
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 29 JANUARY 2020

Report by: Director of Finance and Resources

Heading: Capital Budget Monitoring Report - Overview

1. Summary

- 1.1 This report provides an overview of the performance of the Housing and Non-Housing Capital Programmes for the period to 8th November 2019.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 28th February 2019 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by the Communities, Housing & Planning Policy Board on 12th March 2019. 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 2019-20 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.

	Approved Plan £m	Forecast Expenditure £m
Non-Housing	57.965	56.142
Housing	28.941	27.041
Total	86.906	83.183

- 1.5 The CFR which the Council has set for 2019-20 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31st March 2020 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.

	Approved CFR to 31 March 2020 £m	Projected CFR to 31 March 2020 £m
Non-Housing	262	258
Housing	115	114
Total	377	372

- 1.6 64% of the available resources for Housing and 51% for Non Housing have been spent to 8th November 2019. Monitoring procedures are in place to ensure the programmes are managed flexibly and spending is contained within the approved limits.

2. **Recommendations**

- 2.1 It is recommended that Members note this report.

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 8th November 2019 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

4. **Housing Services Programme**

- 4.1 The programme approved by Council on 28th February 2019 totalled £26.291m. The programme currently stands at **£27.041m**, an increase of £0.750m resulting from the net effect of budget brought forward from 2020/21 to 2019/20 of £0.750m.
- 4.2 Capital expenditure at 8th November 2019 totals **£17.393m** compared to anticipated expenditure of £17.395m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.002m u/spend	0% u/spend	£0.006m o/spend	0% o/spend

- 4.3 The actual capital expenditure of **£17.393m** is 64% of the available resources, and compares with 40% for the equivalent time in 2018/19.
- 4.4 Capital income of £3.621m has been received in the period to 8th November 2019 representing 95% of the estimated capital income for the year. This compares with 7% in 2018/19. The difference is a result of timing differences between the receipt of Scottish Government grant for Council House New Build in 2019/20 compared to 2018/19.

5. **Non Housing Services Programme**

- 5.1 The programme approved by Council on the 28th February 2019 totalled £64.386m. The current programme totals **£55.992m**, a decrease of £8.394m, being the net effect of resources brought forward from 2018/19 of £7.596m, projects re-profiled from 2019/20 to 2020/21 of £21.199m and new funding in 2019/20 of £5.209m which relates to grant awards for Town Centre Capital Fund, Strathclyde Passenger Transport and new funding for Roads & Footway Upgrade approved by Council.

- 5.2 Capital expenditure to 8th November 2019 totals **£28.643m** compared to anticipated expenditure of £28.647m, and therefore shows an under-spend of £0.004m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.004m u/spend	0% u/spend	£0.001m o/spend	0% o/spend

- 5.3 The actual cash expenditure of **£28.643m** is 51% of the available resources and compares with a 38% spend for the equivalent time in 2018/19. It is anticipated that the available resources will be fully utilised by the 31 March 2019.
- 5.4 Capital income totalling £23.729m has been received to 8th November 2019. This represents 79% to date of the total anticipated income, and compares with 63% for the equivalent period in 2018/19.

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 Communities, Housing & Planning Policy Board on 12th March 2019 was £1.315m. The programme currently stands at **£1.201m**, a decrease of £0.114m, being the effect of resources brought forward from 2018/19 of £0.186m and projects re-profiled into 2020/21 of £0.300m
- 6.3 Expenditure to 8th November 2019 totals **£0.502m** compared to anticipated expenditure of £0.500m, and therefore shows an over-spend of £0.002m. The remaining programme is expected to spend by 31 March 2019, and expenditure will be contained within the overall resources.

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. **Climate Risk** – none.
13. **Cosla Policy Position** – none.

List of Background Papers

- (a). Non-Housing Capital Investment Programme 2019/20 to 2021/22 – Council, 28th February 2019.
- (b). Housing Revenue Account Budget and Rent Levels 2019/20 and Housing Capital Investment Plan 2019/20 to 2021/22 – Council, 28th February 2019.
- (c). Private Sector Housing Grant Investment Programme 2019/20 – Communities, Housing & Planning Policy Board, 12th March 2019.
- (d). A Prudential Framework for Capital Finance in Renfrewshire – Progress Report, 5th December 2019.

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Appendix 1

CAPITAL PROGRAMME 2019/20 - BUDGET MONITORING REPORT TO 08 NOVEMBER 2019 (£000s)

Project Title	Prior Expenditure to 31/03/2019* £000	Current Year								Full Programme - All years		
		Approved Programme @28/02/19	Current Programme MR 8	Year To Date Budget to 08-Nov-19	Cash Spent to 08-Nov-19	Variance to 08-Nov-19	% Variance	Cash to be Spent by 31-Mar-20	% Cash Spent	Total Programme to 31-Mar-22 £000	Total Cash Spent to 08-Nov-19 £000	Total Cash to be Spent to 31-Mar-22 £000
EDUCATION & CHILDREN'S SERVICES												
Education & Children's Services	58,604	9,195	5,345	1,811	1,810	1	0%	3,535	34%	108,256	60,414	47,842
TOTAL	58,604	9,195	5,345	1,811	1,810	1	0%	3,535	34%	108,256	60,414	47,842
COMMUNITIES, HOUSING & PLANNING												
Housing(HRA)	9,300	26,291	27,041	17,395	17,393	2	0%	9,648	64%	95,929	26,693	69,236
Housing(PSHG)	0	1,315	1,201	500	502	-2	0%	699	42%	2,751	502	2,249
Development & Housing(THI/LGAN)	597	1,342	694	30	30	0	0%	664	4%	4,332	627	3,705
TOTAL	9,897	28,948	28,936	17,925	17,925	0	0%	11,011	62%	103,012	27,822	75,190
INFRASTRUCTURE, LAND & ENVIRONMENT												
Environment & Infrastructure	17,324	6,789	15,051	8,280	8,281	-1	0%	6,770	55%	65,383	25,605	39,778
TOTAL	17,324	6,789	15,051	8,280	8,281	-1	0%	6,770	55%	65,383	25,605	39,778
FINANCE, RESOURCES & CUSTOMER SERVICES												
Corporate Projects	440	12,639	7,763	4,106	4,100	6	0%	3,663	53%	17,489	4,540	12,949
TOTAL	440	12,639	7,763	4,106	4,100	6	0%	3,663	53%	17,489	4,540	12,949
LEADERSHIP												
Leisure Services	55,455	392	492	345	347	-2	-1%	145	71%	59,404	55,802	3,602
Chief Executives	27,764	34,029	26,647	14,075	14,075	0	0%	12,572	53%	279,690	41,839	237,851
TOTAL	83,219	34,421	27,139	14,420	14,422	-2	0%	12,717	53%	339,094	97,641	241,453
TOTAL ALL BOARDS	169,484	91,992	84,234	46,542	46,538	4	0%	37,696	55%	633,234	216,022	417,212
MADE UP OF :-												
Non-Housing Programme	160,184	64,386	55,992	28,647	28,643	4	0%	27,349	51%	534,554	188,827	345,727
Housing Programme(HRA)	9,300	26,291	27,041	17,395	17,393	2	0%	9,648	64%	95,929	26,693	69,236
Housing Programme(PSHG)	0	1,315	1,201	500	502	-2	0%	699	42%	2,751	502	2,249
PROGRAMME TOTAL	169,484	91,992	84,234	46,542	46,538	4	0%	37,696	55%	633,234	216,022	417,212

*Rolling programmes have a prior year year expenditure of £0 as the expenditure is not directly linked from one year to the next as a singular project.

Appendix 2

RENFREWSHIRE COUNCIL 2019/20 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO 08 NOVEMBER 2019 (61% OF FINANCIAL YEAR 2019/20)

	2019/20			
	Housing Services	Non Housing Services	PSHG Programme	Total
A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME	£'000	£'000	£'000	£'000
1. Prudential Borrowing	23,213	20,659		43,872
2a. General Capital Grant		17,891	500	18,391
2b. Specific Capital Grant	3,523	10,777		14,300
3. Usable Capital Receipts	305	936		1,241
4. Contribution From Current Revenue (CFCR)	0	5,879	701	6,580
5. Total Resource Availability	27,041	56,142	1,201	84,384
B. CAPITAL PROGRAMME				
6. Resources Available	27,041	56,142	1,201	84,384
7. Current Programme	27,041 100%	56,142 100%	1,201 100%	84,384 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	27,041	56,142	1,201	84,384
9. Cash Spent as at 08/11/2019	17,393 64%	28,643 51%	502 42%	46,538 55%
10. Cash to be Spent by 31/03/20	9,648	27,499	699	37,846
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	3,828	29,604	500	33,932
12. Actual Cash Received to 08/11/2019	3,621	23,279	292	27,192
13. Receipts available to augment capital programme to 08/11/2019	3,621 95%	23,279 79%	292 58%	27,192 80%
14. Receipts to be received by 31/03/20	207	6,325	208	6,740