
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 5 JUNE 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 1st March 2019.
- 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	51.420
Housing	15.439	14.782
Total	77.515	66.202

- 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	246
Housing	112	112
Total	370	358

- 1.6 69% of the available resources for Housing and 81% for Non Housing have been spent to 1st March 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 1st March 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 2nd March 2018 totalled £15.439m. The programme currently stands at **£14.782m**, a decrease of £0.657m, 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 £1.714m.

4.2 Capital expenditure at 1st March 2019 totals **£10.166m** compared to anticipated expenditure of £10.169m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.003m u/spend	0% u/spend	£0.002m u/spend	0% u/spend

4.3 The actual capital expenditure of **£10.166m** is 69% of the available resources, and compares with 68% for the equivalent time in 2017/18.

4.4 Capital income of £0.668m has been received in the period to 1st March 2019 representing 18% of the estimated capital income for the year. This compares with 100% 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 which was not received until the end of March.

5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 2nd March 2018 totalled £62.076m. The current programme totals **£51.420m**, a decrease of £10.656m, being the net effect of resources brought forward from 2017/18 of £21.178m, projects re-profiled from 2018/19 to 2019/20 of £40.373m and new funding in 2018/19 of £8.539m 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 1st March 2019 totals **£41.568m** compared to anticipated expenditure of £41.573m, 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	£0.005m u/spend	0% u/spend

5.3 The actual cash expenditure of **£41.568m** is 81% of the available resources, and compares with a 72% 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 £22.685m has been received to 1st March 2019. This represents 93% to date of the total anticipated income, and compares with 77% 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 **£0.981m**, a decrease of £0.339m, being the effect of resources brought forward from 2017/18 of £0.046m and projects re-profiled into 2019/20 of £0.385m.
- 6.3 Expenditure to 1st March 2019 totals **£0.873m** compared to anticipated expenditure of £0.875m, and therefore shows an underspend 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 01 MARCH 2019 (£000s)

Project Title	Approved Programme @02/03/18	Current Programme MR 12	Year To Date Budget to 01-Mar-19	Cash Spent to 01-Mar-19	Variance to 01-Mar-19	% Variance	Cash to be Spent by 31-Mar-19	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	10,263	10,825	9,040	9,039	1	0%	1,786	84%
TOTAL	10,263	10,825	9,040	9,039	1	0%	1,786	84%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	15,439	14,782	10,169	10,166	3	0%	4,616	69%
Housing(PSHG)	1,320	981	875	873	2	0%	108	89%
Development & Housing(THI/LGAN)	1,255	358	277	279	-2	-1%	79	78%
TOTAL	18,014	16,121	11,321	11,318	3	0%	4,803	70%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	5,489	13,109	10,899	10,895	4	0%	2,214	83%
TOTAL	5,489	13,109	10,899	10,895	4	0%	2,214	83%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	14,511	10,796	9,337	9,336	1	0%	1,460	86%
TOTAL	14,511	10,796	9,337	9,336	1	0%	1,460	86%
LEADERSHIP								
Leisure Services	1,331	1,470	1,166	1,167	-1	0%	303	79%
Development & Housing Services	29,227	14,860	10,852	10,850	2	0%	4,010	73%
Social Work Services(Adult Social Care)	0	2	2	2	0	0%	0	100%
TOTAL	30,558	16,332	12,020	12,019	1	0%	4,313	74%
TOTAL ALL BOARDS	78,835	67,183	52,617	52,607	10	0%	14,576	78%
MADE UP OF :-								
Non-Housing Programme	62,076	51,420	41,573	41,568	5	0%	9,852	81%
Housing Programme(HRA)	15,439	14,782	10,169	10,166	3	0%	4,616	69%
Housing Programme(PSHG)	1,320	981	875	873	2	0%	108	89%
PROGRAMME TOTAL	78,835	67,183	52,617	52,607	10	0%	14,576	78%

RENFREWSHIRE COUNCIL
2018/19 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO 01 MARCH 2019 (92% 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	11,061	19,700		30,761
2a. General Capital Grant		15,194	900	16,094
2b. Specific Capital Grant	1,781	239		2,020
3. Usable Capital Receipts	1,940	9,065		11,005
4. Contribution From Current Revenue (CFCR)	0	7,220	81	7,301
5. Total Resource Availability	14,782	51,418	981	67,181
B. CAPITAL PROGRAMME				
6. Resources Available	14,782	51,418	981	67,181
7. Current Programme	14,782 100% 	51,420 100% 	981 100%	67,183 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	14,782	51,418	981	67,181
9. Cash Spent as at 01/03/2019	10,166 69% 	41,568 81% 	873 89%	52,607 78%
10. Cash to be Spent by 31/03/19	4,616	9,850	108	14,574
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	3,721	24,498	900	29,119
12. Actual Cash Received to 01/03/2019	668	22,685	831	24,184
13. Receipts available to augment capital programme to 01/03/2019	668 18%	22,685 93%	831 92%	24,184 83%
14. Receipts to be received by 31/03/19	3,053	1,813	69	4,935