financial year.

- **Replacement server for Revenues and Benefits (-£3,180):** The server scheme is on-track for completion in January 2019 and all costs are now paid on the ledger. Some costs included in the original budget were future years' support and maintenance costs which will be charged to future years' revenue budgets and the contingency included in the budget was not required.
- **Queensway Garages – replace roof covering and repairs (-£3,000):** The main scheme work has been completed at a cost of £17,845, which is lower than the original estimate budget of £23,000, but there is the potential that final snagging work will be required. Thus, it is recommended that the revised estimate is set at £20,000 to ensure some budget is set aside to cover any snagging work required.
- **Civic suite upgrade (-£1,100):** Actual spend on the work which rolled over from 2017/18 was slightly lower than the budget slippage approved.

3.2 Annex 1 shows the full capital programme by scheme, including the budget and expenditure to date. The summary position is shown below.

Original Estimate 2018/19 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 £	Budget Moved to 2019/20 £	Actual Expenditure including commitments as at end of December 2018 £
156,420	86,140	10,500	253,060	161,730	84,050	111,625

3.3 At the end of December 2018 £111,625 had been spent or committed. This is 69% of the full year capital programme budget for this Committee.

3.4 The main reason for the £50,105 underspend on the full year budget to date is the £45,000 underspend on the New Council telephone system scheme. Officers are currently in the process of obtaining quotes for the replacement system, following further work undertaken on the options available within the current capital budget. The quotes are likely to be reported to CMT in February 2019 before the preferred supplier is confirmed. At this stage, it is unlikely that the scheme will be completed within the 2018/19 financial year. Slippage into 2019/20 will be requested for any unspent budget at year-end.

3.5 Of the six schemes in the capital programme:

- the Civic suite upgrade scheme has been completed
- the Queensway Garages, Financial system upgrade and Replacement server for Revenues and Benefits schemes are currently on-track to be completed in-year
- the New Council telephone system scheme is unlikely to be completed in-year; and
- the Lift replacement at Council Offices scheme will not be completed in-year.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Approval of the revised capital programme will see a decrease of £91,330 in the level of financing resources needed in 2018/19 and £84,050 of capital financing resources will be moved into 2019/20.

- 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 The revised estimate for this Committee's 2018/19 capital programme is £161,730 for six schemes, which is a reduction of £91,330 from the previously approved capital budget.
- 5.2 It is recommended that £84,050 of the 2018/19 budget for the Lift replacement at Council Offices scheme is moved to 2019/20.
- 5.3 At the end of December 2018 £111,625 had been spent or committed. This is 69% of the full year capital programme budget for this Committee.
- 5.4 One scheme has already been completed and three schemes are currently on-track to be completed in-year. Of the other two schemes, the New Council telephone system scheme is unlikely to be completed in-year and the Lift replacement at Council Offices scheme will not be completed in-year.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Approve the 2018/19 revised estimate of £161,730 for this Committee's capital programme, as set out in Annex 1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF1-19/AC/AC
11 January 2019

For further background information please ask for Andrew Cook

BACKGROUND PAPERS – None

POLICY AND FINANCE COMMITTEE – REVISED CAPITAL PROGRAMME 2018-19

Cost Centre	Scheme	Original Estimate 2018/19 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 £	Budget Moved to 2019/20 £	Actual Expenditure including commitments as at end of December 2018 £
QGARR	Queensway Garages – replace roof covering and repairs	23,000	0	0	23,000	20,000	0	17,845
COLFT	Lift replacement at Council Offices	87,000	0	0	87,000	2,950	84,050	0
CFUPG	Financial system upgrade	46,420	0	0	46,420	46,420	0	46,433
RBSVR	Replacement server for Revenues and Benefits	0	13,500	10,500	24,000	20,820	0	20,813
PHONE	New Council telephone system	0	45,000	0	45,000	45,000	0	0
CSUPG	Civic suite upgrade	0	27,640	0	27,640	26,540	0	26,534
Total Policy and Finance Committee		156,420	86,140	10,500	253,060	161,730	84,050	111,625