
To: FINANCE, RESOURCES & CUSTOMER SERVICES POLICY BOARD

On: 30 AUGUST 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 23rd June 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	93.273	8.053
Housing	18.347	1.611
Total	111.620	9.664

- 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	266
Housing	142	134
Total	413	400

- 1.6 9% of the available resources for Housing and 9% for Non Housing have been spent to 23rd June 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 23rd June 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 **£18.347m**, a decrease of £1.548m, 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 £3.660m.

4.2 Capital expenditure at 23rd June 2017 totals **£1.611m** compared to anticipated expenditure of £1.433m. The over-spend mainly relates to a timing issue with the programme and is still expected to remain within budget.

The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Housing Programme	£0.178m o/spend	12% o/spend	<i>n/a</i>	<i>n/a</i>

4.3 The actual capital expenditure of **£1.611m** is 9% of the available resources, and compares with 7% for the equivalent time in 2016/17.

4.4 Capital income of £0.530m has been received in the period to 23rd June 2017 representing 24% of the estimated capital income for the year. This compares with 90% 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 **£93.273m**, an increase of £17.286m, being the net effect of resources brought forward from 2016/17 of £18.297m, projects re-profiled from 2017/18 to 2018/19 of £5.245m 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 23rd June 2017 totals **£8.053m** compared to anticipated expenditure of £8.148m, and therefore shows an under-spend of £0.095m. The table below summarises the position:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Non Housing Programme	£0.095m u/spend	1% u/spend	<i>n/a</i>	<i>n/a</i>

5.3 The actual cash expenditure of **£8.053m** is 9% of the available resources, and compares with a 6% 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 £4.324m has been received to 23rd June 2017. This represents 13% to date of the total anticipated income, and compares with 18% 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 **£2.783m**; the increase of £0.283m relates to the resources brought forward from 2016/17.
- 6.3 Expenditure to 23rd June 2017 totals **£0.225m** compared to anticipated expenditure of £0.225m, 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.

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 23 JUNE 2017 (£000s)

POLICY BOARD	Department	Council Approved Programme	Current Programme	Year to Date Budget to 23-Jun-17	Spent to 23-Jun-17	Variance to 23-Jun-17	% variance	Unspent Cash Flow For Year	% Cash Spent
Education & Children's Services	Education Services	22,447	25,685	3,850	3,892	-42	-1%	21,793	15%
	TOTAL	22,447	25,685	3,850	3,892	-42	-1%	21,793	15%
Communities, Housing & Planning	Housing(HRA)	19,895	18,347	1,433	1,611	-178	-12%	16,736	9%
	Housing(PSHG)	2,500	2,783	225	225	0	0%	2,558	8%
	Development & Housing(THI/LGAN)	2,849	333	40	39	1	3%	295	12%
	TOTAL	25,244	21,464	1,698	1,875	-177	-10%	19,589	9%
Infrastructure, Land & Environment	Community Resources	14,385	21,890	1,627	1,575	52	3%	20,315	7%
	TOTAL	14,385	21,890	1,627	1,575	52	3%	20,315	7%
Finance, Resources & Customer Services	Corporate Projects	17,188	20,384	320	324	-4	-1%	20,060	2%
	TOTAL	17,188	20,384	320	324	-4	-1%	20,060	2%
Leadership	Leisure Services	5,690	7,047	350	302	48	14%	6,745	4%
	Development & Housing Services	13,428	17,842	1,932	1,891	41	2%	15,951	11%
	Social Work Services(Adult Social Care)	0	91	30	31	-1	-3%	59	34%
	TOTAL	19,118	24,980	2,312	2,224	88	4%	22,756	9%
TOTAL ALL BOARDS		98,382	114,403	9,807	9,890	-83	-1%	104,514	9%
<i>Made up Of:</i>									
Housing Programme	PSHG	19,895	18,347	1,433	1,611	-178	-12%	16,736	9%
	Non-Housing Programme	2,500	2,783	225	225	0	0%	2,558	8%
	TOTAL	75,987	93,272	8,148	8,053	95	1%	85,220	9%
PROGRAMME TOTAL		98,382	114,403	9,807	9,890	-83	-1%	104,514	9%

Appendix 2

RENFREWSHIRE COUNCIL 2017/18 CAPITAL BUDGETS MONITORING SUMMARY REPORT TO PERIOD 23 JUNE 2017 (23% 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
1a. Supported Borrowing				0
1b. Prudential Borrowing	16,147	51,437		67,585
2a. General Capital Grant		16,644	900	17,544
2b. Specific Capital Grant	0	239		239
3a. Usable Capital Receipts	2,200	17,202		19,402
3b. Usable Capital receipts b/fwd from 2014/15				0
3c. Usable Capital receipts c/fwd to 2016/17				0
3d. Resources c/fwd to 2016/17				0
3e. Capital Receipts to be used to repay debt				0
4a. Contribution from Developer/Owners				0
5. Contribution From Current Revenue (CFCR)	0	7,750	1,883	9,633
6. Total Resource Availability	18,347	93,273	2,783	114,403
B. CAPITAL PROGRAMME				
7. Resources Available	18,347	93,273	2,783	114,403
8. Current Programme	18,347	93,273	2,783	114,403
		100%	100%	100%
C. ACTUAL EXPENDITURE VS PROJECTED				
10. Resource Availability	18,347	93,273	2,783	114,403
11. Cash Spent as at 03/03/2017	1,611	8,053	225	9,890
12. Cash to be Spent by 31/03/17	16,736	85,220	2,558	104,514
D. ACTUAL RECEIPTS VS PROJECTED				
13. Current Programme (total receipts expected)	2,200	33,846	900	36,946
14. Actual Cash Received to 03/03/2017	530	4,324	225	5,079
15. Receipts available to augment capital programme to 03/03/2017	530	4,324	225	5,079
		24%	13%	14%
16. Receipts to be received by 31/03/17	1,670	29,522	675	31,868