

# Report

Report to:	<b>Financial Resources Scrutiny Forum</b>
Date of Meeting:	<b>27 April 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget Monitoring 2022/2023 - Housing Capital Programme</b>
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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 24 February 2023.

## 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 24 February 2023 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. There have been no further changes to the budget since this meeting.
- 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. **2022/2023 Outturn:** Revised estimates from Housing and Technical Resources suggest there will now be an underspend of £8.039 million within the Housing Capital Programme by the end of the financial year. This is an increase of £3.9 million on the underspend reported last period. As advised previously, the underspend is mainly due to a number of factors, including operatives from Property Services being diverted away from capital investment to tackle urgent flooding damage, delays in external fabric projects due to the suspected presence of bats, reduced owner uptake for external works and higher than normal volumes of no access for legislative works.
- 4.4. The projected underspend above also now includes the impact of an expected delay to the completion of the Kirk Street, Strathaven New Build Development. This development was due to be handed to the Council in March 2023 but was delayed due

to circumstances out with the Council's control. This is now planned to complete in April 2023 and spend of £2.9 million on that project will fall into the new year.

- 4.5. Work to monitor achievable spend will continue as we approach the end of the financial year. Funding for projects remaining underspend at the financial year-end will be carried forward to allow the projects to be completed in 2023/2024.
- 4.6. **Period 12 Position:** Budget for the period is £50.039 million and spend to 24 February 2023 amounts to £46.245 million, an underspend of £3.794 million and this mainly reflects the issues detailed in Sections 4.3-4.4 above.
- 4.7. As at 24 February 2023, £46.245 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)**

11 April 2023

## **Link(s) to Council Values/Priorities/Outcomes**

- Accountable, effective, efficient and transparent

## **Previous References**

- Executive Committee, 24 August 2022
- Executive Committee, 29 March 2023

**List of Background Papers**

- Capital Ledger prints to 24 February 2023

**Contact for Further Information**

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

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SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2022/23  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2022 TO 24 FEBRUARY 2023

	<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>24/02/23</u> £m	<u>2022/23</u> <u>Actual to</u> <u>24/02/23</u> £m
<b>Expenditure</b>				
2022/23 Budget Incl. adjustment from 2021/22	52.230	66.361	50.039	46.245
	<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>24/02/23</u> £m
<b>INCOME</b>				
Capital Receipts	0.000	7.311		7.302
Capital Receipts - Land Sales	0.000	0.000		0.018
Capital Funded from Current Revenue	26.050	26.050		26.050
Prudential Borrowing	22.018	26.462		5.435
Scottish Government Specific Grant:				
- New Build	2.242	4.048		6.083
- Open Market Purchase Scheme	1.800	2.370		1.302
- Mortgage to Rent	0.120	0.120		0.055
	<b>52.230</b>	<b>66.361</b>		<b>46.245</b>

**HOUSING CAPITAL PROGRAMME 2022/2023****EXECUTIVE SUMMARY****PERIOD ENDED 24 FEBRUARY 2023****Expenditure Periods**

	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>	<b><u>8</u></b>	<b><u>9</u></b>	<b><u>10</u></b>	<b><u>11</u></b>	<b><u>12</u></b>	<b><u>13</u></b>
<b><u>Programme Status</u></b>													
Projects Complete	-	2	6	9	13	17	21	28	31	31	36	39	
Projects on Programme	-	113	109	105	102	102	103	93	94	94	70	94	
Projects Behind Programme	-	3	7	3	6	1	0	3	-	-	13	3	
Projects Altered Brief/Programme	-	4	4	6	-	7	6	3	6	6	7	1	
Projects Still to Progress	-	30	33	36	38	31	29	32	30	30	36	28	
	-	152	159	159	159	158	159	159	161	161	162	165	
<b><u>Project Status</u></b>													
Design Feasibility	-	67	71	68	66	59	57	54	55	55	56	54	
Sketch Design	-	1	1	1	1	1	1	-	-	-	-	1	
Detailed Design	-	1	3	4	3	3	2	3	3	3	1	1	
Production Information	-	6	6	6	7	9	8	9	8	8	8	9	
Tendering	-	30	26	26	26	26	29	28	27	27	29	29	
On Site	-	45	46	45	43	43	41	37	37	37	32	32	
Complete	-	2	6	9	13	17	21	28	31	31	36	39	
	-	152	159	159	159	158	159	159	161	161	162	165	

## **Housing Capital Programme 2022/2023**

### **Build Variance Explanations**

<b><u>Project Name</u></b>	<b><u>Status</u></b>	<b><u>Variance Explanation</u></b>
Blairbeth and Spittal Estate – External Fabric Upgrade and Balcony Work	Behind Programme	This project is behind schedule as a result of the balcony element of the fabric works having to be re-surveyed due to deterioration since the initial assessment. This will allow us to consult again with owners to get their agreement.
Loft and Cavity Wall Insulation	Behind Programme	This project is behind schedule as a result of issues in obtaining access to properties.
New Build Acquisition - Kirk Street, Strathaven	Behind Programme	This project is behind schedule due to the handover date for this new build development being delayed from March to April 2023. This delay was due to circumstances out with the Council's control.

HRA Capital Expenditure Profile Graph 22/23

