
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 6 JUNE 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 2nd March 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	60.663
Housing	11.247	10.951
Total	84.577	71.614

- 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	243
Housing	127	122
Total	380	365

- 1.6 68% of the available resources for Housing and 72% for Non Housing have been spent to 2nd March 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 2nd March 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 **£10.951m**, a decrease of £8.944m, 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 £11.756m.

4.2 Capital expenditure at 2nd March 2018 totals **£7.479m** compared to anticipated expenditure of £7.523m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.044m u/spend	1% u/spend	£0.006m u/spend	0% u/spend

4.3 The actual capital expenditure of **£7.479m** is 68% of the available resources, and compares with 68% for the equivalent time in 2016/17.

4.4 Capital income of £2.302m has been received in the period to 2nd March 2018 representing 58% of the estimated capital income for the year. This compares with 100% in 2016/17. The majority of the remaining income is in relation to a grant to be received by the Scottish Government in late March for Council House New Build.

5. **Non Housing Services Programme**

5.1 The programme approved by Council on the 23rd February 2017 totalled £75.987m. The current programme totals **£60.663m**, a decrease of £15.324m, being the net effect of resources brought forward from 2016/17 of £16.829m, projects re-profiled from 2017/18 to 2018/19 of £38.013m and new funding in 2017/18 of £5.860m 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 2nd March 2018 totals **£43.917m** compared to anticipated expenditure of £43.978m, and therefore shows an under-spend of £0.061m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.061m u/spend	0% 0/spend	£0.038m o/spend	0% o/spend

5.3 The actual cash expenditure of **£43.917m** is 72% of the available resources, and compares with a 76% 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 £19.391m has been received to 2nd March 2018. This represents 76% to date of the total anticipated income, and compares with 79% 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 **£1.069m**, a decrease of £1.431m, 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 £1.911m and new funding in 2017/18 of £0.197m which is a result of an increase in revenue funding.
- 6.3 Expenditure to 2nd March 2018 totals **£1.069m** compared to anticipated expenditure of £1.069m, and therefore shows a break even position.

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.





Author: *Geoff Borland, Principal Accountant, 0141 618 4786, geoffrey.borland@renfrewshire.gov.uk.*

CAPITAL PROGRAMME 2017/18 - BUDGET MONITORING REPORT TO 02 MARCH 2018 (£000s)

Project Title	Approved Programme @23/02/17	Current Programme MR 12	Year To Date Budget to 02-Mar-18	Cash Spent to 02-Mar-18	Variance to 02-Mar-18	% Variance	Cash to be Spent by 31-Mar-18	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	22,447	23,090	16,952	16,898	54	0%	6,192	73%
TOTAL	22,447	23,090	16,952	16,898	54	0%	6,192	73%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	19,895	10,951	7,523	7,479	44	1%	3,472	68%
Housing(PSHG)	2,500	1,069	1,069	1,069	0	0%	0	100%
Development & Housing(THI/LGAN)	2,849	230	188	192	-4	-2%	38	83%
TOTAL	25,244	12,250	8,780	8,740	40	0%	3,510	71%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	14,385	16,105	12,644	12,626	18	0%	3,479	78%
TOTAL	14,385	16,105	12,644	12,626	18	0%	3,479	78%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	17,188	6,967	5,270	5,272	-2	0%	1,695	76%
TOTAL	17,188	6,967	5,270	5,272	-2	0%	1,695	76%
LEADERSHIP								
Leisure Services	5,690	908	874	872	2	0%	36	96%
Development & Housing Services	13,428	13,283	8,020	8,026	-6	0%	5,257	60%
Social Work Services(Adult Social Care)	0	80	30	31	-1	-3%	49	39%
TOTAL	19,118	14,271	8,924	8,929	-5	0%	5,342	63%
TOTAL ALL BOARDS	98,382	72,683	52,570	52,465	105	0%	20,218	72%
MADE UP OF :-								
Non-Housing Programme	75,987	60,663	43,978	43,917	61	0%	16,746	72%
Housing Programme(HRA)	19,895	10,951	7,523	7,479	44	1%	3,472	68%
Housing Programme(PSHG)	2,500	1,069	1,069	1,069	0	0%	0	100%
PROGRAMME TOTAL	98,382	72,683	52,570	52,465	105	0%	20,218	72%

RENFREWSHIRE COUNCIL

2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 02 MARCH 2018 (92% 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	6,995	27,975		34,970
2a. General Capital Grant		16,645	900	17,545
2b. Specific Capital Grant	1,825	239		2,064
3. Usable Capital Receipts	2,131	8,564		10,695
4. Contribution From Current Revenue (CFCR)	0	7,239	169	7,408
5. Total Resource Availability	10,951	60,662	1,069	72,682
B. CAPITAL PROGRAMME				
6. Resources Available	10,951	60,662	1,069	72,682
7. Current Programme	10,951 100% 	60,662 100% 	1,069 100%	72,682 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	10,951	60,662	1,069	72,682
9. Cash Spent as at 02/03/2018	7,479 68% 	43,917 72% 	1,069 100%	52,465 72%
10. Cash to be Spent by 31/03/18	3,472	16,745	0	20,217
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	3,956	25,448	900	30,304
12. Actual Cash Received to 02/03/2018	2,302	19,391	825	22,518
13. Receipts available to augment capital programme to 02/03/2018	2,302 58%	19,391 76%	825 92%	22,518 74%
14. Receipts to be received by 31/03/18	1,654	6,057	75	7,786