



Report

11b

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	23 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2018/2019 - 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 2018 to 22 June 2018.

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 22 June 2018 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. Employee Implications

4.1. None

5. Update to 2018/19 Programme

- 5.1. The original budget for the year of £44.935million was approved by the Council on 28 February 2018.
- 5.2. On 27 June 2018, the Executive Committee approved the carry forward of £5.860million from 2017/18. This will be added to the 2018/19 programme.
- 5.3. The Executive Committee (27 June 2018) also agreed the following amendments to the overall funding package:
- The council house new supply programme is continuing and the revised profile of expenditure projected for 2018/19 will include an additional £2.269 million which will be funded by Scottish Government Grant of £2.269 million.

- £0.600 million is added to the buy-back property targets which will be funded by Scottish Government Grant £0.300 million and an additional £0.300 million being met from borrowing. The additional borrowing costs and other costs associated with the proposed additional units will be met from the additional rent income and are affordable across the 40 years. This will be added to the programme for 2018/19.

5.4. Taking into account the adjustments noted at sections 5.1 – 5.3. above, results in a revised 2018/19 capital programme for Housing and Technical Resources (HRA) of £53.664million.

6. Financial Implications

6.1. Section 5.4 above shows the base budget for the financial year as £53.664 million.

6.2. Appendix A also shows the position on the Housing Programme as at 22 June 2018. Budget for the period is £7.533 million with spend of £7.533 million (14.04%). This represents a breakeven position.

6.3. Programmed funding for the year totals £53.664 million. As at 22 June 2018, actual funding of £7.533 million has been received.

7. Other Implications

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

7.2. There are no implications for sustainability in terms of the information contained in this report.

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)

31 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective and Efficient and Transparent

Previous References

- ◆ Executive Committee, 28 February 2018
- ◆ Executive Committee, 27 June 2018

List of Background Papers

- ◆ Capital Ledger prints to 22 June 2018

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 2018/19
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

Appendix A

	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Budget to</u> <u>22/06/18</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>
Expenditure			
2018/19 Budget incl carry forward from 2016/17	53.664	7.533	7.533
Income	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>
Capital Receipts – House Sales	0.000		0.064
Capital Receipts – Land Sales	2.000		0.023
Capital Funded from Current Revenue	23.730		7.446
Prudential Borrowing	21.602		0.00
Specific Grant			0.00
- Scottish Government – New Council House	4.963		0.00
- Scottish Government – Buy Backs	0.900		0.00
- Scottish Government – Mortgage to Rent	0.120		0.00
- Scottish Natural Heritage	0.349		0.00
	53.664		7.533

