

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	29 September 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Housing and Technical Resources)

Subject:	Capital Budget Monitoring 2021/2022 - Housing and Technical Resources (Housing Revenue Account)
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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 2021 to 13 August 2021.

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 £79.640 million, and expenditure of £26.065 million be noted.

3. Background

3.1. This is the second capital monitoring report presented to the Housing and Technical Resources Committee for the financial year 2021/2022.

3.2. The Housing Investment Programme has been reviewed and as a result, £14.720m requires to be carried forward into 2022/2023 to meet revised timescales and estimated completion dates associated with the New Council Housing Programme. This will be a combination of slippage in borrowing £12.478m and government grant £2.242m. The sites affected include: the former Craighbank Primary, Larkhall (£6m) which is experiencing planning delays due to Nature Scotland concerns/objections; Kirk Street, Strathaven (£1m) where the developer has experienced issues with site access; East Kilbride Community Growth Area (£1m) delayed due to negotiations with the developer; East Whitlawburn Regeneration (£3m) delays in formalising the agreement with West Whitlawburn Housing Co-Operative; and finally, Bent Hall Farm, Shields Road, East Kilbride (£3m) where a fire has affected progress on the site and caused delays to the construction programme. The revised budget is now £79.640m based on the amended capital programme for the year, which was presented to the Executive Committee on 22 September 2021 for approval. Should there be any change to the proposals following the Executive Committee, then a verbal update will be provided at this meeting.

3.3. The report details the financial position for Housing and Technical Resources (HRA) in 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 2021/2022 totals £79.640 million and is detailed along with the funding sources at Appendix A to this report.
- 5.2. The actual spend to 13 August 2021 is £26.065m. In addition to the planned works, there will be higher costs incurred reflecting the overheads from Property Services which will require to be recovered. For HRA capital, this is estimated at around £2.978m to the current period. This is included in actual spend of £26.065m.
- 5.3. Given the continued issues with shortages of some materials and price increases, the timescales for the Housing Investment Programme (HIP) will continue to be monitored and a revised position will be presented to a future meeting of the Executive Committee for approval, if required.

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)

23 August 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 23 June 2021
- Executive Committee, 22 September 2021
- Housing and Technical Resources Committee, 17 February 2021
- Housing and Technical Resources Committee, 5 May 2021
- Housing and Technical Resources Committee, 30 June 2021

List of Background Papers

- Financial ledger to 13 August 2021

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
Housing Capital Programme 2021/2022
As at 13 August 2021

Appendix A

£m £m

Anticipated Capital Expenditure 2021/2022

79.640

Estimated Financing Position 2021/2022

Capital Receipts – Land Sales	0.000
Capital Financed From Current Revenue	19.637
Prudential Borrowing	50.532
Specific Grant – Scottish Government New Council Houses	7.191
Specific Grant – Scottish Government Buy Backs	2.160
Specific Grant – Scottish Government Mortgage to Rent	0.120
Other Income	0.000

79.640

Actual Expenditure to 13 August 2021

26.065

Actual Financing Position to 13 August 2021

Capital Receipts – Land Sales	0.000
Capital Financed from Current Revenue	19.637
Prudential Borrowing	5.622
Specific Grant – Scottish Government New Council Houses	0.806
Specific Grant – Scottish Government Buy Backs	0.000
Specific Grant – Scottish Government Mortgage to Rent	0.000
Other Income	0.000

26.065