

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 12

meeting date: 1 OCTOBER 2020
title: CAPITAL MONITORING
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To provide this Committee with information relating to the progress of the 2020/21 capital programme, for the period to the end of August 2020.

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 2020/21 CAPITAL PROGRAMME BACKGROUND

2.1 Three capital schemes for this Committee's original estimate budget, totalling £513,940, were approved by the Special Policy and Finance Committee and Full Council at their meetings in February 2020 and March 2020 respectively. This included new annual budgets for two ongoing grants schemes and also budget for two 2019/20 schemes that had been moved from the 2019/20 capital programme to the 2020/21 capital programme.

2.2 In addition to the original estimate budget above, the following budget changes and approvals have been made so far in 2020/21:

- Five capital schemes were not completed by 31 March 2020 and had unspent budget available at that date. The total unspent budget of £658,890 on those schemes, known as slippage, has been moved into the 2020/21 capital programme budget, after slippage requests from the budget holders were agreed by the Director of Resources.
- Since approval of the original estimate budget for this Committee, the Disabled Facilities Grants (DFGs) funding for 2020/21 from Central Government has been confirmed as £346,368. The DFGs scheme budget was initially set at £347,000 on the basis that this would be changed to reflect the confirmed DFGs funding that was received. Therefore, the DFGs 2020/21 budget was decreased by £630 to £346,370.
- In June 2020, Onward Homes confirmed that they will contribute £90,655 towards the cost of disabled adaptations carried out in 2019/20 and 2020/21 on their properties under the DFGs regime. This is in line with the transfer agreement undertakings agreed in 2008 when the Council transferred its council housing stock to Ribble Valley Homes (who are now part of Onward Homes). This funding is ring-fenced for disabled adaptations so the DFGs budget was increased by £90,650.
- In August 2020, the Emergency Committee approved a further grant of £42,532 to Chipping Community Land Trust as a part contribution to the purchase of an additional affordable rent property as part of the Chipping Community Housing Grant scheme. The scheme now provides grant for four properties. Thus, the Chipping Community Housing Grant scheme budget was increased by £42,530 to £157,530.

2.3 As a result of the above, the total approved budget for this Committee's capital programme of five schemes is £1,305,380. This is shown at Annex 1.

3 CAPITAL MONITORING 2020/21

3.1 The table below summarises this Committee's capital programme budget, expenditure to date and variance, as at the end of August 2020. Annex 1 shows the full capital programme by scheme. Annex 2 shows scheme details, financial information and budget holder comments to date for each scheme.

Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
397,000	116,940	658,890	132,550	1,305,380	290,389	-1,014,991

3.2 At the end of August 2020 £290,389 had been spent or committed. This is 22.2% of the capital programme total approved budget for this Committee.

3.3 Progress on the schemes to date is as follows:

- Disabled Facilities Grants (-£633,672):** Committed expenditure at the end of August 2020 was based on twenty three schemes approved in previous years and twelve schemes approved so far in 2020/21. In addition to this, there were a further sixteen applications working towards approval, eleven currently approved schemes where additional approval may be required to fund further work now identified and there are twenty two referrals from Occupational Therapists that may become formal applications in the near future. Further referrals and applications are expected in-year.

The number of schemes approved and completed so far in 2020/21 has been significantly reduced because non-urgent DFGs related works, occupational therapy assessments and technical assessments were put on-hold due to Covid-19 from late March 2020 onwards (the grant recipients are in the most vulnerable categories of people).

From June 2020, there has been some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible, as lockdown restrictions are gradually eased. However, the rate of increase in DFGs work and grant payments made is only expected to be gradual for the foreseeable future, because many vulnerable clients may still be shielding, social distancing rules may not allow contractors to work in houses still occupied and there may be contractor and technical officer capacity issues.

At this stage, there is no certainty that the scheme budget will be fully committed by year-end. Any unspent budget at year-end will be rolled forward as slippage into 2021/22 because this scheme is financed by ring-fenced DFGs grant income from MHCLG and Onward Homes.

- Landlord/Tenant Grants (-£142,976):** Committed expenditure at the end of August 2020 was based on two schemes approved in 2019/20. Of the two schemes approved, one has been completed and paid in 2020/21 and works are in progress on the other. No additional schemes have been approved so far in 2020/21, mainly as a result of Covid-19, meaning many landlords not bidding for renovations funding. Housing officers will continue to promote the scheme where possible for the rest of 2020/21.

- **Clitheroe Market Improvements (-£78,643):** The work on the initial phase of market improvements is now complete, save for the removal of stalls in the bull-ring and purchase of pop-up stalls element of work being put on-hold. This is because the removal of stalls in the bull-ring is being reconsidered following a recent increase in trader demand for stalls.

The unspent budget from this initial phase of works, £21,643, is to be added to the budget of £57,000 already set aside for a further phase of market improvements. The plans for this further phase, including the way forward for the bull-ring stalls, will be worked up by officers in early 2021. This will allow for consultation with the market traders following the busy Christmas period and the plans will be reported to a future meeting of the Health and Housing Committee for approval before work commences. Given this, the further phase of works will not be undertaken in 2020/21 and approval will be sought from members to move the remaining scheme budget into 2021/22 when the revised estimate capital programme is presented for approval in January 2021.

- **Longridge Affordable Housing Scheme (-£2,170):** The purchase of the second property was held up by approximately two months due to Covid-19 housing completions restrictions. Despite this, the purchase is now complete and refurbishment work, which is required to complete the scheme, is expected to begin in September 2020.

The refurbishment costs are to be confirmed and agreed by senior officers before work commences, but the refurbishment costs are likely to be higher than the £2,170 remaining budget. If an overspend occurs then officers suggest that the additional budget is funded by transfer of budget from the Landlord/Tenant Grants scheme to the Longridge Affordable Housing Scheme in-year and formal budget approval will be sought from members when the revised estimate capital programme is presented for approval in January 2021.

The main reason for the potential overspend is that refurbishment costs for the first property were higher than initially planned, due to additional necessary work to the bathroom, stairs refurbishment, dry rot remediation, additional electrical installation and back yard safety works.

- **Chipping Community Housing Grant (-£157,530):** Completion of the purchase of the affordable rent properties by Chipping Community Land Trust has not yet taken place. This is due to delays in the developer completing the building works. The purchase of all four properties by the Land Trust and payment of the grant by the Council is now expected to take place in Autumn 2020.

4 CONCLUSION

4.1 At the end of August 2020 £290,389 had been spent or committed. This is 22.2% of the capital programme total approved budget for this Committee.

4.2 Of the five schemes in the capital programme:

- two are currently expected to be completed in-year
- one will not be completed in 2020/21 and member approval will be sought at revised estimate stage to move the remaining scheme budget into 2021/22; and
- spend and commitments on the demand-led Disabled Facilities Grants and Landlord/Tenant Grants schemes are on-going in-year.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH9-20/AC/AC
4 September 2020

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

Health and Housing Committee – Capital Programme 2020/21

Cost Centre	Scheme	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
DISCP	Disabled Facilities Grants	347,000	0	329,960	90,020	766,980	133,308	-633,672
LANGR	Landlord/Tenant Grants	50,000	59,940	58,300	0	168,240	25,264	-142,976
CMIMP	Clitheroe Market Improvements	0	57,000	29,860	0	86,860	8,217	-78,643
LONAH	Longridge Affordable Housing Scheme	0	0	125,770	0	125,770	123,600	-2,170
CHCHG	Chipping Community Housing Grant	0	0	115,000	42,530	157,530	0	-157,530
Total Health and Housing Committee		397,000	116,940	658,890	132,550	1,305,380	290,389	-1,014,991

Individual Scheme Details and Budget Holder Comments

Disabled Facilities Grants

Service Area: Housing and Regeneration
Head of Service: Colin Hirst

Brief Description of the Scheme:

The scheme provides grant aid to adapt homes so elderly and disabled occupants can remain in their own home. The grants can provide for minor adaptation, for example the installation of a stair lift, up to the provision of a bathroom and bedroom extension.

Revenue Implications:

Administration fees are paid to the Council for any individual Disabled Facilities Grants scheme that the Council administers. The actual administration fee income varies each year, dependent on the number and value of schemes completed in-year.

Timescale for Completion:

The Disabled Facilities Grants budget operates throughout the financial year.

Capital Cost:

	£	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
Original Estimate 2020/21	347,000		
Slippage from 2019/20	329,960		
Additional Approvals 2020/21	90,020		
Total Approved Budget 2020/21	766,980	133,308	-633,672
ANTICIPATED TOTAL SCHEME COST	766,980		

Progress - Budget Holder Comments

August 2020: Committed expenditure at the end of August 2020 was based on twenty three schemes approved in previous years and twelve schemes approved so far in 2020/21. In addition to this, there were a further sixteen applications working towards approval, eleven currently approved schemes where additional approval may be required to fund further work now identified and there are twenty two referrals from Occupational Therapists that may become formal applications in the near future. Further referrals and applications are expected in-year.

The number of schemes approved and completed so far in 2020/21 has been significantly reduced because non-urgent DFGs related works, occupational therapy assessments and technical assessments were put on-hold due to Covid-19 from late March 2020 onwards (the grant recipients are in the most vulnerable categories of people).

From June 2020, there has been some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible, as lockdown restrictions are gradually eased. However, the rate of increase in DFGs work and grant payments made is only expected to be gradual for the foreseeable future, because many vulnerable clients may still be shielding, social distancing rules may not allow contractors to work in houses still occupied and there may be contractor and technical officer capacity issues.

At this stage, there is no certainty that the scheme budget will be fully committed by year-end. Any unspent budget at year-end will be rolled forward as slippage into 2021/22 because this scheme is financed by ring-fenced DFGs grant income from MHCLG and Onward Homes.

Individual Scheme Details and Budget Holder Comments

Landlord/Tenant Grants

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

The scheme match funds a landlord's investment in a property in return for an affordable rental property. Conditions of the grant are nomination rights and a set rent level in line with LHA. The scheme is crucial for move-on accommodation for families in temporary accommodation as the social housing waiting list is so long. The scheme is also used to bring empty properties back into use.

Revenue Implications:

Administration fees are paid to the Council for any individual Landlord/Tenant Grants scheme that the Council administers. The actual administration fee income varies each year, dependent on the number and value of schemes completed in-year.

Timescale for Completion:

The Landlord/Tenant Grants budget operates throughout the financial year.

Capital Cost:

	£	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
Original Estimate 2020/21	50,000		
Budget Moved from 2019/20	59,940		
Slippage from 2019/20	58,300		
Total Approved Budget 2020/21	168,240	25,264	-142,976
ANTICIPATED TOTAL SCHEME COST	168,240		

Progress - Budget Holder Comments

August 2020: Committed expenditure at the end of August 2020 was based on two schemes approved in 2019/20. Of the two schemes approved, one has been completed and paid in 2020/21 and works are in progress on the other. No additional schemes have been approved so far in 2020/21, mainly as a result of Covid-19, meaning many landlords not bidding for renovations funding. Housing officers will continue to promote the scheme where possible for the rest of 2020/21.

Individual Scheme Details and Budget Holder Comments

Clitheroe Market Improvements

Service Area: Clitheroe Market

Head of Service/Director: Heather Barton/Nicola Hopkins

Brief Description of the Scheme:

The Clitheroe Market Improvements scheme was initially approved in 2015, before the proposed Clitheroe Market re-development plans were announced. As part of approving the 2018/19 capital programme revised estimate at its meeting on 17 January 2019, this Committee approved the move of this £175,000 scheme budget from the 2018/19 capital programme to the 2019/20 capital programme. This is because the scheme was on hold, awaiting the final plans for any development on the market site.

Policy and Finance Committee have since agreed to terminate the Clitheroe Market re-development procurement. As a result of this, officers are developing a new set of plans for this Clitheroe Market Improvements scheme, after consultation with the Market traders, and these plans will be reported to members at a future Health and Housing Committee meeting.

Revenue Implications:

To be confirmed - dependent on the proposals developed for approval.

Timescale for Completion:

To be confirmed - dependent on the proposals developed for approval.

Capital Cost:

	£	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
Original Estimate 2020/21	0		
Budget Moved from 2019/20	57,000		
Slippage from 2019/20	29,860		
Total Approved Budget 2020/21	86,860	8,217	-78,643
Actual Expenditure 2019/20	88,139		
ANTICIPATED TOTAL SCHEME COST	174,999		

Progress - Budget Holder comments:

August 2020: The work on the initial phase of market improvements is now complete, save for the removal of stalls in the bull-ring and purchase of pop-up stalls element of work being put on-hold. This is because the removal of stalls in the bull-ring is being reconsidered following a recent increase in trader demand for stalls.

The unspent budget from this initial phase of works, £21,643, is to be added to the budget of £57,000 already set aside for a further phase of market improvements. The plans for this further phase, including the way forward for the bull-ring stalls, will be worked up by officers in early 2021. This will allow for consultation with the market traders following the busy Christmas period and the plans will be reported to a future meeting of the Health and Housing Committee for approval before work commences. Given this, the further phase of works will not be undertaken in 2020/21 and approval will be sought from members to move the remaining scheme budget into 2021/22 when the revised estimate capital programme is presented for approval in January 2021.

March 2020: 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.

November 2019: The 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 all stalls in the bullring. The first batch of canopies installations are complete and the market toilets will be open to the public by Christmas 2019.

Some further work on the market toilets will take place in early 2020, alongside the work to complete the installation of all the canopies, hand paint the fascia signs, remove the stalls from the bull ring and purchase pop up stalls. The work is currently expected to be completed by the end of February 2020.

September 2019: Initial work on this scheme was approved by this Committee in September 2019. This 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 all stalls in the bull-ring. This work is currently being programmed in and the work is expected to be completed by early 2020.

An overall budget of £118,000 has been set aside for this initial work in 2019/20. It is currently planned to move any unspent budget on the scheme at year-end into the 2020/21 financial year and to bring a report to a future meeting of this Committee in respect of any further improvements proposed to the Market.

July 2019: Initial plans to use part of the budget on this scheme are reported to this Committee elsewhere on this agenda. If approved, this initial work will comprise erecting new uniform canopies on all cabins, hand painting fascia signs on all cabins, refurbishing the market toilets and removing all stalls in the bull-ring. The budgeted cost of this initial work is to be confirmed by this Committee and the work is expected to be completed by March 2020. It is proposed to bring a further report to this Committee in respect of any further improvements proposed to the Market.

December 2018: This scheme remains on hold, awaiting the final plans for the Clitheroe Market Development scheme. As a result, there is expected to be no expenditure on the scheme in 2018/19. It is recommended that the £175,000 budget for this scheme is moved to the 2019/20 financial year and the 2018/19 revised estimate is nil.

September 2018: No change - The scheme remains on hold, awaiting the final plans for the Clitheroe Market Development scheme.

July 2018: No change - The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

November/December 2017: This scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme. As a result, there is expected to be no expenditure on the scheme in 2017/18. It is recommended that the £175,000 budget for this scheme is moved to the 2018/19 financial year.

August/September 2017: No change - The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

July 2017: No change - The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

December 2016: The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

September 2016: The Clitheroe Market Improvements scheme is on hold, awaiting the final plans for the Clitheroe Market Development scheme.

July 2016: No change to May 2016 comments.

May 2016: The Clitheroe Market Improvements scheme budget was initially approved in 2015, before the Clitheroe Market Development scheme plans were announced. The detail of the Clitheroe Market Improvements scheme will be reviewed to take into account and complement the final plans for the Clitheroe Market Development scheme. No expenditure will take place until that detail has been confirmed.

Individual Scheme Details and Budget Holder Comments

Longridge Affordable Housing Scheme

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

The purchase of two properties in Longridge to be rented out as affordable rental units, utilising commuted sum monies. The proposal is to purchase 1 x 3 bed and 1 x 2 bed property in the town centre. 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.

Revenue Implications:

Annual lease income from the registered provider (amount to be confirmed).

Timescale for Completion:

Purchase the properties in 2019/20.

Capital Cost:

	£	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
Original Estimate 2020/21	0		
Slippage from 2019/20	125,770		
Total Approved Budget 2020/21	125,770	123,600	-2,170
Actual Expenditure 2019/20	124,231		
ANTICIPATED TOTAL SCHEME COST	250,001		

Progress - Budget Holder comments:

August 2020: The purchase of the second property was held up by approximately two months due to Covid-19 housing completions restrictions. Despite this, the purchase is now complete and refurbishment work, which is required to complete the scheme, is expected to begin in September 2020.

The refurbishment costs are to be confirmed and agreed by senior officers before work commences, but the refurbishment costs are likely to be higher than the £2,170 remaining budget. If an overspend occurs then officers suggest that the additional budget is funded by transfer of budget from the Landlord/Tenant Grants scheme to the Longridge Affordable Housing Scheme in-year and formal budget approval will be sought from members when the revised estimate capital programme is presented for approval in January 2021.

The main reason for the potential overspend is that refurbishment costs for the first property were higher than initially planned, due to additional necessary work to the bathroom, stairs refurbishment, dry rot remediation, additional electrical installation and back yard safety works.

March 2020: 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.

November 2019: Despite there being no spend by the end of November 2019 the scheme is progressing well. One property was purchased in early December and associated works are planned so that this property may be transferred to the registered provider before year-end. An offer has been accepted on a second property, subject to contract. No completion date has been agreed at this stage but it is estimated that this will be within this financial year.

At this stage, the scheme is on-track to be completed in-year, but is dependent on the purchase completion date for the second property and the time taken to undertake the associated works on the two properties.

September 2019: The Council has had an offer accepted on one of the two properties subject to contract and conveyancing is underway. A second property is being considered currently, subject to the budget available and works required. In addition, the lease and management agreement with the registered provider is close to being finalised. At this stage, the scheme is still on-track to be completed in-year, but is dependent on the time taken to complete purchase of and undertake any associated works on the two properties.

July 2019: Following members approval to purchase two properties in Longridge, to be affordable units, discussions have been on-going with a registered provider, who will manage the properties, and a draft Management Agreement is currently under consideration. A joint visit has been arranged with the Council's surveying team and the registered provider's surveying team to view one of the properties in early September 2019. The scheme is on-track to be completed in-year, but is dependent on final agreement of the lease and Management Agreement and the time taken to complete purchase of and undertake any associated works on two suitable properties.

Individual Scheme Details and Budget Holder Comments

Chipping Community Housing Grant

Service Area: Housing and Regeneration

Head of Service: Colin Hirst

Brief Description of the Scheme:

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.

This grant award was approved by the Health and Housing Committee in March 2018, subject to the award meeting the requirements of the Community Housing Fund award, which it does. The scheme has now been added to this Committee's capital programme, as the grant agreement with the Land Trust is close to being finalised.

Revenue Implications:

None.

Timescale for Completion:

November 2019.

Capital Cost:

	£	Actual Expenditure including commitments as at end of August 2020 £	Remaining Budget as at end of August 2020 £
Original Estimate 2020/21	0		
Slippage from 2019/20	115,000		
Additional Approval 2020/21	42,530		
Total Approved Budget 2020/21	157,530	0	-157,530
Actual Expenditure 2019/20	0		
ANTICIPATED TOTAL SCHEME COST	157,530		

Progress - Budget Holder comments:

August 2020: In August 2020, the Emergency Committee approved a further grant of £42,532 to Chipping Community Land Trust as a part contribution to the purchase of an additional affordable rent property as part of the Chipping Community Housing Grant scheme. The scheme now provides grant for four properties.

Completion of the purchase of the affordable rent properties by Chipping Community Land Trust has not yet taken place. This is due to delays in the developer completing the building works. The purchase of all four properties by the Land Trust and payment of the grant by the Council is now expected to take place in Autumn 2020.

March 2020: 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.

November 2019: The purchase of the three properties by Chipping Community Land Trust has been delayed until 2020. However, the Trust still plan to complete the purchases in February or March 2020 and the grant agreement that underpins this scheme is close to being finalised. The Council will pay the grant monies to the Trust just prior to completion of the purchases, in line with the grant agreement, and the scheme will be complete at that stage.

September 2019: The grant agreement is now in agreed form, subject to the final completion of some supporting documentation. Chipping Land Trust now plan to complete the purchases before the end of the calendar year. The Council will pay the grant monies to the Land Trust just prior to completion of the purchases, in line with the grant agreement.

July 2019: Chipping Community Land Trust have a planned completion date of November 2019 for the three properties being purchased. The Council will pay the grant monies to the Land Trust just prior to completion of the purchases, under a grant agreement between the Council and the Land Trust. The grant agreement has been considered by Corporate Management Team and is close to being finalised.