

SUBJECT:	FINANCIAL PERFORMANCE – QUARTERLY MONITORING
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
LEAD OFFICER:	ROBERT BAXTER, FINANCIAL SERVICES MANAGER

1. Purpose of Report

1.1 To present to Performance Scrutiny Committee the second quarter's performance (up to 30th September) on the Council's:

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

And, to provide a review of the key budget risk assessments.

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 second quarter (up to 30th September) the forecast financial position of the Council for 2018/19 is:

	2018/19		
	Budget £'000	Forecast at Q2 £'000	Variance at Q2 £'000
Revenue Accounts			
General Fund –Contribution to/(from) balances	288	(11)	300
Housing Revenue Account (HRA) (Surplus)/Deficit in year	0	64	64
Housing Repairs Service	0	(146)	(146)
Capital Programmes			
General Fund Investment Programme	17,113	16,867	(245)
Housing Investment Programme	30,198	33,048	2,850
Capital Receipts			
General Fund	3,555	2,232	(1,323)

	2018/19		
	Budget £'000	Forecast at Q2 £'000	Variance at Q2 £'000
HRA	1,719	1,719	0
Reserves & Balances			
General Fund Balances	1,898	1,598	(300)
HRA Balances	1,023	959	(64)
HRS Balances	89	89	0
General Fund Earmarked Reserves	5,833	6,266	433
HRA Earmarked Reserves	1,366	1,374	8

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 over spend of £299,600 (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 £1,133,500
- Development Management Increased Income £(84,810)
- HIMO Fees Increased Income £(256,910)
- Borrowing Contingency Reduced Cost £(200,000)
- Balance Sheet Review increased Income £(70,170)
- Income Volatility Reserve increased Income £(178,070)
- Pay Contingencies Reduced Cost £(82,600)

3.3 **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 2 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>3,837,110</u>
MTFS savings target	(3,850,000)
(Under)/ over achievement	(12,890)

- 3.4 **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 received 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 second quarter of the financial year is provided below:

	<u>Budget Q2 £'000</u>	<u>Actual Q2 £'000</u>	<u>Variance £'000</u>	<u>Forecast Variance Q2 £'000</u>
Car Parks	(3,158)	(2,508)	650	1,134
Development Management	(223)	(377)	(154)	(84)
Building Regulations	(113)	(93)	20	27
Total	(3,494)	(2,978)	516	1,077

- 3.5 At this stage in the financial year, forecast outturns are difficult to predict and often subject to volatility. The biggest risk is car parking income which is based on current activity trends within the city which may change over time.
- 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 The forecast overspend is significant and appropriate action has been taken in order to address this shortfall. Although a mitigation strategy for car parking income has been developed, the impacts of this are unlikely to be seen during the current financial year. Therefore more short term action has been taken, which has included:

- A full review of earmarked reserves, which has identified one off releases from the following reserves –
 - Air Quality Initiatives - £18,000 (DCE)
 - Article 4 - £19,150 (DCE)
 - Private Sector Stock Condition Surveys - £35,000 (DCE)
 - Managed Workspace - £30,000 (CX)
- A full review of the self-insurance fund is in the process of being commissioned by our insurance consultants

Following the release from these reserves, the forecast overspend is £299,600.

It is also suggested that any budget carry forwards will be limited to contractually committed obligations at the year end.

3.9 Although the forecast outturn for the General Fund is currently estimated to be £299,600, 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 3 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.

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 £63,988, which would decrease General Balances to £959,113 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 underway.

4.3 The components of this overspend are detailed in Appendix D and a summary of the key variances are provided below:

- Staff Vacancies - Reduced Spending £(221,000)
- Council Tax Payable on Void Properties – Increased Spending £74,000
- Repairs & Maintenance (void properties) – Increased Spending £423,000
- Rental Income – Additional Income £(79,000)
- HRS Surplus – Additional Income £(145,570)

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 2 HRS are forecasting a surplus of £145,570 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-Q2	Forecast Q3-Q4	Forecast Balance
	01/04/18				31/03/19
	£'000	£'000	£'000	£'000	£'000
General Fund	4,559	2,784	0	(1,077)	6,266
HRA	1,572	3	0	(202)	1,374
Capital Resources	22,358	15,918	0	(27,550)	10,726

7. Capital Programme

7.1 General Investment Programme

7.2 The last quarterly report approved a General Fund Investment Programme for 2018/19 of £17,112,478. Movements in the programme during the second quarter have decreased overall planned expenditure in 2018/19 to £16,867,296. 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 Q1 Report	17,112	500	500	500	500
Budget Changes by CFO approval Q2	-330	346	0	0	0
Budget Changes by Executive approval	85	0	0	0	0
Revised Budget	16,867	846	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.

The budget re profiles approved by the Chief Finance Officer during the second quarter are detailed at Appendix I under the heading of "Approved by Chief Finance Officer".

- The Terrace Heat Mitigation Works - £257,965 re-profiled into 2019/20
- Flood alleviation scheme - Hartsholme Park- £88,293 re-profiled into 2019/20

7.4 There are no changes that require Executive approval for the second quarter.

The budget changes this quarter which have already been approved by Executive are provided below:

- City Hall Improvements - £60,000 (Executive 29th May 2018)
- Verso System - £25,000 improvement of new scheme (Executive 23rd July 2018)

7.5 New projects agreed at Capital Programme Group are then subject to Executive Approval. One new project requires Executive approval in the second quarter as follows:

- Electric Vehicle Replacement £16,076 – DRF reserve in place

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

	MTFS 2018-23 Budget Qtr1	Revised Budget Qtr2	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Regeneration	415	415	415	0
Communities & Environment	2,587	2,524	2,524	0
Chief Executives Department	12,491	12,293	12,293	0
"Mega Projects"	1,393	1,393	1,393	0
Total Active Schemes	16,886	16,624	16,624	0
Schemes On Hold/Contingencies	227	243	243	0
Total Capital Programme	17,113	16,867	16,867	0

7.7 The overall spending on the General Fund Investment Programme for the second quarter is £875,816, which is 5.19% of the agreed programme and 5.34% 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 last quarterly report approved a Housing Investment Programme for 2018/19 of £30,197,788. Movements in the programme since have increased overall planned expenditure in 2018/19 to £33,047,788. 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 2018/19 Qtr1 Report	30,198	14,209	11,601	12,638	12,338
Budget changes for Executive approval at Q2	2,850	(2,784)	66	66	0
Revised Budget	33,048	11,425	11,667	12,704	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. The following changes approved by the Chief Finance Officer in the second quarter are summarised below:

- Movement out of decent homes rewiring budget of £45,000 re-profiled into communal electrics.
- Increases to the CCTV scheme of £10,500, and an increase of £57,811 to existing properties major aid and adaption schemes from available resources.

Executive approval was granted on the 24th of September 2018 to allocate £175,507 towards New Build Capital Salaries from the new build programme over a five year period, of which £9,439 is allocated within the 2018/19 programme.

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

- Movements from over bath showers for £600,000 and asbestos removal £150,000 back into available resources based on current year work profiling.
- Movements within the financial year with regards to Ingleby Crescent for £328,399 which has been allocated from the new build programme.
- Re-profile from 2019/20 to 2018/19 due to timing movement of Waterloo Housing new build programme.

7.11 New projects agreed at Capital Programme Group are then subject to Executive Approval.

The new projects that require Executive approval for the second quarter (further details in Appendix I) are:

Operation ROSE (Replacing old site equipment) – To replace all site equipment across 6 of the councils supported housing schemes on a three year rolling programme. The HRA supported Housing service has 4 long standing vacant posts from which it is proposed the £197,000 three year project is funded, commencing in 2019/20.

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

	MTFS 2018-23 Budget Qtr1 Report	Revised Budget Qtr2	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	9,323	8,678	8,678	0
Health and Safety	825	675	675	0
Contingent Major Repairs/ Works	638	1,319	1,319	0
New Build Programme	15,479	18,329	18,329	0
Land Acquisition Fund	3,015	3,015	3,015	0
Other Schemes	806	920	920	0
Computer Fund	111	111	111	0
Total Capital Programme	30,198	33,048	33,048	0

7.13 Expenditure against the HIP budget during the second quarter was £6,181,928, which is 18.71% of the approved programme. 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 September 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 7.5 and 7.10 and 7.11.

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 SEPTEMBER 2018

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	1,859	1,822	(37)
Chief Finance Officer (S. 151)	B	192	298	107
City Solicitor	C	1,507	1,422	(85)
Housing	D	754	786	32
Director of Major Developments	E	418	501	83
Communities and Street Scene	F	1,346	2,622	1,276
Health & Environmental Services	G	1,997	1,791	(206)
Planning	H	886	694	(192)
		8,959	9,936	977
Corporate Expenditure	I	1,692	1,545	(147)
TOTAL SERVICE EXPENDITURE		10,651	11,481	830
Capital Accounting Adjustment	J	1,858	1,828	(30)
Specific Grants	K	(1,006)	(1,006)	0
Contingencies	L	406	239	(167)
Savings Targets	M	(102)	(89)	13
Earmarked Reserves	N	2,054	1,707	(346)
Insurance Reserve	O	128	128	0
TOTAL EXPENDITURE		13,988	14,288	300
CONTRIBUTION FROM BALANCES		288	(11)	(300)
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 2

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	33,420	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	65,860	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	1,133,500	The budget for the new Lincoln Central Car Park is projected to underachieve due to it not being fully operational or at the demand level budgeted.
L	Vacancy Contingency	140,740	Reduced vacancies expected during 2018/19 offset by savings in service areas.
	<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	(38,270)	Underspends expected on overtime and Supplies & Services budgets.
C	Legal Services	(37,230)	Savings made on supplies and services, vacancies and increased income on asset sales including Right to Buys.

Appendix B

Ref		£	Reason for variance
I	Pension Recharges	(39,070)	Underspend projected on recharges to Lincolnshire County Council.
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.
	<u>Additional Income</u>		
H	Development Management	(84,810)	Overachievement of income projected in the year due to an increase in larger applications.
I	Release of Balance Sheet Items	(70,170)	A review of the Balance Sheet at outturn 2017/18 has led to the identification of amounts set aside which are no longer required.
G	HIMO Fees	(256,910)	Increased income due to new fees and charges coming into force.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2018

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(27,711)	(27,789)	(79)
Charges for Services & Facilities	B	(383)	(316)	67
Contribs towards Expenditure	C	(45)	(61)	(16)
Repairs & Maintenance	D	8,298	8,721	423
Supervision & Management:	E	6,517	6,432	(86)
Rents, Rates and Other Premises	F	34	108	74
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	(146)	(146)
Net Cost of Service	M	(2,047)	(1,806)	242
Loan Charges Interest	N	2,352	2,352	0
Investment/Mortgage Interest	O	(31)	(31)	0
Net Operating Inc/Exp		273	515	242
Major Repairs Reserve Adjustment	P	0	0	0
Transfers to/from reserves	Q	(273)	(451)	(178)
(Surplus)/Deficit in Year		(0)	64	64
Balances b/f @ 1st April		(1,023)	(1,023)	0
(Increase)/Decrease in Balances		0	64	64
Balances c/f @ 31st March		(1,023)	(959)	64

Housing Revenue Account Variances - Quarter 2

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	(221,000)	Supervision & Management Vacancies Q2 - under review.
	<u>Additional Income</u>		
A	Rental Income	(79,000)	Effect of Revised New Build Phasing
C	Court Fee Income	(16,000)	Court Fee Income Expected to be higher than budget at Q2.
L	HRS Trading Surplus	(145,570)	Forecast HRS Repatriation
	<u>Increased Spending</u>		
F	Rents Rates & Other Premises	74,000	Council Tax on voids.
D	Repairs & Maintenance	423,000	Increased spending projected on void properties as a result of the new build programme.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2018

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,539	2,455	(84)
Premises	28	30	2
Transport	450	450	0
Materials	1,329	1,276	(53)
Sub-Contractors	2,229	1,978	(250)
Supplies & Services	114	142	28
Central Support Charges	754	754	0
Capital Charges	0	0	0
Total Expenditure	7,443	7,086	(357)
Income	(7,443)	(7,231)	212
(Surplus)/Deficit	0	(145)	(145)

Housing Repairs Service Variances - Quarter 2

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	(91,670)	3 x vacancies ongoing.
Materials	(53,190)	Less Responsive expenditure work versus budget.
Sub Contractors	(250,280)	Continual reduction of sub-contractor works.
<u>Reduced Income</u>		
Recharges	211,840	Reduced spend on sub-contractors and materials costs has subsequently led to a reduced charge to the HRA.

Appendix G

EARMARKED RESERVES – Q2 MONITORING 2018/19

	Opening Balance 01/04/2018 £'000	Contributions £'000	Actuals Q1-Q2 £'000	Forecast Q3-Q4 £'000	Forecast Balance 31/03/2019 £'000
General Fund					
Grants & Contributions	787	95	0	(44)	838
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	47	0	(197)	173
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	111	0	(52)	276
Income Volatility	178	0	0	(178)	0
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	(35)	40
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	(30)	5
Section 106 interest	32	0	0	0	32
Funding for Strategic Priorities	28	1,342	0	(81)	1,289
Commons Parking	27	0	0	0	27
Electric Van replacement	22	4	0	(14)	12
Air Quality Initiatives	22	6	0	(18)	10
Christmas Decorations	17	0	0	(4)	14
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	2,784	0	(1,077)	6,266
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	2,787	0	(1,279)	7,640

CAPITAL RESOURCES – Q2 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	2,191	(1,195)	1,037
Capital receipts HRA	7,334	819	12	8,165
Capital receipts 1-4-1	1,958	900	(2,858)	0
Major Repairs Reserve	12,640	10,710	(21,835)	1,515
Total Capital Resources	22,358	15,918	(27,559)	10,717

General Investment Programme – Summary of Financial Changes

Project Name	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
	£	£	£	£	£	
2018/19 MTFS Budget as at Q1	17,112,478	500,000	500,000	500,000	500,000	
Budget for approval	16,851,220	846,258	500,000	500,000	500,000	
Total changes for Q2	(261,258)	346,258	0	0	0	
Approved by Chief Finance Officer						
The Terrace Heat Mitigation Works	(257,965)	257,965	0	0	0	Re-profile to 2019/20
Flood alleviation scheme - Hartsholme Park	(88,293)	88,293	0	0	0	Re-profile to 2019/20
Electric Vehicle Replacement	16,076	0	0	0	0	DRF Reserve
Approved by Executive						
City Hall Improvements 29/05/18	60,000	0	0	0	0	
Verso 23/07/18	25,000	0	0	0	0	New Scheme
To be approved by the Executive						
	(261,258)	346,258	0	0	0	

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

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	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	1,080,980	1,080,980	282,085	798,895	26.10%
Transformation of Birchwood Leisure Centre	401,364	401,364	86,986	314,378	21.67%
Bereavement Services Lighting	24,290	24,290	24,482	(192)	100.79%
Memorial Tree	20,000	20,000	24,200	(4,200)	121.00%
Verso	0	25,000	0	25,000	0.00%
	1,793,355	1,818,355	417,753	1,400,602	
<u>DCE - Community Services</u>					
Flood alleviation scheme - Hartsholme Park	88,293	0	0	0	0.00%
Boultham Park Masterplan	134,413	134,413	25,393	109,020	18.89%
CCTV Upgrade	7,135	7,135	14,210	(7,075)	199.16%
Allotment Capital Improvement Programme	564,224	564,224	149,059	415,165	26.42%
	794,065	705,772	188,662	517,110	
<u>General Fund Housing</u>					
Housing Renewal Area	414,545	414,545	9,559	404,986	2.31%
	414,545	414,545	9,559	404,986	
<u>CX - Corporate Policy</u>					

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
New Telephony System	40,165	40,165	0	40,165	0.00%
	40,165	40,165	0	40,165	
<u>CX - Chief Finance Officer</u>					
The Terrace	0	0	(2,712)	2,712	0.00%
The Terrace Heat Mitigation Works	257,965	0	0	0	0.00%
Planned Capitalised Works	625,401	685,401	197,831	487,570	28.86%
Land and Property Acquisition	11,567,232	11,567,232	2,512	11,564,720	0.02%
	12,450,598	12,252,633	197,631	12,055,002	
Lincoln Transport HUB	0	1,392,840	58,961	1,333,879	4.23%
TOTAL BUDGET FOR ACTIVE SCHEMES	16,885,568	16,624,310	872,566	15,751,744	
<u>Schemes Currently Non Active</u>					
Compulsory Purchase Orders	154,504	154,504	3,250	151,254	2.10%
Non Disabled Facilities Grants	26,026	26,026	0	26,026	0.00%
Capital Contingencies	46,380	46,380	0	46,380	0.00%
Electric Vehicle Replacement	0	16,076	0	16,076	0.00%
TOTAL BUDGET FOR SCHEMES NON ACTIVE	226,910	242,986	3,250	239,736	

Appendix J

Scheme	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
TOTAL GENERAL INVESTMENT PROGRAMME	17,112,478	16,867,296	875,816	15,991,479	

Housing Investment Programme – Summary of Financial Changes

Project Name	2018/19 MTFS Budget following 18/19 Qtr1 report	Budget increase/ (reduction)	Revised Budget	Reprofile (to) from future years	Notes
	£	£	£	£	
<u>Decent Homes</u>					
Rewiring	78,911	(45,000)	33,911	0	
Decent Homes	8,162,138	(45,000)	8,117,138	0	
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	1,000,110	(600,000)	400,110	0	
Lincoln Standard	1,055,479	(600,000)	455,479	0	
<u>Health & Safety</u>					
Asbestos Removal	267,424	(150,000)	117,424	0	
Health & Safety	825,028	(150,000)	675,028	0	
<u>New Build Programme</u>					
New Build Programme	4,440,048	(328,399)	4,111,649	0	
New Build Partnership - Waterloo Housing	1,633,680	2,850,000	4,483,680	2,850,000	2019/20
Ingleby Crescent New Build Scheme	6,870,000	328,399	6,870,000	0	
New Build Programme	12,943,728	2,850,000	15,793,728	2,850,000	
<u>Other Schemes</u>					
Webster Close	45,433	32,312	77,745	0	
Garfield Close	41,535	25,499	67,034	0	
Communal Electrics	77,999	45,000	122,999		

Appendix L

Project Name	2018/19 MTFS Budget following 18/19 Qtr1 report	Budget increase/ (reduction)	Revised Budget	Reprofile (to) from future years	Notes
CCTV	6,685	10,500	17,185		
Other Schemes	3,215,213	0	3,215,213	0	
<u>Contingency Schemes</u>					
Contingency Reserve	637,704	681,689	1,319,393	0	
Contingency Schemes	637,704	681,689	1,319,393	0	
GRAND TOTALS	30,197,788	2,850,000	33,047,788	2,850,000	2019/20

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

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
<u>Decent Homes</u>					
Bathrooms & WC's	625,938	625,938	297,000	(328,938)	47.45%
DH Central Heating Upgrades	1,433,837	1,433,837	697,899	(735,938)	48.67%
Responsive Capitalised Heating Replacements	346,122	346,122	114,016	(232,106)	32.94%
Thermal Comfort Works	408,831	408,831	37,254	(371,577)	9.11%
Kitchen Improvements	570,276	570,276	292,624	(277,652)	51.31%
Rewiring	78,911	33,911	12,401	(21,510)	36.57%
Re-roofing	756,776	756,776	118,633	(638,143)	15.68%
Lincoln Standard Windows Replacement	600,000	600,000	0	(600,000)	0.00%
Structural Defects	105,015	105,015	6,083	(98,932)	5.79%
Wall Structure Repairs	6,951	6,951	0	(6,951)	0.00%
Door Replacement	1,426,799	1,426,799	114,236	(1,312,563)	8.01%
Decent Homes Decoration Allowance	13,371	13,371	11,165	(2,206)	83.50%
CO Detector Installation	40,058	40,058	39,051	(1,007)	97.49%
New services	47,046	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%
Alterations to De Wint Court	105,010	105,010	273,852	168,842	260.79%
<i>Prelim Costs & Exceptionals to be allocated</i>	0	0	0	0	0
Decent Homes	8,267,148	8,222,148	2,016,494	(6,205,655)	

Appendix L

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	1,000,110	400,110	172,311	(227,799)	43.07%
Safety flooring - Supported Housing	55,369	55,369	0	(55,369)	0.00%
Lincoln Standard	1,055,479	455,479	172,311	(283,168)	
<u>Health & Safety</u>					
Asbestos Removal	267,424	117,424	41,882	(75,542)	35.67%
Asbestos Surveys	230,583	230,583	52,368	(178,215)	22.71%
Replacement Door Entry Systems	81,034	81,034	0	(81,034)	0.00%
Renew stair structure	23,133	23,133	0	(23,133)	0.00%
Plastering (HHSRS)	222,854	222,854	0	(222,854)	0.00%
Health & Safety	825,028	675,028	94,250	(580,778)	
<u>New Build Programme</u>					
New Build Programme	4,440,048	4,111,649	0	(4,111,649)	0.00%
New Build Partnership - Waterloo Housing	1,633,680	4,483,680	0	(4,483,680)	0.00%
New Build Partnership - Westleigh	1,502,054	1,502,054	1,074,206	(427,848)	71.52%
New Build Partnership - Lytton Street	700,000	700,000	693,043	(6,957)	99.01%
New Build Site - 1	74,767	74,767	0	(74,767)	0.00%
New Build Site - 2	20,027	20,027	0	(20,027)	0.00%
New Build Site - 3	38,769	38,769	11,221	(27,548)	28.94%
Blankney Crescent New Build Scheme		0	1,076	1,076	0.00%
New Build Site - Queen Elizabeth Road	0	0	11,422	11,422	0.00%
Ingleby Crescent New Build Scheme	6,870,000	7,198,399	1,288,627	(5,909,772)	17.90%
Land Acquisition - Rookery Lane	200,000	200,000	186,621	(13,379)	93.31%

Appendix L

Project Name	2018/19 MTFS Budget	Revised Budget	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
New Build Programme	15,479,345	18,329,345	3,266,216	(15,063,129)	
<u>Land Acquisition</u>					
Land Acquisition Fund	1,185,213	1,185,213	0	(1,185,213)	0.00%
Land Acquisition – site 1	1,695,000	1,695,000	0	(1,695,000)	0.00%
Land Acquisition – site 2	135,000	135,000	0	(135,000)	0.00%
Land Acquisition	3,015,213	3,015,213	0	(3,015,213)	
Other	806,444	919,755	605,672	(314,083)	65.85%
<u>Contingency Schemes</u>					
Contingency Reserve	637,704	1,319,393	0	(1,319,393)	0.00%
Contingency Schemes	637,704	1,319,393	0	(1,319,393)	
<u>Other Schemes</u>					
Housing Support Services Computer Fund	111,427	111,427	26,986	(84,441)	24.22%
Other Schemes	111,427	111,427	26,986	(84,441)	
GRAND TOTALS	30,197,788	33,047,788	6,181,928	(26,865,860)	