
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 8 NOVEMBER 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 15th September 2017.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 23rd February 2017 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by the Housing and Community Safety Policy Board on 14th March 2017. 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 2017-18 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	85.071	21.193
Housing	12.126	2.600
Total	97.197	23.793

- 1.5 The CFR which the Council has set for 2017-18 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31st March 2018 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 2018 £m	Projected CFR to 31 March 2018 £m
Non Housing	271	263
Housing	142	128
Total	413	391

- 1.6 21% of the available resources for Housing and 25% for Non Housing have been spent to 15th September 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 15th September 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 23rd February 2017 totalled £19.895m. The programme currently stands at **£12.126m**, a decrease of £7.769m, being the net effect of resources brought forward from 2016/17 of £2.112m and projects re-profiled from 2017/18 to 2018/19 of £9.882m.

4.2 Capital expenditure at 15th September 2017 totals **£2.600m** compared to anticipated expenditure of £2.535m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.065m o/spend	3% o/spend	£0.178m o/spend	12% o/spend

4.3 The actual capital expenditure of **£2.600m** is 21% of the available resources, and compares with 27% for the equivalent time in 2016/17.

4.4 Capital income of £1.902m has been received in the period to 15th September 2017 representing 95% of the estimated capital income for the year. This compares with 43% in 2016/17.

5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 23rd February 2017 totalled £75.987m. The current programme totals **£85.071m**, an increase of £9.084m, being the net effect of resources brought forward from 2016/17 of £18.297m, projects re-profiled from 2017/18 to 2018/19 of £13.447m and new funding in 2017/18 of £4.234m which primarily relates to grant funding anticipated to be received in 2017/18 for the Strathclyde Partnership for Transport programme, the Roads/Footways Upgrade Programme and the Community Halls & Facilities Improvement Programme.

5.2 Capital expenditure to 15th September 2017 totals **£21.193m** compared to anticipated expenditure of £21.354m, and therefore shows an under-spend of £0.161m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.161m u/spend	1% u/spend	£0.095m u/spend	1% u/spend

5.3 The actual cash expenditure of **£21.193m** is 25% of the available resources, and compares with a 23% spend for the equivalent time in 2016/17. It is anticipated that the available resources will be fully utilised by the 31 March 2018.

5.4 Capital income totalling £7.883m has been received to 15th September 2017. This represents 27% to date of the total anticipated income, and compares with 34% for the equivalent period in 2016/17.

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 14th March 2017 was £2.500m. The programme currently stands at **£1.657m**, a decrease of £0.843m, being the net effect of resources brought forward from 2016/17 of £0.283m, projects re-profiled from 2017/18 to 2018/19 of £1.323m and new funding in 2017/18 of £0.197m which is a result of an increase in revenue funding.
- 6.3 Expenditure to 15th September 2017 totals **£0.511m** compared to anticipated expenditure of £0.535m, and therefore shows an under-spend of £0.024m. 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** –
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.
12. **Cosla Policy Position** – none.

List of Background Papers

- (a). Capital Investment Programme 2017/18 & 2018/19 – Council, 23rd February 2017.
- (b). Housing Revenue Account Budget and Rent Levels 2017/18 and Housing Capital Investment Plan 2017/18 to 2019/20 – Council, 23rd February 2017.
- (c). A Prudential Framework for Capital Finance in Renfrewshire Progress Report – Council, 15th December 2016.

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Appendix 1

CAPITAL PROGRAMME 2017/18 - BUDGET MONITORING REPORT TO 15 SEPTEMBER 2017 (£000s)

Project Title	Approved Programme @23/02/17	Current Programme MR 6	Year To Date Budget to 15-Sep-17	Cash Spent to 15-Sep-17	Variance to 15-Sep-17	% Variance	Cash to be Spent by 31-Mar-18	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	22,447	25,685	9,059	9,058	1	0%	16,627	35%
TOTAL	22,447	25,685	9,059	9,058	1	0%	16,627	35%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	19,895	12,126	2,535	2,600	-65	-3%	9,526	21%
Housing(PSHG)	2,500	1,657	535	511	24	4%	1,146	31%
Development & Housing(TH/LGAN)	2,849	333	102	101	1	1%	232	30%
TOTAL	25,244	14,116	3,172	3,212	-40	-1%	10,904	23%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	14,385	21,890	5,904	5,802	102	2%	16,088	27%
TOTAL	14,385	21,890	5,904	5,802	102	2%	16,088	27%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	17,188	18,112	2,153	2,078	75	3%	16,034	11%
TOTAL	17,188	18,112	2,153	2,078	75	3%	16,034	11%
LEADERSHIP								
Leisure Services	5,690	1,621	332	321	11	3%	1,300	20%
Development & Housing Services	13,428	17,339	3,770	3,802	-32	-1%	13,537	22%
Social Work Services(Adult Social Care)	0	91	34	32	2	6%	59	35%
TOTAL	19,118	19,051	4,137	4,155	-18	0%	14,896	22%
TOTAL ALL BOARDS	98,382	98,854	24,424	24,304	120	0%	74,550	25%
MADE UP OF :-								
Non-Housing Programme	75,987	85,071	21,354	21,193	161	1%	63,878	25%
Housing Programme(HRA)	19,895	12,126	2,535	2,600	-65	-3%	9,526	21%
Housing Programme(PSHG)	2,500	1,657	535	511	24	4%	1,146	31%
PROGRAMME TOTAL	98,382	98,854	24,424	24,304	120	0%	74,550	25%

Appendix 2

RENFREWSHIRE COUNCIL 2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 15 SEPTEMBER 2017 (46% OF FINANCIAL YEAR 2017/18)

2017/18					
	Housing Services	Non Housing Services	PSHG Programme	Total	
A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME	£'000	£'000	£'000	£'000	
1. Prudential Borrowing					
2a. General Capital Grant	9,926	47,670		57,595	
2b. Specific Capital Grant		16,644	900	17,544	
3. Usable Capital Receipts	200	239		439	
4. Contribution From Current Revenue (CFCR)	2,000	12,768		14,768	
	0	7,750	757	8,507	
5. Total Resource Availability	12,126	85,071	1,657	98,854	
B. CAPITAL PROGRAMME					
6. Resources Available	12,126	85,071	1,657	98,854	
7. Current Programme	12,126	85,071	1,657	98,854	100%
C. ACTUAL EXPENDITURE VS PROJECTED					
8. Resource Availability	12,126	85,071	1,657	98,854	
9. Cash Spent as at 03/03/2017	2,600	21,193	511	24,304	25%
10. Cash to be Spent by 31/03/17	9,526	63,878	1,146	74,550	
D. ACTUAL RECEIPTS VS PROJECTED					
11. Current Programme (total receipts expected)	2,000	29,412	900	32,312	
12. Actual Cash Received to 03/03/2017	1,902	7,883	511	10,297	
13. Receipts available to augment capital programme to 03/03/2017	1,902	7,883	511	10,297	32%
14. Receipts to be received by 31/03/17	98	21,529	389	22,016	