

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 11

meeting date: 6 JUNE 2019
title: CAPITAL OUTTURN 2018/19 AND CAPITAL PROGRAMME 2019/20
UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

- 1.1 The purpose of this report is to review the final outturn of the 2018/19 capital programme for this Committee and to seek member approval for the slippage of some capital scheme budgets from the 2018/19 financial year to the 2019/20 financial year.
- 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 need.
 - Other Considerations – none identified.

2 BACKGROUND

- 2.1 Two schemes for this Committee's original estimate capital programme, totalling £347,000, were approved by the Special Policy and Finance Committee and Full Council at their meetings in February 2018 and March 2018 respectively.
- 2.2 In addition to the original estimate budget, the following changes were approved, which increased the total approved budget to £887,420 for four schemes:
- The Clitheroe Market Improvements scheme, totalling £175,000, was on hold in 2017/18 and the scheme budget was moved from the 2017/18 capital programme to the 2018/19 capital programme.
 - There were three 2017/18 capital housing grants schemes that were not completed by 31 March 2018 and budget was requested to be moved into 2018/19. The total budget requested to be moved on these schemes, £341,430, is known as slippage. This slippage was transferred into the 2018/19 capital programme budget, after approval by this Committee in June 2018.
 - Since approval of the original estimate budget for this Committee, the Disabled Facilities Grants (DFGs) funding for 2018/19 from Central Government was confirmed as £320,991. The DFGs scheme budget was initially set at £297,000 on the basis that this would be changed to reflect the confirmed DFGs funding that was received. Therefore, the DFGs 2018/19 budget was increased by an additional approval of £23,990 to £320,990.
- 2.3 At revised estimate stage, the following changes were made to the capital programme:

- Extra DFGs funding of £93,365 from MHCLG and £85,451 from Onward Homes had been allocated to the Council in January 2019. This increased the DFGs revised estimate budget to £771,340.
- The Clitheroe Market Improvements budget of £175,000 was moved to the 2019/20 financial year, because the scheme was on hold awaiting the final plans for the Clitheroe Market Development scheme.

2.4 This increased the revised estimate budget to £891,240 for three schemes, as approved at this Committee's meeting in January 2019.

2.5 Since approval of the 2018/19 revised estimate, the Council has also received an extra £8,674 of Affordable Warmth – Capital Grants funding from Lancashire County Council. This increased the Affordable Warmth – Capital Grants scheme budget to £29,550. This additional funding means the updated revised estimate budget for this Committee's capital programme of three schemes was increased by £8,670 to £899,910.

2.6 During the financial year this Committee has received reports monitoring the progress of schemes within the capital programme.

2.7 As part of the closure of accounts process, capital programme expenditure has been capitalised and added to the balance sheet or charged to revenue where appropriate.

3 CAPITAL OUTTURN 2018/19

3.1 The table below summarises the overall financial position on the capital schemes for this Committee. It shows budget approvals, actual expenditure in-year and slippage requested into 2019/20.

Original Estimate 2018/19 £	Budget Moved from 2017/18 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 UPDATED £	Budget Moved to 2019/20 £	Actual Expenditure 2018/19 £	Requested slippage into 2019/20 £
347,000	175,000	341,430	23,990	887,420	899,910	175,000	448,630	451,280

3.2 Actual expenditure on the capital programme was £448,630, which is 49.9% of the updated revised estimate budget.

3.3 All three schemes in the capital programme are on-going housing capital grants schemes and there have been underspends in-year on each of these schemes – Disabled Facilities Grants -£360,122, Landlord/Tenant Grants -£84,240 and Affordable Warmth - Capital Grants -£6,918. These three grant schemes continue into 2019/20 and slippage of the 2018/19 underspends on these schemes is requested below.

3.4 Annex 1 shows the full capital programme budget and expenditure in-year for each scheme and highlights the requested slippage on each scheme.

4 SLIPPAGE

4.1 Where capital schemes are not complete at year-end and budget is requested to be moved into the next financial year, this is known as slippage. For this Committee slippage of £451,280 is requested into 2019/20 for three schemes:

- Disabled Facilities Grants, £360,120.
- Landlord/Tenant Grants, £84,240.
- Affordable Warmth – Capital Grants, £6,920.

4.2 Attached at Annex 2 are the individual “Requests for slippage” forms. This Committee is asked to consider and approve these.

5 CAPITAL PROGRAMME 2019/20 UPDATE

5.1 This Committee’s capital programme original estimate for 2019/20 included an indicative budget of £320,000 for Disabled Facilities Grants. As reported to this Committee in March 2019, the actual scheme budget for Disabled Facilities Grants was to be confirmed when the 2019/20 actual grant allocation was notified to the Council.

5.2 MHCLG notified the Council in May 2019 that the actual Disabled Facilities Grants 2019/20 allocation is £346,368. Thus, the Disabled Facilities Grants scheme original estimate 2019/20 is now confirmed as £346,370.

6 RISK ASSESSMENT

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

- Resources – There are no additional financing requirements needed for this Committee’s 2018/19 capital programme. A sum of £451,280 has been set aside in the Council’s capital resources to fund the schemes with identified slippage into 2019/20.
- Technical, Environmental and Legal – None.
- Political – The Council is required to use ring-fenced funding received from central government and other local authorities only for the specific purposes it is granted for. The slippage on the Disabled Facilities Grants and Affordable Warmth – Capital Grants schemes falls within this area.
- Reputation – Those in need of financial assistance look to the Council for this assistance. The provision of it will help to improve the standard of living of the recipients which will enhance the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

7 CONCLUSION

7.1 Actual expenditure on the capital programme was £448,630, which is 49.9% of the updated revised estimate budget.

7.2 There have been underspends in 2018/19 on each of the three housing capital grant schemes. These grant schemes continue into 2019/20 and slippage of the 2018/19 underspends on these schemes, totalling £451,280, is requested.

7.3 The Disabled Facilities Grants scheme original estimate budget 2019/20 is now confirmed as £346,370.

8 RECOMMENDED THAT COMMITTEE

8.1 Consider the requests for slippage shown at Annex 2 and approve the slippage of the following budgets into the 2019/20 capital programme:

- Disabled Facilities Grants, £360,120.
- Landlord/Tenant Grants, £84,240.
- Affordable Warmth – Capital Grants, £6,920.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH6-19/AC/AC
17 MAY 2019

For further information please ask for Andrew Cook.

BACKGROUND PAPERS: None

**HEALTH AND HOUSING COMMITTEE
Capital Programme Outturn 2018/19**

Cost Centre	Scheme	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 (UPDATED) £	Budget Moved to 2019/20 £	Actual Expenditure 2018/19 £	Requested slippage into 2019/20 £
DISCP	Disabled Facilities Grants	297,000	0	271,530	23,990	592,520	771,340	0	411,218	360,120
LANGR	Landlord/Tenant Grants	50,000	0	49,020	0	99,020	99,020	0	14,780	84,240
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	0	175,000	0	0
CWARM	Affordable Warmth – Capital Grants	0	0	20,880	0	20,880	29,550	0	22,632	6,920
Total Health and Housing Committee		347,000	175,000	341,430	23,990	887,420	899,910	175,000	448,630	451,280

Request for slippage into 2019/20

Cost Centre and Scheme Title	DISCP: Disabled Facilities Grants
Scheme Description	Disabled Facilities Grants (DFGs) are grants delivered by the Council to assist people with disabilities to be able to stay in their own home. The grant is administered in partnership with Social Services.
Head of Service	Colin Hirst
Year Originally Approved	2018/19 (Annual Scheme)
Revised Estimate 2018/19 for the Scheme	£771,340
Actual Expenditure in the Year 2018/19	£411,218
Variance - (Underspend) or Overspend	(£360,122)
Please provide full reasons for the (under) or over spend variance shown above?	The Council has underspent against the DFGs budget in terms of the value of payments made when DFGs grants are fully completed.

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£360,120
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered.	<p>The Disabled Facilities Grants scheme is on-going. At year-end there were:</p> <ul style="list-style-type: none"> - Twenty four approved schemes in progress with commitments of £140,464. - Three currently approved schemes that may require additional approvals with estimated costs of approximately £45,000. - Thirteen grant applications in progress but not approved with estimated costs of approximately £86,000. - Twenty referrals awaiting an application to be taken. <p>The approved commitments and other estimated costs at year-end are likely to use up the 2018/19 budget underspend and an element of the 2019/20 DFGs allocation also.</p> <p>NOTE - The underspent budget is financed by ring-fenced funding from central government, so any underspend from 2018/19 must be allocated to Disabled Facilities Grants in 2019/20.</p>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2019/20

Request for slippage into 2019/20

Cost Centre and Scheme Title	LANGR: Landlord/Tenant Grants
Scheme Description	To offer grant aid for the renovation of private sector properties with the condition that the units are affordable on completion and the Council has nomination rights.
Head of Service	Colin Hirst
Year Originally Approved	2018/19 (Annual Scheme)
Revised Estimate 2018/19 for the Scheme	£99,020
Actual Expenditure in the Year 2018/19	£14,780
Variance - (Underspend) or Overspend	(£84,240)
Please provide full reasons for the (under) or over spend variance shown above?	One large scheme, for several units, was due to take up the majority of the budget funds. However, this scheme has not yet received planning approval, so cannot progress further at this stage.

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£84,240
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered.	The Landlord/Tenant Grants scheme is on-going and Housing officers are increasing promotion of the scheme to encourage enquiries from potential applicants. Slippage is requested to supplement the approved 2019/20 budget to help increase affordable housing and the number of properties that the Council has nomination rights over in the borough.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2019/20.

Request for slippage into 2019/20

Cost Centre and Scheme Title	CWARM: Affordable Warmth – Capital Grants
Scheme Description	A grant scheme funded by Lancashire County Council in 2016/17 and 2017/18, to allow the Council to provide sustainable heating and insulation grants to eligible applicants. Some of the Council's grant allocation was still available for use in 2018/19.
Head of Service	Colin Hirst
Year Originally Approved	2018/19 (Annual Scheme)
Revised Estimate 2018/19 for the Scheme	£29,550
Actual Expenditure in the Year 2018/19	£22,632
Variance - (Underspend) or Overspend	(£6,918)
Please provide full reasons for the (under) or over spend variance shown above?	Grant applications received and approved in-year were less than the funding available.

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£6,920
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered.	<p>The Affordable Warmth - Capital Grants scheme is on-going. At year-end there were 3 approved schemes in progress with approved commitments of £1,930. It is anticipated that these commitments and further applications will use up the outstanding grant funding available from Lancashire County Council in 2019/20.</p> <p>NOTE - The underspent budget is financed by ring-fenced funding from Lancashire County Council, so any underspend from 2018/19 must be allocated to Affordable Warmth – Capital Grants in 2019/20.</p>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2019/20.