

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 11

meeting date: 1 OCTOBER 2020
title: CAPITAL OUTTURN 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To report the 2019/20 capital programme outturn for this Committee and to set out the slippage on some capital scheme budgets that has been moved from 2019/20 to 2020/21.

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 2019/20 CAPITAL PROGRAMME BACKGROUND

2.1 Two schemes for this Committee's original estimate capital programme, totalling £370,000, were approved by the Special Policy and Finance Committee and Full Council at their meetings in February 2019 and March 2019 respectively.

2.2 In addition to the original estimate budget, the following budget changes were made in 2019/20:

- The Clitheroe Market Improvements scheme, totalling £175,000, was on hold in 2018/19 and the scheme budget was moved from the 2018/19 capital programme to the 2019/20 capital programme.
- There were three 2018/19 capital housing grants schemes that were not completed by 31 March 2019 and had unspent budget available at that date. The total unspent budget of £451,280 on those schemes, known as slippage, was moved into the 2019/20 capital programme budget, after approval by this Committee in June 2019.
- After approval of the original estimate budget for this Committee, the Disabled Facilities Grants (DFGs) funding for 2019/20 from Central Government was confirmed as £346,368. The DFGs scheme budget was initially set at £320,000 on the basis that this would be changed to reflect the confirmed DFGs funding that was received. Therefore, the DFGs 2019/20 budget was increased by an additional approval of £26,370 to £346,370.
- The Longridge Affordable Housing scheme, totalling £234,000, was approved for inclusion in this Committee's capital programme by the Policy and Finance Committee in June 2019.

- The Chipping Community Housing Grant scheme, totalling £115,000, was initially approved by this Committee in March 2018, subject to the award meeting the requirements of the Community Housing Fund award. The scheme was added to this Committee's capital programme in 2019/20, as the grant was expected to be paid in-year.

2.3 As a result of the above, the total approved budget for this Committee's capital programme of six schemes was £1,371,650.

2.4 The revised capital programme budget of £1,254,710 was then approved by this Committee in January 2020, following a review of progress on each of the six schemes. This included moving £116,940 of budget on two schemes into the 2020/21 financial year.

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

3 CAPITAL OUTTURN 2019/20 AND SLIPPAGE

3.1 Annex 1 shows this Committee's capital programme outturn position by scheme, including budget approvals, actual expenditure in-year and slippage into 2020/21. The table below summarises the final outturn position.

Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure 2019/20 £	Slippage into 2020/21 £
370,000	175,000	451,280	375,370	1,371,650	1,254,710	116,940	595,815	658,890

3.2 Actual expenditure on this Committee's capital programme was £595,815, which is 47.5% of the revised estimate budget.

3.3 One of the six capital programme schemes, Affordable Warmth – Capital Grants, was completed in-year.

3.4 Five schemes were not completed in 2019/20 and the unspent budgets on those schemes has been moved into the 2020/21 financial year. This is known as slippage. The details for each scheme are as follows:

- **Disabled Facilities Grants (-£329,962):** The Council has underspent against the budget in terms of the value of payments made when grants are fully completed. However, approved grant commitments and other estimated costs at 2019/20 year-end are likely to use up the 2019/20 budget underspend. Also, this is an on-going capital grants scheme that is funded by ring-fenced allocations from central government and Onward Homes and the scheme is continuing in 2020/21. Slippage of £329,960 will fund approved grant payments in 2020/21.
- **Landlord/Tenant Grants (-£58,300):** Less take up of grants in-year than hoped for. Two grant applications had been approved in 2019/20, but there was no spend on them in-year. This is an on-going capital grants scheme that is continuing in 2020/21. Slippage of £58,300 will fund approved grant payments in 2020/21.

- **Clitheroe Market Improvements (-£29,861):** The majority of the initial phase of market improvement works was completed in-year. The underspend was due to the cabins canopies quotes being lower than the budget set-aside, three canopy installations still to be confirmed as installed correctly, no payments being made in-year for the sign-writing and no expenditure in-year on the removal of the current stalls and purchase of pop-up stalls.
Slippage of £29,860 will be used to fund completion of the initial phase of market improvements in the first instance and then any remaining budget will be added to the £57,000 budget already moved to 2020/21 for the further phase of improvement works.
Note - Removal of stalls in the bull-ring is being reconsidered following a recent increase in trader demand for stalls.
- **Longridge Affordable Housing Scheme (-£125,769):** Of the two properties, one has been purchased, refurbished and leased to the registered provider. At year-end, the second property was awaiting completion of purchase. Slippage of £125,770 will help to fund the purchase and refurbishment costs of the second property.
- **Chipping Community Housing Grant (-£115,000):** Purchase of the three properties by Chipping Community Land Trust was not complete at year-end. This was due to delays in the developer completing the building works. Slippage of £115,000 will fund the grant payment to Chipping Community Land Trust to purchase the three properties in 2020/21.

3.5 Attached at Annex 2 are the individual “Request for slippage” forms, which have been completed by budget holders and agreed with the Director of Resources.

4 CONCLUSION

- 4.1 Actual expenditure on this Committee’s capital programme was £595,815, which is 47.5% of the revised estimate budget.
- 4.2 One of the six capital programme schemes was completed in-year.
- 4.3 Five schemes were not completed in 2019/20 and combined budget slippage of £658,890 has been moved into the 2020/21 financial year for those schemes.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH8-20/AC/AC
1 September 2020

For further information please ask for Andrew Cook.

BACKGROUND PAPERS – None

HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME OUTTURN 2019/20

Annex 1

Cost Centre	Scheme	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure 2019/20 £	Slippage into 2020/21 £
DISCP	Disabled Facilities Grants	320,000	0	360,120	26,370	706,490	706,490	0	376,528	329,960
LANGR	Landlord/Tenant Grants	50,000	0	84,240	0	134,240	58,300	59,940	0	58,300
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	118,000	57,000	88,139	29,860
CWARM	Affordable Warmth – Capital Grants	0	0	6,920	0	6,920	6,920	0	6,917	0
LONAH	Longridge Affordable Housing Scheme	0	0	0	234,000	234,000	250,000	0	124,231	125,770
CHCHG	Chipping Community Housing Grant	0	0	0	115,000	115,000	115,000	0	0	115,000
Total Health and Housing Committee		370,000	175,000	451,280	375,370	1,371,650	1,254,710	116,940	595,815	658,890

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2019/20**

Annex 2

Request for slippage into 2020/21

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	2019/20 (Annual Scheme)
Revised Estimate 2019/20 for the Scheme	£706,490
Actual Expenditure in the Year 2019/20	£376,528
Variance - (Underspend) or Overspend	(£329,962)
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 are fully completed.

Slippage Request

Please grant the amount of Budget Slippage from 2019/20 to 2020/21 requested.	£329,960
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 DFGs scheme is on-going. At year-end there were:</p> <ul style="list-style-type: none"> - Twenty five approved schemes in progress with commitments of £113,293. - Six currently approved schemes that may require additional approvals with estimated costs of approximately £23,821. - Seventeen grant applications in progress but not yet approved with estimated costs of approximately £192,000. - Seventeen referrals awaiting an application to be taken. <p>The approved commitments and other estimated costs at 2019/20 year-end are likely to use up the 2019/20 budget underspend.</p> <p>NOTE - The underspent budget is financed by ring-fenced funding from central government (MHCLG) and Onward Homes, so any underspend from 2019/20 must be allocated to Disabled Facilities Grants in 2020/21.</p>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Throughout 2020/21.

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2019/20**

Request for slippage into 2020/21

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	2019/20 (Annual Scheme)
Revised Estimate 2019/20 for the Scheme	£58,300
Actual Expenditure in the Year 2019/20	£0
Variance - (Underspend) or Overspend	(£58,300)
Please provide full reasons for the (under) or over spend variance shown above?	There has been less take up of grants in-year than hoped for. At year-end, two grant applications had been approved, but there was no spend on them in 2019/20.

Slippage Request

Please grant the amount of Budget Slippage from 2019/20 to 2020/21 requested.	£58,300
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. Slippage is requested to: <ul style="list-style-type: none"> - help fund the payments on the two approved grant schemes in progress at year-end with an estimated cost of £25,264 - to supplement the approved 2020/21 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 2020/21.

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2019/20**

Request for slippage into 2020/21

Cost Centre and Scheme Title	CMIMP: Clitheroe Market Improvements
Scheme Description	<p>Initial phase of work comprises erecting new uniform canopies on all cabins, hand painting fascia signs on all cabins, refurbishing the market toilets and removing stalls in the bull-ring.</p> <p>Some of the budget has been set aside for a further phase of improvements. Plans for this further phase will be reported to a future meeting of the Health and Housing Committee for member approval.</p>
Director/Head of Service	Nicola Hopkins
Year Originally Approved	2019/20 (updated scheme approved)
Revised Estimate 2019/20 for the Scheme	£118,000
Actual Expenditure in the Year 2019/20	£88,139
Variance - (Underspend) or Overspend	(£29,861)
Please provide full reasons for the (under) or over spend variance shown above?	<p>The market toilets refurbishment work was completed in-year, the majority of the canopies had been fitted and the fascia signs painting was in progress. The plans to remove all market stalls were on-hold, pending consideration of whether a small number should be refurbished.</p> <p>The underspend was due to the canopies quotes being lower than the budget set aside, three canopy installations still to be confirmed as installed correctly, no payments being made in-year for the sign-writing and no expenditure in-year on the removal of the current stalls and purchase of pop-up stalls.</p>

Slippage Request

Please grant the amount of Budget Slippage from 2019/20 to 2020/21 requested.	£29,860
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>To fund completion of the initial phase of market improvements, this being final canopies payments, fascia signs painting work, removal/refurbishment of the stalls in the bull-ring and possible purchase of pop-up stalls. Removal of stalls in the bull-ring is being reconsidered following a recent increase in demand for stalls.</p> <p>NOTE - It is proposed that any remaining budget from this initial phase of works is added to the £57,000 budget already moved to 2020/21 for the further phase of improvement works.</p>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	2020/21 for completion of the initial phase of works, subject to final plans for the market stalls.

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2019/20**

Request for slippage into 2020/21

Cost Centre and Scheme Title	LONAH: Longridge Affordable Housing Scheme
Scheme Description	The purchase of two properties in Longridge to be rented out as affordable rental units, utilising commuted sum monies. The properties will be leased to a registered provider and the Council will have 100% nomination rights and the rent will be capped at LHA rate.
Head of Service	Colin Hirst
Year Originally Approved	2019/20
Revised Estimate 2019/20 for the Scheme	£250,000
Actual Expenditure in the Year 2019/20	£124,231
Variance - (Underspend) or Overspend	(£125,769)
Please provide full reasons for the (under) or over spend variance shown above?	Of the two properties, one has been purchased, refurbished and leased to the registered provider. At year-end, the second property was awaiting completion of purchase.

Slippage Request

Please grant the amount of Budget Slippage from 2019/20 to 2020/21 requested.	£125,770
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.	To fund the purchase and refurbishment costs of the second property.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Autumn 2020.

**HEALTH AND HOUSING COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2019/20**

Request for slippage into 2020/21

Cost Centre and Scheme Title	CHCHG: Chipping Community Housing Grant
Scheme Description	Use of £115,000 of Community Housing Fund grant from MHCLG to provide a grant to Chipping Community Land Trust to help purchase three new properties in Chipping. The grant will fund 50% of the purchase price paid by the Land Trust. Once purchased, the three properties will be rented out by the Land Trust as affordable rental units. The Council will have 100% nomination rights and the rent will be capped at LHA rate.
Head of Service	Colin Hirst
Year Originally Approved	2019/20
Revised Estimate 2019/20 for the Scheme	£115,000
Actual Expenditure in the Year 2019/20	£0
Variance - (Underspend) or Overspend	(£115,000)
Please provide full reasons for the (under) or over spend variance shown above?	Completion of the purchase of the three properties by Chipping Community Land Trust was not complete at year-end. This was due to delays in the developer completing the building works.

Slippage Request

Please grant the amount of Budget Slippage from 2019/20 to 2020/21 requested.	£115,000
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.	To fund the grant payment to Chipping Community Land Trust to purchase the three properties.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Autumn 2020.