

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING
DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR: ROBERT BAXTER, FINANCIAL SERVICES MANAGER

1. Purpose of Report

1.1 To present to Performance Scrutiny Committee the first quarter’s performance (up to 30th June) on the Council’s:

- General Fund
- Housing Revenue Account
- Housing Repairs Service
- Capital Programmes

1.2 Financial Procedure Rules require members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report is designed to meet this requirement.

2. Executive Summary

2.1 As at the end of the first quarter (up to 30th June) the forecast financial position of the Council for 2018/19 is:

	2018/19		
	Budget £’000	Forecast at Q1 £’000	Variance at Q1 £’000
Revenue Accounts			
General Fund –Contribution to/(from) balances	288	(429)	717
Housing Revenue Account (HRA) (Surplus)/Deficit in year	0	37	37
Housing Repairs Service	0	(159)	(159)
Capital Programmes			
General Fund Investment Programme	17,113	17,113	0
Housing Investment Programme	30,198	30,198	0
Capital Receipts			

	2018/19		
	Budget £'000	Forecast at Q1 £'000	Variance at Q1 £'000
General Fund	3,555	3,651	96
HRA	1,719	1,719	0
Reserves & Balances			
General Fund Balances	1,898	1,181	(717)
HRA Balances	1,023	986	(37)
HRS Balances	89	89	0
General Fund Earmarked Reserves	5,833	6,514	681
HRA Earmarked Reserves	1,366	1,373	7

2.2 The detailed financial position is shown in sections 3-7 and accompanying appendices.

3. General Fund Revenue Account

3.1 For 2018/19 the Council's net General Fund revenue budget was set at £14,276,460, including a planned contribution to balances of £288,360 (resulting in an estimated level of general balances at the year-end of £1,897,724).

3.2 The General Fund Summary is currently projecting a forecast variance of £717,343 (Appendix A provides a forecast General Fund Summary). This forecast variance is the result of a number of forecast year-end variations in income and expenditure against the approved budget. Full details of the main variances are provided in Appendix B while the key variances are summarised below:

- Car Parking - reduced income £1,141,000
- Income Volatility Reserve - increased income £(178,070)
- Borrowing Contingency - reduced cost £(200,000)
- Balance Sheet Review - increased income £(82,450)
- Pay Contingencies - reduced cost £(82,600)

3.3 The most significant of these variances is clearly the shortfall of car parking income against its budget target. This is a trend that began to emerge towards the end of 2017/18 and reflects a reduction in demand for shopper car parking spaces. This position is in line with a reduction in footfall in the City Centre and the general decline in high street shopping and fragility of the retail sector. There have over the course of the last 6 months been a number of business failures in the City and many businesses on the High Street are reporting up to a 25% drop in takings year on year.

- 3.4 In response to this emerging trend, £178,070 of the General Fund underspend at the end of 2017/18 was set aside in an income volatility reserve to mitigate part of the shortfall forecasted for 2018/19. In addition to the application of this reserve a number of contingency budgets have been reviewed and released to further mitigate against the forecasted shortfall, these are however one off resources.
- 3.5 Although the forecast outturn for the General Fund is currently estimated to be £717,343, at this stage in the financial year forecast outturns are difficult to predict and often subject to volatility. The forecast for car parking income is key to this forecast and it will continue to be closely monitored by officers and forecasts revised accordingly. By the end of quarter 2 officers will be in a more informed position to review the year end forecast having assessed the impact of the summer season and improved weather conditions plus a number of large scale events in the City.
- 3.6 However, given the scale of the shortfall in car parking income targets CMT have accelerated the implementation of the car parking income generation strategy. This strategy focuses on 5 key strands, as follows:
- Car park improvements – focussing on making our car parks the preferred choice including enhanced ticket machines to improve connectivity and to offer contactless payment and improved security arrangements.
 - Promotion of the City as a destination – focussing on maximising the linkages between visitor numbers into the City and an improving offer in the City with the utilisation of the Council’s parking stock.
 - Maximisation of car parking stock – focussing on ensuring that the Council’s car parks are in the correct location and condition, in line with the Car Parking Strategy, and considering alternative income generation opportunities for some sites.
 - Permit parking – focussing on increasing the number of permit parking arrangements with major employers in the city.
 - Residents parking – focussing on responding to residents’ concerns and encouraging commuters to modal shift or to move into city centre car parks.
- 3.7 Longer term, there is forecasted to be an increase in the demand for City Centre parking through developments such as the Cornhill Quarter, further expansion in the University and direct Lincoln to London trains with consequent increased passenger numbers. These future changes and growth over the next few years are set to increase utilisation of the Council’s car parks, reducing the shortfall against income targets.
- 3.8 Recognising that the financial impact of the actions in the income generation strategy and the expected growth in demand for parking will not be immediately felt, CMT have also requested that;
- An full review of earmarked reserves is undertaken, and

- A review of the self-insurance fund is carried out.

This actions are intended to provide a short term, in year response, to the forecasted overspend in 2018/19. Beyond 2018/19 CMT have also requested that the development of Phase 6 of the Towards Financial Sustainability Programme is bought forward. The development of the programme and the forecasted levels of car parking income over the next 5 years will be considered further in the Budget Strategy report to be presented to the Executive in September 2018.

- 3.9 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2018/19 is £3,850,000. Progress against this target, based on quarter 1 performance shows that secured and confident projections total £3,867,900. This results in a current forecast under achievement of the target in 2018/19 of £12,890. In respect of this outstanding target work is currently underway through the ToFS Programme Board to accelerate existing projects in the programme and to develop further new projects. A summary of the current position is shown in the table below.

	£ General Fund
<u>Review/Business Case Approved/Delegated Decision Taken</u>	
Shared Services/Savings/Managing Demand	2,533,170
Commercialisation	833,680
Asset Rationalisation	380,880
Total Savings – Secured	<u>3,747,730</u>
<u>Subject to Review/Business Case</u>	
Shared Services/Savings/Managing Demand	37,500
Commercialisation	0
Asset Rationalisation	51,880
Total Savings - Subject to Review/Business Case	<u>89,380</u>
Overall Savings	<u><u>3,837,110</u></u>
MTFS savings target	(3,850,000)
(Under)/ over achievement	(12,890)

- 3.10 **Fees and Charges Income** – Income from fees and charges represents a significant proportion of income to the Council, with the primary sources being from car parking, development management and building regulations. Due to the importance of these income streams to the Council’s financial position and the impact external factors can have on the levels of income receive they are monitored regularly by the Corporate Management Team. A summary of the progress of these key income streams against the approved budget, together with the forecast variance for the first quarter of the financial year is provided below:

	<u>Budget</u> <u>Q1</u> <u>£'000</u>	<u>Actual</u> <u>Q1</u> <u>£'000</u>	<u>Variance</u> <u>£'000</u>	<u>Forecast</u> <u>Variance</u> <u>Q1</u> <u>£'000</u>
Car Parks	(1,581)	(1,265)	316	1,141
Development Management	(111)	(227)	(116)	(75)
Building Regulations	(57)	(36)	21	37
Total	(1,749)	(1,528)	221	1,103

4. Housing Revenue Account

- 4.1 For 2018/19 the Council's Housing Revenue Account (HRA) net revenue budget was set at break even, resulting in an estimated level of general balances at the year-end of £1,023,099.
- 4.2 The HRA is currently projecting an in-year overspend of £37,243, which would reduce General Balances to £985,858 at the end of 2018/19 (Appendix C provides a forecast HRA Summary). The assessed prudent minimum balance for the HRA is currently £1,000,000. The level of forecast HRA balances will be monitored closely during the coming quarter and will be subject to a fundamental review as part of the MTFS 2018-23 process which is currently getting underway.
- 4.3 The components of this underspend are detailed in Appendix D and a summary of the key variances are provided below:
- Staff Vacancies - reduced cost £(205,000)
 - Rental Income – increased income £(108,000)
 - HRS Surplus – increased income £(159,000)
 - Repairs & Maintenance – increased cost £423,000

5. Housing Repairs Service

- 5.1 For 2018/19 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 At quarter 1 HRS are forecasting a surplus of £159,000 in 2018/19 (Appendix E provides a forecast HRS Summary), with full details of the main variances provided in Appendix F.

6. Earmarked Reserves

- 6.1 The details of all the earmarked reserves and their forecast balance as at 31st March 2019 are attached in Appendix G. In summary:

	Opening Balance	Contributions	Actuals Q1	Forecast Q2-Q4	Forecast Balance
	01/04/18				31/03/19
	£'000	£'000	£'000	£'000	£'000
General Fund	4,559	2,727	0	(771)	6,514
HRA	1,572	3	0	(202)	1,373
Capital Resources	22,358	17,607	0	(32,874)	7,091

7. Capital Programme

7.1 General Investment Programme

7.2 The original General Fund Investment Programme for 2018/19 in the MTFs 2018-23 amounted to £14,208,836. This was increased to £17,032,859 following year end re-profiles from 2017/18. This has been further increased to £17,112,478 during the first quarter of 2018/19. A summary of the overall changes to the programme is shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Revised budget following 17/18 Outturn Report	17,033	500	500	500	500
Budget changes for Executive approval at Q1	80	0	0	0	0
Revised Budget	17,113	500	500	500	500

7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive.

There have been no changes approved by the Chief Finance Officer during the first quarter in conjunction with the Capital Programme Group.

7.4 Changes that require Executive approval for the first quarter (further details in Appendix I) are:

- Increase to DFG scheme in line with additional grant received £395,866
- Decrease to Boutham Park scheme regarding in kind funding (£215,900)
- Decrease to telephony scheme due to contribution by supplier (£100,347)

7.5 New projects agreed at Capital Programme Group are then subject to Executive Approval. There are no new projects that require Executive approval for the first quarter.

7.6 The table below provides a summary of the projected outturn position for the General Investment Programme:

	MTFS 2018-23 Budget	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Regeneration	0	415	415	0
Communities & Environment	969	2,587	2,587	0
Chief Executives Department	12,178	12,491	12,491	0
"Mega Projects"		1,393	1,393	0
Total Active Schemes	13,616	16,886	16,886	0
Schemes On Hold/Contingencies	592	227	227	0
Total Capital Programme	14,209	17,113	17,113	0

7.7 The overall spending on the General Fund Investment Programme for the first quarter is £413,204, which is 2.29% of the agreed programme and 2.41% of the active programme. This is detailed further at Appendix J.

Although this appears to be a relatively low percentage of expenditure at this stage of the financial year, the budget for the active programme includes :

- Residual expenditure on the Transport Hub which is the subject of a retention period;
- Disabled Facility Grants of £1m some of which may be committed (offered) but the expenditure is not incurred until later in the year or perhaps the following accounting period;
- The largest scheme (land and building acquisition at Tentercroft Street) is projected to be fully spent during quarter three at circa £12m in 2018/19.

7.8 Housing Investment Programme

7.9 The original Housing Investment Programme for 2018/19 in the MTFS 2018-23 amounted to £25,804,701. This was increased to £29,597,788 following year end movements as part of the 2017/18 outturn. This has been further adjusted to £30,197,788 during the first quarter of 2018/19. A summary of the changes are shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Revised budget following 17/18 Outturn Report	29,598	14,809	11,601	12,638	12,338
Budget changes for Executive approval at Q1	600	(600)	0	0	0
Revised Budget	30,198	14,209	11,601	12,638	12,338

7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. All changes over the approved limit require approval by the Executive. There were no changes approved by the Chief Finance Officer for the first quarter.

The changes requiring approval from the Executive are detailed in Appendix K and summarised below:

- Movement of purchase costs for Ingelby Crescent from generic new build budget to specific scheme budget - £6,870,000
- Movement of purchase costs for two land sites to specific scheme budgets - £335,000.
- Reprofile of door replacement budget from 2019/20 to 2018/19 - £600,000 (see para 7.11)

7.11 New projects agreed at Capital Programme Group are then subject to Executive Approval. There is one new project to be presented to the Executive for the first quarter. Following independent fire compartment health check surveys on Shuttleworth House and St Botolphs Court, improvements are required to the majority of communal and flat fire doors. The 2019/20 housing investment programme has a door replacement budget of £913,851. It is proposed to bring forward £600,000 of this approved budget into 2018/19 to fund the increased door works and this is reflected in the changes requiring Executive approval in para 7.10 above.

7.12 The table below provides a summary of the projected outturn position:

	MTFS 2018-23 Budget	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	8,618	9,218	9,218	0
Health and Safety	825	825	825	0
Contingent Major Repairs/ Works	637	637	637	0
New Build Programme	15,384	15,384	15,384	0
Land Acquisition Fund	3,215	3,215	3,215	0
Other Schemes	806	806	806	0
Computer Fund	111	111	111	0
Total Capital Programme	29,598	30,198	30,198	0

7.13 Expenditure against the HIP budget during the first quarter was £1,627,783, which is 5.4% of the approved programme. A further £406,019 has been spent as at the end of July 2018. The expenditure is detailed further at Appendix L.

Although this would appear to be low at this stage of the financial year, the following points should be taken into consideration:-

- A large element of the programme in 2018/19 is the new build programme, most of which is planned to be delivered during quarter three of 2018/19.

8. Resource Implications

8.1 The financial implications are contained throughout the report.

8.2 There are no legal implications arising from this report.

8.3 There are no equality and diversity implications as a direct result of this report.

9. Risk Implications

9.1 A full financial risk assessment is included in the Medium Financial Strategy 2018-23.

10. Recommendations

Members are recommended to:

10.1 Note the progress on the financial performance for the period 1st April to 30th June 2018 and the projected outturns for 2018/19.

- 10.2 Note the underlying impact of the pressures and underspends identified in paragraphs 3.2 (and Appendix B), 4.3 (and Appendix D), and 5.2 (and Appendix F)
- 10.3 Note the changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.4 and 7.10.

Key Decision	No
Key Decision Reference No.	N/A
Do the Exempt Information Categories Apply	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes

List of Background Papers: Medium Term Financial Strategy 2018-23

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GENERAL FUND SUMMARY - AS AT 30 JUNE 2018

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	1,859	1,836	(23)
Chief Finance Officer (S. 151)	B	192	307	115
City Solicitor	C	1,507	1,531	24
Housing	D	754	788	34
Director of Major Developments	E	418	493	75
Communities and Street Scene	F	1,346	2,621	1,275
Health & Environmental Services	G	1,997	2,018	21
Planning	H	886	710	(176)
		8,959	10,304	1,345
Corporate Expenditure	I	1,692	1,495	(197)
TOTAL SERVICE EXPENDITURE		10,651	11,799	1,148
Capital Accounting Adjustment	J	1,858	1,833	(25)
Specific Grants	K	(1,006)	(1,006)	0
Contingencies	L	406	264	(142)
Savings Targets	M	(102)	(89)	13
Earmarked Reserves	N	2,054	1,777	(276)
Insurance Reserve	O	128	128	0
TOTAL EXPENDITURE		13,988	14,705	717
CONTRIBUTION FROM BALANCES		288	(429)	(717)
NET REQUIREMENT		14,276	14,276	0
Retained Business Rates Income	P	28,041	28,041	0
Tariff	Q	(20,620)	(20,620)	0
Collection Fund surplus/ (deficit)	R	462	462	0
Council Tax	S	6,393	6,393	0
TOTAL RESOURCES		14,276	14,276	0

Please note the above is now shown on an Expenditure Funding Analysis (EFA) basis. This means all charges which are reversed out under statute are now **not** shown in the above figures. Examples of this are depreciation and capital grants. This means the above only includes items which are a call on the general fund balance.

General Fund Forecast Variances - Quarter 1

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

Ref		£	Reason for variance
	<u>Additional Spending</u>		
D	Control Centre	67,290	Purchases of new equipment for Ageing Lifelines plus increased maintenance costs – the service is under review to produce a zero variance revised budget.
F	Waste/Street Cleansing	56,840	Overspend projected on the Waste Contract.
	<u>Reduced Income</u>		
B	Housing Benefits	225,280	Expected reduction in the level of Housing Benefits Overpayments raised compared to the budgeted amount which is based on the average amount for the last three years.
F	Car Parks	1,141,000	The budget for the new Lincoln Central Car Park is projected to underachieve due to volatility of income in recognition of a decline in high street trading conditions, further impacted by weather conditions during the early part of the year.
L	Vacancy Contingency	140,740	Reduced vacancies expected during 2018/19 offset by savings in service areas.
C	Apprentice Scheme	65,510	Net overspend after loss of contract to Lincolnshire County Council less staff vacancies and savings on the apprentice levy payable.
	<u>Reduced Spending</u>		
B	Corporate Management	(26,460)	Underspends on Audit Fees and Debt Management Expenses. There is an ongoing saving on audit fees due to the reduction in the audit fee under the new contract from 2018/19 onwards.
I	Bad Debt Provision	(67,460)	Significant reduction in Housing Benefit Overpayments raised is expected in 2018/19 should lead to less being required in the provision.
A	Customer Services	(31,430)	Underspends expected on overtime and Supplies & Services budgets.

Appendix B

Ref		£	Reason for variance
C	Legal Services	(43,430)	Savings made on books and publications, vacancies and increased income on asset sales including Right to Buys.
I	Pension Recharges	(39,070)	Underspend projected on recharges to Lincolnshire County Council.
E	DMD Vacancies	(29,830)	Vacancies projected in the DMD directorate
L	Borrowing Contingency	(200,000)	Borrowing costs not anticipated to increase in the year therefore additional contingency not required in 2018/19.
L	Pay Contingency	(82,600)	At the time of the setting the MTFS the Local Government Pay award was still pending therefore additional amounts were set aside to fund any increases and this amount is no longer required.
H	<u>Additional Income</u> Development Management	(69,930)	Overachievement of income projected in the year due to an increase in larger applications.
I	Release of Balance Sheet Items	(82,450)	A review of the Balance Sheet at outturn 2017/18 has led to the identification of amounts set aside which are no longer required.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 JUNE 2018

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(27,711)	(27,818)	(108)
Charges for Services & Facilities	B	(383)	(316)	67
Contribs towards Expenditure	C	(45)	(51)	(7)
Repairs & Maintenance	D	8,298	8,721	423
Supervision & Management:	E	6,517	6,447	(70)
Rents, Rates and Other Premises	F	34	99	65
Increase in Bad Debt Provisions	G	290	283	(7)
Insurance Claims Contingency	H	253	253	0
Contingencies	I	(10)	0	10
Depreciation	J	10,697	10,697	0
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	0	(159)	(159)
Net Cost of Service	M	(2,047)	(1,832)	215
Loan Charges Interest	N	2,352	2,352	0
Investment/Mortgage Interest	O	(31)	(31)	0
Net Operating Inc/Exp		273	488	215
Major Repairs Reserve Adjustment	P	0	0	0
Transfers to/from reserves	Q	(273)	(451)	(178)
(Surplus)/Deficit in Year		0	37	37
Balances b/f @ 1st April		(1,023)	(1,023)	0
(Increase)/Decrease in Balances		0	37	37
Balances c/f @ 31st March		(1,023)	(986)	37

Housing Revenue Account Variances - Quarter 1

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

Ref		£	Reason for variance
	<u>Reduced Spending</u>		
E	Staff vacancies	(205,000)	Supervision & Management Vacancies Q1 - under review.
	<u>Additional Income</u>		
A	Rental Income	(108,000)	Effect of revised new build phasing.
C	Court Fee Income	(7,000)	Court Fee income expected to be higher than budget at Q1.
L	HRS Trading Surplus	(159,000)	Forecast HRS repatriation
	<u>Increased Spending</u>		
F	Rents Rates & Other Premises	65,000	Council Tax on voids.
D	Repairs & Maintenance	423,000	Increased number of void property movements as a result of the release of new build properties.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 JUNE 2018

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,539	2,443	(96)
Premises	28	30	2
Transport	450	450	0
Materials	1,329	1,287	(42)
Sub-Contractors	2,229	2,195	(34)
Supplies & Services	114	126	12
Central Support Charges	754	754	0
Capital Charges	0	0	0
Total Expenditure	7,443	7,284	(159)
Income	(7,443)	(7,443)	0
(Surplus)/Deficit	0	(159)	(159)

Housing Repairs Service Variances - Quarter 1

Many items of income and expenditure are demand led and difficult to predict. Consequently, judgement has been applied in order to provide the most realistic indication of the financial position at the year-end. Figures in brackets indicate an underspend of expenditure or additional income.

	£	Reason for Variance
<u>Reduced Spending</u>		
Employees	(95,940)	3 x vacancies ongoing.
Materials	(42,450)	Less Responsive expenditure work versus budget.
Sub-Contractors	(34,000)	Continual reduction of sub-contractor works.

Appendix G

EARMARKED RESERVES – Q1 MONITORING 2018/19

	Opening Balance 01/04/2018 £'000	Contributions £'000	Actuals Q1 £'000	Forecast Q2-Q4 £'000	Forecast Balance 31/03/2019 £'000
General Fund					
Grants & Contributions	787	95	0	(110)	772
Business Rates Volatility	539	917	0	0	1,456
Strategic Projects - Revenue Costs	496	0	0	(193)	303
Mercury Abatement	378	94	0	(58)	414
Budget Carry Forwards	324	0	0	(171)	152
Invest to Save (GF)	307	137	0	0	444
Unused DRF	221	0	0	0	221
Backdated rent review	220	0	0	0	220
IT Reserve	217	100	0	(52)	266
Income Volatility	178	0	0	0	178
Revenues & Benefits shared service	163	0	0	(45)	118
Tree Risk Assessment	106	20	0	(27)	99
Strategic Growth Reserve	100	0	0	(100)	0
Asset Improvement	72	0	0	0	72
Private Sector Stock Condition Survey	63	12	0	0	75
MA Reserve	51	0	0	0	51
Mayoral car	47	0	0	0	47
Property Searches	36	0	0	0	36
City Hall Sinking Fund	36	0	0	0	36
Managed Workspace	35	0	0	0	35
Section 106 interest	32	0	0	0	32
Funding for Strategic Priorities	28	1,342	0	(15)	1,355
Commons Parking	27	0	0	0	27
Electric Van replacement	22	4	0	0	27
Air Quality Initiatives	22	6	0	0	28
Christmas Decorations	17	0	0	0	17
Boston Audit Contract	14	0	0	0	14
Tank Memorial	10	0	0	0	10
Organisational Development	8	0	0	0	8
Yarborough Leisure Centre	2	0	0	0	2
	4,559	2,727	0	(771)	6,514
HRA Repairs Account	624	0	0	0	624
Capital Fees Equalisation Reserve	238	0	0	(24)	214
HRA Strategic Priority Reserve	240	0	0	0	240
Invest to Save (HRA)	140	0	0	0	140
Western Growth Corridor	178	0	0	(178)	0
De Wint Court Reserve	73	0	0	0	73
HRA Survey Works	57	3	0	0	60
Stock Retention Strategy	22	0	0	0	22
	1,572	3	0	(202)	1,374
Total Earmarked Reserves	6,131	2,730	0	(973)	7,888

CAPITAL RESOURCES – Q1 MONITORING 2018/19

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2019
	£'000	£'000	£'000	£'000
Capital Grants	385	1,298	(1,683)	0
Capital receipts General Fund	41	3,880	(1,195)	2,726
Capital receipts HRA	7,334	819	(8,153)	0
Capital receipts 1-4-1	1,958	900	(2,858)	0
Major Repairs Reserve	12,640	10,710	(18,985)	4,365
Total Capital Resources	22,358	17,607	(32,874)	7,091

General Investment Programme – Summary of Financial Changes

Project Name	2018/19	2019/19	2020/21	2021/22	2022/23	Notes
	£	£	£	£	£	
2018/19 MTFS Budget following 17/18 outturn report	17,032,859	500,000	500,000	500,000	500,000	
Budget for approval	17,112,478	500,000	500,000	500,000	500,000	
Total changes for Q1	79,619	0	0	0	0	
To be approved by the Executive						
Disabled Facilities Grant	395,866	0	0	0	0	Increase in grant
Boultham Park Masterplan	(215,900)	0	0	0	0	Revision to scheme costs for in-kind funding
New Telephony System	(100,347)	0	0	0	0	Reduction in DRF funding
	79,619	0	0	0	0	

General Investment Programme – Summary of Expenditure as at 30th June 2018

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>ACTIVE SCHEMES</u>					
<u>DCE - Communities & Environment</u>					
Skate Park	183,021	183,021	0	183,021	0.00%
Compulsory Purchase Orders	83,700	83,700	0	83,700	0.00%
Disabled Facilities Grant	450,000	1,080,980	31,473	1,049,507	2.91%
Transformation of Birchwood Leisure Centre	278,000	401,364	74,936	326,428	18.67%
Bereavement Services Lighting	0	24,290	24,482	(192)	100.79%
Memorial Tree	0	20,000	24,200	(4,200)	121.00%
	994,721	1,793,355	155,092	1,638,263	
<u>DCE - Community Services</u>					
Flood alleviation scheme - Hartsholme Park	88,293	88,293	0	88,293	0.00%
Boultham Park Masterplan	5,000	134,413	21,964	112,449	16.34%
CCTV Upgrade	0	7,135	0	7,135	0.00%
Allotment Capital Improvement Programme	350,000	564,224	119,972	444,252	21.26%
	443,293	794,065	141,936	652,129	
<u>General Fund Housing</u>					
Housing Renewal Area	367,000	414,545	5,800	408,745	1.40%
	367,000	414,545	5,800	408,745	
<u>CX - Corporate Policy</u>					
New Telephony System	140,512	40,165	0	40,165	0.00%
	140,512	40,165	0	40,165	

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>CX - Chief Finance Officer</u>					
The Terrace	0	0	(2,712)	2,712	0.00%
The Terrace Heat Mitigation Works	257,965	257,965	0	257,965	0.00%
Planned Capitalised Works	200,000	625,401	52,017	573,384	8.32%
Land and Property Acquisition	11,580,000	11,567,232	2,110	11,565,122	0.02%
	12,037,965	12,450,598	51,415	12,399,183	
Lincoln Transport HUB	0	1,392,840	58,961	1,333,879	4.23%
TOTAL BUDGET FOR ACTIVE SCHEMES	13,983,491	16,885,568	413,204	16,472,364	
<u>Schemes Currently Non Active</u>					
Compulsory Purchase Orders	155,833	154,504	0	154,504	0.00%
Non-Disabled Facilities Grants	23,132	26,026	0	26,026	0.00%
Capital Contingencies	46,380	46,380	0	46,380	0.00%
TOTAL BUDGET FOR SCHEMES NON ACTIVE	225,345	226,910	0	226,910	
TOTAL GENERAL INVESTMENT PROGRAMME	14,208,836	17,112,478	413,204	16,699,274	

Housing Investment Programme – Summary of Financial Changes

Project Name	2018/19 MTFS Budget following 17/18 outturn report	Budget increase/ (reduction)	Revised Budget	Reprofile (to) from future years	Notes
	£	£	£	£	
<u>Decent Homes</u>					
Door Replacement	826,799	600,000	1,426,799	600,000	2019/20
Decent Homes	7,562,138	600,000	8,162,138	600,000	
<u>New Build Programme</u>					
New Build Partnership - Waterloo Housing	8,503,680	(6,870,000)	1,633,680	0	
Ingleby Crescent New Build Scheme	0	6,870,000	6,870,000	0	
New Build Programme	15,384,355	0	15,384,355	0	
<u>Land Acquisition</u>					
Land Acquisition Fund	1,520,213	(335,000)	1,185,213	0	
Land Acquisition - 93 Rookery Lane	0	200,000	200,000	0	
Trelawney Crescent	0	135,000	135,000		
Land Acquisition	3,215,213	0	3,215,213	0	
GRAND TOTALS	29,597,788	600,000	30,197,788	600,000	

Housing Investment Programme – Summary of Expenditure as at 30th June 2018

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>Decent Homes</u>					
Bathrooms & WC's	631,946	625,938	79,959	545,979	12.77%
DH Central Heating Upgrades	1,438,147	1,433,837	133,913	1,299,924	9.34%
Responsive Capitalised Heating Replacements	255,000	346,122	77,086	269,036	22.27%
Thermal Comfort Works	408,831	408,831	21,946	386,885	5.37%
Kitchen Improvements	570,351	570,276	90,783	479,493	15.92%
Rewiring	78,911	78,911	4,017	74,894	5.09%
Re-roofing	808,796	756,776	42,063	714,713	5.56%
Lincoln Standard Windows Replacement	600,000	600,000	0	600,000	0.00%
Structural Defects	55,713	105,015	5,627	99,388	5.36%
Wall Structure Repairs	374	6,951	0	6,951	0.00%
Door Replacement	826,799	1,426,799	38,315	1,388,484	2.69%
Decent Homes Decoration Allowance	13,371	13,371	6,905	6,466	51.64%
CO Detector Installation	40,058	40,058	19,839	20,219	49.53%
New services	55,713	47,046	2,280	44,767	4.85%
Void Capitalised Works	1,282,797	1,282,797	0	1,282,797	0.00%
Landscaping and Boundaries	419,410	419,410	0	419,410	0.00%
<i>Prelim Costs & Exceptionals to be allocated</i>			77,398	(77,398)	0.00%
Decent Homes	7,486,217	8,162,138	600,130	7,562,008	
<u>Lincoln Standard</u>					

Appendix L

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
Over bath showers (10 year programme)	987,447	1,000,110	55,897	(944,213)	5.59%
Safety flooring - Supported Housing	51,257	55,369	0	(55,369)	0.00%
Lincoln Standard	1,038,704	1,055,479	55,897	(999,582)	
<u>Health & Safety</u>					
Asbestos Removal	267,424	267,424	23,269	(244,155)	8.70%
Asbestos Surveys	149,312	230,583	35,534	(195,049)	15.41%
Replacement Door Entry Systems	61,596	81,034	0	(81,034)	0.00%
Renew stair structure	0	23,133	0	(23,133)	0.00%
Plastering (HHSRS)	222,854	222,854	0	(222,854)	0.00%
Health & Safety	701,186	825,028	58,803	(766,225)	
<u>New Build Programme</u>					
New Build Programme	4,537,868	4,440,048	0	(4,440,048)	0.00%
New Build Partnership - Waterloo Housing	8,503,680	1,633,680	0	(1,633,680)	0.00%
New Build Partnership - Westleigh	517,567	1,502,054	418,972	(1,083,082)	27.89%
New Build Partnership - Lytton Street	0	700,000	0	(700,000)	0.00%
Alterations to De Wint Court	0	105,010	6,502	(98,508)	6.19%
New Build Site - 1	0	74,767	0	(74,767)	0.00%
New Build Site - 2	0	20,027	0	(20,027)	0.00%
New Build Site - 3	0	38,769	0	(38,769)	0.00%
Blankney Crescent New Build Scheme		0	1,058	1,058	0.00%
New Build Site - Queen Elizabeth Road	0	0	8,712	8,712	0.00%
Ingleby Crescent New Build Scheme	0	6,870,000	0	(6,870,000)	0.00%
New Build Programme	13,559,115	15,384,355	435,244	(14,949,111)	

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>Land Acquisition</u>					
Land Acquisition Fund	1,520,213	1,185,213	0	(1,185,213)	0.00%
Land Acquisition – site 1	0	1,695,000	0	(1,695,000)	0.00%
Land Acquisition – site 2	0	200,000	186,621	(13,379)	93.31%
Land Acquisition – site 3	0	135,000	0	(135,000)	0.00%
Land Acquisition	1,520,213	3,215,213	186,621	(2,893,592)	
Other	750,135	806,444	265,453	(540,991)	32.92%
<u>Contingency Schemes</u>					
Contingency Reserve	637,704	637,704	0	(637,704)	0.00%
Contingency Schemes	637,704	637,704	0	(637,704)	
<u>Other Schemes</u>					
Housing Support Services Computer Fund	111,427	111,427	25,635	(85,792)	23.01%
Other Schemes	111,427	111,427	25,635	(85,792)	
GRAND TOTALS	25,804,701	30,197,788	1,627,783	(13,310,988)	