

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	29 September 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2022/2023 - 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 of progress on the Council's Housing Capital Programme for the period covering 1 April 2022 to 12 August 2022.

2. Recommendation(s)

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

- (1) that the physical and financial progress of the Housing Capital Programme be noted.

3. Background

3.1. The Capital reports attached provide detail on the position as at 12 August 2022 from both a financial and physical perspective.

3.2. Appendix A shows the financial position of the Housing Capital Programme, with the physical progress detailed in Appendix B.

4. 2022/2023 Housing Capital Programme

4.1. **2022/2023 Budget:** The revised Housing Capital Programme for the year is £66.361 million reflecting changes to the programme approved by the Executive Committee on 24 August 2022.

4.2. Programmed funding for the year also totals £66.361 million. The budget, along with a detailed breakdown of the funding sources is included in Appendix A to this report.

4.3. **Period 5 Position:** Budget for the period is £16.139 million and spend to 12 August 2022 amounts to £16.150 million (as shown in Appendix A), a slight overspend of £0.011 million.

4.4. As at 12 August 2022, £16.150 million of funding had been received.

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 detailed 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. There are detailed project management plans prepared and the risk of overspend on each project is monitored through four weekly investment management meetings.
- 8.2. The Council continues to experience material shortages, longer lead times and extraordinary inflationary price increases and it is anticipated that this will continue to impact the supply chain for the foreseeable future. The impact of this will continue to be monitored through the four weekly investment management meetings. Further updates will be reported in the coming months with any significant increases in contract values being brought to members' attention.

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)

9 September 2022

Link(s) to Council Values/Priorities/Outcomes

- Accountable, effective, efficient and transparent

Previous References

- Executive Committee, 24 August 2022
- Executive Committee, 21 September 2022

List of Background Papers

- Capital Ledger prints to 12 August 2022

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:

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Appendix A

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2022/23
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 12 AUGUST 2022

	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m	<u>2022/23</u> <u>Budget to</u> <u>12/08/22</u> £m	<u>2022/23</u> <u>Actual to</u> <u>12/08/22</u> £m
Expenditure				
2022/23 Budget Incl. adjustment from 2021/22	52.230	66.361	16.139	16.150

	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m	<u>2022/23</u> <u>Actual to</u> <u>12/08/22</u> £m
INCOME			
Capital Receipts	0.000	7.311	0.000
Capital Receipts – Land Sales	0.000	0.000	0.007
Capital Funded from Current Revenue	26.050	26.050	16.143
Prudential Borrowing	22.018	26.462	0.000
Scottish Government Specific Grant:			
- New Build	2.242	4.048	0.000
- Open Market Purchase Scheme	1.800	2.370	0.000
- Mortgage to Rent	0.120	0.120	0.000
	52.230	66.361	16.150

Housing Capital Programme 2022/23

Build Variance Explanations

<u>Project Name</u>	<u>Status</u>	<u>Variance Explanation</u>
Almada Tower, Hamilton - Emergency Lighting	Behind Programme	This project is behind due to supply chain issues, which have caused delays on site.
Wyler Tower, Hamilton - Emergency Lighting	Behind Programme	The delay at the Almada Tower project (see project above) has resulted in a knock on delay to this project.
Springhall Phases 3 & 4, Cambuslang - External Fabric Upgrade	Behind Programme	Material shortages and issues with obtaining labour for waterproofing works have caused this project to be delayed.
Various Lock Up Sites - Refurbishment works	Behind Programme	This project has been delayed due to issues with gaining access to tenants' properties.
Kirkconnell Drive Rutherglen - External Fabric	Behind Programme	This project is now behind programme as a result of supply chain issues with the manufacture of doors.
Upgrade of Central Heating Systems - Council Wide Phase 3	Behind Programme	This project is behind programme as a result of supply chain issues in obtaining boilers.

HRA Capital Expenditure Profile Graph 22/23

