



To: FINANCE & RESOURCES POLICY BOARD

On: 11 NOVEMBER 2015

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 18th September 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 | 49.373 | 13.200 |
| Housing | 13.682 | 6.142 |
| Total | 63.055 | 19.342 |

- 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 | 210 | 194 |
| Housing | 158 | 156 |
| Total | 368 | 350 |

- 1.6 38% of the available resources for Housing and 24% for Non Housing have been spent to 18th September 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 18th September 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 **£16.165m**, reflecting resources brought forward from 2014/15 and subsequent re-profiling into 2016/17 based on planned expenditure timescales.
- 4.2 Legal commitments of £4.695m, or 29% of the available resources, have been made at 18th September 2015.
- 4.3 Capital expenditure at 18th September 2015 totals **£6.142m** compared to anticipated expenditure of £6.172m. 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 | £0.030m u/spend | 0% u/spend | £0.039m o/spend | 2% o/spend |

- 4.4 The actual capital expenditure of **£6.142m** is 38% of the available resources, and compares with 32% for the equivalent time in 2014/15.
- 4.5 Capital income of £1.173m has been received in the period to 18th September 2015 representing 38% of the estimated capital income for the year. This compares with 52% 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 £55.375m, an increase of £6.002m, 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 £3.963m and new funding in 2015/16 of £1.905m 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 18th September 2015 totals **£13.200m** compared to anticipated expenditure of £13.668m, and therefore shows an under-spend of £0.468m, or 3%.

The table below summarises the position:

| Division | Current Reported Position | % Variance | Previously Reported Position | % Variance |
|-----------------------|---------------------------|---------------|------------------------------|---------------|
| Non Housing Programme | £0.468m u/spend | 3% u/spend | £0.025m o/spend | 0% o/spend |

5.3 The actual cash spent to 18th September 2015 was **£13.200m**, or 24% of the available resources, and compares with a 24% spend for the equivalent time in 2014/15.

5.4 Capital income totalling £7.701m has been received to 18th September 2015. This represents 27% to date of the total anticipated income, and compares with 41% 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 18th September 2015 totals **£0.439m** compared to anticipated expenditure of £0.452m, and therefore shows an under-spend of £0.013m. 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 18 SEPTEMBER 2015 (£000s)

| POLICY BOARD | Department | Council Approved Programme | Current Programme | Share of Available Resources | Year to Date Budget to 18-Sep-15 | Spent to 18-Sep-15 | Variance to 18-Sep-15 | % variance | Unspent Cash Flow For Year | % Cash Spent |
|----------------------------------|---|----------------------------|-------------------|------------------------------|----------------------------------|--------------------|-----------------------|------------|----------------------------|--------------|
| Finance & Resources | Corporate Projects (Non Property) TOTAL | 3,945 | 2,248 | 2,248 | 414 | 420 | -6 | -1% | 1,828 | 19% |
| | | 3,945 | 2,248 | 2,248 | 414 | 420 | -6 | -1% | 1,828 | 19% |
| | | | | | | | | | | |
| Education | Education Services Social Work Services(Child Care & Criminal Justice) TOTAL | 23,847 | 21,809 | 21,809 | 4,195 | 4,219 | -24 | -1% | 17,590 | 19% |
| | | 0 | 34 | 34 | 0 | 0 | 0 | 0% | 34 | 0% |
| | | 23,847 | 21,842 | 21,842 | 4,195 | 4,219 | -24 | -1% | 17,624 | 19% |
| | | | | | | | | | | |
| Social Work, Health & Well-Being | Social Work Services(Adult Social Care) TOTAL | 0 | 519 | 519 | 9 | 9 | 0 | 0% | 510 | 2% |
| | | 0 | 519 | 519 | 9 | 9 | 0 | 0% | 510 | 2% |
| | | | | | | | | | | |
| Housing & Community Safety | Housing & Property (Housing - HRA) Housing & Property (Housing - non HRA) TOTAL | 14,423 | 16,165 | 16,165 | 6,172 | 6,142 | 30 | 0% | 10,023 | 38% |
| | | 2,766 | 2,909 | 2,909 | 452 | 439 | 13 | 3% | 2,471 | 15% |
| | | 17,189 | 19,074 | 19,074 | 6,624 | 6,580 | 43 | 1% | 12,494 | 34% |
| | | | | | | | | | | |
| Environmental | Community Resources | 10,142 | 15,013 | 15,013 | 5,020 | 4,490 | 530 | 11% | 10,523 | 30% |
| | | 10,142 | 15,013 | 15,013 | 5,020 | 4,490 | 530 | 11% | 10,523 | 30% |
| | | | | | | | | | | |
| Planning & Property | Development & Housing(THI/LGAN) Corporate Projects(Property) TOTAL | 829 | 1,299 | 1,299 | 330 | 360 | -30 | -9% | 939 | 28% |
| | | 4,830 | 6,427 | 6,427 | 2,297 | 2,293 | 4 | 0% | 4,134 | 36% |
| | | 5,659 | 7,726 | 7,726 | 2,627 | 2,653 | -26 | -1% | 5,073 | 34% |
| | | | | | | | | | | |
| Sport, Leisure & Culture | Leisure Services TOTAL | 2,938 | 4,799 | 4,799 | 1,063 | 1,063 | 0 | 0% | 3,736 | 22% |
| | | 2,938 | 4,799 | 4,799 | 1,063 | 1,063 | 0 | 0% | 3,736 | 22% |
| | | | | | | | | | | |
| Economy & Jobs | Development & Housing Services TOTAL | 2,843 | 3,228 | 3,228 | 341 | 347 | -6 | -2% | 2,881 | 11% |
| | | 2,843 | 3,228 | 3,228 | 341 | 347 | -6 | -2% | 2,881 | 11% |
| | | | | | | | | | | |
| TOTAL ALL BOARDS | | 66,563 | 74,450 | 74,450 | 20,292 | 19,781 | 511 | 3% | 54,669 | 27% |
| | | | | | | | | | | |
| Made up Of: | | | | | | | | | | |
| Housing Programme | | 14,423 | 16,165 | 16,165 | 6,172 | 6,142 | 30 | 0% | 10,023 | 38% |
| PSHG | | 2,766 | 2,909 | 2,909 | 452 | 439 | 13 | 3% | 2,471 | 15% |
| Non-Housing Programme | | 49,373 | 55,375 | 55,375 | 13,668 | 13,200 | 468 | 3% | 42,175 | 24% |
| PROGRAMME TOTAL | | 66,563 | 74,450 | 74,450 | 20,292 | 19,781 | 511 | 3% | 54,669 | 27% |

RENFREWSHIRE COUNCIL
2015/16 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 18 SEPTEMBER 2015 (47% 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 | 11,192 | 25,093 | | 36,285 |
| 2a. General Capital Grant | | 17,734 | 1,453 | 19,187 |
| 2b. Specific Capital Grant | | 262 | | 262 |
| 3a. Usable Capital Receipts | 3,101 | 11,091 | | 14,192 |
| 3b. Usable Capital receipts b/fwd from 2014/15 | | | | 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 | 1,173 | 1,456 | 4,501 |
| 6. Total Resource Availability | 16,165 | 55,353 | 2,909 | 74,427 |
| B. CAPITAL PROGRAMME | | | | |
| 7. Resources Available | 16,165 | 55,353 | 2,909 | 74,427 |
| 8. Current Programme | 16,165 | 55,375 | 2,909 | 74,450 |
| 9. Legally Committed at 18/09/15 | 4,695 | 21,159 | 502 | 26,356 |
| | | | | 35% |
| C. ACTUAL EXPENDITURE VS PROJECTED | | | | |
| 10. Resource Availability | 16,165 | 55,353 | 2,909 | 74,427 |
| 11. Cash Spent as at 18/09/15 | 6,142 | 13,200 | 439 | 19,781 |
| 12. Cash to be Spent by 31/03/16 | 10,023 | 42,153 | 2,471 | 54,647 |
| | | | | 27% |
| D. ACTUAL RECEIPTS VS PROJECTED | | | | |
| 13. Current Programme (total receipts expected) | 3,101 | 28,825 | 1,453 | 33,380 |
| 14. Actual Cash Received to 18/09/15 | 1,173 | 7,701 | 439 | 9,312 |
| 15. Receipts available to augment capital programme to 18/09/15 | 1,173 | 7,701 | 439 | 9,312 |
| 16. Receipts to be received by 31/03/16 | 1,928 | 21,125 | 1,015 | 24,067 |
| | | | | 28% |