

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>24 April 2024</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Capital Budget Monitoring 2023/2024 - Housing and Technical Resources (Housing Revenue Account)</b>
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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 2023 to 26 January 2024

## 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 £67.443 million, and expenditure to 26 January 2024 of £45.478 million be noted.

## 3. Background

- 3.1. This is the fourth capital monitoring report presented to the Housing and Technical Resources Committee for the financial year 2023/2024.
- 3.2. The budget is based on the revised capital programme for the year, which was approved by the Executive Committee on 20 March 2024.
- 3.3. 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 2023/2024 totals £67.443 million and is detailed along with the funding sources at Appendix A to this report.
- 5.2. Actual expenditure to 26 January 2024 is £45.478 million. This is £2.253 million ahead of programme and is due to the number of buy backs through the open market purchase scheme being ahead of programme to date.
- 5.3. Current estimates suggest an outturn of £67.443 million. The Resource is expecting to spend to this level.
- 5.4. **2024/25 Resource Planning Assumption (RPA) Grant** : We have been advised that the RPA for South Lanarkshire is £22.149m for 2024/2025 and that this will be

followed up with a formal letter. This reflects a significant reduction in grant due to the overall funding being made available for affordable housing being reduced. Given the council is the strategic housing authority, we will now consider how this impacts progress within our housing route map and engage with our partner Registered Social Landlords in order to prioritise sites that are already committed to, that are cost effective and will resolve housing need in pressurised areas with a view to continue to deliver upon the Strategic Housing Investment Plan (SHIP) and strive towards our 1300 target. We continue to engage with the Scottish Government's More Homes team in this regard. This will be reported back to committee in due course.

## **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 an overspend. The risk is mitigated through the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings.
- 7.2. 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 on the supply chain for the foreseeable future. The impact 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.

## **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.

**Jackie Taylor**

**Executive Director (Finance and Corporate Resources)**

**Stephen Gibson**

**Executive Director (Housing and Technical Resources)**

27 March 2024

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

- Accountable, Effective, Efficient and Transparent

## **Previous References**

- Executive Committee, 20 March 2024

## **List of Background Papers**

- Financial ledger to 26 January 2024

**Contact for Further Information**

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

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	£m	£m
<b>Anticipated Capital Expenditure 2023/24</b>		<b>67.443</b>
<b>Estimated Financing Position 2023/24</b>		
Capital Receipts	1.683	
Capital Financed From Current Revenue	27.162	
Prudential Borrowing	23.166	
Specific Grant – Scottish Government New Council Houses	10.048	
Specific Grant – Scottish Government Buy Backs	5.264	
Specific Grant – Scottish Government Mortgage to Rent	0.120	
Other Income	0.000	
		<b><u>67.443</u></b>
<b>Actual Expenditure to 26 January 2024</b>		<b>45.478</b>
<b>Actual Financing Position to 26 January 2024</b>		
Capital Receipts	1.923	
Capital Financed From Current Revenue	27.162	
Prudential Borrowing	8.419	
Specific Grant – Scottish Government New Council Houses	7.843	
Specific Grant – Scottish Government Buy Backs	0.000	
Specific Grant – Scottish Government Mortgage to Rent	0.131	
Other Income	0.000	
		<b><u>45.478</u></b>