

# Governance, Risk and Best Value Committee

10.00am, Thursday, 28 January 2016

## Capital Monitoring 2015/16 Nine Month Position - referral report from the Finance and Resources Committee

<b>Item number</b>	7.4
<b>Report number</b>	
<b>Wards</b>	All

### Executive summary

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The Finance and Resources Committee on 14 January 2016 considered a report that detailed the Council's projected borrowing and the receipt of grants and capital income which would be used to fund the projected capital investment. The report has been referred to the Governance, Risk and Best Value Committee for consideration on 28 January 2016 as part of its work-plan.

### Links

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<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

# Terms of Referral

## Capital Monitoring 2015/16 – Nine Month Position

### Terms of referral

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- 1.1 On the 14 January 2016, the Finance and Resources Committee considered the overall position of the Council's capital budget at the nine month stage (based on analysis of period seven and eight data) and the projected outturn for the year.
- 1.2 The Finance and Resources Committee agreed:
  - 1.2.1 To note the projected capital outturn positions on the General Fund and HRA at month nine.
  - 1.2.2 To note the prudential indicators at month nine.
  - 1.2.3 To note that the Acting Executive Director of Resources is closely monitoring the capital receipts position.
  - 1.2.4 To refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

### For Decision/Action

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- 2.1 The Finance and Resources Committee has referred the Capital Monitoring 2015/16 – Nine Month Position report to the Governance, Risk and Best Value Committee on 28 January 2016 for consideration as part of its work programme.

### Background reading / external references

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Minute of the Finance and Resources Committee, 14 January 2016.

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## Links

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<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

# Finance and Resources Committee

10.00am, Thursday, 14 January 2016

## Capital Monitoring 2015/16 – Nine Month Position

Item number	7.12
Report number	
Executive/routine	
Wards	

### Executive summary

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The nine month position shows that the Council is projecting to borrow £27.039m and will be in receipt of grants and capital income amounting to £119.052m. Together this will fund projected capital investment of £146.091m. The level of borrowing is projected to be £12.548m less than budget based on both a marginal net surplus in capital receipts / grant income and net slippage on gross expenditure. Current projections suggest that over the five-year period of the 2015-2020 Capital Investment Programme, sale of general assets will generate additional income of £7.9m over and above that previously budgeted for.

### Links

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Coalition pledges	P3; P8; P30; P31; P33; P42
Council outcomes	CO1; CO16; CO20; CO23; CO25
Single Outcome Agreement	SO3; SO4

## Capital Monitoring 2015/16 – Nine Month Position

### Recommendations

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- 1.1 Members of the Finance and Resources Committee are requested to:
- 1.1.1 Note the projected capital outturn positions on the General Fund and HRA at month nine;
  - 1.1.2 Note the prudential indicators at month nine;
  - 1.1.3 Note that the Acting Executive Director of Resources is closely monitoring the capital receipts position; and
  - 1.1.4 Refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

### Background

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- 2.1 This report sets out the overall position of the Council's capital budget at the nine month stage (based on analysis of period seven and eight data) and the projected outturn for the year.

### Main report

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- 3.1 The position at month nine is summarised in the table below, while further details can be seen in Appendix 1.

	<b>Outturn Variance at Month Nine £000</b>	<b>Outturn Variance at Month Five £000</b>	<b>Movement from Month Five £000</b>
Net (slippage) / acceleration in gross expenditure	(12,529)	(5,904)	(6,625)
Net (surplus) / deficit in capital receipts / grant income	(19)	(110)	91
<b>Net increase / (decrease) in borrowing requirement</b>	<b>(12,548)</b>	<b>(6,014)</b>	<b>(6,534)</b>

- 3.2 As presented in the table at 3.1 above, the month nine position reports £12.529m of slippage in gross expenditure, compared to a £5.904m variance at month five. At month five, capital receipts were expected to exceed the budgeted level by £0.110m. This excess has now decreased to £0.019m at month nine. The net effect of the variances projected at month nine is a reduction of £12.548m in the amount that the Council requires to borrow corporately to support its capital programme relative to budgeted assumptions.
- 3.3 Explanations for significant slippage and accelerations projected at month nine are presented in appendix 2. The net slippage on gross expenditure projected at month nine represents a variance against budget of 7.9% (which is below the 14/15 Scotland wide average of 16%) and in the majority, relates to slippage caused by uncontrollable and unforeseen delays that have occurred since re-profiling and aligning the revised budget. In the main, these include delays caused by a change in procurement route on the early learning and childcare estate improvements project, delays to piling operations on the new build Boroughmuir High School and the loss at short notice of internal resources to carry out the design stage of certain transport infrastructure projects. Transport is currently in the process of recruiting replacement design staff with the aim of having them in post by the end of quarter three bringing the potential to reduce an element of the current slippage projection.
- 3.4 Members are reminded that the nature of capital projects means that in any given year, variance against budget will occur due to delays or unforeseen circumstances out with the control of the Council, like those described in 3.3 above. In the previous two financial years, the impact of this type of slippage has been minimised as much as possible through acceleration / better than originally anticipated progress elsewhere in the programme. Accelerating projects is dependent on the ability to make these 'shovel-ready' at short notice. It should be noted that every effort will be made to accelerate suitable projects to minimise in year slippage but that the ability to do this late on in the financial year will likely be limited.

#### **Capital receipts/grant income**

- 3.5 A review of capital receipts from asset sales undertaken by Corporate Property and Finance estimates that net receipts of £12.871m will be realised in 2015/16, compared to a budget of £12.852m resulting in a receipts surplus of £0.019m. The decrease from the month five position relates to revised settlement dates for some receipts including those for West Shore Road, West Granton Road and Loaning Road.

- 3.6 A budget update report presented to Finance and Resources Committee on 24 September 2015 noted potential additional capital receipt income of £7.9m (of which this year's net surplus forms a part) that may be realised over the period of the 2015/20 Capital Programme and the proposal that this be split equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing additional capital investment.

### **Prudential Indicators**

- 3.7 The prudential indicator monitoring at month nine is shown in Appendix 3.

### **Housing Revenue Account (HRA)**

- 3.8 The Housing Revenue Account is forecasting slippage in gross expenditure of £10.577m at month nine (£5.411m at month five) as shown in Appendix 4. However, £2.2m of this is due to direct savings (see 3.10 below). At month nine, the forecast is gross expenditure of £38.253m (£43.419m at month five), capital receipts / grant income of £14.949m (£15.396m at month five) and borrowing of £23.304m (£28.023m at month five).
- 3.9 Most of the improvement programme is being delivered through the new Housing Asset Management (HAM) framework. The new framework was introduced part way through the year and as a result, the programme is experiencing delays of around three months (£5.5m), with full delivery expected in June 2016.
- 3.10 Following the tender process, costs within the kitchen and bathroom programme are lower than projected, resulting in £2.2m of savings, whilst still delivering upgrades to 1,500 homes.
- 3.11 Delivery of the Neighbourhood Improvement Programme is six months behind schedule leading to slippage of £1m. It is anticipated that new programme management arrangements will reduce slippage in 2016/17.
- 3.12 The 21<sup>st</sup> Century Homes programme is on track to deliver its core investment of works. The 2015/16 budget earmarked £1.4m for land acquisition for new sites. The funding has not been required as the programme has focused on development opportunities within the Council's estate.

### **Measures of success**

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- 4.1 Completion of capital projects as budgeted for in the 2015/16 capital programme.
- 4.2 Identifying slippage at the earliest opportunity and accelerating projects where possible to ensure best use of available resources.

## Financial impact

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- 5.1 The projected 2015/16 general fund outturn outlines capital borrowing of £27.039m. The overall loan charges associated with this borrowing over a 20 year period would be a principal amount of £27.039m, interest of £17.602m, resulting in a total cost of £44.641m based on a loans fund interest rate of 5.1%. The loan charges will be interest only in the first year, at a cost of £0.681m, followed by an annual cost of £2.198m for 20 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 5.2 The loan charge costs outlined above will be met from this year's revenue budget for loan charges.

## Risk, policy, compliance and governance impact

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- 6.1 Significant budget virements have complied with relevant financial rules and regulations.
- 6.2 Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.
- 6.3 Monitoring of major capital projects including risk assessment is carried out by the Council's Corporate Programmes Office (CPO).
- 6.4 Over 80% of the 2015/16 core HRA capital investment programme will be delivered through the new HAM Framework. This presents significant risks to delivery:
- With over 80% of the programme being tendered in the second half of the financial year, this will reduce the time available to maximise delivery.
  - The Council will not have previous experience of the new contractors on the Framework and as such, there may be capacity or mobilisation issues for contractors given the reduced timeline for delivery.
  - With the majority of the programme starting in the second half of the financial year, there is a risk that delivery of external fabric work streams could be adversely affected by inclement weather over the winter period.

## Equalities impact

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- 7.1 The Council's capital expenditure contributes to the delivery of the public sector equality duty to advance equality of opportunity and foster good relations e.g. enhancement works related to the Disability Discrimination Act, works on Children and Families establishments and capital expenditure on Council housing stock.



- 7.2 There is little contribution with regard to capital expenditure and the duty to eliminate unlawful discrimination, harassment or victimisation.

## Sustainability impact

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- 8.1 The impacts of the projects set out within the appendices of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account.
- 8.2 The proposals in this report will help achieve a sustainable Edinburgh because they are ensuring funding for key strategic projects that will enhance facilities and infrastructure in the city. A carbon impact assessment shall be carried out on each new project to achieve the most sustainable outcome for the city in each case.
- 8.3 The proposals in this report will increase the city's resilience to climate change impacts because they are securing funding for flood prevention projects.

## Consultation and engagement

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- 9.1 Consultation on the capital budget will be undertaken as part of the budget process.

## Background reading/external references

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[Capital Monitoring 2015/16 – Half year position](#), Finance and Resources Committee, 29 October 2015

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## Links

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<b>Coalition pledges</b>	<p>P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P8 – Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p>
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	<p>P30 – Continue to maintain a sound financial position including long-term financial planning</p> <p>P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure</p> <p>P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used</p> <p>P42 – Continue to support and invest in our sporting infrastructure</p>
<b>Council outcomes</b>	<p>CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed</p> <p>CO16 – Edinburgh draws new investment in development and regeneration</p> <p>CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and future of citizens</p> <p>CO23 – Well-Engaged and Well-Informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO25 – The Council has efficient and effective services that deliver on objectives</p>
<b>Single Outcome Agreement</b>	<p>SO3 - Edinburgh’s children and young people enjoy their childhood and fulfil their potential</p> <p>SO4 - Edinburgh’s communities are safer and have improved physical and social fabric</p>
<b>Appendices</b>	<p>1 – Capital Monitoring 2015/16 – General Fund</p> <p>2 – Slippage / Acceleration on capital projects 2015/16</p> <p>3 – Prudential Indicators 2015/16</p> <p>4 – Capital Monitoring 2015/16 - HRA</p>

## Capital Monitoring 2015/16

### General Fund Summary

Period 9 (based on period 7 and 8 data)

Expenditure	Revised Budget £000	Adjusts £000	Total Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance £000 %	
Children and Families	57,995	(207)	57,788	24,717	46,877	(10,911)	-18.88%
Economic Development	52	6	58	6	58	-	0.00%
Corporate Governance	2,350	327	2,677	754	2,729	52	1.94%
Council Wide / Corporate Projects	-	259	259	259	259	-	0.00%
Health and Social Care	5,598	-	5,598	3,054	6,328	730	13.04%
Services for Communities	73,097	5,919	79,016	34,466	76,616	(2,400)	-3.04%
Services for Communities-Asset Management	13,260	(36)	13,224	7,478	13,224	-	0.00%
<b>Total Gross Expenditure</b>	<b>152,352</b>	<b>6,268</b>	<b>158,620</b>	<b>70,734</b>	<b>146,091</b>	<b>(12,529)</b>	<b>-7.90%</b>

#### Resources

<i>Capital Receipts</i>							
General Services	10,952	-	10,952	1,529	11,115	163	1.49%
Capital Receipts in lieu of prudential borrowing	-	850	850	272	850	-	n/a
Ringfenced Asset Sales to be provided as part of carryforward	-	-	-	106	106	106	n/a
Asset Sales to reduce Corporate borrowing	1,900	(850)	1,050	312	1,050	-	n/a
Less Fees Relating to Receipts	-	-	-	(46)	(250)	(250)	
<i>Total Capital Receipts from Asset Sales</i>	<i>12,852</i>	<i>-</i>	<i>12,852</i>	<i>2,173</i>	<i>12,871</i>	<i>19</i>	<i>0.15%</i>
Developer and other Contributions	14,663	976	15,639	4,738	15,639	-	0.00%
Capital Grants Unapplied Account drawdown	689	-	689	689	689	-	n/a
<i>Total Capital Receipts</i>	<i>28,204</i>	<i>976</i>	<i>29,180</i>	<i>7,600</i>	<i>29,199</i>	<i>19</i>	<i>0.07%</i>
<i>Grants</i>							
Scottish Government General Capital Grant	57,461	-	57,461	33,519	57,461	-	0.00%
Cycling, Walking and Safer Streets	729	-	729	-	729	-	0.00%
Management Development Funding	31,663	-	31,663	7,376	31,663	-	0.00%
<i>Total Grants</i>	<i>89,853</i>	<i>-</i>	<i>89,853</i>	<i>40,895</i>	<i>89,853</i>	<i>-</i>	<i>0.00%</i>
<b>Total Resources</b>	<b>118,057</b>	<b>976</b>	<b>119,033</b>	<b>48,495</b>	<b>119,052</b>	<b>19</b>	<b>0.02%</b>

<b>Balance to be funded through borrowing</b>	<b>34,295</b>	<b>5,292</b>	<b>39,587</b>		<b>27,039</b>	<b>(12,548)</b>	<b>-31.70%</b>
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**CAPITAL MONITORING 2015/2016 - Period 9 (based on period 7 and 8 data)****Slippage and Acceleration on Projects**

Slippage on projects is shown as a negative value, while acceleration or overspends are shown as positive values.

**Key to variance category**

Type	Explanation
1. Slippage due to unforeseen delays	Slippage that has occurred due to unforeseen circumstances or delays that for the most part, are out with the Council's control.
2. Slippage due to optimistic budget	Slippage that has occurred due to optimism bias when budget was set. Issues include projecting spend on block budgets when a programme of works has not been considered or designed, not applying a discount factor for adverse weather / risk issues, providing for too much contingency and predicting an optimistic works timetable.
3. Slippage due to timing of payments	Slippage that has occurred where a project is on time and schedule but is as a result of the timing of cash flows.
4. Acceleration on a project	Represents accelerated spend on a project i.e. due to better than anticipated progress.

Note that a project will exhibit an element of all of the above but the over riding reason has been considered when applying a variance category.

	Period 9 £000	Period 5 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<b>Children and Families</b>					
Early learning and childcare estate improvements	-4,642	-4,024	-618	Now being delivered through the traditional procurement route following protracted difficulties in agreeing an affordable total cost package with the originally envisaged procurement method. The time this has taken has created delays on programme delivery.	1
Boroughmuir High School	-2,776	0	-2,776	Due to extensive existing concrete slabs below ground level which have delayed the piling operations. School is now scheduled to be delivered in late September 2016 rather than August 2016.	1
Portobello High School	-2,043	-458	-1,585	Based on revised cash flow projection provided by Quantity Surveyor but forecast to be delivered by original timescales and within budget.	3
Upgrade kitchens - free school meals initiative	-658	-845	187	Delays caused by protracted dialogue with external project manager to agree the affordability cap of individual projects.	1
St John's Primary School	-400	0	-400	Based on revised cash flow projection.	2
Liberton High School replacement gym	-320	0	-320	Due to late addendum made to contract that delayed tender process.	1
Heather Vale Young Person Centre	-128	0	-128	Delay in starting on site due to difficulties procuring structural frame.	1
Fees relating to the cost of sale of assets	56	56	0	Acceleration of spend to be met from future receipts.	4
<b>Total Children and Families</b>	<b>-10,911</b>	<b>-5,271</b>	<b>-5,640</b>		

	Period 9 £000	Period 5 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<b><u>Corporate Governance</u></b>					
Net (slippage) / acceleration on various projects	52	0	52		4
<b>Total Corporate Governance</b>	<b>52</b>	<b>0</b>	<b>52</b>		
<b><u>Health and Social Care</u></b>					
New Royston care home	721	1,000	-279	Revised cash flow projection based on better than anticipated progress on site.	4
Fees relating to the cost of sale of assets	9	9	0	Acceleration of spend to be met from future receipts.	4
<b>Total Health and Social Care</b>	<b>730</b>	<b>1,009</b>	<b>-279</b>		
<b><u>Services for Communities</u></b>					
Carriageway/footways enhancement and other transport projects	-1,742	-1,138	-604	Due to the loss of four members of staff within the in-house design team at short notice. This is having an impact on getting smaller capital projects to the 'shovel ready' stage. Aim is to recruit new staff by quarter three but likely to still impact on in year delivery.	1
Mortonhall cremator replacement	-365	-365	0	Cremator replacement now to be packaged with roof enhancement project which has made procurement process more complicated and time consuming than originally envisaged creating delay. Packaging together will allow economies of scale and ensure works can be carried out in parallel with more ease.	1
Net (slippage) / acceleration on various projects	-293	-139	-154	Based on revised cash flow projection.	2
<b>Total Services for Communities</b>	<b>-2,400</b>	<b>-1,642</b>	<b>-758</b>		
<b>Total for all Services</b>	<b>-12,529</b>	<b>-5,904</b>	<b>-6,625</b>		
<b>Summary of Variance Category</b>					
1. Slippage due to unforeseen delays	-10,631	-6,372	-4,259		
2. Slippage due to optimistic budget	-693	-139	-554		
3. Slippage due to timing of payments	-2,043	-458	-1,585		
4. Acceleration on a project	838	1,065	-227		
	<b>-12,529</b>	<b>-5,904</b>	<b>-6,625</b>		

**PRUDENTIAL INDICATORS 2015/16 - Period 9 (based on period 7 and 8 data)****Indicator 1 - Estimate of Capital Expenditure**

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
Children & Families	15,843	16,903	68,556	46,877	31,060	55,537	15,543	15,731	4,531	6,940	0	660
Corporate Governance	5,885	7,582	3,895	2,729	2,089	4,742	165	165	165	165	165	165
Economic Development	52	0	0	58	0	0	0	0	0	0	0	0
Health & Social Care	4,646	4,616	7,171	6,328	1,514	4,049	114	114	0	0	0	0
Services for Communities	79,854	85,260	82,358	76,616	68,586	88,385	47,979	47,981	21,361	21,363	17,835	17,835
SfC - Asset Management Programme	14,191	18,657	22,545	13,224	13,657	24,750	14,000	10,929	14,000	8,436	14,000	19,173
Other Capital Projects	797	1,049	0	259	0	0	0	0	0	0	0	0
Trams	5,385	5,246	0	0	0	0	0	0	0	0	0	0
Unallocated funding	0	0	13,319	0	0	0	0	0	0	0	9,000	9,000
Total General Services	126,653	139,313	197,844	146,091	116,906	177,463	77,801	74,920	40,057	36,904	41,000	46,833
Housing Revenue Account	34,135	37,308	49,830	38,253	48,693	48,693	51,485	51,485	44,375	44,375	40,347	40,347
Total	160,788	176,621	247,674	184,344	165,599	226,156	129,286	126,405	84,432	81,279	81,347	87,180

The 'estimate' figures relate to those reported in the prudential indicators as part of the budget motion in February 2015. Differences between these and the 'forecast' figures relate to further realignment and rephasing that has taken place as part of the revised budget process.

**Indicator 2 - Ratio of Financing Costs to Net Revenue Stream**

	2014/15 Estimate %	2014/15 Actual %	2015/16 Estimate %	2015/16 Forecast %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Services	12.11	11.63	12.56	12.02	12.42	12.29	N/A	N/A
Housing Revenue Account	37.30	33.97	39.61	35.40	41.51	43.05	44.49	45.16

Forecast and estimates include the financing cost relating to the Trams project.

Figures for 2016/17 onwards are indicative as neither the Council nor HRA has set a budget for these years. The figures for General Services are based on the budget framework to the end of the term of the Capital Coalition and so figures for 2018/19 and 2019/20 have been excluded.

**Indicator 3 - Capital Financing Requirement**

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
General Services (including finance leases)	1,305,992	1,357,972	1,378,274	1,314,282	1,356,927	1,350,548	1,308,749	1,297,969	1,231,180	1,215,740	1,154,804	1,144,437
Housing Revenue Account	372,390	368,053	386,158	372,664	395,556	382,062	404,181	390,687	409,558	399,294	413,587	410,085
Total	<u>1,678,382</u>	<u>1,726,025</u>	<u>1,764,432</u>	<u>1,686,946</u>	<u>1,752,483</u>	<u>1,732,610</u>	<u>1,712,930</u>	<u>1,688,656</u>	<u>1,640,738</u>	<u>1,615,034</u>	<u>1,568,391</u>	<u>1,554,522</u>

Forecasts include the capital financing requirement relating to PPP assets and Trams project

**Indicator 4 - Authorised Limit for External Debt**

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,579,785	1,579,785	1,636,773	1,636,773	1,636,477	1,636,477	1,607,353	1,607,353	1,541,678	1,541,678
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	<u>1,770,619</u>	<u>1,806,374</u>	<u>1,818,289</u>	<u>1,852,550</u>	<u>1,809,148</u>	<u>1,841,889</u>	<u>1,772,077</u>	<u>1,803,311</u>	<u>1,698,959</u>	<u>1,729,433</u>

Other Long-Term Liabilities includes finance lease repayments for PPP assets

**Indicator 5 - Operational Boundary for External Debt**

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,558,752	1,558,752	1,611,363	1,611,363	1,609,881	1,609,881	1,579,955	1,579,955	1,514,969	1,514,969
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	<u>1,749,586</u>	<u>1,785,341</u>	<u>1,792,879</u>	<u>1,827,140</u>	<u>1,782,552</u>	<u>1,815,293</u>	<u>1,744,679</u>	<u>1,775,913</u>	<u>1,672,250</u>	<u>1,702,724</u>

Other Long-Term Liabilities includes finance lease repayments for PPP assets

**Indicator 6 - Impact on Council Tax and House Rents**

	<b>2015/16</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
for the band "D" Council Tax	0.29	-7.21	4.14	-13.64	10.19	8.52	N/A	N/A	N/A	N/A
for the average weekly housing rents	0.21	-0.08	0.69	-0.27	0.52	-0.44	-0.05	-0.94	0.52	-0.06

In calculating the incremental impact of capital investment decisions on the band "D" Council Tax, investment decisions relating to National Housing Trust Phases have been omitted. As agreed with the Scottish Government, the borrowing and associated interest costs related to this expenditure are directly rechargeable to developers at agreed periods in the future. As such, there is no cost to the Council in relation to this element of borrowing and therefore it has been omitted in calculating the incremental impact of capital investment decisions.

The changes between the forecast and the original estimate reflect the realignment of the Capital Investment Programme reported to Finance and Resources Committee in August 2015.



**CAPITAL MONITORING 2015/16****Housing Revenue Account Summary****Period 9 (based on period 7 and 8 data)**

	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance	
				£000	%
Gross Expenditure	48,830	14,285	38,253	-10,577	-21.7%
Total Gross Expenditure	48,830	14,285	38,253	-10,577	-21.7%

<b>Resources</b>					
Capital Receipts	-6,112	-877	-4,875	1,237	-20.2%
Developers and Other Contributions	-7,670	-3,066	-5,485	2,185	-28.5%
Specific Capital Grant	-3,780	-2,028	-4,589	-809	21.4%
Total Resources	-17,562	-5,971	-14,949	2,613	-14.9%

<b>Borrowing</b>					
Borrowing	31,268	8,314	23,304	-7,964	-25.5%
Total	31,268	8,314	23,304	-7,964	-25.5%