



To: FINANCE & RESOURCES POLICY BOARD

On: 16 MARCH 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 8th January 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	22.701
Housing	14.385	9.906
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 69% of the available resources for Housing and 54% for Non Housing have been spent to 8th January 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 8th January 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 **£14.385m**, reflecting resources brought forward from 2014/15 and subsequent re-profiling into 2016/17 based on planned expenditure timescales.

4.2 Capital expenditure at 8th January 2016 totals **£9.906m** compared to anticipated expenditure of £10.254m. 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	£0.347m u/spend	3% u/spend	£0.534m u/spend	6% u/spend

4.3 The actual capital expenditure of **£9.906m** is 69% of the available resources, and compares with 71% for the equivalent time in 2014/15.

4.4 Capital income of £1.978m has been received in the period to 8th January 2016 representing 64% of the estimated capital income for the year. This compares with 97% 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 **£42.092m**, a decrease of £7.281m, 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 £19.815m and new funding in 2015/16 of £4.474m 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 8th January 2016 totals **£22.701m** compared to anticipated expenditure of £22.633m, and therefore shows an over-spend of £0.068m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.068m o/spend	0% o/spend	£0.070m o/spend	0% o/spend

5.3 The actual cash spent to 8th January 2016 was **£22.701m**, or 54% of the available resources, and compares with a 57% 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 £14.875m has been received to 8th January 2016. This represents 55% to date of the total anticipated income, and compares with 62% for the equivalent period in 2014/15. The outstanding income mainly relates 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 **£1.772m**; the decrease of £0.994 m 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 (£1.137m).
- 6.3 Expenditure to 8th January 2016 totals **£0.655m** compared to anticipated expenditure of £0.676m, and therefore shows an over-spend of £0.021m. 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 8 JANUARY 2016 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Share of Available Resources	Year to Date Budget to 8-Jan-16	Spent to 8-Jan-16	Variance to 8-Jan-16	% variance	Unspent Cash Flow For Year	% Cash Spent
Finance & Resources	Corporate Projects (Non Property) TOTAL	3,945	1,304	1,304	640	644	-3	-1%	661	49%
		3,945	1,304	1,304	640	644	-3	-1%	661	49%
Education	Education Services Social Work Services(Child Care & Criminal Justice) TOTAL	23,847	13,329	13,329	8,584	8,591	-7	0%	4,738	64%
		0	34	34	0	0	0	0%	34	0%
		23,847	13,362	13,362	8,584	8,591	-7	0%	4,771	64%
Social Work, Health & Well-Being	Social Work Services(Adult Social Care) TOTAL	0	119	119	10	10	0	0%	109	9%
		0	119	119	10	10	0	0%	109	9%
Housing & Community Safety	Housing & Property (Housing - HRA) Housing & Property (Housing - non HRA) TOTAL	14,423	14,385	14,385	10,254	9,906	347	3%	4,479	69%
		2,766	1,772	1,772	676	655	20	3%	1,117	37%
		17,189	16,157	16,157	10,929	10,562	367	3%	5,595	65%
Environmental	Community Resources	10,142	13,839	13,839	8,745	8,719	26	0%	5,120	63%
		10,142	13,839	13,839	8,745	8,719	26	0%	5,120	63%
Planning & Property	Development & Housing (THI/LGAN) Corporate Projects(Property) TOTAL	829	1,299	1,299	560	530	31	5%	769	41%
		4,830	4,851	4,851	3,316	3,246	70	2%	1,605	67%
		5,659	6,150	6,150	3,876	3,775	101	3%	2,375	61%
Sport, Leisure & Culture	Leisure Services TOTAL	2,938	4,799	4,799	0	175	-175	100%	4,623	4%
		2,938	4,799	4,799	0	175	-175	100%	4,623	4%
Economy & Jobs	Development & Housing Services TOTAL	2,843	2,518	2,518	777	786	-9	-1%	1,732	31%
		2,843	2,518	2,518	777	786	-9	-1%	1,732	31%
TOTAL ALL BOARDS		66,563	58,249	58,249	33,562	33,263	299	1%	24,986	57%
Made up Of:										
Housing Programme		14,423	14,385	14,385	10,254	9,906	347	3%	4,479	69%
PSHG		2,766	1,772	1,772	676	655	20	3%	1,117	37%
Non-Housing Programme		49,373	42,092	42,092	22,632	22,701	-68	0%	19,391	54%
PROGRAMME TOTAL		66,563	58,249	58,249	33,562	33,263	299	1%	24,986	57%

Appendix 2

RENFREWSHIRE COUNCIL 2015/16 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 8 JANUARY 2015 (77% 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				22,867
2a. General Capital Grant	9,412	13,455		17,419
2b. Specific Capital Grant		15,965	1,453	262
3a. Usable Capital Receipts	3,101	262		14,192
3b. Usable Capital receipts b/fwd from 2014/15		11,091		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	1,323	319	3,514
6 Total Resource Availability	14,385	42,096	1,772	58,253
B. CAPITAL PROGRAMME				
7. Resources Available	14,385	42,096	1,772	58,253
8. Current Programme	14,385	42,092	1,772	58,249
		100%	100%	100%
C. ACTUAL EXPENDITURE VS PROJECTED				
10. Resource Availability	14,385	42,096	1,772	58,253
11. Cash Spent as at 08/01/16	9,906	22,701	655	33,263
12. Cash to be Spent by 31/03/16	4,479	19,395	1,117	24,990
D. ACTUAL RECEIPTS VS PROJECTED				
13. Current Programme (total receipts expected)	3,101	27,056	1,453	31,611
14. Actual Cash Received to 08/01/16	1,978	14,875	655	17,509
15. Receipts available to augment capital programme to 08/01/16	1,978	14,875	655	17,509
16. Receipts to be received by 31/03/16	1,123	12,181	798	14,102