
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 5 SEPTEMBER 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 22nd June 2018.
- 1.2 The Council Approved Programme figures reflect the Capital Investment Strategy which was approved by Council on 2nd March 2018 for both Housing Services and Non Housing Services. The Private Sector Housing programme was approved by Council on 2nd March 2018. 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 2018-19 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 Plan £m	Forecast Expenditure £m
Non Housing	62.076	76.491
Housing	15.439	15.728
Total	77.515	92.219

- 1.5 The CFR which the Council has set for 2018-19 is shown in the table below, and is split between Housing & Non Housing Services. In addition, the projected out-turn at 31st March 2019 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	282	269
Housing	131	112
Total	413	381

- 1.6 14% of the available resources for Housing and 7% for Non Housing have been spent to 22nd June 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 22nd June 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 2nd March 2018 totalled £15.439m. The programme currently stands at **£15.728m**, a increase of £0.289m, being the net effect of resources brought forward from 2017/18 of £1.057m and projects re-profiled from 2018/19 to 2019/20 of £0.768m.
- 4.2 Capital expenditure at 22nd June 2018 totals **£2.208m** compared to anticipated expenditure of £2.203m.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.005m 0/spend	0% 0/spend	<i>n/a</i>	<i>n/a</i>

- 4.3 The actual capital expenditure of **£2.208m** is 14% of the available resources, and compares with 9% for the equivalent time in 2017/18.
- 4.4 Capital income of £0.033m has been received in the period to 22nd June 2018 representing 1% of the estimated capital income for the year. This compares with 24% in 2017/18, the higher income in 2017/18 is a result of capital receipts for the sale of council houses under the Right to Buy scheme which was concluded in summer 2017. The majority of the income in 2018/19 relates to grant awarded by the Scottish Government for Council House New Build.

5. **Non Housing Services Programme**

- 5.1 The programme approved by Council on the 2nd March 2018 totalled £62.076m. The current programme totals **£76.491m**, a increase of £14.415m, being the net effect of resources brought forward from 2017/18 of £17.655m, projects re-profiled from 2018/19 to 2019/20 of £9.421m and new funding in 2018/19 of £6.181m which primarily relates to grant funding anticipated to be received in 2018/19 for the Early Years 1,140 hours expansion.
- 5.2 Capital expenditure to 22nd June 2018 totals **£5.051m** compared to anticipated expenditure of £5.040m, and therefore shows an over-spend of £0.011m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.011m o/spend	0% 0/spend	n/a	n/a

- 5.3 The actual cash expenditure of **£5.051m** is 7% of the available resources, and compares with a 9% spend for the equivalent time in 2017/18. It is anticipated that the available resources will be fully utilised by the 31 March 2018.
- 5.4 Capital income totalling £6.034m has been received to 22nd June 2018. This represents 21% to date of the total anticipated income, and compares with 24% for the equivalent period in 2017/18.

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 Council on 2nd March 2018 was £1.320m. The programme currently stands at **£1.366m**, an increase of £0.046m, being the effect of resources brought forward from 2017/18 of £0.046m.
- 6.3 Expenditure to 22nd June 2018 totals **£0.140m** compared to anticipated expenditure of £0.140m, 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.
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List of Background Papers

- (a). Non-Housing Capital Investment Programme 2018/19 to 2020/21 – Council, 2nd March 2018.
 - (b). Housing Revenue Account Budget and Rent Levels 2018/19 and Housing Capital Investment Plan 2018/19 to 2020/21 – Council, 2nd March 2018.
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Author: *Geoff Borland, Principal Accountant, 0141 618 4786, geoffrey.borland@renfrewshire.gov.uk.*

CAPITAL PROGRAMME 2018/19 - BUDGET MONITORING REPORT TO 22 JUNE 2018 (£000s)

Project Title	Approved Programme @02/03/18	Current Programme MR 3	Year To Date Budget to 22-Jun-18	Cash Spent to 22-Jun-18	Variance to 22-Jun-18	% Variance	Cash to be Spent by 31-Mar-19	% Cash Spent
EDUCATION & CHILDREN'S SERVICES								
Education & Children's Services	10,263	18,914	2,610	2,620	-10	0%	16,294	14%
TOTAL	10,263	18,914	2,610	2,620	-10	0%	16,294	14%
COMMUNITIES, HOUSING & PLANNING								
Housing(HRA)	15,439	15,728	2,203	2,208	-5	0%	13,520	14%
Housing(PSHG)	1,320	1,366	140	140	0	0%	1,226	10%
Development & Housing(THI/LGAN)	1,255	1,387	55	55	0	0%	1,332	4%
TOTAL	18,014	18,481	2,398	2,403	-5	0%	16,078	13%
INFRASTRUCTURE, LAND & ENVIRONMENT								
Environment & Communities	5,489	17,832	630	631	-1	0%	17,201	4%
TOTAL	5,489	17,832	630	631	-1	0%	17,201	4%
FINANCE, RESOURCES & CUSTOMER SERVICES								
Corporate Projects	14,511	12,093	1,000	1,001	-1	0%	11,092	8%
TOTAL	14,511	12,093	1,000	1,001	-1	0%	11,092	8%
LEADERSHIP								
Leisure Services	1,331	2,152	275	274	1	0%	1,878	13%
Development & Housing Services	29,227	24,102	470	470	0	0%	23,632	2%
Social Work Services(Adult Social Care)	0	11	0	0	0	0%	11	0%
TOTAL	30,558	26,265	745	744	1	0%	25,521	3%
TOTAL ALL BOARDS	78,835	93,585	7,383	7,399	-16	0%	86,186	8%
MADE UP OF :-								
Non-Housing Programme	62,076	76,491	5,040	5,051	-11	0%	71,440	7%
Housing Programme(HRA)	15,439	15,728	2,203	2,208	-5	0%	13,520	14%
Housing Programme(PSHG)	1,320	1,366	140	140	0	0%	1,226	10%
PROGRAMME TOTAL	78,835	93,585	7,383	7,399	-16	0%	86,186	8%

RENFREWSHIRE COUNCIL

2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 22 JUNE 2018 (23% OF FINANCIAL YEAR 2018/19)

	2018/19			
	Housing Services	Non Housing Services	PSHG Programme	Total
A. RESOURCES AVAILABLE TO FUND CAPITAL PROGRAMME	£'000	£'000	£'000	£'000
1. Prudential Borrowing	11,115	39,367		50,482
2a. General Capital Grant		15,194	900	16,094
2b. Specific Capital Grant	4,613	239		4,852
3. Usable Capital Receipts	0	13,565		13,565
4. Contribution From Current Revenue (CFCR)	0	8,126	466	8,592
5. Total Resource Availability	15,728	76,491	1,366	93,585
B. CAPITAL PROGRAMME				
6. Resources Available	15,728	76,491	1,366	93,585
7. Current Programme	15,728 100% 	76,491 100% 	1,366 100%	93,585 100%
C. ACTUAL EXPENDITURE VS PROJECTED				
8. Resource Availability	15,728	76,491	1,366	93,585
9. Cash Spent as at 22/06/2018	2,208 14% 	5,051 7% 	140 10%	7,399 8%
10. Cash to be Spent by 31/03/19	13,520	71,440	1,226	86,186
D. ACTUAL RECEIPTS VS PROJECTED				
11. Current Programme (total receipts expected)	4,613	28,998	900	34,511
12. Actual Cash Received to 22/06/2018	33	6,034	225	6,292
13. Receipts available to augment capital programme to 22/06/2018	33 1%	6,034 21%	225 25%	6,292 18%
14. Receipts to be received by 31/03/19	4,580	22,964	675	28,219