



To: FINANCE & RESOURCES POLICY BOARD

On: 18 MAY 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 4th March 2016.
- 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	42.092	27.306
Housing	14.385	10.890
Total	56.477	32.607

- 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	198
Housing	154	154
Total	365	352

- 1.6 76% of the available resources for Housing and 64% for Non Housing have been spent to 4th March 2016. 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 4th March 2016 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 **£13.458m**, reflecting resources brought forward from 2014/15 and subsequent re-profiling into 2016/17 based on planned expenditure timescales.

4.2 Capital expenditure at 4th March 2016 totals **£10.890m** compared to anticipated expenditure of £10.949m. The minor under-spend mainly relates to a timing issue in receipt of professional fees with the programme still expected to remain within budget.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.059m u/spend	1% u/spend	£0.347m u/spend	3% u/spend

4.3 The actual capital expenditure of **£10.890m** is 81% of the available resources, and compares with 92% for the equivalent time in 2014/15.

4.4 Capital income of £2.796m has been received in the period to 4th March 2016 representing 90% of the estimated capital income for the year. This compares with 91% 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 **£35.716m**, a decrease of £13.657m, 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 £26.397m and new funding in 2015/16 of £4.679m 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 4th March 2016 totals **£27.306m** compared to anticipated expenditure of £27.198m, and therefore shows an over-spend of £0.108m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.108m o/spend	0% o/spend	£0.068m o/spend	0% o/spend

5.3 The actual cash spent to 4th March 2016 was **£27.306m**, or 76% of the available resources, and compares with a 77% 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 £24.285m has been received to 4th March 2016. This represents 84% to date of the total anticipated income, and compares with 87% for the equivalent period in 2014/15. The outstanding income mainly relates to the balance of grant funding.

5.5 A revised construction programme for the new Riverbrae School in Linwood has been discussed with the main contractor. Owing to difficulties with water ingress during the build process an extended timescale for completion is required in order all affected areas can be remediated. The revised programme outlines that completion will be achieved in June 2017 with commissioning taking place thereafter and the school being available for pupils for the commencement of the 2017 school year in August 2017. The Council is working closely with the contractor and has commissioned additional architectural support to ensure the revised programme is achieved.

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 **£1.173m**; the decrease of £1.593m primarily relates to the carry forward of budget from 2014/15 (£0.143m) and the re-profiling of budget from 2015/16 to 2016/17 (£1.736m).
- 6.3 Expenditure to 4th March 2016 totals **£0.928m** compared to anticipated expenditure of £0.951m, and therefore shows an under-spend of £0.023m. 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 4 MARCH 2016 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Share of Available Resources	Year to Date Budget to 4-Mar-16	Spent to 4-Mar-16	Variance to 4-Mar-16	% variance	Unspent Cash Flow For Year	% Cash Spent
Finance & Resources	Corporate Projects (Non Property) TOTAL	3,945	1,233	1,233	855	872	-17	-2%	361	71%
		3,945	1,233	1,233	855	872	-17	-2%	361	71%
Education	Education Services Social Work Services(Child Care & Criminal Justice) TOTAL	23,847	10,934	10,934	9,925	9,942	-17	0%	992	91%
		0	0	0	0	0	0	0%	0	0%
		23,847	10,934	10,934	9,925	9,942	-17	0%	992	91%
Social Work, Health & Well-Being	TOTAL	0	154	154	10	10	0	0%	143	7%
		0	154	154	10	10	0	0%	143	7%
Housing & Community Safety	Housing & Property (Housing - HRA) Housing & Property (Housing - non HRA) TOTAL	14,423	13,458	13,458	10,949	10,890	59	1%	2,568	81%
		2,766	1,173	1,173	951	928	23	2%	245	79%
		17,189	14,631	14,631	11,900	11,818	82	1%	2,813	81%
Environmental	Community Resources	10,142	13,669	13,669	10,664	10,752	-87	-1%	2,918	79%
		10,142	13,669	13,669	10,664	10,752	-87	-1%	2,918	79%
Planning & Property	Development & Housing(THI/LGAN) Corporate Projects(Property) TOTAL	829	1,193	1,193	597	586	10	2%	607	49%
		4,830	4,731	4,731	3,750	3,736	13	0%	995	79%
		5,659	5,924	5,924	4,347	4,323	24	1%	1,601	73%
Sport, Leisure & Culture	Leisure Services TOTAL	2,938	613	613	250	250	0	0%	363	41%
		2,938	613	613	250	250	0	0%	363	41%
Economy & Jobs	Development & Housing Services TOTAL	2,843	3,189	3,189	1,148	1,158	-10	-1%	2,031	36%
		2,843	3,189	3,189	1,148	1,158	-10	-1%	2,031	36%
TOTAL ALL BOARDS		66,563	50,347	50,347	39,098	39,124	-25	0%	11,224	78%
Made up Of:										
Housing Programme PSHG Non-Housing Programme PROGRAMME TOTAL		14,423	13,458	13,458	10,949	10,890	59	1%	2,568	81%
		2,766	1,173	1,173	951	928	23	2%	245	79%
		49,373	35,716	35,716	27,198	27,306	-108	0%	8,410	76%
PROGRAMME TOTAL		66,563	50,347	50,347	39,098	39,124	-25	0%	11,224	78%

Appendix 2

RENFREWSHIRE COUNCIL 2015/16 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 4 MARCH 2016 (93% 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				13,608
2a. General Capital Grant	8,485	5,123		19,187
2b. Specific Capital Grant		18,135	1,052	262
3a. Usable Capital Receipts	3,101	10,875		13,976
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 (CFCR)	1,872	1,321	121	3,314
6 Total Resource Availability	13,458	35,716	1,173	50,347
B. CAPITAL PROGRAMME				
7. Resources Available	13,458	35,716	1,173	50,347
8. Current Programme	13,458	35,716	1,173	50,347
		100%	100%	100%
C. ACTUAL EXPENDITURE VS PROJECTED				
10. Resource Availability	13,458	35,716	1,173	50,347
11. Cash Spent as at 08/01/16	10,890	27,306	928	39,124
12. Cash to be Spent by 31/03/16	2,568	8,410	245	11,223
D. ACTUAL RECEIPTS VS PROJECTED				
13. Current Programme (total receipts expected)	3,101	29,010	1,052	33,163
14. Actual Cash Received to 08/01/16	2,796	24,285	928	28,010
15. Receipts available to augment capital programme to 08/01/16	2,796	24,285	928	28,010
16. Receipts to be received by 31/03/16	305	4,725	124	5,153