

To: FINANCE & RESOURCES POLICY BOARD

On: 15 MARCH 2017

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 6th January 2017.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 3rd March 2016 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by the Housing and Community Safety Policy Board on 15th March 2016. 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 2016-17 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 Limit £m	Actual Expenditure £m
Non Housing	63.728	35.942
Housing	8.288	5.394
Total	72.016	41.336

- 1.5 The CFR which the Council has set for 2016-17 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31st March 2017 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 2017 £m	Projected CFR to 31 March 2017 £m
Non Housing	240	232
Housing	143	141
Total	383	373

- 1.6 65% of the available resources for Housing and 56% for Non Housing have been spent to 6th January 2017. 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 6th January 2017 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

4. Housing Services Programme

- 4.1 The programme approved by Council on 3rd March 2016 totalled £14.230m. The programme currently stands at **£8.288m**, a decrease of £5.942m, being the net effect of resources brought forward from 2015/16 of £1.165m and projects re-profiled from 2016/17 to 2017/18 of £7.107m.
- 4.2 Capital expenditure at 6th January 2017 totals **£5.394m** compared to anticipated expenditure of £5.191m. The over-spend mainly relates to a timing issue 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	£0.203m o/spend	4% o/spend	£0.403m o/spend	13% o/spend

- 4.3 The actual capital expenditure of **£5.394m** is 65% of the available resources, and compares with 71% for the equivalent time in 2015/16.
- 4.4 Capital income of £4.302m has been received in the period to 6th January 2017 representing 83% of the estimated capital income for the year. This compares with 64% in 2015/16.

5. Non Housing Services Programme

5.1 The programme approved by Council on the 3rd March 2016 totalled £78.417m. The current programme totals **£63.728m**, a decrease of £14.689m, being the net effect of resources brought forward from 2015/16 of £14.615m, projects re-profiled from 2016/17 to 2017/18 of £34.520m and new funding in 2016/17 of £5.216m which primarily relates to grant funding anticipated to be received in 2016/17 for the Strathclyde Partnership for Transport programme and Renfrewshire Parks Improvements programme.

5.2 Capital expenditure to 6th January 2017 totals **£35.942m** compared to anticipated expenditure of £36.080m, and therefore shows an under-spend of £0.138m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.138m u/spend	0% o/spend	£0.095m o/spend	0% o/spend

5.3 The actual cash expenditure of **£35.942m** is 56% of the available resources, and compares with a 54% spend for the equivalent time in 2015/16. It is anticipated that the available resources will be fully utilised by the 31 March 2017.

5.4 Capital income totalling £11.876m has been received to 6th January 2017. This represents 52% to date of the total anticipated income, and compares with 58% for the equivalent period in 2015/16. The outstanding income mainly relates to the balance of grant funding.

5 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 15th March 2016 was £1.200m. The programme currently stands at **£1.924m**; the increase of £0.724m relates to the net effect of resources brought forward from 2015/16 of £1.736m, projects re-profiled from 2016/17 to 2017/18 of £1.300m and an additional contribution funded from revenue of £0.288m.
- 6.3 Expenditure to 6th January 2017 totals **£1.030m** compared to anticipated expenditure of £1.048m, and therefore shows an under-spend of £0.018m. The remaining programme is expected to spend by 31 March 2017, 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 2016/17 & 2017/18 – Council, 3rd March 2016.
- (b). Housing Revenue Account Budget and Rent Levels 2016/17 and Housing Capital Investment Plan 2016/17 to 2018/19 – Council, 25th February 2016.
- (c). A Prudential Framework for Capital Finance in Renfrewshire Progress Report – Council, 15th December 2016.

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Appendix 1

CAPITAL PROGRAMME 2016/17 - BUDGET MONITORING REPORT TO 06 JANUARY 2017 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Year to Date Budget to 6-Jan-17	Spent to 6-Jan-17	Variance to 6-Jan-17	% variance	Unspent Cash Flow For Year	% Cash Spent
Finance & Resources									
	Corporate Projects (Non Property)	8,681	5,162	3,761	3,665	96	3%	1,498	71%
	TOTAL	8,681	5,162	3,761	3,665	96	3%	1,498	71%
Education									
	Education & Children Services	29,030	22,232	12,380	12,442	-62	-1%	9,790	56%
	TOTAL	29,030	22,232	12,380	12,442	-62	-1%	9,790	56%
Housing & Community Safety									
	Housing(HRA)	14,230	8,288	5,191	5,394	-203	-4%	2,894	65%
	Housing(PSHG)	1,200	1,924	1,048	1,030	18	2%	894	54%
	TOTAL	15,430	10,212	6,239	6,424	-185	-3%	3,788	63%
Environmental									
	Community Resources	20,091	16,685	8,599	8,552	47	1%	8,133	51%
	TOTAL	20,091	16,685	8,599	8,552	47	1%	8,133	51%
Planning & Property									
	Development & Housing Services(THI/LGAN)	1,512	725	510	455	55	11%	269	63%
	Corporate Projects(Property)	4,000	3,483	2,282	2,241	41	2%	1,242	64%
	TOTAL	5,512	4,208	2,792	2,696	96	3%	1,511	64%
Economy & Jobs									
	Development & Housing	5,781	6,559	3,998	4,122	-124	-3%	2,437	63%
	TOTAL	5,781	6,559	3,998	4,122	-124	-3%	2,437	63%
Leadership									
	Leisure Services	2,250	2,566	1,256	1,185	71	6%	1,381	46%
	Development & Housing(City Deal)	7,072	5,916	3,038	3,038	0	0%	2,878	51%
	Social Work Services(Adult Social Care)	0	400	257	242	15	6%	158	61%
	TOTAL	9,322	8,882	4,550	4,465	86	2%	4,417	50%
TOTAL ALL BOARDS		93,847	73,940	42,319	42,366	-47	0%	31,574	57%
<i>Made up Of:</i>									
	Housing Programme	14,230	8,288	5,191	5,394	-203	-4%	2,894	65%
	PSHG	1,200	1,924	1,048	1,030	18	2%	894	54%
	Non-Housing Programme	78,417	63,728	36,080	35,942	138	0%	27,786	56%
	PROGRAMME TOTAL	93,847	73,940	42,319	42,366	-47	0%	31,574	57%

Appendix 2

RENFREWSHIRE COUNCIL
2016/17 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 06 JANUARY 2017 (77% OF FINANCIAL YEAR 2016/17)

		2016/17			
		Housing Services	Non Housing Services	PSHG Programme	Total
		£'000	£'000	£'000	£'000
A.	RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME				
1a.	Supported Borrowing				0
1b.	Prudential Borrowing	2,178	29,946		32,124
2a.	General Capital Grant		12,555	1,180	13,735
2b.	Specific Capital Grant		241		241
3a.	Usable Capital Receipts	5,200	10,444		15,644
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)	910	10,543	744	12,197
6.	Total Resource Availability	8,288	63,728	1,924	73,940
B.	CAPITAL PROGRAMME				
7.	Resources Available	8,288	63,728	1,924	73,940
8.	Current Programme	8,288	63,728	1,924	73,940
			100%	100%	100%
C.	ACTUAL EXPENDITURE VS PROJECTED				
10.	Resource Availability	8,288	63,728	1,924	73,940
11.	Cash Spent as at 06/01/2017	5,394	35,942	1,030	42,367
12.	Cash to be Spent by 31/03/17	2,894	27,786	894	31,574
			65%	56%	57%
D.	ACTUAL RECEIPTS VS PROJECTED				
13.	Current Programme (total receipts expected)	5,200	22,999	1,180	29,379
14.	Actual Cash Received to 06/01/2017	4,302	11,876	1,030	17,209
15.	Receipts available to augment capital programme to 06/01/2017	4,302	11,876	1,030	17,209
16.	Receipts to be received by 31/03/17	898	11,123	149	12,170
			83%	52%	87%
					59%