

# Report

Report to:	<b>Financial Resources Scrutiny Forum</b>
Date of Meeting:	<b>9 March 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 27 January 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 27 January 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. **2022/23 Outturn:** Current estimates from Housing and Technical Resources suggest there will be an underspend of £4.1 million within the Housing Capital Programme by the end of the financial year. This is due to a number of factors - as advised last period, this is mainly due to the extreme weather experienced in December 2022, which caused flooding damage to a number of Council properties. As a result, operatives from Property Services were diverted away from capital investment to tackle urgent repairs.
- 4.4. In addition, environmental surveys on external fabric projects have required work to be paused due to the suspected presence of bats which, in turn, has delayed owner consultations. There has also been reduced owner uptake for external works. The Service has also experienced higher than normal volumes of no access for legislative works.

- 4.5. Work to monitor achievable spend will continue in the coming weeks. 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 11 Position:** Budget for the period is £45.339 million and spend to 27 January 2023 amounts to £43.015 million (as shown in Appendix A), an underspend of £2.324 million and this mainly reflects the issues detailed in Sections 4.3 to 4.5 above.

4.7. As at 27 January 2023, £43.015 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)**

20 February 2023

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

- Accountable, effective, efficient and transparent

## **Previous References**

- Executive Committee, 24 August 2022
- Executive Committee, 1 March 2023

**List of Background Papers**

- Capital Ledger prints to 27 January 2023

**Contact for Further Information**

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

Jackie Taylor, Head of Finance (Strategy)

Ext: 5637 (Tel: 01698 455637)

E-mail: [jackie.taylor@southlanarkshire.gov.uk](mailto:jackie.taylor@southlanarkshire.gov.uk)

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2022/23  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2022 TO 27 JANUARY 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>27/01/23</u> £m	<u>2022/23</u> <u>Actual to</u> <u>27/01/23</u> £m
<b>Expenditure</b>				
2022/23 Budget Incl. adjustment from 2021/22	52.230	66.361	45.339	43.015
	<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>27/01/23</u> £m
<b>INCOME</b>				
Capital Receipts	0.000	7.311		6.314
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		5.930
Scottish Government Specific Grant:				
- New Build	2.242	4.048		4.648
- Open Market Purchase Scheme	1.800	2.370		0.000
- Mortgage to Rent	0.120	0.120		0.055
	<b>52.230</b>	<b>66.361</b>		<b>43.015</b>

**HOUSING CAPITAL PROGRAMME 2022/23****EXECUTIVE SUMMARY****PERIOD ENDED 27 JANUARY 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>14</u></b>
<b><u>Programme Status</u></b>														
Projects Complete	-	2	6	9	13	17	21	28	31	31	36			
Projects on Programme	-	113	109	105	102	102	103	93	94	94	70			
Projects Behind Programme	-	3	7	3	6	1	0	3	-	-	13			
Projects Altered Brief/Programme	-	4	4	6	-	7	6	3	6	6	7			
Projects Still to Progress	-	30	33	36	38	31	29	32	30	30	36			
	-	152	159	159	159	158	159	159	161	161	162			
<b><u>Project Status</u></b>														
Design Feasibility	-	67	71	68	66	59	57	54	55	55	56			
Sketch Design	-	1	1	1	1	1	1	-	-	-	-			
Detailed Design	-	1	3	4	3	3	2	3	3	3	1			
Production Information	-	6	6	6	7	9	8	9	8	8	8			
Tendering	-	30	26	26	26	26	29	28	27	27	29			
On Site	-	45	46	45	43	43	41	37	37	37	32			
Complete	-	2	6	9	13	17	21	28	31	31	36			
	-	152	159	159	159	158	159	159	161	161	162			

## **Housing Capital Programme 2022/23**

### **Build Variance Explanations**

<b><u>Project Name</u></b>	<b><u>Status</u></b>	<b><u>Variance Explanation</u></b>
Springhall Phases 5 and 6, Cambuslang - External Fabric Upgrade	Behind Programme	Staff shortages as a result of sickness absence have caused a delay to this programme of works.
Westwood Square, East Kilbride - Environmental Improvements	Behind Programme	The revision of brochures to reflect complex title deeds has taken longer than anticipated. These are required to undertake consultations with owners before works can progress.
Headhouse Court Sheltered Housing - Internal Area Upgrade	Behind Programme	Staff shortages have caused a delay in issuing the Letter of Acceptance for this project.
McLean Gardens Sheltered Housing Complex - Internal Area Upgrade	Behind Programme	The tender issue was delayed as a result of the festive holiday period.
Various Lock Ups - Refurbishment works	Behind Programme	Staff shortages (architects) have caused a delay to this programme of works.
Various Properties - Blantyre Area - Window & Door Replacement	Behind Programme	This project has been delayed due to issues with gaining access to tenants' properties.
Lanark Non-Traditional Properties - Re-roofing	Behind Programme	Works delayed due to weather - extension of time to be applied for.
Various Properties - Hamilton Area - Window & Door Replacement	Behind Programme	Gaining access to tenants' properties has delayed this project.
Various Properties - Larkhall Area - Window & Door Replacement	Behind Programme	This project has been delayed due to issues with gaining access to tenants' properties.
Strutherhill Zone B - External Fabric Repairs	Behind Programme	This project has been delayed due to poor weather conditions.
Margaretvale Sheltered Housing Complex - Internal Area Upgrade	Behind Programme	The discovery of vermin has caused a delay in the progress of this project.

Various Properties SLC -  
Installation of ASHP

Behind Programme

This project has been delayed due to issues with gaining access to tenants' properties.

Master Fire Door  
Replacement

Behind Programme

Supply chain issues experienced by the sub-contractor in obtaining new doors, has resulted in this project is behind programme.

HRA Capital Expenditure Profile Graph 22/23

