



To: FINANCE & RESOURCES POLICY BOARD

On: 26 AUGUST 2015

Report by: DIRECTOR OF FINANCE AND RESOURCES

Heading: CAPITAL BUDGET MONITORING - 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 26th June 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	4.753
Housing	13.682	2.411
TOTAL	63.055	7.164

- 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	158
TOTAL	368	352

- 1.6. 13% of the available resources for Housing and 9% for Non Housing have been spent to 26th June 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 the report.
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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 26th June 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 **£18.282m**, reflecting resources brought forward from 2014/15 and subsequent re-profiling into 2016/17 based on planned expenditure timescales.

- 4.2 Legal commitments of £7.260m, or 40% of the available resources, have been made at 26th June 2015.
- 4.3 Capital expenditure at 26th June 2015 totals **£2.411m** compared to anticipated expenditure of £2.372m. The minor over-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 Variance	%Variance	Previously Reported Variance	% Variance
Housing Programme	£0.039m over-spend	2% over-spend	n/a	n/a

- 4.4 The actual capital expenditure of **£2.411m** is 13% of the available resources, and compares with 7% for the equivalent time in 2014/15.
- 4.5 Capital receipts of £0.376m have been generated in the period to 26th June 2015 representing 12% of the estimated usable capital receipts for the year. This compares with 16% 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 £53.422m, an increase of £4.049m, being the net effect of projects reprofiled from 2014/15 to 2015/16 of £8.060m and projects reprofiled from 2015/16 to 2016/17 of £4.011m.
- 5.2 Capital expenditure to 26th June 2015 totals **£4.753m** compared to anticipated expenditure of £4.727m, and therefore shows an over-spend of £0.025m, or 0%.

The table below summarises the position:-

Division	Current Reported Variance	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.025m o/spend	0% o/spend	n/a	n/a

- 5.3 The actual cash spent to 26th June 2015 was **£4.753m**, or 9% of the available resources, and compares with a 6% spend for the equivalent time in 2014/15.
- 5.4 Capital receipts totalling £4.859m have been generated to 26th June 2015. This represents 18% to date of the total anticipated receipts, and compares with 22% for the equivalent period in 2014/15. The outstanding receipts 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 26th June 2015 totals £0.174m compared to anticipated expenditure of £0.163m, and therefore shows an over-spend of £0.011m. 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 26 JUNE 2015 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Share of Available Resources	Year to Date Budget to 26-Jun-15	Spent to 26-Jun-15	Variance to 26-Jun-15	% variance	Unspent Cash Flow For Year	% Cash Spent
Finance & Resources	Corporate Projects (Non Property)	3,945	3,075	3,075	62	67	-5	-8%	3,007	2%
		3,945	3,075	3,075	62	67	-5	-8%	3,007	2%
Education	Education Services Social Work Services(Child Care & Criminal Justice)	23,847	21,809	21,809	1,359	1,367	-8	-1%	20,442	6%
		0	34	34	0	0	0	0%	34	0%
		23,847	21,842	21,842	1,359	1,367	-8	-1%	20,475	6%
Social Work, Health & Well-Being	Social Work Services(Adult Social Care)	0	520	520	3	3	0	0%	518	0%
		0	520	520	3	3	0	0%	518	0%
Housing & Community Safety	Housing & Property (Housing - HRA) Housing & Property (Housing - non HRA)	14,423	18,282	18,282	2,372	2,411	-39	-2%	15,871	13%
		2,766	2,909	2,909	163	174	-11	-6%	2,736	6%
		17,189	21,191	21,191	2,535	2,585	-50	-2%	18,607	12%
Environmental	Community Resources	10,142	13,258	13,258	1,879	1,881	-2	0%	11,377	14%
		10,142	13,258	13,258	1,879	1,881	-2	0%	11,377	14%
Planning & Property	Development & Housing(THI/LGAN) Corporate Projects(Property)	829	1,149	1,149	108	115	-7	-7%	1,034	10%
		4,830	5,427	5,427	1,084	1,086	-2	0%	4,341	20%
		5,659	6,576	6,576	1,192	1,201	-9	-1%	5,375	18%
Sport, Leisure & Culture	Leisure Services	2,938	4,799	4,799	196	198	-2	-1%	4,601	4%
		2,938	4,799	4,799	196	198	-2	-1%	4,601	4%
Economy & Jobs	Development & Housing Services	2,843	3,352	3,352	36	36	0	0%	3,316	1%
		2,843	3,352	3,352	36	36	0	0%	3,316	1%
TOTAL ALL BOARDS		66,563	74,613	74,613	7,262	7,337	-75	-1%	67,276	10%
Made up Of:										
PSHG	Housing Programme	14,423	18,282	18,282	2,372	2,411	-39	-2%	15,871	13%
		2,766	2,909	2,909	163	174	-11	-6%	2,736	6%
		49,373	53,422	53,422	4,727	4,753	-25	-1%	48,669	9%
PROGRAMME TOTAL		66,563	74,613	74,613	7,262	7,337	-75	-1%	67,276	10%

RENFREWSHIRE COUNCIL
2015/16 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 26 JUNE 2015 (23% 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	13,309	24,920		38,229
2a. General Capital Grant		17,734	1,453	19,187
2b. Specific Capital Grant		262		262
3a. Usable Capital Receipts	3,101	9,336		12,437
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	1,173	1,456	4,501
6. Total Resource Availability	18,282	53,425	2,909	74,616
B. CAPITAL PROGRAMME				
7. Resources Available	18,282	53,425	2,909	74,616
8. Current Programme	18,282	53,421	2,909	74,612
9. Legally Committed at 26/06/15	7,260	15,478	280	23,017
	40%	29%	10%	31%
C. ACTUAL EXPENDITURE VS PROJECTED				
10. Resource Availability	18,282	53,425	2,909	74,616
11. Cash Spent as at 26/06/15	2,411	4,753	174	7,337
12. Cash to be Spent by 31/03/16	15,871	48,673	2,736	67,279
D. ACTUAL RECEIPTS VS PROJECTED				
13. Current Programme (total receipts expected)	3,101	27,070	1,453	31,625
14. Actual Cash Received to 26/06/15	376	4,859	174	5,409
15. Receipts available to augment capital programme to 26/06/15	376	4,859	174	5,409
16. Receipts to be received by 31/03/16	2,725	22,211	1,280	26,216