



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	1 July 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2020/2021 - Housing Capital Programme
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ update members of the Financial Resources Scrutiny Forum on the final outturn position of the Council's Housing Capital Programme for the period covering 1 April 2020 to 31 March 2021.

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation:

- (1) that the final outturn position on the 2020/21 Housing Capital Programme be noted.

3. Background

- 3.1. The Capital reports attached provide detail on the position as at 31 March 2021 from a financial perspective.
- 3.2. Appendix A shows the financial position of the Housing Capital Programme. Any physical progress update for projects carried forward into financial year 2021/22 will be picked up as part of the new year monitoring report.

4. Housing Capital Programme Final Outturn Position 2020/2021

- 4.1. The revised Housing Capital Programme for 2020/21 totalled £48.172 million. This revised programme was approved by Executive Committee on 23 September 2020.
- 4.2. Appendix A shows actual expenditure of £49.362 million which is £1.190 million more than the budget of £48.172 million due to a combination of accelerated spend on the provision of additional housing supply, offset by an underspend on other Housing Investment Programme projects delayed by COVID-19.
- 4.3. Housing and Technical Resources have also received additional one-off income totalling £1.882 million in relation to Renewable Heating Initiative / Feed in Tariffs, land sales and developer contributions. However, due to the reduced level of spend, and therefore income received on both Mortgage to Rent purchases (£0.184 million) and Open Market purchases (£0.900 million), the net impact of this was additional income of £0.798 million in 2020/21.
- 4.4. Taking into account the year-end overspend position of £1.190 million (section 5.2) and the additional income of £0.798 million (section 5.3), means there is the requirement to

accelerate £0.392 million of funding from future years' Housing programmes into 2020/2021.

- 4.5. The Resource have reviewed the level of spend they expect to be achievable from their approved 2021/22 Capital Programme of £100.800 million. In order to accommodate the £0.392 million acceleration into 2020/2021 (section 5.4), and to reflect the profile of spend expected on the Housing Investment Programme in the coming years including the continuing uncertainty surrounding the impact of lockdown, the 2021/22 programme will be reduced by £6.441 million (6.3%), and the 2022/23 allocation increased by £6.049 million.

5. Employee Implications

- 5.1. There are no employee implications as a result of this report.

6. Financial Implications

- 6.1. The financial implications are included in section 4 of this report.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

- 8.1. The main risk associated with the Council's Capital Programme is an overspend. The risk has been assessed as low given the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

15 June 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective and Efficient and Transparent

Previous References

- Executive Committee, 23 September 2020

List of Background Papers

- Capital Ledger prints to 31 March 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-
Jackie Taylor, Head of Finance (Strategy)
Ext: 5637 (Tel: 01698 455637)
E-mail: jackie.taylor@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2020/21
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 31 MARCH 2021

Appendix A

	<u>2020/21</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2020/21</u> <u>Actual to</u> <u>31/03/21</u> <u>£m</u>
EXPENDITURE		
2020/2021 Budget	48.172	49.362
INCOME		<u>2020/21</u> <u>Actual to</u> <u>31/03/21</u> <u>£m</u>
Land Sales		0.309
Capital Funded from Current Revenue		18.134
Prudential Borrowing		11.808
Specific Grant		
- Scottish Government – New Council House		15.898
- Scottish Government – Buy Backs		1.545
- Scottish Government – Mortgage to Rent		0.095
Miscellaneous Income		1.573
TOTAL FUNDING		49.362

HRA Capital Expenditure Profile Graph 20/21

