

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>16 September 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Capital Budget Monitoring 2019/2020 - 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 2019 to 31 March 2020

## 2. Recommendation(s)

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

- (1) that the Housing and Technical Resources (HRA) capital programme of £61.835 million, and expenditure of £51.235 million be noted.

## 3. Background

- 3.1. This is the sixth capital monitoring report presented to the Housing and Technical Resources Committee for the financial year 2019/20.
- 3.2. The budget reflects the approved programme for the year, as approved at Executive Committee on 29 May 2019.
- 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 as a result of this report.

## 5. Financial Implications

5.1. The Housing Capital programme for 2019/20 totals £61.835 million and is detailed along with the funding sources at Appendix A to this report.

### 5.2. 2019/20 Monitoring

Anticipated spend to 31 March 2020 was £61.835 million and £51.235 million has been spent. The main reason for the underspend was the timing of the new build programme, external fabric works, heating projects and doors and windows. This was partially offset by additional buy back and Mortgage to Rent expenditure to increase our supply of council housing.

5.3. This net underspend represents expenditure of £10.600 million which will be reallocated into future years to reflect the revised timing of spend across a number of projects/programmes.

- 5.4. In terms of funding, the programme has benefited from one-off income of £4.66 million in 2019/20 which augments the overall programme. This includes additional income from land sales, Scottish Government grant, additional developer contributions, Renewable Heat Initiative funding and additional borrowing for buy back and Mortgage to Rent schemes.
- 5.5. Taking into account the year-end position noted in 5.2. and the additional income noted in 5.4. above, a net carry forward of expenditure budget from 2019/20 of £15.264 million is required.
- 5.6. Due to the impact of COVID-19 on the expected profile of spend on both the New Build and Housing Investment programmes, this carry forward funding has currently been added to the 2021/22 programme while a review of the impact of COVID-19 on the 2020/21 programme is completed.
- 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)**

6 August 2020

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Executive Committee, 12 August 2020
- ◆ Housing and Technical Committee, 17 June 2020

## **List of Background Papers**

- ◆ Financial ledger to 31 March 2020

## **Contact for Further Information**

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

Hazel Goodwin, Finance Manager (Resources)

Ext: 2699 (Tel: 01698 452699)

E-mail: [hazel.goodwin@southlanarkshire.gov.uk](mailto:hazel.goodwin@southlanarkshire.gov.uk)

	£m	£m
<b>Anticipated Capital Expenditure 2019/20</b>		<b>61.835</b>
<b>Estimated Financing Position 2019/20</b>		
Capital Receipts – Land Sales	0.000	
Capital Financed From Current Revenue	20.589	
Prudential Borrowing	28.715	
Specific Grant – Scottish Government New Council Houses	10.611	
Specific Grant – Scottish Government Buy Backs	1.800	
Specific Grant – Scottish Government Mortgage to Rent	0.120	
Other Income	0.000	
		<b><u>61.835</u></b>
<b>Actual Expenditure to 31 March 2020</b>		<b>51.235</b>
<b>Actual Financing Position to 31 March 2020</b>		
Capital Receipts – Land Sales	0.046	
Capital Financed From Current Revenue	20.589	
Prudential Borrowing	14.681	
Specific Grant – Scottish Government New Council Houses	10.814	
Specific Grant – Scottish Government Buy Backs	1.950	
Specific Grant – Scottish Government Mortgage to Rent	0.412	
Other Income	2.743	
		<b><u>51.235</u></b>