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**To: FINANCE & RESOURCES POLICY BOARD**

**On: 25 JANUARY 2017**

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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 11<sup>th</sup> November 2016.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 3<sup>rd</sup> March 2016 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by the Housing and Community Safety Policy Board on 15<sup>th</sup> March 2016. The Current Programme figures reflect adjustments to the approved Capital Programme since approval.
- 1.3 Members will be aware that from 1<sup>st</sup> April 2004, it is the duty of the Council, under s35 (1) of the Local Government (Scotland) Act 2003, to 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 2016-17 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 Limit £m</b>	<b>Actual Expenditure £m</b>
Non Housing	69.378	26.523
Housing	8.508	3.566
<b>Total</b>	<b>86.326</b>	<b>30.089</b>

- 1.5 The CFR which the Council has set for 2016-17 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 2017 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 2017 £m</b>	<b>Projected CFR to 31 March 2017 £m</b>
Non Housing	240	239
Housing	143	141
<b>Total</b>	<b>383</b>	<b>380</b>

- 1.6 42% of the available resources for Housing and 38% for Non Housing have been spent to 11<sup>th</sup> November 2016. 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 11<sup>th</sup> November 2016 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 3<sup>rd</sup> March 2016 totalled £14.230m. The programme currently stands at **£8.508m**, a decrease of £5.722m, being the net effect of resources brought forward from 2015/16 of £1.165m and projects re-profiled from 2016/17 to 2017/18 of £6.887m.
- 4.2 Capital expenditure at 11<sup>th</sup> November 2016 totals **£3.566m** compared to anticipated expenditure of £3.163m. The over-spend mainly relates to a timing issue with the programme still expected to remain within budget.

The table below summarises the position:

<b>Division</b>	<b>Current Reported Position</b>	<b>% Variance</b>	<b>Previously Reported Position</b>	<b>% Variance</b>
Housing Programme	£0.403m o/spend	13% o/spend	£0.225m u/spend	8% u/spend

- 4.3 The actual capital expenditure of **£3.566m** is 42% of the available resources, and compares with 38% for the equivalent time in 2015/16.
- 4.4 Capital income of £3.400m has been received in the period to 11<sup>th</sup> November 2016 representing 65% of the estimated capital income for the year. This compares with 54% in 2015/16.

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## 5. Non Housing Services Programme

5.1 The programme approved by Council on the 3<sup>rd</sup> March 2016 totalled £78.417m. The current programme totals **£69.378m**, a decrease of £9.039m, being the net effect of resources brought forward from 2015/16 of £14.615m, projects re-profiled from 2016/17 to 2017/18 of £28.545m and new funding in 2016/17 of £4.891m which primarily relates to grant funding anticipated to be received in 2016/17 for the Strathclyde Partnership for Transport programme and Renfrewshire Parks Improvements programme.

5.2 Capital expenditure to 9<sup>th</sup> November 2016 totals **£26.523m** compared to anticipated expenditure of £26.428m, and therefore shows an over-spend of £0.095m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.095m o/spend	0% o/spend	£0.075m o/spend	0% u/spend

5.3 The actual cash expenditure of **£26.523m** is 38% of the available resources, and compares with a 32% spend for the equivalent time in 2015/16. It is anticipated that the available resources will be fully utilised by the 31 March 2017.

5.4 Capital income totalling £10.497m has been received to 11<sup>th</sup> November 2016. This represents 43% to date of the total anticipated income, and compares with 38% for the equivalent period in 2015/16. The outstanding income mainly relates to the balance of grant funding.

5.5 The revised construction programme for the new Riverbrae school continues with expected completion for the summer of 2017. Contractual negotiations with the appointed contractor remain ongoing as previously reported, the outcome of which will be reported to the appropriate policy board.

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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 the Housing and Community Safety Policy Board on 10<sup>th</sup> March 2015 was £1.200m. The programme currently stands at **£1.924m**; the increase of £0.724m relates to the net effect of resources brought forward from 2015/16 of £1.736m, projects re-profiled from 2016/17 to 2017/18 of £1.300m and an additional contribution funded from revenue of £0.288m.
- 6.3 Expenditure to 11<sup>th</sup> November 2016 totals **£0.731m** compared to anticipated expenditure of £0.882m, and therefore shows an under-spend of £0.151m. The remaining programme is expected to spend by 31 March 2017, 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** –  
**Children and Young People** - none.  
**Community Care, Health & Well-being** - none.  
**Empowering our Communities** - none.  
**Greener** - Capital investment will make property assets more energy efficient.  
**Jobs and the Economy** - none.  
**Safer and Stronger** - none.
4. **Legal** – none.

5. **Property/Assets** – none.
  6. **Information Technology** – none.
  7. **Equality & Human Rights** – none.
  8. **Health & Safety** – none.
  9. **Procurement** – none.
  10. **Risk** – none.
  11. **Privacy Impact** – none.
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#### **List of Background Papers**

- (a). Capital Investment Programme 2016/17 & 2017/18 – Council, 3<sup>rd</sup> March 2016.
  - (b). Housing Revenue Account Budget and Rent Levels 2016/17 and Housing Capital Investment Plan 2016/17 to 2018/19 – Council, 25<sup>th</sup> February 2016.
  - (c). A Prudential Framework for Capital Finance in Renfrewshire Progress Report – Council, 15<sup>th</sup> December 2016.
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## CAPITAL PROGRAMME 2016/17 - BUDGET MONITORING REPORT TO 11 NOVEMBER 2016 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Year to Date Budget to 11-Nov-16	Spent to 11-Nov-16	Variance to 11-Nov-16	% variance	Unspent Cash Flow For Year	% Cash Spent
<b>Finance &amp; Resources</b>	Corporate Projects(Non Property)	8,681	7,721	2,078	1,967	111	5%	5,754	25%
	<b>TOTAL</b>	<b>8,681</b>	<b>7,721</b>	<b>2,078</b>	<b>1,967</b>	<b>111</b>	<b>5%</b>	<b>5,754</b>	<b>25%</b>
<b>Education</b>	Education & Children Services	29,030	23,904	9,628	9,595	33	0%	14,308	40%
	<b>TOTAL</b>	<b>29,030</b>	<b>23,904</b>	<b>9,628</b>	<b>9,595</b>	<b>33</b>	<b>0%</b>	<b>14,308</b>	<b>40%</b>
<b>Housing &amp; Community Safety</b>	Housing(HRA)	14,230	8,508	3,163	3,566	-403	-13%	4,943	42%
	Housing(PSHG)	1,200	1,924	882	731	151	17%	1,193	38%
	<b>TOTAL</b>	<b>15,430</b>	<b>10,432</b>	<b>4,045</b>	<b>4,297</b>	<b>-252</b>	<b>-6%</b>	<b>6,136</b>	<b>41%</b>
<b>Environmental</b>	Community Resources	20,091	17,470	6,056	6,184	-128	-2%	11,286	35%
	<b>TOTAL</b>	<b>20,091</b>	<b>17,470</b>	<b>6,056</b>	<b>6,184</b>	<b>-128</b>	<b>-2%</b>	<b>11,286</b>	<b>35%</b>
<b>Planning &amp; Property</b>	Development & Housing Services(THI/LGAN)	1,512	725	501	453	48	10%	272	63%
	Corporate Projects(Property)	4,000	3,908	1,626	1,676	-50	-3%	2,232	43%
	<b>TOTAL</b>	<b>5,512</b>	<b>4,633</b>	<b>2,127</b>	<b>2,129</b>	<b>-2</b>	<b>0%</b>	<b>2,504</b>	<b>46%</b>
<b>Economy &amp; Jobs</b>	Development & Housing	5,781	6,309	3,226	3,350	-124	-4%	2,959	53%
	<b>TOTAL</b>	<b>5,781</b>	<b>6,309</b>	<b>3,226</b>	<b>3,350</b>	<b>-124</b>	<b>-4%</b>	<b>2,959</b>	<b>53%</b>
<b>Leadership</b>	Leisure Services	2,250	2,566	622	660	-38	-6%	1,906	26%
	Development & Housing(City Deal)	7,072	6,375	2,559	2,534	25	1%	3,841	40%
	Social Work Services(Adult Social Care)	0	400	132	104	28	21%	296	26%
	<b>TOTAL</b>	<b>9,322</b>	<b>9,341</b>	<b>3,313</b>	<b>3,298</b>	<b>15</b>	<b>0%</b>	<b>6,043</b>	<b>35%</b>
<b>TOTAL ALL BOARDS</b>									
		<b>93,847</b>	<b>79,810</b>	<b>30,473</b>	<b>30,819</b>	<b>-346</b>	<b>-1%</b>	<b>48,991</b>	<b>39%</b>
<i>Made up Of:</i> <b>PSHG</b> Non-Housing Programme	Housing Programme	14,230	8,508	3,163	3,566	-403	-13%	4,943	42%
		<b>1,200</b>	<b>1,924</b>	<b>882</b>	<b>731</b>	<b>151</b>	<b>17%</b>	<b>1,193</b>	<b>38%</b>
		<b>78,417</b>	<b>69,378</b>	<b>26,428</b>	<b>26,523</b>	<b>-95</b>	<b>0%</b>	<b>42,855</b>	<b>38%</b>
<b>PROGRAMME TOTAL</b>		<b>93,847</b>	<b>79,810</b>	<b>30,473</b>	<b>30,819</b>	<b>-346</b>	<b>-1%</b>	<b>48,991</b>	<b>39%</b>

## Appendix 2

### RENFREWSHIRE COUNCIL 2016/17 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 11 NOVEMBER 2016 (62% OF FINANCIAL YEAR 2016/17)

2016/17					
	Housing Services	Non Housing Services	PSHG Programme	Total	
<b>A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME</b>					
1a. Supported Borrowing	£'000	£'000	£'000	£'000	
1b. Prudential Borrowing				0	
2a. General Capital Grant	2,398	33,677		36,076	
2b. Specific Capital Grant		12,555	1,180	13,735	
3a. Usable Capital Receipts	5,200	881		881	
3b. Usable Capital receipts b/fwd from 2014/15		12,047		17,247	
3c. Usable Capital receipts c/fwd to 2016/17				0	
3d. Resources c/fwd to 2016/17				0	
3e. Capital Receipts to be used to repay debt				0	
4a. Contribution from Developer/Owners	910	10,218	744	0	
5. Contribution From Current Revenue (CFCR)				11,872	
6. Total Resource Availability	<b>8,508</b>	<b>69,378</b>	<b>1,924</b>	<b>79,810</b>	
<b>B. CAPITAL PROGRAMME</b>					
7. Resources Available	8,508	69,378	1,924	79,810	
8. Current Programme	8,508	69,378	1,924	79,810	100%
<b>C. ACTUAL EXPENDITURE VS PROJECTED</b>					
10. Resource Availability	8,508	69,378	1,924	79,810	
11. Cash Spent as at 11/11/2016	3,566	26,523	731	30,820	39%
12. Cash to be Spent by 31/03/17	4,943	42,854	1,193	48,991	
<b>D. ACTUAL RECEIPTS VS PROJECTED</b>					
13. Current Programme (total receipts expected)	5,200	24,602	1,180	30,982	
14. Actual Cash Received to 11/11/2016	3,400	10,497	731	14,627	
15. Receipts available to augment capital programme to 11/11/2016	3,400	10,497	731	14,627	47%
16. Receipts to be received by 31/03/17	1,800	14,105	449	16,355	