

SUBJECT: FINANCIAL PERFORMANCE – OUTTURN 2020/21

REPORT BY: CORPORATE MANAGEMENT TEAM

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to the Executive the provisional 2020/21 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- 1.2 This report will provide the Executive with a summary of actual income and expenditure compared to revised budget and how any surpluses have been allocated to reserves.
- 1.3 The Executive should note that the financial outturn is still subject to Audit by Mazars, the Councils external auditors.

2. Executive Summary

- 2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year. It sets out the provisional financial outturn position including the financial impact of the Covid-19 pandemic on the Council.
- 2.2 Covid-19 has taken its toll on the financial resilience of the Council as income streams have plummeted and there has been a requirement to incur costs to ensure services are being provided throughout this difficult period and to respond to consequences of the pandemic. The impacts of this are not simply restricted to the current financial year but will have a significant impact over the period of the MTFS and possibly beyond. In terms of the current financial year, 2020/21, the key challenges faced are in respect of:
- Exceptional costs of dealing with Covid-19 and increased service demand
 - Loss of income

The cumulative impact of these challenges has resulted in significant shortfalls on the General Fund prior to the offset of any Government funding.

- 2.3 In response to the financial risks it was exposed to, and in advance of any financial support from Government, the Council took early action in 2020/21 to implement a range of measures to reduce some areas of expenditure. These measures were aimed at ensuring the Council was able to continue to deliver its critical services

and to ensure its balances remained at an adequate level to provide resilience for future years.

- 2.4 Subsequently, and in response to calls from the sector the Government have allocated a total of £4.6bn of general purpose grant funding to support local authorities to cover expenditure related pressures and announced an income compensation scheme to recompense councils for approx. 75p in every £1 of lost sales, fees and charges income. In addition a local tax income guarantee scheme was announced which will see the Government compensate local authorities for 75% of irrecoverable losses in Council Tax and Business Rates. To date the Council has received funding support of £1.877m for Covid-19 related pressures and is estimating to receive c£2.989m through the income compensation scheme and a further £0.519m through the local tax income guarantee scheme. There has been no additional financial support provided to the Housing Revenue Account.
- 2.5 Despite this one-off financial support package announced by the Government, the General Fund would still have been unable to maintain a balanced budget position without having taken the measures implemented during quarter one.
- 2.6 The table below sets out a summary of the financial position of the Council for the financial year 2020/21, based on the provisional outturn:

	2020/21		
	Budget £'000	Actual £'000	Variance £'000
Revenue Accounts			
General Fund – Contribution to/(from balances)	286	434	148
Housing Revenue Account (HRA) (Surplus)/Deficit in year	75	(0)	(75)
Housing Repairs Service (surplus)/deficit	0	322	322
Capital Programmes			
General Fund Investment Programme	16,430	3,212	(13,218)
Housing Investment Programme	28,505	16,377	(12,128)
Capital Receipts			
General Fund	1,650	100	(1,550)
HRA	845	1,047	202
Reserves & Balances			
General Fund Balances	2,522	2,670	148
HRA Balances	1,000	1,075	75

	2020/21		
	Budget £'000	Actual £'000	Variance £'000
HRS Balances	0	0	0
General Fund Earmarked Reserves	6,513	12,643	19,156
HRA Earmarked Reserves	1,403	1,192	2,595

- 2.7 The detailed financial position is shown in sections 3-7 and accompanying appendices.
- 2.8 Although both the General Fund and HRA have maintained balanced budget positions in 2020/21 this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget challenges have been addressed. Beyond 2020/21 the Council is set to face ongoing reductions in resources and increased service costs from the legacy of impacts of Covid-19. This will require ongoing reductions in the net cost base in order to live within a significantly reduced resources envelope. The Council's MTFs 2021-2026, approved by Full Council in March 2021 sets out the detail of the financial challenge the Council faces.

3. General Fund Revenue Account

- 3.1 For 2020/21 the Council's net General Fund revenue budget was set at £12,963,220, including a planned contribution from balances of £286,310 (resulting in an estimated level of general balances at the year-end of £2,522,188).
- 3.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend against the revised budget of £122,723. The provisional outturn for 2020/21 now indicates that this underspend has increased by £25,658, resulting in an overall budget underspend of £148,381 (including proposed transfers to/from earmarked reserves and carry forward requests). This represents a variance against the revised budget of 0.6%.
- 3.3 There are a significant number of forecast year-end variations in income and expenditure against the approved budget, primarily as a result of Covid-19 along with variances arising from measures taken to address the budget pressures and the financial support provided by Government. Full details of the main variances are provided in appendix B while the table below sets out the key variances:

	Forecast £'000
Increased expenditure arising as a result of Covid-19	721
Income losses as a result of Covid-19	6,242
Income Compensation Scheme	(2,989)
Government Grants (Covid-19, Rough Sleeping, New Burdens, Test & Trace support and Compliance & Enforcement).	(2,675)
Measures approved at Q1 (budget review, furlough, review of capital, increased TFS)	(1,898)
Coronavirus Job Retention Scheme (in addition to Q1)	(102)
2020/21 national pay award implications	110

Covid-19 Grant - Contribution to reserves for use in future years (approved at Q2)	622
Local Tax Income Guarantee scheme	(519)
Mutually Agreed Resignation Scheme (MARS)	193
Housing Benefit overspend as a result of under-recovery of overpayments (offset by a reduction in the HB bad debt provision)	127
Repairs and Maintenance of corporate assets	(136)
Net other variances	156
Overall Budget Shortfall/(Surplus)	(148)

3.4 The following paragraphs, 3.5 – 3.7 set out further detail on the key financial challenges arising as result of Covid-19 that the Council is facing in 2020/21.

3.5 **Exceptional costs of dealing with Covid-19 and increased service demand**

In response to the pandemic, the Council has had to adjust its service provision to meet the needs of its users and residents as well as establish new services/responses cells and meet increased costs through contractual arrangements. This has increased costs across of a range of services including:

- Increased demand on Licensing and Health & Safety Teams
- Supporting compliance and enforcement activities within the City
- Supporting the establishment of local testing sites
- Setting up the civic society and business support cells.
- Moving rough sleepers into temporary accommodation
- Provision of PPE and Covid-19 secure status for Council services and buildings
- Requirements under existing contracts for services
- Increased demand on the Revenues and Benefits Service
- Other service costs

3.6 **Income losses**

The most significant impact of Covid-19 has been on the Council's income streams with monthly income levels plummeting across a range of discretionary services as well as through investments and rental streams, as a result of the shutdown of the economy and its likely phased path to recovery. The Council's reliance on local income streams has increased significantly in recent years as Government funding has reduced through austerity measures and new funding mechanisms have been introduced resulting in the Council having to be more self-sufficient and secure its own funding sources. Prior to the implement of new funding mechanisms in 2013 less than 20% of the Council's funding sources were subject to any level of volatility, for 2020/21 90% is now subject to volatility and emphasises the financial risk that the Council faces from its income streams.

3.7 The table below set out the losses incurred during 2020/21, along with the level of compensation provided the Government.

Income Area	2020/21 Budget £'000	2020/21 Actual £'000	2020/21 Variance £'000	2020/21 Govt Compensation £'000
Car Parks	5,996	1,927	4,069	2,704
Hartsholme Country Park	75	24	51	25
Leisure Services	85	0	85	61
Community Centres & Rec Grounds	81	0	81	19
Visitor Information Centre	146	32	114	20
Development Management	420	326	94	37
Land Charges	127	101	26	7
Building Control	211	137	74	47
Licensing	126	112	14	3
Hackney Carriages & Private Hire	122	93	29	11
Enforcement Officer	25	2	23	0
Public Conveniences	32	16	16	1
Fairs & Circuses	18	0	18	12
Christmas Market	651	0	651	14
Bus Station	133	111	22	11
Markets	219	170	49	18
Lincoln Properties	1,988	1,477	512	0
The Terrace	272	228	44	0
Court Cost Income - CT	310	75	236	0
Treasury Investment Income	92	54	38	0
TOTAL	11,129	4,885	6,246	2,989

3.8 MHCLG Financial Support

Financial support received from the Government has been provided through a package of measures:

£4.6bn of un-ringfenced funding to respond to spending pressures – from this allocation of funding the Council has received three allocations totalling £1,876,803.

An income compensation scheme, whereby councils will pay the first 5% of all lost planned sales, fees and charges income, with the government compensating them for 75p in every pound of net loss (after deducting expenditure saving and other funding e.g. CRJS) thereafter. Although commercial and investment income is specifically excluded from the scheme the provisional outturn includes compensation of c. £2.989m.

Targeted grants to cover specific costs pressures and new burdens arising during Covid-19, for the Council these include:

- New Burdens: Business Support Grants - £355,300
- New Burdens: Business Rate Reliefs - £25,739
- Rough Sleepers - £82,276 (offsets direct expenditure)
- Compliance and Enforcement (ringfenced) - £58,022 offsets direct expenditure)
- Test & Trace Support Payments Administration - £72,029

A local tax income guarantee scheme whereby the Government will compensate local authorities for 75% of 'irrecoverable losses' in council tax and business rates income in respect of 2020/21. This guarantee covers expected Council Tax and Business Rates liabilities, expected at the time of the 2020/21 budget, that did not materialise. This might be due to an increase in local council tax support costs, unachieved council tax base growth, increase in empty property reliefs, unachieved business rates base growth, etc. The provisional outturn includes compensation of £410k for business rates and £109k for Council Tax.

3.9 **Measures to address budget shortfall**

In response to the financial risks it was exposed to, and in advance of any financial support from Government, the Council took early action in 2020/21 to implement a range of measures aimed at reducing expenditure in the current financial year. These measures, approved at Q1, included:

- Budget Review – A review of all of the Council's revenue budgets undertaken to identify one off budget reductions.
- Coronavirus Job Retention Scheme – a range of staff from primarily income generating areas were placed on furlough.
- Towards Financial Sustainability – in the year savings programme target was increased.
- Direct Revenue Finance (DRF) – a review of capital financing was undertaken.
- Covid-19 Reserve – monies allocated as part of the 19/20 closedown process and held in an earmarked reserve.

The total of these measures amounted to £2.194m, although as a result of further government grant allocations the use of the Covid-19 reserve is not required in 2020/21, resulting in measures totalling £1.898m.

3.10 As previously reported, although the measures taken were primarily one-off opportunities and not ongoing reductions in services they have, in some circumstances, led to reduced service standards and performance during 2020/21 as recruitment activity was restricted, expenditure budgets reduced and staff were placed on furlough for period of time.

3.11 The measures taken now exceed the remaining impact of Covid-19, after Government funding, on the General Fund. This allowed, at quarter 2, the recommendation that the 4th tranche of Covid-19 funding from Central Government of £622k to be contributed to an earmarked reserve to be used to offset budget pressures in future years arising from the legacy impacts of Covid-19 (subject to the final outturn position).

3.12 **Earmarked Reserves**

The provisional outturn of a £148,381 budget underspend includes a number of proposed transfers to/from earmarked reserves in addition to those transfers to/from earmarked reserves already budgeted for. These further contributions to/from earmarked reserves are set out below:

Directorate	Reserve	£
Contributions to Reserves		
CX-CFINOFF	Council Tax Hardship Fund – balance of government grant to support hardship payments in 21/22	(531,441)
DCE-ADHENV	Birchwood Leisure Centre – R&M reserve.	(20,000)
DCE-ADHENV	Active Nation Bond – additional contribution to reserves in respect of performance bond.	(97,000)
DCE-ADHENV	AGP Sinking Fund – contribution to new Sinking Fund reserve for future replacement/maintenance of pitches.	(2,435)
DCE-ADPLAN	Towns fund Grant – net contribution of capacity grant funding less in year expenditure.	(24,503)
DMD	Unused DRF – DMD Capitalised salaries	(179,594)
GF HSG	Flexible Homelessness Grant – residual grant contribution to reserves	(17,500)
GF HSG	Preventing Homelessness Grant – residual grant contribution to reserves	(259,137)
GF HSG	Rough Sleeping Grant – residual grant contribution to reserves	(200,916)
GF HSG	Community Chest – contribution of grant and additional funding to reserves for project planned for 21/22	(23,373)
BRATES	Business Rates Relief Grant & Business Rates Tax Income Guarantee funding – contribution to reserves to fund 3 year spread of deficit	(10,873,862)
CTAX	Council Tax Income Guarantee funding – contribution to reserves to fund 3 year spread of deficit	(108,783)
Contributions from Reserves		
CX-STRATDEV	Invest to Save Reserve – M365 rollout	106,232
DCE-ADCOMS	Tree Risk Reserve – 20/21 works carried out less planned contribution	8,831
DCE-ADCOMS	Commons Parking – 20/21 works carried out	7,441
DCE-ADPLAN	Brownfield Sites Grant – 20/21 funded expenditure	1,425
DCE-ADPLAN	Custom Build Grant – 20/21 funded expenditure	6,000
DCE-ADPLAN	WGC Planning Reserve – 20/21 funded expenditure	20,228
DMD	Strategic Growth Reserve (WGC) – 20/21 Revenue expenditure	14,905

DMD	Strategic Growth Reserve (WGC) – 20/21 Capital expenditure	24,685
TOTAL		(12,147,105)

All of the above proposed transfers to/from reserves are reflected in the provisional outturn position.

3.13 Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, subject to their Directorate as a whole not being overspent. As at quarter 3 monitoring there were two carry forward proposals:

Directorate	Reason for Carry Forward	Amount £
CX City Solicitor	Municipal Elections – roll over of budget associated with the election now deferred to 21/22	(49,000)
CORP	New Burdens Grant – carry forward funding to support ongoing administration costs in 21/22	(35,000)
	Total additional reserve contribution required:	(84,000)

3.14 Following confirmation of the final cash limited outturn for each Directorate in 2020/21, a further list of requests (which have been transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £466,869:-

Directorate	Reason for Carry Forward	£	Requested At Q3?
Corporate	Invest to Save - to fund further upfront costs of implementing the TFS Programme and provide resources to support the One Council programme of works	(100,000)	N
Corporate	Corporate Repairs & Maintenance – to provide resources to meet future R&M demand which were delayed/haven't materialised during 20/21	(100,000)	N
CX-CITYSOL	Staff Wellbeing – to provide resources to maintain ongoing support to staff following pandemic	(15,000)	N
CX-CITYSOL	Corporate Training - to provide resources to support ongoing staff training	(15,000)	N
CX-CITYSOL	IER Funding Grant – contribution from 20/21 grant funding to support ongoing resource requirements	(20,000)	N
CX- STRATDEV	Lincoln Lottery – contribution from balance of earmarked lottery income	(69)	N

DCE-ADHENV	Outbreak Prevention Funding – carry forward remainder of grant to support Intervention Team in 21/22	(50,000)	N
DMD	Officer resource to support delivery of key schemes, e.g. Central Market, WGC, Tentercroft Street etc.	(166,800)	N
TOTAL		(466,869)	

- 3.15 All of the above proposed carry forward requests to earmarked reserves are reflected in the provisional outturn.
- 3.16 The remaining underspend of £148,381 will result in a contribution of £434,721 to balances (£286,340 budgeted), with balances as at 31st March 2021 of £2,670,599. This is £148,381 more than the £2,522,218 assumed in the MTFS and is slightly above prudent levels, however given the financial risks the Council faces, this is deemed an appropriate level.
- 3.17 The level of each of the current earmarked reserves, as at 31st March 2021 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves and the drawdown of funding to cover expenditure as per budget approvals and the additional transfers set out in para. 3.13 and 3.14 above.
- 3.18 **Towards Financial Sustainability Programme** – The savings target included in the MTFS for 2020/21 was originally £500,000, this was increased by £50,000 as part of the budget measures approved at quarter one. Progress against this target, based on the provisional outturn performance shows that secured savings total £559,070. This results in an over achievement of the increased target in 2019/20 by £9,070. A summary of the specific reviews that have contributed to this target are shown in Appendix M.

4. Housing Revenue Account

- 4.1 For 2020/21 the Council's Housing Revenue Account (HRA) net revenue budget was set at (£75,000), resulting in an estimated level of general balances at the year-end of £1,000,141
- 4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £772,391. The provisional outturn for 2020/21 now indicates an underspend of £74,512. This would result in HRA balances at 31 March 2021 of £1,074,653.
- 4.3 Although the forecast position is an underspend there are a number of forecast year-end variations in income and expenditure as a result of Covid-19 along with variances arising from measures taken to address the budget pressures. Full details of the main variances are provided in Appendix D while the table below sets out the key variances:

	Forecast £'000
Increased expenditure arising as a result of Covid-19	487
Reduced repairs and maintenance expenditure	(1,385)

Budget Review Savings	(257)
Coronavirus Job Retention Scheme (Furlough)	(191)
Increased rental income arising from Buy-Backs	(235)
HRS Repatriation	458
Reduction in borrowing costs	(104)
Contributions to Reserves	1,143
Gain on sale of assets	(172)
Net other variances	182
Overall forecast budget surplus	(75)

The significant movement from Q3 to provisional outturn position includes:

- the final outturn position in the HRS, which was previously forecasted to be an underspend – movement £526,758,
- interlinked to this is a reduction in the cost of repairs and maintenance following completion of billing process for HRS – movement £779,492,
- the outturn position on rent arrears was improved resulting in a lower contribution being required to the bad debt position – movement £374,460,
- Contribution to the Repairs Reserve (£750k) and the Strategic Priorities Reserve (£550k), as due to Covid-19 there were delays in the delivery of schemes in both of these areas, which will be delivered in future years – movement £1,300,000.

4.4 In line with the General Fund the HRA has also borne the financial impacts of Covid-19 resulting in exceptional costs in responding to the pandemic and pressure on income streams. These have included:

Exceptional Expenditure:

- Establishment of Housing Rent Hardship Fund
- Provision of PPE and Covid-19 secure status for HRA services and buildings

Income Pressures:

- Housing Rent Arrears
- Housing Voids
- Investment Income
- Court Cost Income

The impacts on the HRA have not however been on the same scale as the General Fund and despite initial early forecasts the overall impact of Covid-19 has resulted in a significant underspend primarily due to delays in repairs and maintenance expenditure being incurred and rent arrears performance being in excess of that anticipated.

4.5 As per the General Fund, early action was taken to mitigate the impact of Covid-19 on the HRA. The measures taken were similar to those in the General Fund and are summarised as follows:

- **Budget Review** – A review of all of the Council's revenue budgets undertaken to identify one off budget reductions.
- **Coronavirus Job Retention Scheme** – a range of staff from primarily income generating areas were placed on furlough.
- **Savings through Repairs and Maintenance** – further savings in addition to the budget review.
- **Earmarked Reserves** – When announcing the Rent Hardship Fund, as set out above, funding for the initiative was agreed from a specific earmarked reserve.

4.6 The total of these measures along with other income and expenditure variances in year have resulted in a significant underspend for the HRA. In light of this it is therefore proposed that the following contributions are made to earmarked reserves:

- Repairs Reserve - £750,000, to provide resources to meet future repairs and maintenance demand which have been delayed/haven't materialised during 2020/21.
- Strategic Priorities Reserve - £550,000, to enable major improvement works linked to IT and One Council, along with project and other associated costs.

These proposed transfers to/from reserves are reflected in the provisional outturn position.

4.7 Subject to approval of the proposed transfers to earmarked reserves the underspend of £74,512 would result in HRA general balance of £1,074,653 as at 31st March 2021, although higher than assumed in the MTFS, these still remain within prudent levels.

4.8 The level of each of the current earmarked reserves, as at 31st March 2021 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 4.6 above.

5. **Housing Repairs Service**

5.1 For 2020/21 the Council's Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a £204,670 surplus outturn for 2020/21. The provisional outturn for 2020/21 shows a trading deficit of £322,088, a movement of £526,758. The movement is as a result of the delay in billing as highlighted at Quarter 3 which made forecasting the outturn position difficult. Now that billing is up to date the full financial impacts of Covid-19 have resulted in a loss to HRS.

5.3 The net trading deficit of £322,088 is the result of several year-end variations in income and expenditure against the approved budget. The main over and underspends included within the provisional outturn are detailed in Appendix F, while the key variances are summarised below:

- Reduction of jobs within the year due to Covid-19 – reduced income £565,511
- Reduction in material costs due to less jobs being carried out – reduced expenditure (£694,653)
- Staff vacancies not recruited for within the year – reduced expenditure (£217,770)
- Sub-contractor costs have increased due to CoL staff shielding during pandemic – additional expenditure £385,916
- Fleet leasing contract saving – reduced expenditure (£61,819)
- Reduction in labour hours charged out – reduced income £100,340
- Increased hire of equipment costs – additional expenditure £110,083

5.4 The deficit of £322,088 has been recharged to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

6. Earmarked Reserves

6.1 The details of all the earmarked reserves and their balance as at 31st March 2021 are attached in Appendix G. In summary:

	Opening Balance	Increase	Decrease	Closing Balance
	01/04/20			31/03/21
	£'000	£'000	£'000	£'000
General Fund	6,513	14,471	(1,828)	19,156
HRA	1,403	1,375	(183)	2,595
Capital Resources	19,538	13,949	(10,961)	22,526

7. Capital Programme

7.1 General Investment Programme

7.2 The last quarterly report approved a General Fund Investment Programme for 2020/21 of £5,117,557. Movements in the programme since revised budget approval decreased actual capital expenditure in 2020/21 to £3,212,056. A summary of the changes is shown below:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Budget Q3	5,118	14,393	1,160	948	500
Budget changes approved under CFO delegated authority	(1,976)	1,866	0	0	183

Budget changes in Qtr to be approved by Executive	0	552	0	0	0
Budget changes in Qtr approved by Executive	70	130	0	22	0
Revised Budget	3,212	16,941	1,160	970	683

7.3 New projects/changes requiring the approval of the Executive approval are

- **Disabled Facilities Grant** – 2021/22 budget increased by £551,990 to match the grant funding allocation.

The changes that have been approved by either portfolio holders or Executive and included within the final quarter (further details in Appendix I) are:

- **Electric Vehicle Charging points** – Approved in December 2020 under portfolio holder delegation, a grant funded scheme for £70k to support the installation of Electric Vehicle charging points within the council's portfolio of car parks.
- **Whittons Park** – Approved by Executive on 22 February 2021 a £152k scheme to improve a play area funded by S106 contributions.

7.4 Changes in the final quarter approved by the CFO under delegated authority are detailed in Appendix I.

7.5 The table below provides a summary of the provisional outturn position for the General Investment Programme:

	20/21 Budget at Q3	Q4 Change	Revised budget	Outturn	Variance	Re-profiles (to)/from 2021/22	Released to available resources
Active Programme	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DCE - Communities & Environment	1909	0	1,909	834	(1,075)	(1,075)	0
DCE - Community Services	839	70	909	672	(237)	(235)	0
DCE - Planning Services	260	0	260	142	(118)	(118)	0
General Fund Housing	50	0	50	10	(40)	(40)	0
Major Developments	1,400	76	1,476	1220	(256)	(256)	0
Chief Executives - Corporate Policy	22	0	22	0	(22)	(20)	(2)

Chief Executives - Chief Finance Officer	566	0	566	332	(234)	(234)	0
Total Active schemes	5,047	146	5,193	3,211	(1,982)	(1,978)	(2)
Schemes Currently Under Review	71	0	71	1	(69)	(72)	0
Total Capital Programme	5,118	146	5,263	3,212	(2,051)	(2,049)	(2)

7.6 The overall spending on the General Investment Programme for 2020/21 was £3,212,056, which is 62% of the revised 2020/21 programme as per the MTFS 2021-26.

Although this would appear to be low, the following points should be taken into consideration: -

- Disabled Facilities Grants of £1m have been reprofiled into 2021/22 this has been due to a reduction in works being undertaken during the pandemic as a result of households not wanting tradesman to attend as well as issues with construction supply chain. Although work has been re-profiled into 2021/22 the issues in the supply chain with materials and labour availability may cause further delays in the delivery of the programme.
- Covid-19 has also delayed other capital work programmes, with slippage moved into the next financial year.
- The issues in the construction supply chain have also delayed a number of other smaller schemes, with slippage moved into the next financial year.

7.7 Housing Investment Programme

7.8 The last quarterly report approved a Housing Investment Programme for 2020/21 of £19,960,118. Movements in the programme since approval of the revised budget decreased actual capital expenditure to £16,376,767 in 2020/21.

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Budget Q3	19,960	22,491	14,959	11,504	10,802
Budget changes approved under CFO delegated authority	(3,313)	3,348	0	0	0
Budget changes for Executive approval at Outturn	0	0	0	1,414	0
Revised Budget	16,377	25,839	14,959	12,918	10,802

7.9 There is one change to be approved by the executive at Q4 – the increase in budget in 2023/24 reflects the levels of 141 receipts during the 20/21 year and associated borrowing to fund expenditure on new social housing.

Changes in the final quarter approved by the CFO under delegated authority are detailed in Appendix K.

7.10 The table below provides a summary of the final outturn position:

	2020/21 Budget	Outturn	Variance	Re-profiles (to)/from 2021/22
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	4,406	3,474	(932)	(932)
Health and Safety	314	179	(135)	(135)
New Build Programme	14,310	12,382	(1,928)	(2,012)
Land Acquisition Fund	0	0	0	0
Other Schemes	370	322	(48)	(48)
IT/Infrastructure Schemes	290	20	(270)	(270)
Contingency	0	0	0	66
Total Capital Programme	19,690	16,377	3,313	(3,349)

7.11 The overall spending on the Housing Investment Programme for 2020/21 was £16,376,767 which is 83.17% of the revised 2020/21 programme as per MTFS 2020-25.

The following points should be taken into consideration: -

- Due to Covid-19 various scheduled work programmes have slipped or been delayed into 2020/21, with the 2020/21 budget impact still being assessed and will be reflected within 2021/22 reports.
- The budgets for DeWint Court have been reprofiled into 21/22 in line with expected expenditure outflows.

8. Strategic Priorities

8.1 The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council’s vision and strategic priorities. Vision 2025 identifies the Council’s strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2020/21 in order that we can continue to deliver services in support of Vision 2025.

9. Resource Implications

9.1 The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves.

General Balances, on both the General Fund and HRA, are the only resource not earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the provisional outturn the level of balances as at 31st March 2021 will be maintained within these ranges with the General Fund level slightly in excess of this.

Although the primary focus of this report has been to set out the financial challenges that the Council has faced in the current financial year and the measures actioned to mitigate the budget shortfalls, this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget challenges have been addressed. Beyond 2020/21 the Council is set to face ongoing reductions in resources and increased service costs from the legacy of impacts of Covid-19. This will require ongoing reductions in the net cost base in order to live within a significantly reduced resources envelope. The Council's MTFS 2021-2026, approved by Full Council in March 2021 sets out the detail of the financial challenge the Council faces.

9.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

9.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

10. Risk Implications

- 10.1 As set out in the report a range of measures were actioned during 2020/21 in order to maintain a balanced budget position, these were primarily one-off opportunities and not ongoing reductions in services. However, they have still, in some circumstances limited service standards and performance during 2020/21 as recruitment was initially restricted, expenditure budgets were reduced and staff were furloughed. These interventions were not all 'easy wins' and will have had implications for the Council both now and in future years.

11. Recommendations

The Executive are recommended to:

- 11.1 Note the provisional 2020/21 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances;
- 11.2 Approve the proposed transfer to General Fund and HRA earmarked reserves detailed in paragraphs 3.12 and 4.6;
- 11.3 Approve the new General Fund carry forward requests, not requested at Q3, as detailed in paragraph 3.14;
- 11.4 Approve the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.3 and 7.9) that are above the 10% budget variance limit delegated to the Chief Finance Officer.

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 2020-2025
Lead Officer:	Colleen Warren, Financial Services Manager Telephone 01522 873361.

GENERAL FUND SUMMARY – OUTTURN 2020/21

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Strategic Development	A	1,949	2,022	73
Chief Finance Officer (S.151)	B	(1,234)	(1,441)	(207)
Major Developments	C	218	218	0
City Solicitor	D	1,314	1,274	(40)
Housing	E	201	202	1
Communities and Street Scene	F	1,694	837	(857)
Health & Environmental Services	G	1,464	1,490	26
Planning	H	865	932	67
		6,470	5,534	(936)
Corporate Expenditure	I	1,415	1,548	133
TOTAL SERVICE EXPENDITURE		7,885	7,082	(803)
Capital Accounting Adjustment	J	3,054	6,374	3,320
Specific Grants	K	(1,393)	(2,668)	(1,275)
Contingencies	L	1,416	0	(1,416)
Savings Targets	M	9	0	(9)
Earmarked Reserves	N	12,643	12,643	0
Insurance Reserve	O	45	76	31
TOTAL EXPENDITURE		23,659	23,506	(153)
CONTRIBUTION TO BALANCES		286	434	148
NET REQUIREMENT		23,945	23,941	(5)
Retained Business Rates Income	P	(18,389)	(18,574)	(185)
Tariff	Q	13,094	13,094	0
Section 31 Grant	R	(12,543)	(12,657)	(114)
Levy	S	1,140	1,444	304
Revenue Support Grant	T	(23)	(23)	0
Council Tax	U	(6,915)	(6,973)	(58)
Council Tax Section 31 Grant		(109)	(109)	0
Council Tax Surplus	V	(58)	0	58
NNDR Deficit	W	(144)	(144)	0
TOTAL RESOURCES		(23,947)	(23,942)	5
BALANCES B/F 1ST APRIL		(2,236)	(2,236)	0
(USE OF)/CONTRIBUTION TO BALANCES		(286)	(434)	(148)
BALANCES C/F 31ST MARCH 2021		(2,522)	(2,670)	(148)

General Fund Forecast Variances - Outturn 2020/21

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
	<u>Additional Expenditure</u>		
A	Call Monitoring	37,064	Increased costs due to call diversions as a result of remote working.
A	Customer Services	60,063	Cost pressure due to shortfall on planned TFS savings as a result of reduced attrition during lockdown combined with addition cost of MARS scheme.
A	CX Corporate Policy	38,515	Increased staffing costs as a result of MARS scheme.
B	Buildings Cleaning/City Hall	49,279	Additional costs of enhanced cleaning regimes and other Covid-19 secure buildings measures (offset by reduced expenditure below).
B	Property Management	92,094	Agency costs incurred to cover vacant post and consultancy fees for asset appraisals/schemes.
B	Financial Services	34,032	Agency costs incurred covering vacant posts.
C	Representation of People Act	30,361	Increased postage/printing costs as a result of Covid-19 restrictions.
D	Rough Sleeping	108,962	Costs incurred in ensuring all rough sleepers are provided accommodation as part of Covid-19 measures (net cost after offset of housing benefit).
D	Control Centre	92,859	Increased expenditure due to MARS payments, additional overtime and increased telephone costs as a result of Covid-19.
G	Active Nation	343,101	Active Nation Covid-19 related claims for the lockdown periods.
G	Crematorium	54,825	Additional live streaming costs and staffing costs due to Covid-19.
G	Health & Safety	98,586	Additional staffing requirements to support testing, tracing, outbreak planning and support to businesses (offset by funding from LCC).

Ref		£	Reason for variance
G	Health & Safety	58,657	Additional costs incurred relation to compliance and enforcement (Covid-19 Marshalls) (offset by Government grant).
M	Annual Vacancy Savings Target	72,680	Vacancy savings target offset by vacancies within service areas.
N	Earmarked Reserves	466,869	Proposed carry forwards to Earmarked Reserves as detailed in paragraph 3.14 above.
<u>Reduced Income</u>			
A	Land Charges	25,399	Shortfall in income due reduced demand during lockdown (offset by £6,878 SFC Income Compensation below).
B	The Terrace	56,030	Reduction in Rental and Fees & Charges income as a result of Covid-19 and lower occupancy levels (offset by reduced expenditure below).
B	Lincoln Properties	527,723	Reduction in rental income as a result of Covid19, including impact of CVA for Travelodge.
B	Council Tax	235,644	Reduction in court cost income due to closure of courts as a result of Covid-19.
B	Housing Benefits	266,286	Under-recovery of overpayments offset by reduction Bad Debt provision.
B	Treasury Investment Income	38,084	Reduction in interest received due to lower base rate.
C	CX Workbased Learning	39,341	Reduced income as a result of year on year drop in apprenticeship courses (offset by reduced expenditure on CoLC Apprentices below).
F	Car Parks	4,066,494	Reduced income following Covid-19 lockdowns and the ongoing impact of local economic recovery (offset by expenditure savings and SFC Income Compensation detailed below).
F	Hartsholme Country Park	58,185	Reduction in departure fees due to reduction in the service levels during Covid-19 and recovery period (offset by reduced expenditure below).

Ref		£	Reason for variance
F	Bus Station	21,220	Reduction in departure fees due to reduction in the service levels during Covid-19 and recovery period (offset by reduced expenditure below).
F	Bus Station	29,580	Reduction in Rental income as a result of unoccupied office space (offset by reduced expenditure and SFC Income Compensation detailed below).
G	Enforcement Officer	23,115	Shortfall of income following Covid-19 disruption.
G	Yarborough/Birchwood Leisure Centres	85,030	Loss of swimming and pitch income due to closure of centres during lockdown and ongoing impact of social distancing (offset by £60,584 SFC Income Compensation detailed below).
G	Christmas Market	653,000	Loss of income from cancellation of 2020 Xmas Market (offset by reduced expenditure and SFC Income Compensation detailed below).
G	Community Centres & Rec Grounds	81,025	Loss of income due to ongoing closure of centres and reduction in demand at recreational grounds (offset by expenditures savings and SFC Income Compensation detailed below).
G	Visitor Information Centre	107,921	Loss of income at VIC due to Covid-19 closure and impact on footfall and tourism during recovery (offset by reduced expenditure and SFC Income compensation detailed below).
G	Markets	56,744	Reduction in stall licence fee income as a result of Covid-19 and lower occupancy levels (offset by £18,145 SFC Income Compensation detailed below).
H	Development Control	93,803	Fees and charges losses anticipated following Covid-19 and subsequent impact on local economy and market conditions.
H	Building Control	74,332	Fees and charges losses anticipated following Covid-19 and subsequent impact on local economy and market conditions.

Reduced Expenditure

A	External Grants	(44,145)	Savings due to reduction in grants paid as a result of closures during Covid-19 restrictions.
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Ref		£	Reason for variance
B	City Hall	(37,014)	Reduced premises running costs as a result of lower occupancy during Covid-19 restrictions.
B	The Terrace	(51,504)	Underspend on Direct Business Rates and Running costs as a result of lower occupancy levels due to the ongoing impact of Covid-19 restrictions.
C	Civic	(32,822)	Underspend due to a reduction in civic activities as a result of ongoing Covid-19 restrictions.
C	Human Resources & Payroll	(30,295)	Underspend on Corporate & departmental Training Courses as a result of ongoing Covid-19 restrictions.
C	CoLC Apprentices	(69,140)	Underspend due to a reduced number of Apprentices this year, average 11 out of 20 budgeted FTE.
D	Rough Sleepers	(55,422)	Salary savings due to vacant posts.
E	Homeless Bed & Breakfast	(68,973)	Reduction in the usage of Bed & Breakfast due to alternative accommodation being used, partly offset by a reduction in HB claims.
F	Car Parks	(97,507)	Underspend on repairs and maintenance and cleaning requirements due to reduced car park usage (offsets income losses above).
F	Bus Station	(52,990)	Underspend on repairs and maintenance requirements, potential to contribute to Bus Station Sinking Fund subject to year-end outturn.
F	Public Conveniences	(37,940)	Underspend due to vacant post and reduced overtime due to closure of toilets and reduced usage during Covid-19 restrictions.
G	Christmas Market	(602,806)	Savings arising from non-delivery of 2020 Christmas Market (offsets income losses above, net effect £50,194).
G	Community Centres & Rec Grounds	(32,446)	Underspend on utilities & cleaning costs due to ongoing closure of centres and reduction in demand at recreational grounds (offsets income losses above).
G	Visitor Information Centre	(26,680)	Reduced costs at VIC due to Covid-19 closures and impact on footfall and tourism during recovery (offsets income losses above).

Ref		£	Reason for variance
G	Markets	(34,448)	Vacancy savings and reduced running costs (offsets income losses above).
I	Bad Debt Provision - Housing Benefits	(139,518)	Reduction in the required contribution to the bad debt provision for housing benefits.
I	Bad Debt Provision - General Fund	(43,309)	Reduction in the required contribution to the bad debt provision for general fund debtor balances.
I	Corporate Repairs & Maintenance	(136,972)	Underspend on Corporate R&M expenditure as a result of Covid-19 pandemic restrictions.
L	Contingencies – Budget measures taken at Q1	(1,168,170)	A combination of all the budgets measures approved at Q1 to offset the income and expenditure pressures as a result of the national lockdown and subsequent recovery period.

Additional Income

B	City Hall	(102,789)	Increased rental and service charge income from existing tenants requirements for out of hours working.
B	Test & Trace Support	(72,029)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.
B	Managed Workspace – CoLC Profit Share	(25,668)	CoLC profit share as a result of cost savings at Greetwell, Managed Workspace.
B	Industrial Estates	(50,522)	Increased rental income following in year rent reviews.
C	Representation of People Act	(51,435)	IER Funding awarded in Q4.
D	Rough Sleepers	(62,026)	Grant received in respect of increased rough sleeping costs as a result of Covid-19 measures (additional expenditure set out above).
D	Rough Sleepers	(55,028)	Housing Benefit contribution towards Rough Sleeper bed & breakfast costs.
G	Health & Safety	(189,470)	Additional funding to resource staffing requirements to support testing, tracing, outbreak planning and support to businesses.
G	Health & Safety	(58,020)	Ring fenced Government grant for Local Authority Compliance and Enforcement.

Ref		£	Reason for variance
G	Crematorium	(66,319)	Additional income from cremations, partly offset by additional staffing costs (see above).
G	Cemeteries	(31,454)	Additional income from burials
I	Corporates Services	(320,300)	New Burdens funding to compensate for work associated with administering the business support grants (total grant £355.3k less agreed £35k carry forward to 2021/22).
L	Contingencies – Income	(38,630)	No asset sales anticipated in year with income losses.
L	Contingencies – Job Retention Scheme	(102,340)	Funding through access to Job Retention Scheme, income relates to August to March claims (previous months included in Q1 measures).
L	Contingencies - SFC Income Compensation Scheme	(2,989,360)	Income losses arising as result of Covid-19 to be compensated for through government scheme. Net income losses, after a 5% deductible and offset for savings arising during period, are compensated for a 75p for each £1 loss (offsets income losses detailed above). See 3.7 for further detail.
L	Government Grant	(1,254,690)	Government funding to offset local authority expenditure pressures arising due to Covid-19 (total grant £1.877m less agreed £622.1k carry forward to 2021/22).

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2020/21

HRA PROVISIONAL OUTTURN - 2020/21				
		Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(28,666)	(28,761)	(95)
Charges for Services & Facilities	B	(306)	(294)	11
Contribs towards Expenditure	C	(50)	(21)	29
Repairs & Maintenance	D	8,959	7,575	(1,385)
Supervision & Management:	E	6,828	7,315	487
Rents, Rates and Other Premises	G	95	127	32
Increase in Bad Debt Provisions	H	297	279	(18)
Insurance Claims Contingency	I	106	2	(104)
Contingencies	J	516	0	(516)
Depreciation	K	6,637	6,700	62
Impairments	L	0	0	0
Debt Management Expenses	M	12	5	(7)
HRS Trading Deficit/(Surplus)	N	(136)	322	458
Net Cost of Service	O	(5,707)	(6,752)	(1,044)
Loan Charges Interest	P	2,530	2,427	(104)
Investment/Mortgage Interest	Q	(43)	(23)	20
Net Operating Inc/Exp	R	(3,219)	(4,348)	(1,129)
Capital Accounting Adjustments	S	0	0	0
Major Repairs Reserve Adjustment	T	3,184	2,940	(244)
Transfers to/from reserves	U	111	1,330	1,219
(Surplus)/Deficit in Year		75	(79)	(154)
Pension Reserve	W	0	0	0
Balances b/f @ 1st April	X	(1,075)	(996)	79
(Increase)/Decrease in Balances	Y	75	(79)	(154)
Balances c/f @ 31st March	Z	(1,000)	(1,075)	(75)

Housing Revenue Account Variances - Outturn 2020/21

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
<u>Increased Expenditure</u>			
N	HRS Trading Deficit -Repatriation	458,237	HRS deficit repatriated to the HRA (see HRS for detail).
A	Discretionary Housing Payments	70,421	Discretionary housing rent hardship payments as a result of Covid-19.
A	Supervision & Management	486,613	Increased expenditure largely as a result of void works orders, agency staff payments, disrepair claims and both Pain & Gain share (£46.7k) and redundancy costs for TUPE staff (£82k) on Kiers contract.
U	Transfers to/from Reserves	1,191,860	Contributions to the Repairs Reserve (£750k) and the Strategic Priorities Reserve (£550k), as due to Covid-19 there were delays in the delivery of schemes in both of these areas, which will be delivered in future years, partly offset by reduced drawdown from reserves not required.
<u>Increased Income</u>			
A	Rental Income	(234,462)	Dwelling social & affordable rent higher than budget due to additional properties coming online from NSAP & Purchase and Repair properties.
<u>Reduced Expenditure</u>			
D	Repairs & Maintenance	(1,384,865)	Variance due to Covid-19 delaying repairs, with savings incurred during lockdown and recovery period. Majority of underspend on Painting programme within External Decorations.
J	Contingencies	(44,050)	Savings attributable to the HRA and HRS arising from savings reviews undertaken in the General Fund as part of the TFS programme.

Appendix D

J	Contingencies	(257,320)	Budget Review savings as a result of Covid-19.
J	Contingencies	(190,940)	Additional funding from the Government for Furloughed staff.
P	Loan Charges Interest	(103,937)	Reduction in borrowing costs due to a change in financing.
	<u>Reduced Income</u>		
A	Dwelling Rents	65,335	Increase in void numbers during lockdown and increased length of time voids being relet due to social distancing requirements resulting in lost rental income.
C	Reduced Income	49,188	Reduction in Court Cost income due to Covid-19.

HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2020/21

	Revised Budget £'000	Outturn £'000	Variance £'000
Employees	3,223	3,005	(218)
Premises	44	45	1
Transport	367	323	(44)
Materials	1,415	721	(694)
Sub-Contractors	1,916	2,302	386
Supplies & Services	214	352	138
Central Support Costs	336	522	186
Capital Charges	0	2	2
Total Expenditure	7,515	7,271	(244)
Income	(7,514)	(6,948)	566
(Surplus)/Deficit	0	322	322

Housing Repairs Service Variances - Outturn 2020/21

The table below provides a summary of the provisional outturn position.

	£	Reason for Variance
<u>Reduced Income</u>		
Income - Other	565,511	Reduced Income due to fewer jobs being carried out within the year as a result of Covid-19.
HRS Administration	185,627	Reduction in income due to reduced labour hours charged as a result of Covid-19.
<u>Reduced Expenditure</u>		
Transport	(61,819)	Saving on leasing contract due to a 10% reduction on contract price for extending the contract for 1 year.
Materials	(694,653)	Reduced material costs due to fewer jobs being carried out, as a result of Covid-19.
Employees	(217,770)	Due to vacancies within the red book staff, following delays in recruitment due to Covid-19.
<u>Increased Expenditure</u>		
Supplies & Services	113,694	Increase in equipment hire costs due to a change in policy to hire equipment as opposed to purchasing.
Sub-Contractors	385,916	Increased use of sub-contractors whilst Council officers were required to shield during pandemic.

Appendix G

EARMARKED RESERVES – OUTTURN 2020/21

General Fund	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
Grants & Contributions (see tab for detail)	987	(140)	538	1,385
Carry Forwards (see tab for detail)	81	0	401	482
Active Nation Bond	0	0	180	180
AGP Sinking Fund	0	0	2	2
Air Quality Initiatives	5	6	0	11
Asset Improvement	(0)	0	0	(0)
Backdated rent review	0	0	0	0
Birchwood Leisure Centre	26	0	20	46
Boston Audit Contract	0	0	0	0
Business Rates Volatility	1,959	27	10,983	12,969
Christmas Decorations	14	0	0	14
City Hall Sinking Fund	60	0	0	60
Commons Parking	27	0	(7)	20
Corporate Training	45	0	15	60
Council Tax Hardship Fund	0	0	531	531
Covid-19 Recovery	425	0	622	1,047
Covid-19 Response	354	0	0	354
Crem Income	0	0	0	0
DRF Unused	199	(167)	309	341
Electric Van replacement	15	4	0	19
Funding for Strategic Priorities	721	(276)	(272)	174
Income Volatility Reserve	0	0	0	0
Invest to Save (GF)	336	7	110	453
IT Reserve	94	29	0	124
Lincoln Lottery	9	0	0	9
Mayoral car	27	0	0	27
Mercury Abatement	371	(54)	0	317
MSCP & Bus Station Midlife Refurb - Sinking Fund	60	0	0	60
Organisational Development	0	0	0	0
Private Sector Stock Condition Survey	15	12	0	27
Property Searches	0	0	0	0
Revenues & Benefits shared service	25	0	(25)	0
Section 106 interest	32	0	0	32
Strategic Growth Reserve	57	0	(40)	17
Strategic Projects - revenue costs	131	(120)	(9)	2
Tank Memorial	10	0	0	10
Tree Risk Assessment	106	20	(29)	97
Vision 2025	220	191	(206)	204
WGC Planning	100	0	(20)	80

Appendix G

Yarborough Leisure Centre	0	0	0	0
Total General Fund Reserves	6,513	(460)	13,103	19,156

<u>HRA</u>	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
Capital Fees Equalisation Reserve	140	(30)	0	110
De Wint Court Reserve	73	0	0	73
Housing Business Plan Reserve (NEW)	0	77	0	77
Housing Repairs Service	126	0	0	126
HRA DRF	0	0	0	0
HRA Repairs Account	579	(79)	750	1,250
HRA Strategic Priority Reserve	176	75	550	801
HRA Survey Works	54	(54)	0	0
Invest to Save (HRA)	133	0	0	133
Stock Retention Strategy	22	(22)	0	0
Strategic Growth Reserve	101	0	(75)	26
Total HRA Reserves	1,403	(34)	1,225	2,595

Total Earmarked Reserves	7,916	(493)	14,329	21,752
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CAPITAL RESOURCES – OUTTURN 2020/21

	Opening Balance 01/04/2020 £'000	Contributions £'000	Used in Financing/ Adjustments £'000	Forecast Balance 31/03/2021 £'000
Capital Grants/Contributions	1,298	2,895	(2,452)	1,741
Capital Receipts	802	100	(279)	623
Capital Receipts (HRA)	4,345	1,047	(1,504)	3,888
Capital Grants/Contributions HRA	3,926	310	(2,101)	2,135
Major Repairs Reserve	5,109	6,698	(4,044)	7,763
DRF	4,058	3,184	(581)	6,661
Total Capital Resources	19,538	14,234	(10,961)	22,811

General Investment Programme – Summary of Financial Changes

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
2020/21 MTFS Budget as at Q3	5,117,557	14,393,118	1,160,126	948,033	500,000
Budget for approval	3,212,056	16,941,404	1,160,126	970,446	683,021
Total changes for Q4	(1,905,501)	2,548,286	0	22,413	183,021

Approved by Chief Finance Officer					
Disabled Facilities Grant	(997,095)	997,095	0	0	0
AGPs	(88,307)	88,307	0	0	0
New Software- Crematorium	(2,250)	2,250	0	0	0
Crematorium refurbishment	12,450	(12,450)	0	0	0
Boultham Park Masterplan	(49,700)	49,700	0	0	0
Boultham Park Lake Restoration	(135,105)	135,105	0	0	0
Car Park Improvements- Ticket Machines	(2,424)	0	0	0	0
Car Park Improvements- CCTV in MSCPs	(6,142)	6,142	0	0	0
Electric Vehicle Charging Points	(43,982)	43,982	0	0	0
Heritage Action Zone	(118,038)	118,038	0	0	0
Housing Renewal Area Unallocated	(40,015)	40,015	0	0	0
Western Growth Corridor	(86,908)	86,908	0	0	0
Town's Fund	(169,010)	169,010	0	0	0
New Telephony System	(16,066)	16,066	0	0	0
New Website	(2,240)	0	0	0	0
Infrastructure Upgrade	(3,772)	3,772	0	0	0
Compulsory Purchase Orders	1,473	(1,473)	0	0	0
IT Reserve	(70,562)	70,562	0	0	0
Planned Capitalised Works	(71,919)	73,944	0	0	0

Appendix I

Guildhall	(609)	609	0	0	0
Play Area Surfacing Works	(11,639)	11,639	0	0	0
Long Leys Road Drainage	(10,438)	10,438	0	0	0
Lucy Tower Lifts	(2,025)	0	0	0	0
YLC Diving Boards	(39,825)	39,825	0	0	0
40 Michaelgate Structural works	(2,283)	2,283	0	0	0
Brayford Viewing Platform	(8,246)	8,246	0	0	0
Greyfriars	(42,679)	42,679	0	0	0
Monks Abbey Bowls Pavilions Externals	(9,061)	9,061	0	0	0
Guildhall Walkway/ Access Improvements.	(11,219)	11,219	0	0	0
Grandstand Terracing Improvements	(12,837)	12,837	0	0	0
West Common External Rendering Improvements	(4,980)	4,980	0	0	0
City Hall Lightning Protection	(6,104)	6,104	0	0	0
Skate Park	0	(183,021)	0	0	183,021
Capital Contingencies	0	2,424	0	0	0
Western Growth Corridor	75,685	0	0	0	0
Available Resources	0	0	0	0	0
To be approved by Executive					
Disabled Facilities Grant	0	551,990	0	0	0
Available Resources	0	0	0	0	0
Approved by Executive					
Electric Vehicle Charging points	70,371	0	0	0	0
Whittons Park	0	130,000	0	22,413	0
Total changes in Quarter 4	(1,905,501)	2,548,286	0	22,413	183,021

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
2020/21 MTFS Budget as at Q3	5,118	14,393	1,160	948	500

Appendix I

Approved by Chief Finance Officer	(1,976)	1,866	0	0	183
To be approved by Executive	0	552	0	0	0
Approved by Executive	70	130	0	22	0
Revised Budget	3,212	16,941	1,160	970	683

General Investment Programme – Summary of Expenditure as at 31st March 2021

	2020/21 Approved Budget	Changes in Q4	Revised budget	2020/21 Actual	2020/21 Variance	Spend
	£	£	£	£	£	%
<u>ACTIVE SCHEMES</u>						
<u>DCE - Communities & Environment</u>						
Disabled Facilities Grant	1,605,581	0	1,605,581	608,486	997,095	37.90%
Transformation of Birchwood Leisure Centre	30,000	0	30,000	30,000	0	100.00%
AGPs	188,301	0	188,301	99,994	88,307	53.10%
New Software- Crematorium	11,375	0	11,375	9,125	2,250	80.22%
Crematorium refurbishment	0	0	0	12,450	(12,450)	0.00%
Swift Gardens Play Area	74,200	0	74,200	74,200	0	100.00%
	1,909,457		1,909,457	834,254	1,075,203	43.69%
<u>DCE - Community Services</u>						
Boultham Park Masterplan	49,700	0	49,700	0	49,700	0.00%
Boultham Park Lake Restoration	695,026	0	695,026	559,921	135,105	80.56%
Allotment Capital Improvement Programme	1,059	0	1,059	1,059	0	100.00%
Car Park Improvements- Ticket Machines	87,360	0	87,360	84,936	2,424	97.23%
Car Park Improvements- CCTV in MSCPs	6,142	0	6,142	0	6,142	0.00%
Electric Vehicle Charging Points	0	70,371	70,371	26,389	43,982	37.50%
	839,287	70,371	909,658	672,305	237,353	73.91%
<u>DCE - Planning Services</u>						
Heritage Action Zone	260,000	0	260,000	141,962	118,038	
	260,000	0	260,000	141,962	118,038	54.60%
<u>General Fund Housing</u>						
Housing Renewal Area Unallocated	50,000	0	50,000	9,985	40,015	19.97%
	50,000	0	50,000	9,985	40,015	19.97%

Appendix K

Major Developments

Western Growth Corridor	400,000	75,685	475,685	388,777	86,908	81.73%
Town's Fund	1,000,000	0	1,000,000	830,990	169,010	83.10%
	1,400,000	75,685	1,475,685	1,219,767	255,918	82.66%

Chief Executives Department - Corporate Policy

New Telephony System	16,066	0	16,066	0	16,066	0.00%
New Website	2,240	0	2,240	0	2,240	0.00%
Infrastructure Upgrade	3,772	0	3,772	0	3,772	0.00%
	22,078	0	22,078	0	22,078	0.00%

Chief Executives - Chief Finance Officer

Planned Capitalised Works	71,919	0	71,919	0	71,919	0.00%
Guildhall	609	0	609	0	609	0.00%
Play Area Surfacing Works	11,639	0	11,639	0	11,639	0.00%
Long Leys Road Drainage	10,438	0	10,438	0	10,438	0.00%
Lucy Tower Lifts	137,005	0	137,005	134,980	2,025	98.52%
YLC Diving Boards	42,550	0	42,550	2,725	39,825	6.41%
BLC Roof	3,267	0	3,267	3,267	0	100.00%
40 Michaelgate Structural works	2,283	0	2,283	0	2,283	0.00%
Greetwell Hollow	150,000	0	150,000	150,000	0	100.00%
Brayford Viewing Platform	38,900	0	38,900	30,654	8,246	78.80%
Greyfriars	53,362	0	53,362	10,683	42,679	20.02%
Monks Abbey Bowls Pavilions External Improvements	9,061	0	9,061	0	9,061	0.00%
Guildhall Walkway/ Access Improvements.	11,219	0	11,219	0	11,219	0.00%
Grandstand Terracing Improvements	12,837	0	12,837	0	12,837	0.00%
West Common External Rendering Improvements	4,980	0	4,980	0	4,980	0.00%
City Hall Lightning Protection	6,104	0	6,104	0	6,104	0.00%
	566,173	0	566,173	332,309	233,864	58.69%
TOTAL BUDGET FOR ACTIVE SCHEMES	5,046,995	146,056	5,193,051	3,210,583	1,982,468	63.61%

Appendix K

Schemes Currently Under Review

Compulsory Purchase Orders	0	0	0	1,473	(1,473)	0.00%
IT Reserve	70,562	0	70,562	0	70,562	0.00%
TOTAL BUDGET FOR SCHEMES UNDER REVIEW	70,562	0	70,562	1,473	69,089	2.09%
TOTAL GENERAL INVESTMENT PROGRAMME	5,117,557	146,056	5,263,613	3,212,056	2,051,557	62.77%

Housing Investment Programme – Summary of Financial Changes

Project Name						
	Approved Budget Qtr3	Budget to be Approved	Budget Increase/ (Reduction)	Movements (To)/from Available Resources	Movements Within Financial Year	Reprofile (to) / from future years
Decent Homes	£	£	£	£	£	£
Bathrooms & WC's	400,000	423,561	23,561	0	0	23,561
DH Central Heating Upgrades	1,625,000	1,280,439	(344,561)	0	0	(344,561)
Thermal Comfort Works	5,000	5,636	636	0	0	636
Kitchen Improvements	550,000	753,542	203,542	0	0	203,542
Rewiring	18,791	24,716	5,925	0	0	5,925
Re-roofing	60,000	68,555	8,555	0	0	8,555
Lincoln Standard Windows Replacement	150,000	132,073	(17,927)	0	0	(17,927)
Structural Defects	5,000	3,580	(1,420)	0	0	(1,420)
Door Replacement	80,000	139,692	59,692	0	0	59,692
New services	7,964	7,843	(121)	0	0	(121)
Void Capitalised Works	1,334,628	521,043	(813,585)	0	0	(813,585)
Fire Doors	50,000	2,121	(47,879)	0	0	(47,879)
Fire Compartment works	20,000	37,005	17,005	0	17,005	0
Lincoln Standard						
Over bath showers (10 year programme)	100,000	74,215	(25,785)	0	0	(25,785)

Appendix K

Health & Safety						
Asbestos Removal	183,816	138,326	(45,490)	0	0	(45,490)
Asbestos Surveys	89,885	40,745	(49,140)	0	0	(49,140)
Fire Alarms	40,000	0	(40,000)	0	0	(40,000)
Other						
Environmental works	150,000	172,503	22,503	0	0	22,503
2 Gunby Avenue	3,333	0	(3,333)	0	0	(3,333)
Landscaping and Boundaries	0	133,347	133,347	0	0	133,347
Communal Electrics	81,150	15,471	(65,679)	0	0	(65,679)
Garages	88,778	709	(88,069)	0	0	(88,069)
HRA Assets - Shops/Buildings	20,000	0	(20,000)	0	0	(20,000)
CCTV	26,685	0	(26,685)	0	0	(26,685)
Contingency Reserve	0	0	0	0	(66,364)	66,364
Other Schemes						
Infrastructure Upgrade	251,633	0	(251,633)	0	0	(251,633)
Operation Rose	38,611	19,495	(19,116)	0	0	(19,116)
Total Housing Investment Programme	5,380,274	3,994,617	(1,385,657)	0	(49,359)	(1,336,298)
Housing Strategy & Investment						
New Build Programme						
New Build Site - Searby Road	62,497	0	(62,497)	0	0	(62,497)
New Build Site - Queen Elizabeth Road	195,051	168,290	(26,761)	0	0	(26,761)
New Build Site - Rookery Lane	446,935	309,216	(137,719)	0	0	(137,719)

Appendix K

New Build Capital Salaries	40,560	40,560	0	0	0	0
New Build- De Wint Court	4,982,554	3,996,980	(985,574)	0	0	(985,574)
New Build - Markham House	526,849	526,850	1	0	0	0
Western Growth Corridor - Phase 1	9,766	48,062	38,296	48,062	0	(9,766)
Acquisition Riseholme Road	1,779,149	1,768,185	(10,964)	0	0	0
Acquisition BuyBack Programme	4,767,233	4,661,481	(105,752)	71,950	(35,975)	(141,727)
Acquisition NSAP Properties	1,499,250	862,527	(636,723)	0	0	(636,723)
New Build unallocated						(10,964)
New Build Programme	14,309,844	12,382,150	(1,927,694)	120,012	(35,957)	(2,011,731)
Total Housing Strategy & Investment Programme	14,309,844	12,382,150	(1,927,694)	120,012	(35,957)	(3,348,029)
Total Programmes	19,690,118	16,376,767	(3,313,351)	120,012	(85,334)	(3,348,029)

Housing Investment Programme – Summary of Expenditure as at 31st March 2021

	2020/21 Q3 Approved Budget	2020/21 Actual	2020/21 Variance	Spend
	£	£	£	%
<u>Decent Homes</u>				
Bathrooms & WC's	400,000	423,561	23,561	105.89%
DH Central Heating Upgrades	1,625,000	1,280,439	(344,561)	78.80%
Thermal Comfort Works	5,000	5,636	636	112.72%
Kitchen Improvements	550,000	753,542	203,542	137.01%
Rewiring	18,791	24,716	5,925	131.53%
Re-roofing	60,000	68,555	8,555	114.26%
Lincoln Standard Windows Replacement	150,000	132,073	(17,927)	88.05%
Structural Defects	5,000	3,580	(1,420)	71.59%
Door Replacement	80,000	139,692	59,692	174.62%
New services	7,964	7,843	(121)	98.48%
Void Capitalised Works	1,334,628	521,043	(813,585)	39.04%
Fire Doors	50,000	2,121	(47,879)	4.24%
Fire Compartment works	20,000	37,005	17,005	185.03%
<u>Lincoln Standard</u>				
Over bath showers (10 year programme)	100,000	74,215	(25,785)	74.22%
<u>Health & Safety</u>				
Asbestos Removal	183,816	138,326	(45,490)	75.25%
Asbestos Surveys	89,885	40,745	(49,140)	45.33%
Fire Alarms	40,000	-	(40,000)	0.00%

Appendix L

<u>Other</u>				
Environmental works	150,000	172,503	22,503	115.00%
2 Gunby Avenue	3,333		(3,333)	0.00%
Landscaping and Boundaries		133,347	133,347	0.00%
Communal Electrics	81,150	15,471	(65,679)	19.06%
Garages	88,778	709	(88,069)	0.80%
HRA Assets - Shops/Buildings	20,000		(20,000)	0.00%
CCTV	26,685		(26,685)	0.00%
<u>Other Schemes</u>				
Housing Support Services Computer Fund	-		0	0.00%
Infrastructure Upgrade	251,633		(251,633)	0.00%
Operation Rose	38,611	19,495	(19,116)	50.49%
<u>Total Housing Investment Programme</u>	5,380,274	3,994,617	(1,385,657)	74.25%
<u>Housing Strategy & Investment</u>				
<u>New Build Programme</u>				
New Build Site - Searby Road	62,497		(62,497)	0.00%
New Build Site - Queen Elizabeth Road	195,051	168,290	(26,761)	158.53%
New Build Site - Rookery Lane	446,935	309,216	(137,719)	37.65%
New Build Capital Salaries	40,560	40,560	0	100.00%
New Build- De Wint Court	4,982,554	3,996,980	(985,574)	80.22%
New Build - Markham House	526,849	526,850	1	100.00%
Western Growth Corridor - Phase 1	9,766	48,062	38,296	492.13%
Acquisition Riseholme Road	1,779,149	1,768,185	(10,964)	99.38%
Acquisition BuyBack Programme	4,767,233	4,661,481	(105,752)	97.78%

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Acquisition NSAP Properties	1,499,250	862,527	(636,723)	57.53%
New Build Unallocated	-	-	0	0.00%
New Build Programme	14,309,844	12,382,150	(1,927,694)	86.53%
<u>Total Housing Strategy & Investment Programme</u>	14,309,844	12,382,150	(1,927,694)	86.53%
<u>Total Programmes</u>	19,690,118	16,376,767	(3,313,351)	83.17%

TFS Phase7 programme: progress at Q4 - 2020/2021

Service	Summary of project	Dir.	Total savings in 2020/21 £000's	GF savings in 2020/21 £000's	HRA savings in 2020/21 £000's	Comments
ACTIONS COMPLETED AS OF END Q3 2020/21						
Waste/Street Cleansing Collection Contract	Agree an extension to current contract	DCE	160	160	0	Approved Exec Feb 2020
Drill Hall Grant	Review payment of the current Drill Hall grant	DCE	0	0	0	Approved Exec Aug 2020 - savings from 2021/22 onwards
One Council review (Year one: 2020/21	Review the way in which the council works – how, where, who and when	CX	101	87	14	Part of a programme of reviews, further work to be undertaken in 2021/22
MFD/Post/Mobile Phones	Minimise use and maximise savings options within these service charges	DHI	31	25	6	Action Completed
Call Monitoring	Reduction in landline calling	DHI	10	7	3	Action Completed
Communities and Street scene (Waste	Remove annual contribution towards a countywide waste officer	DCE	7	7	0	Action Completed
Community Leadership & Sustainability	Replacement of community funds through social value element of contracts	DHI	5	5	0	Action Completed
Housing regeneration	Review of capital element of existing staffing costs	DCE	66	66	0	Action Completed
Property Management	Removal of vacant hours on this service (no longer required	CX	22	19	3	Action Completed
CX Work based Learning	Removal of vacant hours on this service (no longer required	CX	14	14	0	Action Completed
Human Resources & Payroll	Removal of vacant hours on this	CX	6	4	2	Action Completed

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	service (no longer required					
Development Control	Removal of vacant hours on this service (no longer required	DCE	33	33	0	Action Completed
City Hall	Income levels achieved (higher than budgeted	CX	11	10	1	Action Completed
Your Lincoln electronic	Replace printed copies of Your Lincoln with an electronic version	CX	8	6	2	Action Completed
Bus station reception desk provision	Temporary contracts not renewed	CX	20	11	9	Action Completed
Managed Workspace	Removal of vacant post as a temporary measure in advance of ongoing consideration.	CX	41	41	0	To be further reviewed in 2021/22 for ongoing saving potential
CoLC Apprentices	Reduction in apprentices as a temporary measure in advance of a wider review of the service.	CX	18	13	5	To be further reviewed in 2021/22 for ongoing saving potential
CX Business Management	Removal of vacant hours on this service (no longer required	CX	23	21	2	Action Completed
Democratic Support	Removal of vacant hours on this service (no longer required	CX	15	15	0	Action Completed
Post Office Payment Cards	Reduce usage over time of post office payment cards	CX	6	5	1	Action Completed
Internal Audit	Removal of vacant hours on this service (no longer required, reduction in audit programme days.	CX	9	7	2	Action Completed
DCE Administration	Removal of vacant hours on this service (no longer required	DCE	3	3	0	Action Completed
TOTAL SAVINGS			609	559	50	