



To: FINANCE & RESOURCES POLICY BOARD

On: 27 JANUARY 2016

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 13th November 2015.

1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 12th February 2015 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by the Housing and Community Safety Policy Board on 10th March 2015. The Current Programme figures reflect adjustments to the approved Capital Programme since approval.

1.3 Members will be aware that from 1st 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 2015-16 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.

	Approved Limit £m	Actual Expenditure £m
Non Housing	54.357	17.724
Housing	14.332	8.025
Total	68.689	25.749

- 1.5 The CFR which the Council has set for 2015-16 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31st March 2016 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 2016 £m	Projected CFR to 31 March 2016 £m
Non Housing	211	210
Housing	154	154
Total	365	364

- 1.6 55% of the available resources for Housing and 32% for Non Housing have been spent to 13th November 2015. 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 13th November 2015 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

4. **Housing Services Programme**

- 4.1 The programme approved by Council on 12th February 2015 totalled £14.423m. The programme currently stands at **£14.623m**, reflecting resources brought forward from 2014/15 and subsequent re-profiling into 2016/17 based on planned expenditure timescales.
- 4.2 Of the £14.623m programme, £3.922m is legally committed at the 13th November 2015 which equates to 27% of the available resources.
- 4.3 Capital expenditure at 13th November 2015 totals **£8.025m** compared to anticipated expenditure of £8.559m. The minor under-spend relates to a number of rolling programmes and reflects a timing issue, with the programme still expected to fully spend to budget.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.534m u/spend	6% u/spend	£0.030m u/spend	0% u/spend

- 4.4 The actual capital expenditure of **£8.025m** is 55% of the available resources, and compares with 44% for the equivalent time in 2014/15.
- 4.5 Capital income of £1.687m has been received in the period to 13th November 2015 representing 54% of the estimated capital income for the year. This compares with 77% in 2014/15.

5. Non Housing Services Programme

5.1 The programme approved by Council on the 12th February 2015 totalled £49.373m. The current programme totals **£47.654m**, a decrease of £1.719m, being the net effect of projects re-profiled from 2014/15 to 2015/16 of £8.060m, projects re-profiled from 2015/16 to 2016/17 of £11.800m and new funding in 2015/16 of £2.021m which primarily relates to grant funding anticipated to be received in 2015/16 for the Strathclyde Partnership for Transport programme.

5.2 Capital expenditure to 13th November 2015 totals **£17.724m** compared to anticipated expenditure of £17.654m, and therefore shows an over-spend of £0.070m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.070m o/spend	0% o/spend	£0.468m u/spend	3% u/spend

5.3 The actual cash spent to 13th November 2015 was **£17.724m**, or 32% of the available resources, and compares with a 45% spend for the equivalent time in 2014/15. It is anticipated that the available resources will be fully utilised by the 31 March 2016.

5.4 Capital income totalling £11.045m has been received to 13th November 2015. This represents 38% to date of the total anticipated income, and compares with 58% for the equivalent period in 2014/15. The outstanding income mainly relate to the balance of the general capital grant from the Scottish Government and grants from other bodies.

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 10th March 2015 was £2.766m. The programme currently stands at **£2.909m**; the increase of £0.143m primarily relates to the carry forward of budget from 2014/15 in the Owners in Council House scheme.
- 6.3 Expenditure to 13th November 2015 totals **£0.573m** compared to anticipated expenditure of £0.549m, and therefore shows an over-spend of £0.024m. The remaining programme is expected to spend by 31 March 2016, 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** –
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.

List of Background Papers

- (a). Capital Investment Programme 2015/16 & 2016/17 – Council, 12th February 2015.
- (b). Housing Revenue Account Budget and Rent Levels 2015/16 and Housing Capital Investment Plan 2015/16 to 2017/18 – Council, 12th February 2015.

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Appendix 1

CAPITAL PROGRAMME 2015/16 - BUDGET MONITORING REPORT TO 13 NOVEMBER 2015 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Share of Available Resources	Year to Date Budget to 13-Nov-15	Spent to 13-Nov-15	Variance to 13-Nov-15	% variance	Unspent Cash Flow For Year	% Cash Spent
Finance & Resources	Corporate Projects (Non Property) TOTAL	3,945	2,248	2,248	524	538	-14	-3%	1,710	24%
		3,945	2,248	2,248	524	538	-14	-3%	1,710	24%
Education	Education Services Social Work Services(Child Care & Criminal Justice) TOTAL	23,847	14,078	14,078	6,526	6,530	-4	0%	7,547	46%
		0	34	34	0	0	0	0%	34	0%
		23,847	14,111	14,111	6,526	6,530	-4	0%	7,581	46%
Social Work, Health & Well-Being	Social Work Services(Adult Social Care) TOTAL	0	519	519	25	25	0	0%	495	5%
		0	519	519	25	25	0	0%	495	5%
Housing & Community Safety	Housing & Property (Housing - HRA) Housing & Property (Housing - non HRA) TOTAL	14,423	14,623	14,623	8,559	8,025	534	6%	6,598	55%
		2,766	2,909	2,909	549	573	-24	-4%	2,337	20%
		17,189	17,532	17,532	9,107	8,597	510	6%	8,935	49%
Environmental	Community Resources	10,142	15,023	15,023	7,310	7,274	36	0%	7,749	48%
		10,142	15,023	15,023	7,310	7,274	36	0%	7,749	48%
Planning & Property	Development & Housing (THI/LGAN) Corporate Projects(Property) TOTAL	829	1,299	1,299	478	498	-20	-4%	801	38%
		4,830	6,427	6,427	2,290	2,301	-11	0%	4,126	36%
		5,659	7,726	7,726	2,767	2,798	-31	-1%	4,928	36%
Sport, Leisure & Culture	Leisure Services TOTAL	2,938	4,799	4,799	0	46	-46	100%	4,752	1%
		2,938	4,799	4,799	0	46	-46	100%	4,752	1%
Economy & Jobs	Development & Housing Services TOTAL	2,843	3,228	3,228	502	512	-10	-2%	2,715	16%
		2,843	3,228	3,228	502	512	-10	-2%	2,715	16%
TOTAL ALL BOARDS		66,563	65,187	65,187	26,762	26,321	441	2%	38,865	40%
Made up Of:										
PSHG Non-Housing Programme PROGRAMME TOTAL	Housing Programme Non-Housing Programme PROGRAMME TOTAL	14,423	14,623	14,623	8,559	8,025	534	6%	6,598	55%
		2,766	2,909	2,909	549	573	-24	-4%	2,337	20%
		49,373	47,654	47,654	17,654	17,724	-69	0%	29,930	37%
		66,563	65,187	65,187	26,762	26,321	441	2%	38,865	40%

RENFREWSHIRE COUNCIL
2015/16 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 13 NOVEMBER 2015 (62% OF FINANCIAL YEAR 2015/16)

	2015/16			
	Housing Services	Non Housing Services	PSHG Programme	Total
A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME	£'000	£'000	£'000	£'000
1a. Supported Borrowing				0
1b. Prudential Borrowing				34,619
2a. General Capital Grant	9,650	24,969		19,187
2b. Specific Capital Grant		17,734	1,453	262
3a. Usable Capital Receipts	3,101	262		14,308
3b. Usable Capital receipts b/fwd from 2014/15		11,207		0
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				0
5. Contribution From Current Revenue (CFOR)	1,872	1,323	1,456	4,651
6. Total Resource Availability	14,623	55,495	2,909	73,027
B. CAPITAL PROGRAMME				
7. Resources Available	14,623	55,495	2,909	73,027
8. Current Programme	14,623	47,654	2,909	65,187
9. Legally Committed at 13/11/15	3,922	24,168	615	28,705
				44%
C. ACTUAL EXPENDITURE VS PROJECTED				
10. Resource Availability	14,623	55,495	2,909	73,027
11. Cash Spent as at 13/11/15	8,025	17,724	573	26,321
12. Cash to be Spent by 31/03/16	6,598	37,771	2,337	46,706
				36%
D. ACTUAL RECEIPTS VS PROJECTED				
13. Current Programme (total receipts expected)	3,101	28,941	1,453	33,496
14. Actual Cash Received to 13/11/15	1,687	11,045	573	13,304
15. Receipts available to augment capital programme to 13/11/15	1,687	11,045	573	13,304
16. Receipts to be received by 31/03/16	1,414	17,896	881	20,191
				40%