



Report

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| Report to: | Financial Resources Scrutiny Forum |
| Date of Meeting: | 24 May 2018 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| Subject: | Capital Budget Monitoring 2017/2018 - 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 2017 to 2 March 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 2 March 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. Financial Implications

- 5.1. The revised Housing Capital Programme for 2017/18 totals £40.581 million and is detailed along with the funding sources at Appendix A to this report.
- 5.2. In terms of the Housing Capital Programme work has been ongoing to clarify the predicted spend position for this financial year and current estimates from Housing and Technical Resources suggest an outturn of £36.860 million. This is an underspend of £3.721 million and reflects the anticipated timing of spend in relation to the Urban Park Development of the former Blairbeth Golf Course site and the continued work of the Housing Investment Programme, including external works where programmes have been impacted due to the extended period of cold weather. Funding for these projects will also carry forward into next financial year.
- 5.3. Appendix A also shows the position on the Housing programme as at 2 March 2018. Budget for the period is £30.333 million with spend of £29.247million (72.07%). This

represents expenditure of £1.086 million behind profile and reflects the timing of spend on Blairbeth Golf Course and the Housing Investment Programme.

- 5.4. Programmed funding for the year totals £40.581 million. As at 2 March 2018, actual funding of £29.247 million had been received.

6. Other Implications

- 6.1. 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. 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.
- 7.2. 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)

16 May 2018

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 16 May 2018

List of Background Papers

- Capital Ledger prints to 2 March 2018

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)

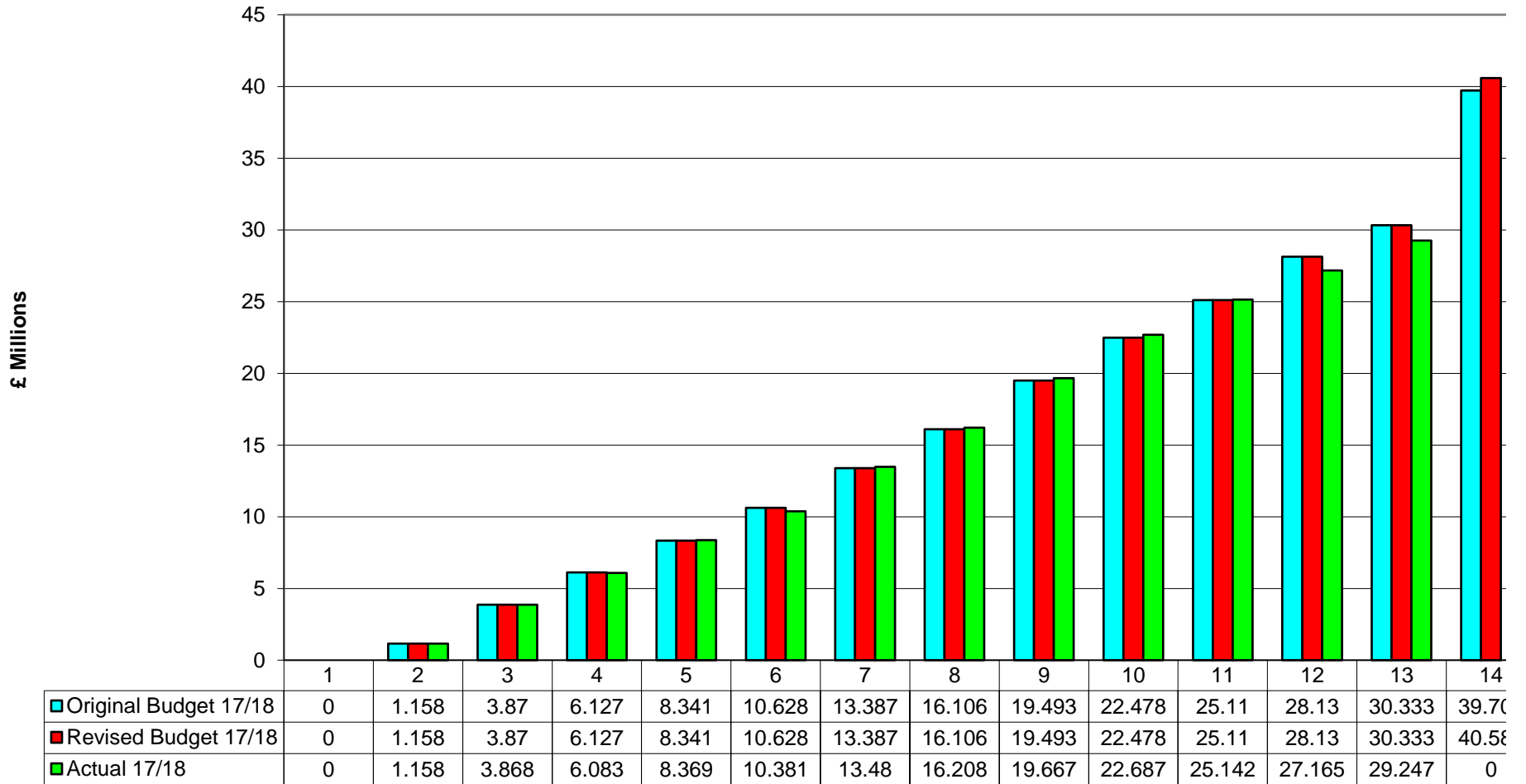
E-mail: jackie.taylor@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2017/18
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2017 TO 2 MARCH 2018

APPENDIX A

| | <u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u> | <u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u> | <u>2017/18</u> <u>Budget to</u> <u>02/03/18</u> <u>£m</u> | <u>2017/18</u> <u>Actual to</u> <u>02/03/18</u> <u>£m</u> |
|---|---|--|--|--|
| Expenditure | | | | |
| 2017/18 Budget incl carry forward from 2016/17 | 39.709 | 40.581 | 30.333 | 29.247 |
| Income | <u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u> | <u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u> | | <u>2017/18</u> <u>Actual to</u> <u>02/02/18</u> <u>£m</u> |
| Capital Receipts – House Sales | 5.872 | 5.872 | | 6.138 |
| Capital Receipts – Land Sales | 0.000 | 0.000 | | 0.063 |
| Capital Funded from Current Revenue | 18.997 | 19.520 | | 19.520 |
| Prudential Borrowing | 9.890 | 9.890 | | 2.153 |
| Specific Grant | | | | |
| - Scottish Government – New Council Houses | 4.830 | 4.830 | | 1.262 |
| - Scottish Government – Mortgage to Rent | 0.120 | 0.120 | | 0.050 |
| - Scottish Natural Heritage | 0.000 | 0.349 | | 0.000 |
| - Home Energy Efficiency Programme (HEEP) | 0.000 | 0.000 | | 0.061 |
| | 39.709 | 40.581 | | 29.247 |

HRA Capital Expenditure Profile Graph 17/18



HOUSING CAPITAL PROGRAMME 2017/18

EXECUTIVE SUMMARY

PERIOD ENDED 2 MARCH 2018

| | <u>Expenditure Periods</u> | | | | | | | | | | | | | |
|---------------------------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>13</u> | <u>14</u> |
| <u>Programme Status</u> | | | | | | | | | | | | | | |
| Projects Complete | - | - | - | - | 2 | 2 | 4 | 5 | 5 | 6 | 7 | 7 | 8 | - |
| Projects on Programme | - | 21 | 24 | 24 | 26 | 31 | 29 | 28 | 27 | 27 | 28 | 31 | 30 | - |
| Projects Behind Programme | - | 1 | - | - | - | - | - | - | - | 1 | 1 | - | 1 | - |
| Projects Altered Brief / Programme | - | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | - | - | - | 1 | - |
| Projects Held | - | 1 | 1 | 1 | - | - | - | - | 2 | 3 | 3 | 3 | 2 | - |
| | - | 25 | 27 | 27 | 29 | 34 | 34 | 34 | 35 | 37 | 39 | 41 | 42 | - |
| <u>Project Status</u> | | | | | | | | | | | | | | |
| Design Feasibility | - | 12 | 14 | 14 | 14 | 18 | 17 | 16 | 14 | 15 | 17 | 16 | 16 | - |
| Sketch Design | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 | - |
| Detail Design | - | - | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | - |
| Production Information | - | 3 | 2 | 2 | 4 | 3 | 3 | 2 | 4 | 4 | 3 | 3 | 3 | - |
| Tendering | - | 5 | 4 | 3 | 3 | 4 | 5 | 6 | 5 | 6 | 6 | 6 | 6 | - |
| On Site | - | 5 | 7 | 8 | 6 | 7 | 5 | 4 | 6 | 5 | 5 | 7 | 7 | - |
| Complete | - | - | - | - | 2 | 2 | 4 | 5 | 5 | 6 | 7 | 7 | 8 | - |
| | - | 25 | 27 | 27 | 29 | 34 | 34 | 34 | 35 | 37 | 39 | 41 | 42 | - |

Housing Capital Programme 2017/18

Build Variance Explanations

| <u>Project Name</u> | <u>Status</u> | <u>Variance Explanation</u> |
|---|------------------|--|
| Home Energy Efficiency Programmes for Scotland (HEEPS) Phase 5 - External Wall Insulation | Behind Programme | Programme progress slower than originally anticipated due to poor uptake from owners, who are required to make a financial contribution to the works. The process is being reviewed and changes will be implemented to assist in improving owner uptake. |