

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 18 JUNE 2019
title: CAPITAL OUTTURN 2018/19
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 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 In addition to the original estimate budget, the following changes were approved:

- Three schemes in the 2017/18 capital programme were not completed by 31 March 2018 and budget slippage of £86,140 on these schemes was transferred into the 2018/19 capital programme budget, after approval by this Committee in June 2018.
- 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.

2.3 As a result of the above, the total approved budget for this Committee's capital programme of six schemes was £253,060.

2.4 The revised capital programme budget of £161,730 was then approved by this Committee in January 2019, following a review of progress on each of the six schemes. This reduction was based on £84,050 of the Lift Replacement at Council Offices scheme budget being moved to the 2019/20 capital programme and budgets on three of the schemes being reduced by a total of £7,280 to reflect the latest estimated costs on those schemes.

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

2.6 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 Annex 1 shows the full capital programme budget and expenditure in-year for each scheme and highlights the requested slippage into 2019/20. The table below summarises the final outturn position.

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 2018/19 £	Requested slippage into 2019/20 £
156,420	86,140	10,500	253,060	161,730	84,050	100,797	60,950

3.2 Actual expenditure on this Committee's capital programme was £100,797, which is 62.3% of the revised estimate budget.

3.3 Two of the six schemes in the revised estimate capital programme were completed in-year and the 2018/19 element of the Lift Replacement at Council Offices scheme was also completed in-year.

3.4 Three schemes were not completed in-year, as follows:

- **Queensway Garages – replace roof covering and repairs (-£1,831):** The main work on the scheme is complete. The only work still to be completed at 31 March 2019 was final snagging work on some roof joints. Slippage of £1,830 into the 2019/20 financial year is required to cover the cost of the roof joint snagging work plus some contingency.
- **Financial System Upgrade (-£14,090):** A significant amount of work has been completed on the scheme, namely purchase of the software required and initial upgrade and migration work in the test environment. There have been some delays which mean that final testing and the final live upgrade to the web-based version will now be completed in 2019/20. Slippage of £14,120 into the 2019/20 financial year is needed to cover the costs of final testing and the final upgrade to the web-based version of our financial systems.
- **New Council Telephone System (-£45,000):** The scheme is at the quote stage. Initial quotes have been received from three suppliers and a fourth quote is being sought in line with contract procedure rules. A site visit has been scheduled for 19 June 2019 to visit the fourth supplier for a full demonstration of their proposed solution. Following this visit a report outlining options for replacement telephony and associated costings will be submitted to CMT for consideration. Slippage of £45,000 into the 2019/20 financial year is required to complete the delivery of the replacement telephone system.

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 £60,950 is requested into 2019/20 for three schemes:

- Queensway Garages – replace roof covering and repairs, £1,830.
- Financial System Upgrade, £14,120.
- New Council Telephone System, £45,000.

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

5 RISK ASSESSMENT

5.1 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 £60,950 has been set aside in the Council's capital resources to fund the schemes with identified slippage.
- 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.

6 CONCLUSION

6.1 Actual expenditure on this Committee's capital programme was £100,797, which is 62.3% of the revised estimate budget.

6.2 Two of the six schemes in the revised estimate capital programme were completed in-year and the 2018/19 element of the Lift Replacement at Council Offices scheme was also completed in-year.

6.3 Three schemes were in progress but not completed at 31 March 2019 and slippage of £60,950 has been requested to fund the completion of those schemes in the 2019/20 financial year.

7 RECOMMENDED THAT COMMITTEE

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

- Queensway Garages – replace roof covering and repairs, £1,830.
- Financial System Upgrade, £14,120.
- New Council Telephone System, £45,000.

SENIOR ACCOUNTANT
PF28-19/AC/AC
10 June 2019

DIRECTOR OF RESOURCES

BACKGROUND PAPERS: None
For further information please ask for Andrew Cook

POLICY AND FINANCE COMMITTEE – CAPITAL PROGRAMME OUTTURN 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 2018/19 £	Requested slippage into 2019/20 £
QGARR	Queensway Garages – replace roof covering and repairs	23,000	0	0	23,000	20,000	0	18,169	1,830
COLFT	Lift replacement at Council Offices	87,000	0	0	87,000	2,950	84,050	2,950	0
CFUPG	Financial System Upgrade	46,420	0	0	46,420	46,420	0	32,330	14,120
RBSVR	Replacement Server for Revenues and Benefits	0	13,500	10,500	24,000	20,820	0	20,814	0
PHONE	New Council Telephone System	0	45,000	0	45,000	45,000	0	0	45,000
CSUPG	Civic Suite Upgrade	0	27,640	0	27,640	26,540	0	26,534	0
Total Policy and Finance Committee		156,420	86,140	10,500	253,060	161,730	84,050	100,797	60,950

Request for slippage into 2019/20

Cost Centre and Scheme Title	QGARR: Queensway Garages – replace roof covering and repairs
Scheme Description	Work on twenty three garages at Queensway to ensure they are in good condition and can continue to be let to tenants – Work involves removal and disposal of the existing asbestos cement roofs, replacing with steel roofing sheets, and some refurbishment work to the metal up and over doors.
Head of Service	Adrian Harper
Year Originally Approved	2018/19
Revised Estimate 2018/19 for the Scheme	£20,000
Actual Expenditure in the Year 2018/19	£18,169
Variance - (Underspend) or Overspend	(£1,831)
Please provide full reasons for the (under) or over spend variance shown above?	The main work on the scheme is complete. The only work still to be completed at 31 March 2019 was final snagging work on some roof joints.

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£1,830
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. Attach any information that you feel may be relevant.	Slippage is requested to cover the cost of the roof joint snagging work plus some contingency.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	The snagging work is estimated to be completed and signed off by the end of June 2019.

Request for slippage into 2019/20

Cost Centre and Scheme Title	CFUPG: Financial system upgrade
Scheme Description	<p>We were made aware by the software supplier of our financial systems that the rich client version that we currently use is to be withdrawn in the near future and that we will be forced to move to the web-based version.</p> <p>This financial system upgrade scheme will move our financial systems onto the web-based version.</p>
Head of Service	Lawson Oddie
Year Originally Approved	2018/19
Revised Estimate 2018/19 for the Scheme	£46,420
Actual Expenditure in the Year 2018/19	£32,330
Variance - (Underspend) or Overspend	(£14,090)
Please provide full reasons for the (under) or over spend variance shown above?	<p>A significant amount of work has been completed on the scheme, namely purchase of the software required and initial upgrade and migration work in the test environment.</p> <p>There have been some delays which mean that final testing and the final live upgrade to the web-based version will now be completed in 2019/20.</p>

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£14,120
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. Attach any information that you feel may be relevant.	Slippage of £14,120 to 2019/20 is needed to cover the estimated costs of final testing and the final upgrade to the web-based version of our financial systems.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	2019/20 financial year.

Request for slippage into 2019/20

Cost Centre and Scheme Title	PHONE: New Council Telephone System
Scheme Description	<p>A new telephone system for the Council, which is likely to incorporate:</p> <ul style="list-style-type: none"> • A new system (including main switchboard). • Servers and updated handsets hardware to run the system on. • Technical/consultant input to help spec the detail of the system and assist with the procurement process.
Head of Service	Michelle Smith
Year Originally Approved	2017/18
Revised Estimate 2018/19 for the Scheme	£45,000
Actual Expenditure in the Year 2018/19	£0
Variance - (Underspend) or Overspend	(£45,000)
Please provide full reasons for the (under) or over spend variance shown above?	<p>The scheme is at the quote stage. Initial quotes have been received from three suppliers and a fourth quote is being sought in line with contract procedure rules. A site visit has been scheduled for 19 June 2019 to visit the fourth supplier for a full demonstration of their proposed solution. Following this visit a report outlining options for replacement telephony and associated costings will be submitted to CMT for consideration.</p>

Slippage Request

Please grant the amount of Budget Slippage from 2018/19 to 2019/20 requested.	£45,000
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. Attach any information that you feel may be relevant.	Slippage of the full scheme budget to complete the delivery of the replacement telephone system.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	2019/20 financial year.