

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING

REPORT BY: CHIEF FINANCE OFFICER

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to CMT the first quarter's performance (up to 30th June) 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 To recommend to CMT a number of proposed adjustments, and to seek their approval of the financial performance prior to submission to Performance Scrutiny Committee and the Executive.

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 2019/20 is:

	2019/20		
	MTFS Budget £'000	Forecast at Q1 £'000	Variance at Q1 £'000
Revenue Accounts			
General Fund –Contribution to/(from) balances	554	318	(236)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	(8)	(106)	(99)
Housing Repairs Service	0	(287)	(287)
Capital Programmes			
General Fund Investment Programme	14,392	14,977	586
Housing Investment Programme	26,650	19,124	(7,526)
Capital Receipts			
General Fund	(2,675)	(1,650)	(1,025)
HRA	(820)	(820)	0

	2019/20		
	MTFS Budget £'000	Forecast at Q1 £'000	Variance at Q1 £'000
Reserves & Balances			
General Fund Balances	1,609	1,373	(236)
HRA Balances	1,034	1,133	99
HRS Balances	89	89	0
General Fund Earmarked Reserves	6,674	5,788	(875)
HRA Earmarked Reserves	1,321	1,274	(47)

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

3. General Fund Revenue Account

3.1 For 2019/20 the Council's net General Fund revenue budget was set at £13,655,090, including a planned contribution from balances of £554,410 (resulting in an estimated level of general balances at the year-end of £13,433,314).

3.2 The General Fund Summary is currently projecting a forecast over spend of £235,912 (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:

- Housing Benefit Overpayment reduction - £368,000
- HIMO reduced income - £93,260
- Xmas Market reduced income and additional expenditure - £77,470
- Car Parking additional income net of additional expenditure - (£175,000)
- Crematorium additional income – (£106,000)

3.3 The most significant of the forecast variances is the reduction in the level of housing benefit overpayment being raised. Whilst this is positive in that the number of overpayments are reducing it in turn creates a budgetary pressure. This is a continuation of a trend from 2017/18 and 2018/19 with the transition of benefits customers to universal credit and the use of 'real time' information the level of overpayments raised as drastically reduced. This has led to the budget pressure due to reduced income from the reclaiming over the overpayment from the claimant. This reduction in overpayments raised is uncontrollable and will require a budget realignment as part of the 2020-25 MTFS process. In order to inform this a specific piece of work to assess the full implications, encompassing the impact of the reduction in overpayments along with the transition to universal credit and its impact on historic overpayment debt will be undertaken to inform the MTFS process.

3.4 Although forecast outturn for the General Fund is a shortfall of £235,912, at this stage in the financial year, forecast outturns are difficult to predict and often subject to volatility e.g. car parking income and change, the forecast position will continue to be monitored and an update reported at quarter 2.

3.5 Including in the forecast outturn position in para 3.2 are additional contributions to earmarked reserves that the Chief Finance Officer (in accordance with Financial Procedure Rules) has identified as being required, subject to outturn. These being:

- **Western Growth Corridor – Local Planning Authority: Contribution of £150,000** – it is proposed that the planning application fee received for the Western Growth Corridor submission is transferred to a reserve and used for additional resourcing requirements in determining the application.
- **Active Nation** - As part of the Active Nation agreement it is proposed that any underspends on maintenance and utilities would be put into an Earmarked Reserve to help fund any future major maintenance requirements.

3.6 In addition to these additional contributions from reserves there are also a number of contributions from earmarked reserves that are required, subject to outturn, as follows:

Directorate	Reserve	Amount £
CX	Funding for Strategic Priorities – additional funding required for paralegals	12,800
CX	Funding for Strategic Priorities – additional funding required for the Lincoln City FC Bus Parade	20,000
DCE	Funding for Strategic Priorities – additional contribution required for the Park and Ride	15,000
	ITS – HCP Consultancy Support	5,000
CX	Organisational Development – additional funding required for Paralegals	8,500
	Total additional reserve contribution required:	61,300

3.7 In addition to the key variances, mitigating action being taken and earmarked reserves, as set out above, the following other key areas of monitoring of the General Fund Revenue Account set out below.

3.8 **Towards Financial Sustainability Programme** - The savings target included in the MTFS for 2019/20 is £4,650,000. Progress against this target, based on quarter 1 performance shows that secured and confident projections total £4,622,790. This results in a current forecast under achievement of the target in 2018/19 of £27,210. In respect of this outstanding target work is currently underway through the ToFS Programme Board to progress a further phase of Year 6 projects. A summary of the current position is shown in the table below.

	£ General Fund
<u>Review/Business Case Approved/Delegated Decision Taken</u>	
One Council	33,290
Asset Acquisition	661,790
Commercialisation	889,800
Managing Demand (Withdrawal/Service Reduction)	<u>2,797,310</u>
Total Savings – Secured	<u>4,382,190</u>
<u>Subject to Review/Business Case</u>	
One Council	23,460
Asset Acquisition	160,000
Commercialisation	0
Managing Demand (Withdrawal/Service Reduction)	<u>57,140</u>
Total Savings - Subject to Review/Business Case	<u>240,600</u>
Overall Savings	<u>4,622,790</u>
MTFS savings target	(4,650,000)
(Under)/ over achievement	(27,210)

- 3.9 **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 Q1</u> <u>£'000</u>	<u>Actual Q1</u> <u>£'000</u>	<u>Variance</u> <u>£'000</u>
Car Parks	(1,408)	(1,450)	(42)
Crematorium	(338)	(399)	(61)
HIMO	(61)	(47)	14
Development Management	(105)	(232)	(127)
Building Regulations	(51)	(17)	34
Total	(1,963)	(2,145)	(182)

4. Housing Revenue Account

- 4.1 For 2019/20 the Council’s Housing Revenue Account (HRA) net revenue budget was set at £7,610, resulting in an estimated level of general balances at the year-end of £1,034,179
- 4.2 The HRA is currently projecting an in-year underspend of £98,923, which would increase the General Balances to £1,133,102, at the end of 2019/20 (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 Expenditure (£187,000)
- Rental Income – Reduced Income £52,000
- Council Tax – Increased Expenditure £37,000
- Increased DRF Contribution – Increased Expenditure £287,000
- HRS Surplus – Additional Income (£287,268)

5. Housing Repairs Service

5.1 For 2019/20 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 £287,268 in 2019/20 (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 2020 are attached in Appendix G. In summary:

	Opening Balance	Contributions	Actuals Q1	Forecast Q2-Q4	Forecast Balance
	01/04/19				31/03/20
	£'000	£'000	£'000	£'000	£'000
General Fund	6,674	156	(245)	(786)	5,799
HRA	1,321	0	0	(47)	1,274
Capital Resources	10,788	16,713	0	(18,181)	9,319

7. Capital Programme

7.1 General Investment Programme

7.2 The original General Fund Investment Programme for 2019/20 in the MTFS 2019-24 amounted to £3.123m. This was increased to £14,392m following quarter 4 approvals and year end re-profiles from 2018/19. This has been further increased to £14,977m during the first quarter of 2019/20. A summary of the overall changes to the programme is shown below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Revised budget following 18/19 Outturn Report	14,392	7,509	2,839	695	500
Budget changes for Executive approval at Q1	586	279	0	0	0
Revised Budget	14,977	7,788	2,839	695	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".

- Flood alleviation scheme - Hartsholme Park- £80,388 re-profiled into 2020/21
- Skate Park - £183,021 re-profiled into 2020/21

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 - £450,881
- Increase Birchwood Leisure Centre for scheme delivery. Scheme funded from prudential borrowing - £30,000
- Increase to Car park ticket machines funded from DRF- £20,000
- Transport Hub completion – The final accounts have now been settled and the remaining contingency will remain within the capital programme.
- Increase to the AGP scheme - £227,525. (£136,121 previously agreed as part of contract agreements with Castle Academy/Active Nations.) £60,000 funding has been agreed from additional grants and S106 planning.

7.5 New projects agreed at Capital Programme Group are then subject to Executive Approval. There are four new projects that require Executive approval for the first quarter.

- Addition of Boutham Park tennis courts scheme - £16,234 funded from town & Country planning agreements.
- Addition of Birchwood Leisure Centre roof scheme - £120,354 funded from the strategic Properties Revenue Reserve £38,490, Asset Improvement Reserve £31,850, Backdated Rent Review Reserve £50,014.
- Hartsholme Country Park Play area improvement scheme - £86,010 funded from capital contingencies (£48,014) and the unplanned capital works budget (£37,996)
- Lucy Tower Car Park lift refurbishment scheme - £116,632 funded from prudential borrowing via the agreed planned capital maintenance budget.

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

	MTFS 2019-20 Budget following 18/19 Outturn	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Regeneration	389	389	389	0
Communities & Environment	3,605	4,070	4,070	0
Chief Executives Department	7,902	8,071	8,071	0
"Mega Projects"	2,447	1,602	1,602	0
Total Active Schemes	14,344	14,132	14,132	0
Schemes On Hold/Contingencies	48	845	845	0
Total Capital Programme	14,392	14,977	14,977	0

7.7 The overall spending on the General Fund Investment Programme for the first quarter is £7.8m, which is 52.10% of the 2019/20 programme and 55.22% of the active programme. This is detailed further at Appendix J.

Although this appears to be a relatively high percentage of expenditure at this stage of the financial year, the expenditure relates largely to the Deacon Road retail park scheme (98% spent) with expenditure on the remaining programme being 8.32%

7.8 Housing Investment Programme

7.9 The original Housing Investment Programme for 19/20 in the MTFS 2019-24 amounted to £16.225m. This was increased to £26.650m following approvals and year end re-profiles as part of the 2018/19 outturn. This has been further adjusted to £19.124m during the first quarter of 2019/20. A summary of the changes are shown below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Revised budget following 18/19 Outturn Report	26,650	14,021	11,975	12,932	10,348
Budget changes for Executive approval at Q1	(7,526)	7,542	3,797	(336)	0
Revised Budget	19,124	21,563	15,772	12,596	10,348

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. Changes were approved by the Chief Finance Officer for the first quarter are shown in Appendix K and Ki summarised below:

- Within the new build programme 11 Property Acquisitions have been agreed under delegated authority utilising 1-4-1 receipts and borrowing totalling £1,397,260.
- The new build programme for 19/20 included £7.89m budget for DeWint Court which has now been re-profiled against forecast.
- Movements back to available resources from CO Detector Installation £91,379, Plastering £227,310, CCTV £6,820.
- The movements within the financial year of £13,379 from a Rookery Lane property acquisition into the land acquisition fund as the final account has now been settled.
- Re-profile of £336,623 to the Lincoln Standard Window replacement scheme against programme from future financial years.

7.11 New projects agreed at Capital Programme Group are subject to Executive Approval. There are no new projects to be presented to the Executive for the first quarter.

7.12 The table below provides a summary of the 2019/20 projected outturn position:

	MTFS 19/20 Budget following 18/19 Outturn	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	8,586	8,831	8,831	0
Health and Safety	668	440	440	0
Contingent Major Repairs/ Works	1,801	2,216	2,216	0
New Build Programme	14,036	6,161	6,161	0
Land Acquisition Fund	81	95	95	0
Other Schemes	1,278	1,271	1,271	0
Computer Fund	199	199	199	0
Total Capital Programme	26,650	19,123	19,123	0

7.13 Expenditure against the HIP budget during the first quarter was £1.558m, which is 8.15% of the programme. A further £626.6k has been spent as at the end of July 2019. 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:-

- An element of the programme in 2019/20 is the De Wint new build scheme, construction of which is yet to commence.

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.

9.0 Risk Implications

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

10. Recommendations

The Executive are to:

- 10.1 Note the progress on the financial performance for the period 1st April to 30th June 2019 and the projected outturns for 2019/20.
- 10.2 Assess 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 Approve the changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.4 and 7.13.
- 10.4 Approve the proposed contributions to and from reserves.

Key Decision No

Do the Exempt Information Categories Apply No

Call in and Urgency? 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	1,821	1,816	(6)
Chief Finance Officer (S. 151)	B	(714)	(348)	366
City Solicitor	C	1,496	1,584	88
Housing	D	703	700	(3)
Director of Major Developments	E	455	455	(0)
Communities and Street Scene	F	2,267	2,278	11
Health & Environmental Services	G	2,146	2,355	209
Planning	H	959	792	(167)
		9,133	9,630	498
Corporate Expenditure	I	1,756	1,740	(16)
TOTAL SERVICE EXPENDITURE		10,888	11,370	482
Capital Accounting Adjustment	J	3,410	3,410	0
Specific Grants	K	(778)	(721)	58
Contingencies	L	158	156	(2)
Savings Targets	M	(332)	(304)	27
Earmarked Reserves	N	(377)	(706)	(329)
Insurance Reserve	O	131	131	0
TOTAL EXPENDITURE		13,101	13,337	236
CONTRIBUTION FROM BALANCES		554	318	(236)
NET REQUIREMENT		13,655	13,655	0
Retained Business Rates Income	P	5,366	5,366	0
Collection Fund surplus/ (deficit)	Q	1,546	1,546	0
Revenue Support Grant	R	22	22	0
Council Tax	S	6,679	6,679	0
TOTAL RESOURCES		13,613	13,613	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 Expenditure</u>		
G	Christmas Market	43,120	Increases on contracts including safety.
G	Crematorium	61,000	Additional expenditure for the Crematorium business case.
F	Car Parking	90,000	Additional NNDR charges.
F	Car Parking	50,000	Overspend on Special Equipment
D	Housing Solutions	40,900	Overspend on Bed & Breakfast and the use of temporary staff, partly offset by the use of the Homelessness Grants.
	<u>Reduced Income</u>		
B	Housing Benefits	368,000	Expected reduction in the level of Housing Benefits Overpayments raised compared to the budgeted amount £500k, offset by a contribution from reserves of £132K.
G	Christmas Market	34,350	Reduction in stall uptake, lower than budgeted fees and charges increase and reduction in Park and Ride income.
G	HIMO	93,260	HIMO Licensable premises applications have not been as forecast in the business case.
C	Apprentice Scheme	56,120	Net overspend after loss of contract to Lincolnshire County Council less staff vacancies and savings on the apprentice levy payable and changes in Government funding.
I	Specific Grants	57,000	Government grant announced and budgeted for in 19/20, however was received in 18/19 and not carried forward.
	<u>Reduced Expenditure</u>		
H	Development Management	(25,000)	Vacant post to be held in year.
B	Revs & Bens Shared Services	(55,108)	Staffing savings and additional New Burdens Grant

Ref		£	Reason for variance
B	The Terrace	(40,716)	Underspend on business rates and an overachievement on income.
G	Crematorium	(23,000)	Underspends on consultancy, grounds maintenance and vacancies.
F	Car Parking	(25,000)	Saving on Utilities.
G	Housing Regeneration	(45,170)	Saving due to staff vacancies and the 15% DFG admin fee being lifted.
<u>Additional Income</u>			
G	Crematorium	(106,000)	Over achievement of income due to increased number of Cremations.
F	Car Parking	(290,000)	Potential additional income forecast based on a 15% monthly uplift in comparison to 2018/19.

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 JUNE 2019

	Ref	Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(28,221)	(28,169)	52
Charges for Services & Facilities	B	(322)	(327)	(6)
Contribs towards Expenditure	C	(50)	(61)	(11)
Repairs & Maintenance	D	8,660	8,664	4
Supervision & Management:	E	7,085	6,832	(187)
Rents, Rates and Other Premises	F	95	132	37
Increase in Bad Debt Provisions	G	288	288	0
Insurance Claims Contingency	H	339	339	0
Contingencies	I	(72)	(60)	12
Depreciation	J	6,262	6,262	0
Debt Management Expenses	K	12	12	0
HRS Trading (Surplus) / Deficit	L	0	(287)	(287)
Net Cost of Service	M	(5,923)	(6,309)	(386)
Loan Charges Interest	N	2,352	2,352	0
Investment/Mortgage Interest	O	(37)	(37)	0
Net Operating Inc/Exp		(3,608)	(3,994)	(386)
Major Repairs Reserve Adjustment	P	4,172	4,460	287
Transfers to/from reserves	Q	(572)	(572)	0
(Surplus)/Deficit in Year		(8)	(106)	(99)
Balances b/f @ 1st April		(1,027)	(1,027)	0
(Increase)/Decrease in Balances		(8)	(106)	(99)
Balances c/f @ 31st March		(1,034)	(1,133)	(99)

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 Expenditure</u>		
E	Staff vacancies	(187,000)	Supervision & Management Vacancies Q1 & General Savings - under review.
	<u>Reduced Income</u>		
A	Gross Rental Income	52,000	Overspend on Voids
	<u>Increased Expenditure</u>		
G	Council Tax	37,000	Council Tax on Voids & De-Wint Court @ 150%
T	Major Repairs Reserve	287,000	Additional Surpluses to DRF
	<u>Increased Income</u>		
L	HRS Trading Surplus	(287,000)	Forecast HRS Repatriation

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 JUNE 2018

	Forecast Outturn		
	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	2,928	2,936	8
Premises	40	38	(2)
Transport	501	430	(71)
Materials	1,356	1,363	(71)
Sub-Contractors	2,273	2,070	(203)
Supplies & Services	134	191	56
Central Support Charges	320	320	0
Capital Charges	0	0	0
Total Expenditure	7,552	7,347	(205)
Income	(7,552)	(7,635)	(83)
(Surplus)/Deficit	0	(287)	(287)

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

Reduced Spending

Sub-Contractors (203,000) Continual reduction of sub-contractor works.

Appendix G

EARMARKED RESERVES – Q1 MONITORING 2019/20

	Opening Balance 01/04/2019 £'000	Contributions £'000	Actuals Q1 £'000	Forecast Q2-Q4 £'000	Forecast Balance 31/03/2020 £'000
General Fund					
Grants & Contributions	1,465	(77)	289	(747)	930
Business Rates Volatility	1,456	745	0	0	2,201
Strategic Projects - Revenue					
Costs	303	0	(130)	0	173
Mercury Abatement	414	(42)	0	0	371
Budget Carry Forwards	172	0	0	(59)	113
Invest to Save (GF)	427	32	(5)	0	454
Unused DRF	203	(133)	0	0	70
Backdated rent review	220	0	0	0	220
IT Reserve	0	65	0	0	65
Revenues & Benefits shared					
service	163	(30)	0	(132)	0
Tree Risk Assessment	108	20	0	(10)	118
Strategic Growth Reserve	14	0	0	0	14
Asset Improvement	55	0	0	0	55
Private Sector Stock Condition					
Survey	45	(48)	0	48	45
Mayoral car	47	0	0	0	47
Property Searches	4	0	0	0	4
City Hall Sinking Fund	60	0	0	0	60
Managed Workspace	0	0	0	0	0
Section 106 interest	32	0	0	0	32
Funding for Strategic Priorities	1,219	(310)	(298)	(38)	573
Commons Parking	25	0	0	4	28
Electric Van replacement	11	4	0	0	15
Air Quality Initiatives	10	6	0	0	15
Christmas Decorations	14	0	0	3	17
Boston Audit Contract	14	0	0	0	14
Tank Memorial	10	0	0	0	10
Organisational Development	85	(76)	0	(8)	0
Crematorium Income	100	0	(100)	0	0
Yarborough Leisure Centre	2	0	0	0	2
Corporate Training Reserve	0	0	0	(23)	(23)
WGC Planning	0	0	0	150	150
Active Nation Sinking Fund	0	0	0	26	26
	6,674	156	(245)	(786)	5,799
HRA Repairs Account	579	0	0	0	579
Capital Fees Equalisation					
Reserve	182	0	0	(41)	140
HRA Strategic Priority Reserve	240	0	0	0	240
Invest to Save (HRA)	140	0	0	0	140
Western Growth Corridor	25	0	0	0	25
De Wint Court Reserve	73	0	0	0	73
HRA Survey Works	60	0	0	(6)	54
Stock Retention Strategy	22	0	0	0	22
	1,321	0	0	(47)	1,274
Total Earmarked Reserves	7,955	156	(245)	(833)	7,073

CAPITAL RESOURCES – Q1 MONITORING 2019/20

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2020
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	564	3,761	(3,784)	541
Capital receipts General Fund	1,166	1,650	(759)	2,056
Capital receipts HRA	0	819	(716)	103
Capital receipts 1-4-1	3,445	0	(1,261)	2,184
Major Repairs Reserve	5,613	6,262	(10,742)	1,133
HRA DRF	0	4,221	(919)	3,302
Total Capital Resources	10,788	16,713	(18,181)	9,319

As the contributions for 1:4:1 receipts depend upon levels of RTB sales no budget is set for these receipts. As shown above the amount of 1:4:1 receipts which require spend on eligible developments creating new social housing units is £1.26m, to avoid repayment to MHCLG. The amount shown above represents 30% of eligible spend (therefore £2.94m of funding is required to support eligible spend). At quarter 1 there was £461k of 1:4:1 eligible spend. To avoid repayment of 1:4:1 receipts a further £3.75m of eligible spend will be required before 31 March 2020 of which £1.12m may be funded through 1:4:1 receipts. Currently the HIP does not include firm schemes to facilitate this although officers are working on schemes to ameliorate this.

General Investment Programme – Summary of Financial Changes

Project Name	2019/19	2020/21	2021/22	2022/23	2023/24	Notes
	£	£	£	£	£	
2019/20 MTFS Budget following 18/19 outturn report	14,391,653	7,509,060	2,839,385	694,625	500,000	
Budget for approval	14,977,453	7,788,254	2,839,385	694,625	500,000	
Total changes for Q1	585,800	279,194	0	0	0	
Approved by Chief Finance Officer						
Skate Park	(183,021)	183,021				Re-profile
Flood Alleviation Scheme	(80,388)	80,388				Re-profile
To be approved by the Executive						
Disabled Facilities Grant	450,881	0	0	0	0	Increase in grant
Birchwood Leisure Centre	30,000					Scheme delivery
AGP's	227,525					Increased costs
Car Park ticket machines	20,000	0	0	0	0	Replace machines with improved technology
Transport Hub	(845,357)					Scheme completion
Boultham Park Tennis Courts	16,234	0	0	0	0	New scheme
Birchwood Leisure Centre Roof	120,354					New scheme
Lucy Tower Lifts	(15,785)	132,417				New scheme and re-profile
Hartsholme Play Areas	86,010					New scheme
Capital Contingencies	797,343					Re-profile
Unallocated Planned Capital Maintenance	(37,996)	(116,632)				Re-profile
	585,800	279,194	0	0	0	

General Investment Programme – Summary of Expenditure as at 30th June 2019

Scheme	2019/20 MTFS Budget following 18/19 outturn report	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>ACTIVE SCHEMES</u>					
<u>DCE - Communities & Environment</u>					
Skate Park	183,021	0	0	0	0.00%
Compulsory Purchase Orders	234,954	234,954	0	(234,954)	0.00%
Disabled Facilities Grant	767,687	1,218,568	82,139	(1,136,429)	6.74%
Central Markets	300,000	300,000	1,171	(298,829)	0.39%
Birchwood Leisure Centre	0	30,000	0	(30,000)	0.00%
Artificial Grass Pitches	1,629,439	1,856,964	756,742	(1,110,222)	40.0%
Crematorium	20,000	20,000	0	(20,000)	0.00%
	3,135,101	3,660,486	840,052	(2,820,434)	
<u>DCE - Community Services</u>					
Flood alleviation Hartsholme Park	83,518	3,130	3,130	0	0.00%
Boultham Park Masterplan	84,460	84,460	5,561	(78,899)	6.58%
Improvements to car parks	200,000	220,000	97,721	(122,279)	29.57%
Allotment Capital Improvement Programme	102,158	102,158	30,206	(71,952)	44.42%
	470,136	409,748	136,618	(273,130)	
<u>General Fund Housing</u>					
Housing Renewal Area	388,877	388,877	0	(388,877)	0.00%
	388,877	388,877	0	(388,877)	

Scheme	2019/20 MTFS Budget following 18/19 outturn report	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
<u>CX - Corporate Policy</u>					
New Telephony System	40,165	40,165	0	(40,165)	0.00%
New Website	49,200	49,200	0	(49,200)	0.00%
	89,365	89,365	0	(89,365)	
<u>CX - Chief Finance Officer</u>					
The Terrace	0	0	0	0	0.00%
The Terrace Heat Mitigation Works	246,547	246,547	0	(246,547)	0.00%
Planned Capitalised Works	306,863	475,680	6,842	(468,838)	1.44%
Land and Property Acquisition	7,259,693	7,259,693	6,819,740	(439,953)	98.87%
	7,813,103	7,981,920	6,826,582	(1,155,338)	
Western Growth Corridor	1,601,700	1,601,700	0	(1,601,700)	0.00%
Transport Hub	845,357	0	0	0	0.00%
TOTAL BUDGET FOR ACTIVE SCHEMES	14,343,639	14,132,096	7,803,252	(6,328,844)	
<u>Schemes Currently Non Active</u>					
Capital Contingencies	48,014	845,357	0	(845,357)	0.00%
TOTAL BUDGET FOR SCHEMES NON ACTIVE	48,014	845,357	0	(845,357)	

Appendix J

Scheme	2019/20 MTFS Budget following 18/19 outturn report	Revised Budget	Actuals as at Q1	Variance	Spend
	£	£	£	£	%
TOTAL GENERAL INVESTMENT PROGRAMME	14,391,653	14,977,453	7,803,252	(7,174,201)	

APPENDIX K

Housing Investment Programme – New Build/Acquisitions Programme– Summary of Financial Changes

19/20	New Build Programme	Allocations to schemes below	(1,320,251)	Reallocation
19/20	New Build Partnership - Westleigh	Scheme completion	(35,186)	Reallocation
19/20	New Build Partnership - Lytton Street	Scheme completion	(6,957)	Reallocation
19/20	New Build Site - Allotment Site	Scheme completion	(20,027)	Reallocation
19/20	Ingleby Crescent New Build Scheme	Scheme completion	(14,839)	Reallocation
19/20	New Build- De Wint Court	Reprofiled scheme to expected timeframes	(5,318,755)	Reprofile
20/21	New Build- De Wint Court	Reprofiled scheme to expected timeframes	7,541,500	Reprofile
21/22	New Build- De Wint Court	Reprofiled scheme to expected timeframes	3,890,250	Reprofile
19/20	Acquisition - 91 Holly Street	Property acquisitions under delegated authority	126,250	New Scheme
19/20	Acquisition - 41 Coleridge Gardens	Property acquisitions under delegated authority	138,950	New Scheme
19/20	Acquisition - 117 Swift Gardens	Property acquisitions under delegated authority	136,100	New Scheme
19/20	Acquisition - 318 Newark Road	Property acquisitions under delegated authority	95,590	New Scheme
19/20	Acquisition - 14 Wellingore Road	Property acquisitions under delegated authority	139,900	New Scheme
19/20	Acquisition - 8 Woodburn Close	Property acquisitions under delegated authority	133,700	New Scheme
19/20	Acquisition - 114 Camwood Crescent	Property acquisitions under delegated authority	104,400	New Scheme
19/20	Acquisition - Offers accepted still in legal	Property acquisitions under delegated authority	522,370	New Scheme
19/20	Land Acquisition - 93 Rookery Lane	Scheme completion	(13,379)	Reallocation
19/20	Land Acquisition Fund	Allocations from completed schemes	(94,689)	Reallocation
19/20	Land Acquisition - Queen Elizabeth Road	Scheme completion	(75,413)	Reallocation
19/20	Trelawney Crescent	Scheme completion	(5,897)	Reallocation

Housing Investment Programme – Decent Homes– Summary of Financial Changes

Project Name	MTFS Budget following 18/19 outturn report	Budget increase/ (reduction)	Revised Budget	Reprofile (to) from future years	Notes
	£	£	£	£	
<u>Decent Homes</u>					
Central Heating upgrades	1,166,755	303,715	1,470,470	0	19/20
Responsive heating replacements	303,715	(303,715)	0	0	19/20
Central Heating upgrades	1,473,972	255,000	1,728,972	0	20/21
Responsive heating replacements	255,000	(255,000)	0	0	20/21
Central Heating upgrades	1,460,930	255,000	1,715,930	0	21/22
Responsive heating replacements	255,000	(255,000)	0	0	21/22
Central Heating upgrades	1,436,950	255,000	1,691,950	0	22/23
Responsive heating replacements	255,000	(255,000)	0	0	22/23
Plastering	227,310	(227,310)	0	0	19/20
CO Detector Installation	91,379	(91,379)	0	0	19/20
Contingency Reserve	1,800,868	318,689	2,119,557	0	19/20
Plastering	231,857	(231,857)	0	0	20/21
CO Detector Installation	83,062	(83,062)	0	0	20/21
Contingency Reserve	336,857	314,919	651,776	0	20/21
Plastering	205,100	(205,100)	0	0	21/22
CO Detector Installation	72,930	(72,930)	0	0	21/22
Contingency Reserve	495,100	278,030	773,130	0	21/22
Plastering	225,980	(225,980)	0	0	22/23
CO Detector Installation	81,210	(81,210)	0	0	22/23
Contingency Reserve	577,980	307,190	885,170	0	22/23
Plastering	200,000	(200,000)	0	0	23/24

Appendix Ki

Project Name	MTFS Budget following 18/19 outturn report	Budget increase/ (reduction)	Revised Budget	Reprofile (to) from future years	Notes
CO Detector Installation	22,900	(22,900)	0	0	23/24
Contingency Reserve	200,000	222,900	422,900	0	23/24
Re-roofing	358,878	336,623	695,501	336,623	19/20

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

Project Name	2019/20 Budget following 2018/19 Outturn	Revised Budget	Q1 Budget Change	Actuals as at Q1	Variance	Spend
	£	£	£	£	£	%
<u>Decent Homes</u>						
Bathrooms & WC's	518,772	518,772	0	0	(518,772)	0.00%
DH Central Heating Upgrades	1,166,755	1,470,470	303,715	206,534	(1,263,936)	14.00%
Responsive Capitalised Heating Replacements	303,715	0	(303,715)	0	0	0.00%
Thermal Comfort Works	279,297	279,297	0	18,813	(260,484)	6.74%
Kitchen Improvements	758,680	758,680	0	0	(758,680)	0.00%
Rewiring	220,826	220,826	0	0	(220,826)	0.00%
Re-roofing	358,878	695,501	336,623	40,560	(654,941)	5.83%
Lincoln Standard Windows Replacement	841,120	841,120	0	56,394	(784,726)	6.70%
Structural Defects	54,397	54,397	0	366	(54,031)	0.67%
Wall Structure Repairs	20,000	20,000	0	0	(20,000)	0.00%
Door Replacement	1,155,682	1,155,682	0	119,975	(1,035,707)	10.38%
Decent Homes Decoration Allowance	13,638	13,638	0	3,850	(9,788)	28.23%
CO Detector Installation	91,379	0	(91,379)	16,944	16,944	0.00%
Canopy and porches	14,548	14,548	0	0	(14,548)	0.00%
New services	56,828	56,828	0	0	(56,828)	0.00%
Void Capitalised Works	1,308,455	1,308,455	0	273,348	(1,035,107)	20.89%
Landscaping and Boundaries	464,215	464,215	0	18,307	(445,908)	3.94%
<i>Prelim Costs & Exceptionals to be allocated</i>				77,398	77,398	0.00%
Decent Homes	7,627,185	7,872,429	245,244	832,488	(7,562,008)	

Appendix L

Project Name	2019/20 Budget following 2018/19 Outturn	Revised Budget	Q1 Budget Change	Actuals as at Q1	Variance	Spend
	£	£	£	£	£	%
<u>Lincoln Standard</u>						
Over bath showers (10 year programme)	933,656	933,656	0	0	(933,656)	0%
Safety flooring - Supported Housing	25,342	25,342	0	6,821	(18,521)	26.91%
Lincoln Standard	958,998	958,998	0	6,821	(952,177)	
<u>Health & Safety</u>						
Asbestos Removal	151,407	151,407	0	21,449	(129,958)	14.17%
Asbestos Surveys	145,479	145,479	0	29,679	(115,801)	20.40%
Replacement Door Entry Systems	120,060	120,060	0	0	(120,060)	0.00%
Renew stair structure	23,550	23,550	0	0	(23,550)	0.00%
Plastering (HHSRS)	227,310	0	(227,310)	0	0	0.00%
Health & Safety	667,806	440,496	(227,310)	51,128	(389,368)	
<u>New Build Programme</u>						
New Build Programme	14,036,394	6,160,512	(7,875,882)	565,665	(5,594,847)	9.18%
New Build Programme	14,036,394	6,160,512	(7,875,882)	565,665	(5,594,847)	
<u>Land Acquisition</u>						
Land Acquisition Fund	81,310	94,689	13,379	0	(94,689)	0.00%
Land Acquisition	81,310	94,689	13,379	0	(94,689)	
Other	1,212,219	1,205,399	(6,820)	101,676	(1,103,723)	8.44%

Appendix L

Project Name	2019/20 Budget following 2018/19 Outurn	Revised Budget	Q1 Budget Change	Actuals as at Q1	Variance	Spend
	£	£	£	£	£	%
<u>Contingency Schemes</u>						
Contingency Reserve	1,800,868	2,126,377	325,509	0	(2,126,377)	0.00%
Contingency Schemes	1,800,868	2,126,377	325,509	0	(2,126,377)	
<u>Other Schemes</u>						
Housing Support Services Computer Fund	199,362	199,362	0	0	(199,362)	0.00%
Operation ROSE	65,667	65,667	0	0	(65,667)	0.00%
Other Schemes	265,029	265,029	0	0	(265,029)	
GRAND TOTALS	26,649,809	19,123,929	(7,525,880)	1,557,777	(13,310,988)	