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**To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD**

**On: 31 JANUARY 2018**

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**Report by: Director of Finance and Resources**

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**Heading: Capital Budget Monitoring Report - Overview**

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**1. Summary**

- 1.1 This report provides an overview of the performance of the Housing and Non-Housing Capital Programmes for the period to 10<sup>th</sup> November 2017.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 23<sup>rd</sup> 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 14<sup>th</sup> 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.

	<b>Approved Limit £m</b>	<b>Actual Expenditure £m</b>
Non Housing	73.330	73.221
Housing	11.247	11.247
<b>Total</b>	<b>84.577</b>	<b>84.468</b>

- 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 31<sup>st</sup> 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.

	<b>Approved CFR to 31 March 2018 £m</b>	<b>Projected CFR to 31 March 2018 £m</b>
Non Housing	253	253
Housing	127	127
<b>Total</b>	<b>380</b>	<b>380</b>

- 1.6 37% of the available resources for Housing and 43% for Non Housing have been spent to 10<sup>th</sup> November 2017. Monitoring procedures are in place to ensure the programmes are managed flexibly and spending is contained within the approved limits.

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## 2. **Recommendations**

- 2.1 It is recommended that Members note this 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 10<sup>th</sup> November 2017 is summarised for both the Housing & Non-Housing programmes on Appendix 2.

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#### 4. **Housing Services Programme**

4.1 The programme approved by Council on 23<sup>rd</sup> February 2017 totalled £19.895m. The programme currently stands at **£11.247m**, a decrease of £8.648m, 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 £10.760m.

4.2 Capital expenditure at 10<sup>th</sup> November 2017 totals **£4.197m** compared to anticipated expenditure of £4.222m.

The table below summarises the position:

<b>Division</b>	<b>Current Reported Position</b>	<b>% Variance</b>	<b>Previously Reported Position</b>	<b>% Variance</b>
Housing Programme	£0.025m u/spend	1% u/spend	£0.065m o/spend	3% o/spend

4.3 The actual capital expenditure of **£4.197m** is 37% of the available resources, and compares with 42% for the equivalent time in 2016/17.

4.4 Capital income of £1.851m has been received in the period to 10th November 2017 representing 93% of the estimated capital income for the year. This compares with 65% in 2016/17.

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5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 23<sup>rd</sup> February 2017 totalled £75.987m. The current programme totals **£73.221m**, a decrease of £2.766m, being the net effect of resources brought forward from 2016/17 of £16.829m, projects re-profiled from 2017/18 to 2018/19 of £23.829m 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 10th November 2017 totals **£31.598m** compared to anticipated expenditure of £31.524m, and therefore shows an over-spend of £0.074m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.074m o/spend	0% 0/spend	£0.161m u/spend	1% u/spend

5.3 The actual cash expenditure of **£31.598m** is 43% of the available resources, and compares with a 38% 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 £10.722m has been received to 10th November 2017. This represents 38% to date of the total anticipated income, and compares with 43% for the equivalent period in 2016/17.

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## 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 14<sup>th</sup> March 2017 was £2.500m. The programme currently stands at **£1.115m**, a decrease of £1.385m, being the net effect of resources brought forward from 2016/17 of £0.283m, projects re-profiled from 2017/18 to 2018/19 and beyond of £1.865m and new funding in 2017/18 of £0.197m which is a result of an increase in revenue funding.
- 6.3 Expenditure to 10th September 2017 totals **£0.630m** compared to anticipated expenditure of £0.630m, and therefore shows a break-even position. The remaining programme is expected to spend by 31 March 2018, and expenditure will be contained within the overall resources.

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## 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.

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### **List of Background Papers**

- (a). Capital Investment Programme 2017/18 & 2018/19 – Council, 23<sup>rd</sup> February 2017.
- (b). Housing Revenue Account Budget and Rent Levels 2017/18 and Housing Capital Investment Plan 2017/18 to 2019/20 – Council, 23<sup>rd</sup> February 2017.
- (c). A Prudential Framework for Capital Finance in Renfrewshire Progress Report – Council, 21<sup>st</sup> December 2017.

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# Appendix 1

## CAPITAL PROGRAMME 2017/18 - BUDGET MONITORING REPORT TO 10 NOVEMBER 2017 (£000s)

Project Title	Approved Programme @23/02/17	Current Programme MR 8	Year To Date Budget to 10-Nov-17	Cash Spent to 10-Nov-17	Variance to 10-Nov-17	% Variance	Cash to be Spent by 31-Mar-18	% Cash Spent
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>								
Education & Children's Services	22,447	24,977	11,522	11,514	8	0%	13,463	46%
<b>TOTAL</b>	22,447	24,977	11,522	11,514	8	0%	13,463	46%
<b>COMMUNITIES, HOUSING &amp; PLANNING</b>								
Housing(HRA)	19,895	11,247	4,222	4,197	25	1%	7,050	37%
Housing(PSHG)	2,500	1,115	630	630	0	0%	485	57%
Development & Housing(THI/LGAN)	2,849	363	140	135	5	4%	228	37%
<b>TOTAL</b>	25,244	12,725	4,992	4,962	30	1%	7,763	39%
<b>INFRASTRUCTURE, LAND &amp; ENVIRONMENT</b>								
Environment & Communities	14,385	21,892	9,209	8,705	504	5%	13,187	40%
<b>TOTAL</b>	14,385	21,892	9,209	8,705	504	5%	13,187	40%
<b>FINANCE, RESOURCES &amp; CUSTOMER SERVICES</b>								
Corporate Projects	17,188	8,806	5,117	3,802	1,315	26%	5,004	43%
<b>TOTAL</b>	17,188	8,806	5,117	3,802	1,315	26%	5,004	43%
<b>LEADERSHIP</b>								
Leisure Services	5,690	1,620	635	642	-7	-1%	978	40%
Development & Housing Services	13,428	15,472	6,764	6,768	-4	0%	8,704	44%
Social Work Services(Adult Social Care)	0	91	35	32	3	9%	59	35%
<b>TOTAL</b>	19,118	17,183	7,434	7,442	-8	0%	9,741	43%
<b>TOTAL ALL BOARDS</b>	98,382	85,583	38,274	36,425	1,849	5%	49,158	43%
<b>MADE UP OF :-</b>								
Non-Housing Programme	75,987	73,221	33,422	31,598	1,824	5%	41,623	43%
Housing Programme(HRA)	19,895	11,247	4,222	4,197	25	1%	7,050	37%
Housing Programme(PSHG)	2,500	1,115	630	630	0	0%	485	57%
<b>PROGRAMME TOTAL</b>	98,382	85,583	38,274	36,425	1,849	5%	49,158	43%

## 2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 10 NOVEMBER 2017 (61% OF FINANCIAL YEAR 2017/18)

2017/18				
	Housing Services	Non Housing Services	PSHG Programme	Total
<b>A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME</b>				
1. Prudential Borrowing	£'000	£'000	£'000	£'000
2a. General Capital Grant	9,047	37,421	900	46,468
2b. Specific Capital Grant	200	16,644		17,544
3. Usable Capital Receipts	2,000	239		439
4. Contribution From Current Revenue (GFCR)	0	11,561	215	13,561
		7,356		7,571
5. Total Resource Availability	<b>11,247</b>	<b>73,221</b>	<b>1,115</b>	<b>85,583</b>
<b>B. CAPITAL PROGRAMME</b>				
6. Resources Available	11,247	73,221	1,115	85,583
7. Current Programme	11,247	73,221	1,115	85,583
	100%	100%	100%	100%
<b>C. ACTUAL EXPENDITURE VS PROJECTED</b>				
8. Resource Availability	11,247	73,221	1,115	85,583
9. Cash Spent as at 10/11/2017	4,197	31,598	630	36,425
10. Cash to be Spent by 31/03/18	7,050	41,623	485	49,158
<b>D. ACTUAL RECEIPTS VS PROJECTED</b>				
11. Current Programme (total receipts expected)	2,000	28,205	900	31,105
12. Actual Cash Received to 10/11/2017	1,851	10,722	630	13,203
13. Receipts available to augment capital programme to 10/11/2017	1,851	10,722	630	13,203
14. Receipts to be received by 31/03/18	149	17,483	270	17,902