

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	30 June 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Capital Budget Monitoring 2020/2021 - Housing and Technical Resources (Housing Revenue Account)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide information on the progress of the capital programme for Housing and Technical Resources (HRA) for the period 1 April 2020 to 31 March 2021

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the revised Housing and Technical Resources (HRA) capital programme of £48.172 million, and expenditure of £49.362 million be noted.

3. Background

- 3.1. This is the fifth capital monitoring report presented to the Housing and Technical Resources Committee for the financial year 2020/21.
- 3.2. As noted in the report to the Committee on 25 November 2020, the budget for the revised programme for Housing and Technical Resources is £48.172 million.
- 3.4. The report details the financial position for Housing and Technical Resources (HRA) on Appendix A.

4. Employee Implications

4.1. There are no employee implications contained within this report.

5. Financial Implications

- 5.1. The Housing Capital Programme for 2020/21 totals £48.172 million and is detailed along with the funding sources at Appendix A to this report.
- 5.2. Anticipated spend to 31 March 2021 was £48.172 million. The actual expenditure on the Housing programme was £49.362 million. The net overspend is a combination of accelerated spend on the provision of additional housing supply (£7.212m) offset by an underspend on other Housing Investment Programme projects delayed by COVID-19 £6.022m.
- 5.3. Housing and Technical Resources have also received additional one-off income in 2020/21. This included additional income from land sales, additional developer contributions and Renewable Heat Initiative funding. However, due to the reduced level of spend, and, therefore, income received, on both Mortgage to Rent purchases

and Open Market purchases, the net impact of this was additional income of £0.798 million in 2020/21.

5.5. Taking into account the year-end overspend position of £1.190m (section 5.3) and the additional income of £0.798 million (section 5.4), means there is the requirement to accelerate £0.392 million from future years' Housing programmes into 2020/2021.

5.6. To accommodate this acceleration into 2020/2021, 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, and the 2022/23 allocation increased by £6.049m.

6. Climate Change, Sustainability and Environmental Implications

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

7. Other Implications

7.1. The main risk associated with the Council's Capital Programme is that there 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.

8. Equality Impact Assessment and Consultation Arrangements

8.1. 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.

8.2. 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)

Daniel Lowe

Executive Director (Housing and Technical Resources)

1 June 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 23 June 2021
- Housing and Technical Resources Committee, 5 May 2021

List of Background Papers

- Financial ledger to 31 March 2021

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
Housing Capital Programme 2020/21
As at 31 March 2021

Appendix A

	£m	£m
Anticipated Capital Expenditure 2020/21		48.172
Estimated Financing Position 2020/21		
Capital Receipts – Land Sales	0.000	
Capital Financed From Current Revenue	18.134	
Prudential Borrowing	9.994	
Specific Grant – Scottish Government New Council Houses	18.124	
Specific Grant – Scottish Government Buy Backs	1.800	
Specific Grant – Scottish Government Mortgage to Rent	0.120	
Other Income	0.000	
		<u>48.172</u>
Actual Expenditure to 31 March 2021		49.362
Actual Financing Position to 31 March 2021		
Capital Receipts – Land Sales	0.309	
Capital Financed From Current Revenue	18.134	
Prudential Borrowing	11.808	
Specific Grant – Scottish Government New Council Houses	15.898	
Specific Grant – Scottish Government Buy Backs	1.545	
Specific Grant – Scottish Government Mortgage to Rent	0.095	
Other Income	1.573	
		<u>49.362</u>