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**To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD**

**On: 27 MARCH 2019**

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**Report by: Director of Finance and Resources**

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**Heading: Capital Budget Monitoring Report - Overview**

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**1. Summary**

- 1.1 This report provides an overview of the performance of the Housing and Non-Housing Capital Programmes for the period to 4<sup>th</sup> January 2019.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 2<sup>nd</sup> March 2018 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by Council on 2<sup>nd</sup> March 2018. The Current Programme figures reflect adjustments to the approved Capital Programme since approval.
- 1.3 The Council must determine and keep under review the maximum amount which it can afford to allocate to capital expenditure. In addition, the Council must also keep under review its Capital Financing Requirement (CFR) i.e. the level of resources that are used to fund capital expenditure over the longer term (rather than at point of spend). It is also the duty of the Council to have regard to the Prudential Code in setting its capital expenditure limit and its capital expenditure requirement.
- 1.4 The limit on capital expenditure which the Council has set for 2018-19 is shown in the table overleaf. The limit is based on the resources available to fund the capital programmes, split between Housing and Non Housing Services, but excludes PSHG as this is not considered to be capital spend.

	<b>Approved Plan £m</b>	<b>Forecast Expenditure £m</b>
Non Housing	62.076	58.506
Housing	15.439	13.713
<b>Total</b>	<b>77.515</b>	<b>72.219</b>

- 1.5 The CFR which the Council has set for 2018-19 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31<sup>st</sup> March 2019 is also shown. Any significant increase in the capital expenditure limit which is not funded at point of spend will result in an increase in the CFR.

	<b>Approved CFR to 31 March 2019 £m</b>	<b>Projected CFR to 31 March 2019 £m</b>
Non Housing	258	255
Housing	112	110
<b>Total</b>	<b>370</b>	<b>365</b>

- 1.6 57% of the available resources for Housing and 53% for Non Housing have been spent to 4<sup>h</sup> January 2019. Monitoring procedures are in place to ensure the programmes are managed flexibly and spending is contained within the approved limits.

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## 2. **Recommendations**

- 2.1 It is recommended that Members note this report.

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## 3. **Background**

- 3.1 Individual reports have been presented to each Policy Board on the spending performance of the relevant departmental programmes and this information is summarised in Appendix 1.
- 3.2 The capital monitoring information available as at 4<sup>th</sup> January 2019 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

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#### 4. Housing Services Programme

- 4.1 The programme approved by Council on 2<sup>nd</sup> March 2018 totalled £15.439m. The programme currently stands at **£13.713m**, a decrease of £1.726m, being the net effect of resources brought forward from 2017/18 of £1.057m and projects re-profiled from 2018/19 to 2019/20 of £2.783m.
- 4.2 Capital expenditure at 4<sup>th</sup> January 2019 totals **£7.823m** compared to anticipated expenditure of £7.825m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.002m u/spend	0% u/spend	£0.001m u/spend	0% u/spend

- 4.3 The actual capital expenditure of **£7.823m** is 57% of the available resources, and compares with 53% for the equivalent time in 2017/18.
- 4.4 Capital income of £0.430m has been received in the period to 4<sup>th</sup> January 2019 representing 9% of the estimated capital income for the year. This compares with 97% in 2017/18, the higher income in 2017/18 is a result of capital receipts for the sale of council houses under the Right to Buy scheme which was concluded in summer 2017. The majority of the income in 2018/19 relates to grant awarded by the Scottish Government for Council House New Build and is not expected to be received until March 2019.

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5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 2<sup>nd</sup> March 2018 totalled £62.076m. The current programme totals **£58.506m**, a decrease of £3.570m, being the net effect of resources brought forward from 2017/18 of £21.178m, projects re-profiled from 2018/19 to 2019/20 of £32.630m and new funding in 2018/19 of £7.882m which primarily relates to grant funding anticipated to be received in 2018/19 for the Early Years 1,140 hours expansion.

5.2 Capital expenditure to 4th January 2019 totals **£30.861m** compared to anticipated expenditure of £30.866m, and therefore shows an under-spend of £0.005m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.005m u/spend	0% u/spend	£0.025m u/spend	0% u/spend

5.3 The actual cash expenditure of **£30.861m** is 53% of the available resources, and compares with a 53% spend for the equivalent time in 2017/18. It is anticipated that the available resources will be fully utilised by the 31 March 2018.

5.4 Capital income totalling £18.071m has been received to 4<sup>h</sup> January 2019. This represents 75% to date of the total anticipated income, and compares with 45% for the equivalent period in 2017/18.

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## **6 Private Sector Housing Grant Programme**

- 6.1 The overall budget provision for this programme is included within the revenue budget. However, in order to monitor the performance of the individual programmes, it is included within the capital budget monitoring procedures.
- 6.2 The programme approved by Council on 2<sup>nd</sup> March 2018 was £1.320m. The programme currently stands at **£1.166m**, a decrease of £0.154m, being the effect of resources brought forward from 2017/18 of £0.046m and projects re-profiled into 2019/20 of £0.200m.
- 6.3 Expenditure to 4th January 2019 totals **£0.610m** compared to anticipated expenditure of £0.610m, and therefore shows a break-even position. The remaining programme is expected to spend by 31 March 2018, and expenditure will be contained within the overall resources.

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## **Implications of the Report**

1. **Financial** – The programme will be continually monitored, in conjunction with other programmes, to ensure that the available resources are fully utilised and that approved limits are achieved.
2. **HR & Organisational Development** – none.
3. **Community Planning** –  
  
**Creating a sustainable Renfrewshire for all to enjoy** – Capital investment in new and existing assets will ensure Renfrewshire is more energy efficient.
4. **Legal** – none.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** – none.
11. **Privacy Impact** – none.
12. **Cosla Policy Position** – none.

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### **List of Background Papers**

- (a). Non-Housing Capital Investment Programme 2018/19 to 2020/21 – Council, 2<sup>nd</sup> March 2018.
- (b). Housing Revenue Account Budget and Rent Levels 2018/19 and Housing Capital Investment Plan 2018/19 to 2020/21 – Council, 2<sup>nd</sup> March 2018.
- (c). A Prudential Framework for Capital Finance Progress Report – Council, 13<sup>th</sup> December 2018

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**Author:** *Geoff Borland, Principal Accountant, 0141 618 4786, [geoffrey.borland@renfrewshire.gov.uk](mailto:geoffrey.borland@renfrewshire.gov.uk).*









## CAPITAL PROGRAMME 2018/19 - BUDGET MONITORING REPORT TO 04 JANUARY 2019 (£000s)

Project Title	Approved Programme @02/03/18	Current Programme MR 10	Year To Date Budget to 04-Jan-19	Cash Spent to 04-Jan-19	Variance to 04-Jan-19	% Variance	Cash to be Spent by 31-Mar-19	% Cash Spent
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>								
Education & Children's Services	10,263	14,542	8,340	8,337	3	0%	6,205	57%
<b>TOTAL</b>	10,263	14,542	8,340	8,337	3	0%	6,205	57%
<b>COMMUNITIES, HOUSING &amp; PLANNING</b>								
Housing(HRA)	15,439	13,713	7,825	7,823	2	0%	5,890	57%
Housing(PSHG)	1,320	1,166	610	610	0	0%	556	52%
Development & Housing(THI/LGAN)	1,255	422	255	252	3	1%	170	60%
<b>TOTAL</b>	18,014	15,301	8,690	8,685	5	0%	6,616	57%
<b>INFRASTRUCTURE, LAND &amp; ENVIRONMENT</b>								
Environment & Communities	5,489	14,866	9,721	9,719	2	0%	5,147	65%
<b>TOTAL</b>	5,489	14,866	9,721	9,719	2	0%	5,147	65%
<b>FINANCE, RESOURCES &amp; CUSTOMER SERVICES</b>								
Corporate Projects	14,511	10,658	8,400	8,403	-3	0%	2,255	79%
<b>TOTAL</b>	14,511	10,658	8,400	8,403	-3	0%	2,255	79%
<b>LEADERSHIP</b>								
Leisure Services	1,331	1,767	535	532	3	1%	1,235	30%
Development & Housing Services	29,227	16,240	3,615	3,616	-1	0%	12,624	22%
Social Work Services(Adult Social Care)	0	11	0	2	-2	100%	9	18%
<b>TOTAL</b>	30,558	18,018	4,150	4,150	0	0%	13,868	23%
<b>TOTAL ALL BOARDS</b>	<b>78,835</b>	<b>73,385</b>	<b>39,301</b>	<b>39,294</b>	<b>7</b>	<b>0%</b>	<b>34,091</b>	<b>54%</b>
<b>MADE UP OF :-</b>								
Non-Housing Programme	62,076	58,506	30,866	30,861	5	0%	27,645	53%
Housing Programme(HRA)	15,439	13,713	7,825	7,823	2	0%	5,890	57%
Housing Programme(PSHG)	1,320	1,166	610	610	0	0%	556	52%
<b>PROGRAMME TOTAL</b>	<b>78,835</b>	<b>73,385</b>	<b>39,301</b>	<b>39,294</b>	<b>7</b>	<b>0%</b>	<b>34,091</b>	<b>54%</b>

**RENFREWSHIRE COUNCIL**

**2018/19 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO 04 JANUARY 2019 (76% OF FINANCIAL YEAR 2018/19)**

	2018/19			
	Housing Services	Non Housing Services	PSHG Programme	Total
<b>A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME</b>	£'000	£'000	£'000	£'000
1. Prudential Borrowing	8,713	28,460		37,173
2a. General Capital Grant		15,194	900	16,094
2b. Specific Capital Grant	5,000	239		5,239
3. Usable Capital Receipts	0	8,593		8,593
4. Contribution From Current Revenue (CFCR)	0	6,020	266	6,286
5. Total Resource Availability	<b>13,713</b>	<b>58,506</b>	<b>1,166</b>	<b>73,385</b>
<b>B. CAPITAL PROGRAMME</b>				
6. Resources Available	13,713	58,506	1,166	73,385
7. Current Programme	13,713 100% 	58,506 100% 	1,166 100%	73,385 100%
<b>C. ACTUAL EXPENDITURE VS PROJECTED</b>				
8. Resource Availability	13,713	58,506	1,166	73,385
9. Cash Spent as at 04/01/2019	7,823 57% 	30,861 53% 	610 52%	39,294 54%
10. Cash to be Spent by 31/03/19	5,890	27,645	556	34,091
<b>D. ACTUAL RECEIPTS VS PROJECTED</b>				
11. Current Programme (total receipts expected)	5,000	24,026	900	29,926
12. Actual Cash Received to 04/01/2019	430	18,071	692	19,193
13. Receipts available to augment capital programme to 04/01/2019	430 9%	18,071 75%	692 77%	19,193 64%
14. Receipts to be received by 31/03/19	4,570	5,955	208	10,733