
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 28 MARCH 2018

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 5th January 2018.
- 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	73.330	71.369
Housing	11.247	11.247
Total	84.577	82.616

- 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	253	253
Housing	127	127
Total	380	380

- 1.6 53% of the available resources for Housing and 53% for Non Housing have been spent to 5th January 2018. 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 5th January 2018 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 **£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 5th January 2018 totals **£5.974m** compared to anticipated expenditure of £5.980m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.006m u/spend	0% u/spend	£0.025m o/spend	1% u/spend

4.3 The actual capital expenditure of **£5.974m** is 53% of the available resources, and compares with 65% for the equivalent time in 2016/17.

4.4 Capital income of £1.941m has been received in the period to 5th January 2018 representing 97% of the estimated capital income for the year. This compares with 83% 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 **£71.369m**, a decrease of £4.618m, being the net effect of resources brought forward from 2016/17 of £16.829m, projects re-profiled from 2017/18 to 2018/19 of £25.681m 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 5th January 2018 totals **£37.748m** compared to anticipated expenditure of £37.710m, and therefore shows an over-spend of £0.038m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.038m o/spend	0% 0/spend	£0.074m o/spend	0% o/spend

5.3 The actual cash expenditure of **£37.748m** is 53% of the available resources, and compares with a 56% 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 £12.636m has been received to 5th January 2018. This represents 45% to date of the total anticipated income, and compares with 52% 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 **£1.115m**, 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 5th January 2018 totals **£0.688m** compared to anticipated expenditure of £0.708m, and therefore shows an under-spend position of £0.020m. 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** –

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.

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, 21st December 2017.

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CAPITAL PROGRAMME 2017/18 - BUDGET MONITORING REPORT TO 05 JANUARY 2018 (£000s)

Project Title	Approved Programme @23/02/17	Current Programme MR 10	Year To Date Budget to 05-Jan-18	Cash Spent to 05-Jan-18	Variance to 05-Jan-18	% Variance	Cash to be Spent by 31-Mar-18	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	22,447	24,747	14,470	14,505	-35	0%	10,242	59%
TOTAL	22,447	24,747	14,470	14,505	-35	0%	10,242	59%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	19,895	11,247	5,980	5,974	6	0%	5,273	53%
Housing(PSHG)	2,500	1,115	708	688	20	3%	427	62%
Development & Housing(THI/LGAN)	2,849	363	155	154	1	1%	209	42%
TOTAL	25,244	12,725	6,843	6,816	27	0%	5,909	54%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	14,385	21,292	10,709	10,690	19	0%	10,602	50%
TOTAL	14,385	21,292	10,709	10,690	19	0%	10,602	50%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	17,188	8,134	4,137	4,132	5	0%	4,002	51%
TOTAL	17,188	8,134	4,137	4,132	5	0%	4,002	51%
LEADERSHIP								
Leisure Services	5,690	1,620	840	838	2	0%	782	52%
Development & Housing Services	13,428	15,122	7,369	7,397	-28	0%	7,725	49%
Social Work Services(Adult Social Care)	0	91	30	32	-2	-7%	59	35%
TOTAL	19,118	16,833	8,239	8,267	-28	0%	8,566	49%
TOTAL ALL BOARDS	98,382	83,731	44,398	44,410	-12	0%	39,321	53%
MADE UP OF :-								
Non-Housing Programme	75,987	71,369	37,710	37,748	-38	0%	33,621	53%
Housing Programme(HRA)	19,895	11,247	5,980	5,974	6	0%	5,273	53%
Housing Programme(PSHG)	2,500	1,115	708	688	20	3%	427	62%
PROGRAMME TOTAL	98,382	83,731	44,398	44,410	-12	0%	39,321	53%

RENFREWSHIRE COUNCIL

2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 05 JANUARY 2018 (77% 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	9,047	36,498		45,545
2a. General Capital Grant		16,644	900	17,544
2b. Specific Capital Grant	200	239		439
3. Usable Capital Receipts	2,000	11,611		13,611
4. Contribution From Current Revenue (CFCR)	0	6,376	215	6,591
5. Total Resource Availability	11,247	71,368	1,115	83,730
B. CAPITAL PROGRAMME				
6. Resources Available	11,247	71,368	1,115	83,730
7. Current Programme	11,247 100%	71,369 100%	1,115 100%	83,731 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	11,247	71,368	1,115	83,730
9. Cash Spent as at 05/01/2018	5,974 53%	37,747 53%	688 62%	44,409 53%
10. Cash to be Spent by 31/03/18	5,273	33,621	427	39,321
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	2,000	28,255	900	31,155
12. Actual Cash Received to 05/01/2018	1,949	12,636	688	15,273
13. Receipts available to augment capital programme to 05/01/2018	1,949 97%	12,636 45%	688 76%	15,273 49%
14. Receipts to be received by 31/03/18	51	15,619	212	15,882