
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 30 JANUARY 2019

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 9th November 2018.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 2nd March 2018 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by Council on 2nd 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.

	Approved Plan £m	Forecast Expenditure £m
Non Housing	62.076	57.385
Housing	15.439	14.168
Total	77.515	71.553

- 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 31st 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.

	Approved CFR to 31 March 2019 £m	Projected CFR to 31 March 2019 £m
Non Housing	258	253
Housing	112	110
Total	370	363

- 1.6 40% of the available resources for Housing and 38% for Non Housing have been spent to 9th November 2018. 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 9th November 2018 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

4. **Housing Services Programme**

4.1 The programme approved by Council on 2nd March 2018 totalled £15.439m. The programme currently stands at **£14.168m**, a decrease of £1.271m, 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 £2.328m.

4.2 Capital expenditure at 9th November 2018 totals **£5.717m** compared to anticipated expenditure of £5.716m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.001m u/spend	0% u/spend	£0.007m o/spend	0% o/spend

4.3 The actual capital expenditure of **£5.717m** is 40% of the available resources, and compares with 37% for the equivalent time in 2017/18.

4.4 Capital income of £0.334m has been received in the period to 9th November 2018 representing 7% of the estimated capital income for the year. This compares with 93% 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.

5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 2nd March 2018 totalled £62.076m. The current programme totals **£57.385m**, a decrease of £4.691m, being the net effect of resources brought forward from 2017/18 of £21.178m, projects re-profiled from 2018/19 to 2019/20 of £32.951m and new funding in 2018/19 of £7.082m 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 9th November 2018 totals **£21.989m** compared to anticipated expenditure of £22.014m, and therefore shows an under-spend of £0.025m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.025m u/spend	0% u/spend	£0.009m u/spend	0% u/spend

5.3 The actual cash expenditure of **£21.989m** is 38% of the available resources, and compares with a 43% 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 £15.230m has been received to 9^h November 2018. This represents 63% to date of the total anticipated income, and compares with 38% for the equivalent period in 2017/18.

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 2nd 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 9th November 2018 totals **£0.548m** compared to anticipated expenditure of £0.550m, and therefore shows an under-spend of £0.002m. The remaining programme is expected to spend by 31 March 2018, 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. **Cosla Policy Position** – none.

List of Background Papers

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

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CAPITAL PROGRAMME 2018/19 - BUDGET MONITORING REPORT TO 09 NOVEMBER 2018 (£000s)

Project Title	Approved Programme @02/03/18	Current Programme MR 8	Year To Date Budget to 09-Nov-18	Cash Spent to 09-Nov-18	Variance to 09-Nov-18	% Variance	Cash to be Spent by 31-Mar-19	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	10,263	14,542	7,405	7,393	12	0%	7,149	51%
TOTAL	10,263	14,542	7,405	7,393	12	0%	7,149	51%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	15,439	14,168	5,716	5,717	-1	0%	8,451	40%
Housing(PSHG)	1,320	1,166	550	548	2	0%	618	47%
Development & Housing(THI/LGAN)	1,255	422	187	188	-1	-1%	234	45%
TOTAL	18,014	15,756	6,453	6,453	0	0%	9,303	41%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	5,489	15,766	6,155	6,152	3	0%	9,614	39%
TOTAL	5,489	15,766	6,155	6,152	3	0%	9,614	39%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	14,511	8,637	5,475	5,470	5	0%	3,167	63%
TOTAL	14,511	8,637	5,475	5,470	5	0%	3,167	63%
LEADERSHIP								
Leisure Services	1,331	1,767	510	508	2	0%	1,259	29%
Development & Housing Services	29,227	16,240	2,280	2,276	4	0%	13,964	14%
Social Work Services(Adult Social Care)	0	11	2	2	0	0%	9	18%
TOTAL	30,558	18,018	2,792	2,786	6	0%	15,232	15%
TOTAL ALL BOARDS	78,835	72,719	28,280	28,254	26	0%	44,465	39%
MADE UP OF :-								
Non-Housing Programme	62,076	57,385	22,014	21,989	25	0%	35,396	38%
Housing Programme(HRA)	15,439	14,168	5,716	5,717	-1	0%	8,451	40%
Housing Programme(PSHG)	1,320	1,166	550	548	2	0%	618	47%
PROGRAMME TOTAL	78,835	72,719	28,280	28,254	26	0%	44,465	39%

RENFREWSHIRE COUNCIL

2018/19 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO 09 NOVEMBER 2018 (61% OF FINANCIAL YEAR 2018/19)

	2018/19			
	Housing Services	Non Housing Services	PSHG Programme	Total
A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME	£'000	£'000	£'000	£'000
1. Prudential Borrowing	9,555	27,069		36,624
2a. General Capital Grant		15,194	900	16,094
2b. Specific Capital Grant	4,613	239		4,852
3. Usable Capital Receipts	0	8,763		8,763
4. Contribution From Current Revenue (CFCR)	0	6,120	266	6,386
5. Total Resource Availability	14,168	57,385	1,166	72,719
B. CAPITAL PROGRAMME				
6. Resources Available	14,168	57,385	1,166	72,719
7. Current Programme	14,168 100%	57,385 100%	1,166 100%	72,719 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	14,168	57,385	1,166	72,719
9. Cash Spent as at 09/11/2018	5,717 40%	21,989 38%	548 47%	28,254 39%
10. Cash to be Spent by 31/03/19	8,451	35,396	618	44,465
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	4,613	24,196	900	29,709
12. Actual Cash Received to 09/11/2018	334	15,230	554	16,118
13. Receipts available to augment capital programme to 09/11/2018	334 7%	15,230 63%	554 62%	16,118 54%
14. Receipts to be received by 31/03/19	4,279	8,966	346	13,591