
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 14 NOVEMBER 2018

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 14th September 2018.
- 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	64.493
Housing	15.439	15.728
Total	77.515	80.221

- 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	282	259
Housing	131	112
Total	413	371

- 1.6 28% of the available resources for Housing and 27% for Non Housing have been spent to 14th September 2018. 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 14th September 2018 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 **£15.728m**, a increase of £0.289m, 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 £0.768m.

4.2 Capital expenditure at 14th September 2018 totals **£4.425m** compared to anticipated expenditure of £4.418m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.007m o/spend	0% o/spend	£0.005m o/spend	0% o/spend

4.3 The actual capital expenditure of **£4.425m** is 28% of the available resources, and compares with 21% for the equivalent time in 2017/18.

4.4 Capital income of £0.287m has been received in the period to 14th September 2018 representing 6% of the estimated capital income for the year. This compares with 86% 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 and is not expected to be received until March 2019.

5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 2nd March 2018 totalled £62.076m. The current programme totals **£64.493m**, a increase of £2.417m, being the net effect of resources brought forward from 2017/18 of £21.179m, projects re-profiled from 2018/19 to 2019/20 of £25.769m and new funding in 2018/19 of £7.007m 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 14th September 2018 totals **£17.460m** compared to anticipated expenditure of £17.469m, and therefore shows an under-spend of £0.009m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.009m u/spend	0% u/spend	<i>£0.011m</i> <i>o/spend</i>	<i>0%</i> <i>o/spend</i>

5.3 The actual cash expenditure of **£17.460m** is 27% of the available resources, and compares with a 25% 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 £7.581m has been received to 14th September 2018. This represents 32% to date of the total anticipated income, and compares with 27% 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 **£1.366m**, an increase of £0.046m, being the effect of resources brought forward from 2017/18 of £0.046m.
- 6.3 Expenditure to 14th September 2018 totals **£0.351m** compared to anticipated expenditure of £0.350m, and therefore shows an over-spend of £0.001m. 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.

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Appendix 1

CAPITAL PROGRAMME 2018/19 - BUDGET MONITORING REPORT TO 14 SEPTEMBER 2018 (£000s)

Project Title	Approved Programme @02/03/18	Current Programme MR 6	Year To Date Budget to 14-Sep-18	Cash Spent to 14-Sep-18	Variance to 14-Sep-18	% Variance	Cash to be Spent by 31-Mar-19	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	10,263	14,652	6,212	6,212	0	0%	8,440	42%
TOTAL	10,263	14,652	6,212	6,212	0	0%	8,440	42%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	15,439	15,728	4,418	4,425	-7	0%	11,303	28%
Housing(PSHG)	1,320	1,366	350	351	-1	0%	1,015	26%
Development & Housing(TH/LGAN)	1,255	422	150	145	5	3%	277	34%
TOTAL	18,014	17,516	4,918	4,921	-3	0%	12,595	28%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	5,489	16,909	4,420	4,414	6	0%	12,495	26%
TOTAL	5,489	16,909	4,420	4,414	6	0%	12,495	26%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	14,511	9,207	4,207	4,208	-1	0%	4,999	46%
TOTAL	14,511	9,207	4,207	4,208	-1	0%	4,999	46%
LEADERSHIP								
Leisure Services	1,331	1,767	535	537	-2	0%	1,230	30%
Development & Housing Services	29,227	21,525	1,945	1,944	1	0%	19,581	9%
Social Work Services(Adult Social Care)	0	11	0	0	0	0%	11	0%
TOTAL	30,558	23,303	2,480	2,481	-1	0%	20,822	11%
TOTAL ALL BOARDS	78,835	81,587	22,237	22,236	1	0%	59,351	27%
MADE UP OF :-								
Non-Housing Programme	62,076	64,493	17,469	17,460	9	0%	47,033	27%
Housing Programme(HRA)	15,439	15,728	4,418	4,425	-7	0%	11,303	28%
Housing Programme(PSHG)	1,320	1,366	350	351	-1	0%	1,015	26%
PROGRAMME TOTAL	78,835	81,587	22,237	22,236	1	0%	59,351	27%

Appendix 2

RENFREWSHIRE COUNCIL 2018/19 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO 14 SEPTEMBER 2018 (46% 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	11,115	33,269		44,384	
2a. General Capital Grant		15,194	900	16,094	
2b. Specific Capital Grant	4,613	239		4,852	
3. Usable Capital Receipts	0	8,529		8,529	
4. Contribution From Current Revenue (CFCR)	0	7,262	466	7,728	
5. Total Resource Availability	15,728	64,493	1,366	81,587	
B. CAPITAL PROGRAMME					
6. Resources Available	15,728	64,493	1,366	81,587	
7. Current Programme	15,728	64,493	1,366	81,587	100%
					100%
C. ACTUAL EXPENDITURE VS PROJECTED					
8. Resource Availability	15,728	64,493	1,366	81,587	
9. Cash Spent as at 14/09/2018	4,425	17,460	351	22,236	27%
10. Cash to be Spent by 31/03/19	11,303	47,033	1,015	59,351	27%
D. ACTUAL RECEIPTS VS PROJECTED					
11. Current Programme (total receipts expected)	4,613	23,962	900	29,475	
12. Actual Cash Received to 14/09/2018	287	7,581	225	8,093	
13. Receipts available to augment capital programme to 14/09/2018	287	7,581	225	8,093	27%
14. Receipts to be received by 31/03/19	4,326	16,381	675	21,382	