

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

1. Purpose of Report

1.1 To present to Executive the second quarter's performance (up to 30th September), on the Council's:

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

And to seek approval for changes to both the revenue and capital programmes.

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

2. Executive Summary

2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year.

2.2 Following the unprecedented impact of Covid19 on the Council's finances in 2020/21, budgets for 2021/22 were revised as part of the MTFs 2021-26 based on a number of assumptions around the speed and extent of the national and local recoveries particularly in relation to income budgets. Whilst in many cases these assumptions reflect the actual position to date, there are still some areas where the rate of recovery is impacting adversely on the Council's finances. In addition, the impact of Covid19 is still being felt throughout the authority in relation to service delivery both in terms of backlogs of outstanding work but also due to the current economic operating conditions in terms of supply chain issues, escalating costs and availability of labour etc, whilst these issues are being addressed, they are likely to continue in the medium term and impact on the Council's finances. Furthermore, the imposition of any new national restrictions over the winter period will adversely affect the forecast outturns provided within this report. Close monitoring of the position and implementation of mitigating actions over quarters 3-4 will be key to ensuring the Council maintains a balanced budget position for 2021/22.

2.3 Based on a significant number of planning variables, as at the end of the second quarter (up to 30th September), the forecast financial position of the Council for 2021/22 is:

	2021/22		
	Budget following Q1 report £'000	Forecast @ Q2 £'000	Variance @ Q2 £'000
Revenue Accounts			
General Fund – Contribution to/(from) balances	(477)	(524)	(47)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	15	156	141
Housing Repairs Service	0	811	811

Capital Programmes				
General Investment Programme		17,451	20,398	0
Housing Investment Programme		29,047	30,248	0

Reserves & Balances				
General Fund Balances		(2,193)	(2,149)	(47)
HRA Balances		(1,059)	(918)	(141)
HRS Balances		0	0	0
General Fund Earmarked Reserves		(11,619)	(12,384)	(765)
HRA Earmarked Reserves		(57)	(177)	(120)

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

3. General Fund Revenue Account

3.1 For 2021/22 the Council's net General Fund revenue budget was set at £978,410 including a planned contribution from balances of £477,240 (resulting in an estimated level of general balances at the year-end of £2,193,359, after allowing for the 2020/21 outturn position).

- 3.2 The General Fund Summary is currently projecting a forecast overspend of £46,366 (appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,146,993.
- 3.3 There are 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 table below sets out the key variances:

	Forecast £'000
Potential pay award	150
Sales, Fees & Charges income losses	215
Additional SFC income compensation	(66)
Government Grants (New Burdens, Test & Trace support)	(169)
Additional planning income from Major Applications	(123)
Housing benefit under recovery of overpayments	50
Net other variances	(10)
Overall forecast budget shortfall/(surplus)	47

- 3.4 The most significant of the adverse forecast variations is in relation to fees and charges income which is currently forecasting a reduction in income of £215,376. This shortfall has mainly arisen during the first two quarters due to the extended national restrictions in quarter one and a slower than anticipated recovery in quarter two, in addition there is an income shortfall for the crematorium due to the impact of the refurbishment works. This shortfall is however partially offset by additional income of £66,348, through the Government's Sales, Fees and Charges Income Compensation scheme which provided additional financial support for losses in quarter one only. All key income budgets are monitored closely and reported to Corporate Management Team on a monthly basis. Officers are responding to, and will continue to do so through quarters 3-4, to identify and implement appropriate mitigations to ensure the budget remains balanced in 2021/22.
- 3.5 Although the forecast outturn for the General Fund is a deficit of £46,366 at this stage, the forecast outturn remains difficult to predict due to volatility, and uncertainty, particularly around the imposition of any future national restrictions over the winter period.
- 3.6 **Contributions to/from Earmarked Reserves**

Included in the forecast outturn overspend of £46,366 is the following proposed additional contributions (to)/from earmarked reserves:

Directorate	Reserve	Amount £
CX	17/18 Carry Forward – drawdown of funding for outsourced Legal work	8,000
DHI	Homelessness Grant – drawdown to repay MHCLG grant received in error (transferred into reserves 19/20 until reclaimed)	68,560
DCE	Invest to Save Reserve – drawdown to resource TFS redundancy costs	103,940
DCE	Vision 2025 – drawdown to fund TRO costs for RPS Sincil Bank	84,000
	Total Contribution from Reserves	264,500

3.7 Further details of the General Fund earmarked reserves are set out in paragraph 6 and Appendix G.

3.8 Towards Financial Sustainability Programme

The savings target included in the MTFs for 2021/22 was £850,000. Progress against this target, based on quarter 2 performance shows that secured savings total £514,400. A summary of the specific reviews that have contributed to this target are shown in Appendix N.

4. Housing Revenue Account

4.1 For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at a £14,910 use of balances, resulting in an estimated level of general balances at the year-end of £1,059,743, after allowing for the 2020/21 outturn position.

4.2 The HRA is currently projecting an in-year variance of a £156,480 overspend, which would decrease the General Balances to £918,173 at the end of 2021/22.

4.3 There are 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 D while the table below sets out the key variances:

	Forecast £'000
Reduced dwelling rent income for Affordable, Social Housing and Leases	317
Reduced income from Contracts	280
Increased utility and Council Tax charges	102
Reduced repairs and maintenance expenditure	(1,394)
HRS deficit forecast	811
Depreciation	715
Reduced MRR contribution	(715)
Net other variances	25
Overall forecast budget deficit	141

- 4.4 The financial pressures that the HRA is facing, and the HRS (set out further in section 5), is a direct result of the ongoing impacts of Covid19 and the current economic position in the UK.
- 4.5 The largest variance for HRA is the current forecast underspend on Repairs and Maintenance. This is due to the ongoing impact of Covid19 affecting the ability to carry out repairs, the current reduction in charges from HRS (detailed in section 5 below) and the lack of tradespeople to carry out the repairs required. HRA and HRS are working hard to address these issues and so this underspend may be reduced over the remainder of the year. In part this is offset by large overspend forecast by HRS due to a reduction in rechargeable works and inability to recover the overhead costs of HRS (details of which are contained within section 5.2).
- 4.6 In addition, there is forecast reduction in dwelling rental income of £317,163, this is due to increased voids, a reduction in leasing income and lost rents from RTB sales. Void properties are currently on the increase due to a lack of labour force in the HRS and as a result of the designated Voids contractor entering into administration at short notice leaving the service without a key resource to respond to growing void numbers. Void numbers have increased due to a backlog created over the last 18 months as national restrictions were imposed. This has then been compounded by a high level of tenancies ending as a result of; people now seeking to move post pandemic, an unprecedented (sadly) number of deaths in Council properties and people leaving due to other more restrictive reasons such as being detained in prison by the courts. In addition, as a result of the successful bids for the Next Steps and Rough Sleeping Accommodation Programmes, the HRA has acquired a number of units of move accommodation across the City to alleviate the pressure on temporary accommodation and negate the use of bed and breakfast facilities. Whilst this has been successful and consequently saved the general fund huge costs the pressure has fallen on HRS to bring these units up to letting standards before they can be occupied. This has added to the numbers being managed through the void process. At budget setting voids are budgeted at 1% of the current housing stock, currently voids are closer to 1.7% of the current housing stock. Should this percentage be maintained throughout the rest of the year there is a potential for a further overspend of approximately £50,000.
- 4.7 This is further compounded by a loss of income from the termination of one of our main contractors resulting in a loss of income of approximately £280,000 from the admin recharge.

4.8 The current outturn is a swing from Quarter 1 of £366,217, mainly due to the reduction in the rents forecast and the loss of income from contractors, as a result of this the proposed contribution to Direct Revenue Financing of £500,000, made at quarter 1 to utilise the forecast underspend, has been removed.

4.9 **Contributions to/from Earmarked Reserves**

Included in the forecast outturn underspend of £153,634 is the following proposed additional contribution (to)/from earmarked reserves:

Directorate	Reserve	Amount £
HRA	HRA Strategic Priorities – drawdown for extension of 3 rd AD post from 01.12.21 to 31.03.22	28,680
HRA	HRA Strategic Priorities – Hermit Street Feasibility Studies	66,000
	Total Contribution from Reserves	94,680

4.10 In addition to the above, there is a further proposed contribution (to)/from earmarked reserves to fund costs:

Directorate	Reserve	Amount £
HRA	HRA Invest to Save – drawdown to fund 3 1 year fixed term Housing Officers in the Tenancy Services Team from 01.01.22 to 31.03.22	26,350
	Total Contribution from Reserves	26,350

These costs are not currently included within the forecast outturn as the start date is still unknown, but approval is sought on the basis they could start within the final quarter of the year.

4.11 Further details of the HRA earmarked reserves are set out in paragraph 6 and Appendix G.

5. Housing Repairs Service

5.1 For 2021/22 the Council’s Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2 At quarter 2 HRS are forecasting a deficit of £811,418 in 2021/22 (Appendix E provides a forecast HRS Summary), with full details of the main variances provided in appendix F.

- 5.3 The main contributory factor for this deficit is the ongoing impact of Covid19. The loss of one of the main sub-contractors locally (due to administration) and the inability to recruit to the workforce (HRS currently has a 20% vacancy rate) is causing problems with repairs scheduling and void turnarounds. Repairs numbers are down, at a time of high demand, as a result lower recharges are being made to the HRA due to less work being carried out by the Council's workforce. Although the reduction in staffing costs offsets the reduction in income recharged to the HRA, the overhead cost of the repairs service, which is ordinarily charged in addition to the service hourly rate is not being recovered due to the reduction in internal jobs, this is creating the majority of the forecast overspend. In addition, in order to try and fill the productivity gap, local sub-contractors are being utilised however, they are struggling with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices which reflects the sector as a whole. This use of more expensive subcontractors has increased costs which at this stage are not reflected in the service hourly rate and therefore also contributes to the forecast overspend.
- 5.4 The forecast overspend reflects the national position in relation the construction industry. A significant number of companies are going into liquidation for many reasons. This is putting huge pressure on the those remaining in the sector, contract prices are increasing significantly reflecting increasing material and labour costs. Qualified and skilled labour is becoming increasingly hard to recruit. Locally, as evidenced in recruitment, the Council is not immune from this environment and HRS are in a difficult "trading position".
- 5.5 In response to the financial and service delivery challenges that the HRA/HRS are facing the Housing Management Team have instigated a range of measures aimed at combating the areas and issues that the Council has some control or influence over;
- Engaged four local subcontractors to support the void process
 - Instigated different recruitment processes; advertising in different area and using different channels, offering fixed term and variable contracts as well as extolling the benefits of working on the public sector (sick pay, pensions, holiday entitlement etc etc)
 - Looked that the data we have on why properties are becoming void to effectively see if we can slow the flow into the void system down.
 - Seeking to invest in tenancy sustainment officers to help new tenants, particularly those from vulnerable groups, manage and effectively maintain their tenancy.
 - Undertaken detailed analysis of what is driving the void process and now can look to head off any property entering the system if at all possible.
 - Using the legal process to access properties where tenants have refused access for gas and electrical testing
 - Sourced new contractors to pick up issues such as fire door upgrades that were left outstanding by our previous investment contractor.
 - Increased communication in the local media making tenants and the wider public aware of the operating constraints we have.

- Worked with the LTP on messaging through their channels.
- Assessed uplifting recharge rates to reflect the higher construction sector.

In addition, a cross departmental short life working group has been established which will report to CMT monthly in order to consider what short term actions can be taken to improve the position in the coming weeks and months.

Many of the actions taken above will start to have an impact on these issues in the coming weeks and months but may not be enough to reduce the forecast overspends by the end of the current financial year.

- 5.6 It should be noted that consequential costs in the HRA are also greatly reduced (as noted earlier in the report) and therefore financial picture for the directorate is not as unhealthy as the HRS position alone implies. Surpluses from HRS have been repatriated to the HRA over the last few years and as such healthy reserves remain within the HRA. These reserves were increased at the end of last financial year to allow for HRS to catch up with any back log of repairs that had built up due to Covid19 restrictions.

6. Earmarked Reserves

- 6.1 The details of all the earmarked reserves and their forecast balance as at 31st March 2022 are attached in Appendix G. In summary:

	Opening Balance	Budgeted Contribution	Actuals Q1-Q2	Forecast Q3-Q4	Forecast Balance
	01/04/21				31/03/22
	£'000	£'000	£'000	£'000	£'000
General Fund	(19,563)	11,619	487	278	(7,179)
HRA	(2,617)	57	95	26	(2,439)
Capital Resources	22,708	(11,113)	3,441	(14,554)	11,595

7. Capital Programme

7.1 General Investment Programme

- 7.2 The revised General Investment Programme for 2021/22 amounted to £17.451m following Quarter 1 report. At quarter 2 the programme has been increased by £2.947m to £20.398m, as shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget Quarter 1	17,451	1,160	970	683	500
Budget changes for approval	2,947	5,920	902	0	0
Revised Budget	20,398	7,080	1,872	683	500

- 7.3 Included in the budget changes for approval are Town's Funds schemes considered by the Town's Fund Board. The Town's Fund was considered by

Executive in February 2021 and external schemes will be added to the general investment programme following delegated approval by the Chief Finance Officer and the Town's Fund Investment Board. Schemes that are to be delivered directly by the Council, but with funding through the Town's Fund will still require separate Executive approval of the scheme prior to inclusion in the GIP. The changes related to the Town's Fund reflected in the second quarter are:

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Schemes delivered by CoLC			
Lincoln Central Market & Vibrancy Project – Executive approved 26/07/21	1,655	5,700	966
Schemes delivered by partners			
Lincoln City FC and Foundation	300	500	0
Drill Hall	1,000	0	0
Wigford Way	29	0	0
Sincil Bank	33	0	0

Approval of the Central Market project including the use of HAZ funding as well as City Council resources, as set out in the Executive report, these funding changes have now been reflected in the GIP.

The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved by the Chief Finance Officer during this quarter.

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Housing Renewal Area – resources transferred to deliver HAZ scheme	(40)	20	20
City Hall improvements	(1)	0	0
City Hall 3 rd Floor Fire works	(5)	0	0
Guildhall	(1)	0	0
Play Area Surfacing works	10	0	0
Monks Abbey External Works	2	0	0
Guildhall Access Improvements	1	0	0
Grandstand Improvements	2	0	0
Broadgate Fire Alarm	8	0	0
St Nicholas Church wall	11	0	0
Canwick Road Cemetery railings	10	0	0
Planned Maintenance	(37)	0	0
Total schemes approved by CFO	(40)	20	20

7.4 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the second quarter.

	2021/22
	£'000
St Mary's Guildhall – inclusion of a scheme to be directly delivered by the Council and funded from the Heritage Action Zone	109
Heritage Action Zone – reduction of externally delivered schemes budget as resources transferred for St Mary's Guildhall as above	(109)
High Bridge Café Roof works – transfer from planned maintenance pot for specific works	50
Planned Maintenance – transfer from corporate pot to specific scheme as above.	(50)
Boultham Park Lake – additional grant funding and use of bequest	90

In addition, there is one further new project that requires the approval of the Executive;

	2021/22
	£'000
Safer Streets - Delivery the CCTV elements of the Lincoln Safer Streets project including upgrades to existing equipment, new CCTV and the development of a 'chaperone' app. Fully funded through a grant from the Police and Crime Commissioner for Lincolnshire.	184
Total Executive approvals (inc changes above)	274

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

7.6 The overall spending on the General Investment Programme for the second quarter of 21/22 is £3.111m, which is 15% of the 2021/22 programme and 15% of the active programme. This is detailed further at Appendix J.

Although this is low percentage of expenditure at this stage of the financial year, further expenditure is expected on Disabled Facilities Grants, Boultham Park Lake, the Crematorium, HAZ Schemes, Towns Fund schemes and various capitalised maintenance schemes.

7.7 Housing Investment Programme

	2021-22 Budget following Q1 report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing & Investment	360	320	320	0
Communities & Environment	5,972	5,767	5,767	0
Chief Executive	1,041	1,041	1,041	0
Major Developments	9,772	11,805	11,805	0
Externally Delivered Towns Fund Schemes	0	1,362	1,362	0
Total Active Schemes	17,145	20,295	20,295	0
Schemes on Hold/Contingencies	306	306	306	0
Total Capital Programme	17,451	20,601	20,601	0

7.8 The Housing Investment Programme for 2021/22 following the Quarter 1 report amounted to £29.047m. This has been further adjusted to £30.248m during the second quarter of 2021/22. A summary of the changes are shown below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	29,047	18,563	12,918	10,802	11,328
Budget changes to be approved during Q2	1,201	396	0	0	0
Revised Budget	30,248	18,959	12,918	10,802	11,328

7.9 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved by the Chief Finance Officer during this quarter.

Project Name	2021/22 Budget following Q1	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
	£'000	£'000	£'000	£'000
Decent Homes				
Re-roofing	50	(30)*	20	0
Door Replacement	987	(237)	750	237
New Services	51	(21)*	30	0
Lincoln Standard				
Over bath showers	26	(21)*	5	0
Other				
Environmental Works	748	(500)	248	500
Communal Electrics	137	(100)	37	100

Garages	164	(120)	44	120
CCTV	27	20*	47	0
Housing New Build				
New Build 70% match funding	889	393	1,282	(393)
New Build 141 Eligible	381	168	549	(168)
Rookery Lane	3,345	24	3,369	0
NSAP Properties	637	(46)	591	0
Total	7,442	(470)	6,972	396

*See movement to contingency reserve in table 7.10

7.10 All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the second quarter:

Project Name	2021/22 Budget following Q1	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Decent Homes				
Bathrooms & WC's	100	(85)	15	0
Kitchen Improvements	200	(150)	50	0
Contingency Schemes				
Contingency Reserve	3,922	287*	4,209	0
Housing New Build				
New Build 70% match funding	1,282	(1,282)	0	0
New Build 141 Eligible	549	(549)	0	0
Property Acquisitions	508	1,831	2,339	
RSAP Properties	0	1,619	1,619	
Total budget movements to be approved by Executive	6,561	1,671	8,232	0

*includes movements approved by CFO in table 7.9

7.11 All new projects are subject to Executive approval. During the second quarter the following scheme was added to the HIP, having been considered by the Executive during the quarter;

	2021/22
	£'000
Housing Delivery Programme RSAP Properties – Approved by Executive on 26 th July 2021. Scheme is funded through external grant funding and prudential borrowing.	1,619
	1,619

7.12 The table below provides a summary of the 2021/22 projected outturn position:

	2021/22 Budget Following Q1 Report	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes/ Lincoln Standard	5,378	4,834	4,834	0
Health and Safety	507	507	507	0
Contingent Major Repairs/ Works	3,922	4,210	4,210	0
New Build Programme	17,481	19,640	19,640	0
Land Acquisition Fund	95	95	95	0
Other Schemes	1,150	450	450	0
Computer Fund	513	513	513	0
Total Capital Programme	29,047	30,248	30,248	0

- 7.13 Expenditure against the HIP budget to the second quarter was £5.339m, which is 17.65% of the revised programme. A further £0.96m has been spent as at the end of October 2021. The expenditure is detailed further at Appendix L.

Although this is a lower percentage than would be expected at this stage of the financial year, works have been constrained by the ongoing issues arising during the Covid19 pandemic and the availability of contractors to carry out works to properties following the cessation of the planned maintenance contract.

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 2021/22 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. Although there remains some uncertainty around the latest budget estimates based on the information to date on income and expenditure it is evident that without a number of measures being taken the Council would face a significant budget shortfall, even after Government funding.

General Balances, on both the General Fund and HRA, are the only resource not ear-marked 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 latest forecasts of income and expenditure and measures to be applied the level of balances in 2021/22 for the General Fund will be maintained within these ranges. However, based on the forecast overspend the HRA balance is estimated to fall slightly below the prudent level by year end. Work is currently underway to mitigate the pressures being faced to alleviate the impact on balances, the use of earmarked reserves will also be considered as part of the year end position.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2021/22 the Council still faces significant financial challenges. Ongoing reductions in resources and increased service costs from the legacy of impacts of Covid19 require ongoing reductions in the net cost base if the Council is to live within a significantly reduced resources envelope. The MTFS 2021-2026 approved by Full Council in March 2021 sets out the financial challenges 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

Due to the nature of this report there are no direct equality, diversity or human rights implications,

10. Risk Implications

- 10.1 A full financial risk assessment is included in the Medium Financial Strategy 2021-26.

11. Recommendations

Executive are recommended to:

- 11.1 Note the financial performance for the period 1st April to 30th September 2021, and the projected outturns for 2021/22.

- 11.2 Assess the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F).
- 11.3 Approve the proposed contributions from earmarked reserves as set out in paragraph 3.6 and paragraph 4.9 and 4.10.
- 11.4 Review the changes made by the Executive/to be approved by the Executive to the General Investment Programme and the Housing Investment Programme as detailed in paragraphs 7.4, 7.10 and 7.11.
- 11.5 Approve the changes to the General Investment Programme as detailed in paragraph 7.4.

Is this a key decision? Yes

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? Fourteen

List of Background Papers: MTFS 2021-2026

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GENERAL FUND SUMMARY - AS AT 30 SEPTEMBER 2021

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,029	2,015	(14)
Chief Finance Officer (S. 151)	B	(470)	(525)	(55)
City Solicitor	C	1,603	1,536	(68)
Housing	D	953	926	(27)
Director of Major Developments	F	319	296	(23)
Communities and Street Scene	G	4,896	4,928	32
Health & Environmental Services	H	342	377	35
Planning	I	904	785	(119)
		10,577	10,338	(239)
Corporate Expenditure	J	2,057	2,044	(13)
TOTAL SERVICE EXPENDITURE		12,634	12,382	(253)
Capital Accounting Adjustment	K	3,311	3,311	0
Specific Grants	L	(1,320)	(1,320)	0
Contingencies	M	28	327	299
Savings Targets	N	(336)	(336)	0
Earmarked Reserves	O	(12,384)	(12,384)	0
Insurance Reserve	P	(478)	(478)	0
TOTAL EXPENDITURE		1,456	1,502	46
CONTRIBUTION FROM BALANCES		(477)	(524)	(46)
NET REQUIREMENT		978	978	0
Retained Business Rates Income	Q	5,143	5,143	0
<i>Tariff</i>	R	0	0	0
<i>Section 31 grant</i>	S	0	0	0
<i>Levy</i>	T	0	0	0
Collection Fund surplus/ (deficit)	U	(11,143)	(11,143)	0
Revenue Support Grant	V	23	23	0
Council Tax	W	6,956	6,956	0
TOTAL RESOURCES		978	978	0

General Fund Forecast Variances - Quarter 2

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

Ref		£	Reason for variance
	<u>Additional Expenditure</u>		
A	Call Monitoring	43,160	Additional telephone systems resulting from current working from home arrangements.
B	Property Management	28,395	Agency costs incurred to cover vacant post and consultancy fees for asset appraisals/schemes.
B	Benefits	28,435	Additional overtime costs for administration of Test and Trace payments (offset by additional grant).
D	Control Centre	35,134	Additional costs due to supplying digital equipment rather than analogue as a result of Covid restrictions.
G	Anti Social Behaviour	27,256	Additional temporary overtime payments
H	Development Control	25,000	Court fees incurred as a result of a planning challenge, less compensation received.
M	Pay Award	150,000	The 2021/22 assumed an in year pay freeze in line with the Government Autumn Statement that public sector pay would face a pay freeze. Although the local government pay award has not been agreed a pay increase is now currently forecasted.
M	Vacancy Savings Target	151,500	Vacancy savings target, offset by savings in service areas.
	<u>Reduced Income</u>		
B	Housing Benefits	50,000	Anticipated reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears.
B	Housing Benefits	40,816	Funding allocation shortfall, offset by additional New Burdens funding.
C	CX Work Based Learning	47,740	Reduced income through national scheme due to lower apprentice numbers during Covid19

Ref		£	Reason for variance
F	Car Parks	74,990	Anticipated loss of income following Covid lockdown and ongoing impact of local economic recovery.
G	Private Hire	28,410	Anticipated loss in income as a result of a reduced applications due to Covid and local recovery.
G	Xmas Market	40,028	Anticipated shortfall in income from stallholders and park and ride.
G	Crematorium	60,550	Reduced income as a result of ongoing refurbishment works.
G	Markets	20,654	Reduction in stall licence fee income as a result of Covid and expectation of lower occupancy levels during quarter 4 ahead of redevelopment works.
G	Community Centre	30,772	Loss of income due to closure of centres until quarter two.

Reduced Expenditure

A	Business Dev & IT Manager	(68,382)	Vacancy savings after proposed contribution towards the One Council savings target.
C	Civic	(29,495)	Underspend due to a reduction in civic activities as a result of Covid restrictions.
C	CoLC Apprentices	(87,430)	Underspend, after proposed contribution to TFS, as a result of a reduced number of Apprentices in year due to ongoing impact of Covid19.
D	Control Centre	(29,195)	Vacancy savings offset against corporate vacancy savings target.
E	DMD Director	(35,567)	Vacancy savings offset against corporate vacancy savings target.
G	Health and Safety	(39,070)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Food Health and Safety	(103,729)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Housing Regeneration	(34,405)	Vacancy savings offset against corporate vacancy savings target.

Ref	<u>Additional Income</u>	£	Reason for variance
B	Test & Trace Support	(133,524)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.
B	Benefits	(76,358)	Additional New Burdens funding including HBAA, VEP and Welfare Reform.
D	Housing Development & Strategy	(28,000)	Additional fee income from the purchase of RSAP and P&R properties.
F	Car Parks	(85,210)	SFC Income Compensation Scheme in excess of budget assumptions, offsets loss of income above.
G	Visitor Information Centre	(34,141)	Anticipated over-achievement of income due to increased visitors throughout summer.
H	Development Control	(123,300)	Additional income from major applications received in year, less reduction in SFC Income Compensation.

Appendix C

HOUSING REVENUE ACCOUNT FUND SUMMARY - AS AT 30 SEPTEMBER 2021

	Ref	Revised Budget	Forecast Outturn	Variance
		£'000	£'000	£'000
Gross Rental Income	A	(29,433)	(28,926)	507
Charges for Services & Facilities	B	(311)	(318)	(7)
Contribn towards Expenditure	C	(50)	(20)	30
Supervision & Management Income	D	(912)	(733)	179
Repairs Account Income	D2	0	(5)	(5)
Repairs & Maintenance	E	9,574	8,180	(1,394)
Supervision & Management: Expenditure	F	7,944	7,953	9
Rents, Rates and Other Premises	G	334	436	102
Increase in Bad Debt Provisions	H	304	304	0
Insurance Claims Contingency	I	63	63	0
Contingencies	J	(46)	(46)	0
Depreciation	K	6,735	7,450	715
Debt Management Expenses	L	11	11	0
HRS Trading (Surplus) / Deficit	M	0	811	811
Net Cost of Service	M	(5,787)	(4,840)	(947)
Loan Charges Interest	O	2,650	2,650	0
Investment/Mortgage Interest	-P	(20)	(16)	4
Net Operating Inc/Exp		(3,157)	(2,206)	(951)
Major Repairs Reserve Adjustment	Q	3,042	2,327	(715)
Transfers to/from reserves	R	130	36	(94)
(Surplus)/Deficit in Year		15	156	141

Housing Revenue Account Variances - Quarter 2

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

Ref		£	Reason for variance
<u>Reduced Expenditure</u>			
F	Supervision & Management	(226,852)	Staff vacancies across HRA.
T	Major Repairs Reserve Adjustment	(715,030)	Reduced DRF contribution following revaluation of Council's Housing Stock and subsequent increase in depreciation charge (offset below).
E	Repairs & Maintenance	(1,749,651)	Reduced expenditure on minor works, responsive repairs, voids and external decoration due to Covid19 and current impacts within HRS.
<u>Increased Expenditure</u>			
L	HRS Trading Deficit	811,418	Estimated deficit position for HRS (refer to HRS vacancies).
G	Rent, Rates and Other Premises	101,584	Increased costs for Amenity and Footpath lighting & void Council Tax charge.
E	Repairs & Maintenance	355,563	Increase in expenditure due to HRA electrical testing, skip charges & works to improve community assets.
A	Gross Rental Income	63,201	Payment to HMRC for previous financial year understated private garage rent VAT.
F	Supervision & Management	80,000	Overspend on work on void properties in relation to property clearance.
K	Depreciation	715,030	Increase in depreciation charge within financial year post valuation of Council's Housing Stock (offset above).

Ref		£	Reason for variance
<u>Reduced Income</u>			
A	Gross Rental Income	317,163	Reduction of rental income predominantly due to large number of voids within financial year, and reduction of houses from Housing Stock due to RTB sales & decants to De Wint Court and reduction in leasing income.
C	Contributions towards Expenditure	30,000	Court income reduction due to courts being closed due to Covid19.
D	Supervision & Management	280,000	Lower than budgeted 5% admin fee income for invoice processing – predominantly due to loss of contractor, and reduction of contracted works.
<u>Increased Income</u>			
D	Supervision & Management	(61,900)	Additional income from RSAP, P&R properties & Garden Voids income.

HOUSING REPAIRS SERVICE SUMMARY - AS AT 30 SEPTEMBER 2021

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,351	2,905	(446)
Premises	55	115	61
Transport	333	333	0
Materials	1,415	949	(467)
Sub-Contractors	1,969	2,847	877
Supplies & Services	272	327	55
Central Support Charges	572	572	0
Capital Charges	0	0	0
Total Expenditure	7,967	8,047	80
Income	(7,965)	(7,236)	729
(Surplus)/Deficit	3	811	809

Housing Repairs Service Variances - Quarter 2

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

	£	Reason for Variance
<u>Reduced Expenditure</u>		
Employee Costs	(446,145)	Operative/labourer vacancies, due to current market conditions recruitment to posts has been difficult.
Supplies & Services	(466,774)	Reduction in use of direct materials due to fewer jobs being carried out.
<u>Increased Expenditure</u>		
Supplies & Services	877,122	Additional use of sub-contractors due to current vacancies and the conclusion of the Planned Maintenance contract.
<u>Reduced Income</u>		
Premises	60,732	Reduced rental income for Hamilton House due to the conclusion of Planned Maintenance contract.
Income	728,655	Reduction in income due to a reduction of jobs carried out by CoL operatives and therefore a reduction in admin overhead recharged along with a backlog of jobs due to contractor going into administration (see paragraph 5.3)

EARMARKED RESERVES – Q2 MONITORING 2021/22

GENERAL FUND	Revised Opening Budget	Budgeted Contribn	Actuals Q1-Q2	Forecast Q3-Q4	Closing Balance
Grants & Contributions	1,385	(71)	0	(103)	1,210
Carry Forwards	482	(49)	(35)	(8)	390
Active Nation Bond	180	0	0	0	180
AGP Sinking Fund	2	0	0	41	43
Air Quality Initiatives	11	6	0	0	16
Asset Improvement	0	0	0	0	0
Backdated rent review	0	0	0	0	0
Birchwood Leisure Centre	46	0	0	20	66
Boston Audit Contract	0	0	0	0	0
Business Rates Volatility	13,376	(11,666)	0	0	1,710
Christmas Decorations	14	0	0	0	14
City Hall Sinking Fund	60	0	0	0	60
Commons Parking	20	0	0	0	20
Corporate Training	60	0	0	0	60
Council Tax Hardship Fund	531	0	0	0	531
Covid-19 Recovery	1,047	0	0	0	1,047
Covid-19 Response	354	0	0	0	354
DRF Unused	341	(129)	(196)	0	16
Electric Van replacement	19	4	0	0	24
Funding for Strategic Priorities	174	(85)	0	0	89
Income Volatility Reserve	0	0	0	0	0
Invest to Save (GF)	453	15	(202)	(104)	162
IT Reserve	124	28	0	12	165
Lincoln Lottery	9	0	0	0	9
Mayoral car	27	0	0	0	27
Mercury Abatement	317	(317)	0	0	0
MSCP & Bus Station Sinking Fund	60	44	0	0	104
Organisational Development	0	0	0	0	0
Private Sector Stock Condition Survey	27	12	0	0	39
Property Searches	0	0	0	0	0
Revenues & Benefits shared service	0	0	0	0	0
Section 106 interest	32	0	0	0	32
Strategic Growth Reserve	17	0	0	0	17
Strategic Projects - revenue costs	2	0	(2)	0	0
Tank Memorial	10	0	0	0	10
Tree Risk Assessment	97	20	0	(19)	99
Vision 2025	204	568	(52)	(84)	637
WGC Planning	80	0	0	(34)	46
Yarborough Leisure Centre	0	0	0	0	0
	19,563	(11,619)	(487)	(278)	7,179

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HRA	Revised Opening Budget	Budgeted Contribn	Actuals Q1-Q2	Forecast Q3-Q4	Closing Balance
Capital Fees Equalisation Reserve	110	0	0	0	110
De Wint Court Reserve	73	0	0	0	73
Housing Business Plan Reserve (NEW)	0	77	0	0	77
Housing Repairs Service	126	0	0	0	126
HRA DRF	0	0	0	0	0
HRA Repairs Account	1,351	0	0	0	1,351
HRA Strategic Priority Reserve	722	(57)	(95)	0	571
HRA Survey Works	54	(54)	0	0	0
Invest to Save (HRA)	133	0	0	(26)	106
Stock Retention Strategy	22	(22)	0	0	0
Strategic Growth Reserve	26	0	0	0	26
	2,617	(57)	(95)	(26)	2,439
Total Earmarked Reserves	22,180	(11,676)	(582)	(304)	9,618

CAPITAL RESOURCES – Q2 MONITORING 2021/22

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/2022
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	3,773	12,705	(16,478)	0
Capital receipts General Fund	623	7,210	(6,184)	1,649
Capital receipts HRA	1,674	500	(2,142)	32
Capital receipts 1-41	2,214	0	(702)	1,512
Major Repairs Reserve	7,763	7,450	(10,514)	4,699
HRA DRF	6,661	3,042	(6,000)	3,703
Total Capital Resources	22,708	30,907	(42,020)	11,595
As the contributions for 1:4:1 receipts depend upon levels of RTB sales, no budget is set for these receipts. Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 21/22.				

General Investment Programme – Summary of Financial Changes

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revised budget following Q1 Report	17,451	1,160	970	683	500
Budget changes at Q2	2,946	5,920	902	0	0
Revised Budget	20,397	7,080	1,872	683	500
Approved by Chief Finance Officer					
Housing Renewal Area	(40)	20	20	0	0
City Hall Improvements	(1)	0	0	0	0
City Hall 3rd Floor Fire Works	(5)	0	0	0	0
Guildhall	(1)	0	0	0	0
Play Area Surfacing Works	10	0	0	0	0
Monks Abbey Bowls Pavilions External Improvements	2	0	0	0	0
Guildhall Walkway/ Access Improvements.	1	0	0	0	0
Grandstand Terracing Improvements	2	0	0	0	0
Broadgate Fire Alarm	8	0	0	0	0
St Nicholas Church - Wall	11	0	0	0	0
Canwick Rd Cemetery Railings	9	0	0	0	0
Planned Maintenance	(36)	0	0	0	0
Lincoln Central Market & Vibrancy Project (Executive approved)	1,655	5,700	966	0	0
Lincoln City FC and Foundation	300	500	0	0	0
Drill Hall	1,000	0	0	0	0
Wigford Way	29	0	0	0	0
Sincil Bank	33	0	0	0	0
For approval by Executive					
St Mary's Guildhall	109	0	0	0	0
Heritage Action Zone	(109)	0	0	0	0
Heritage Action Zone	(205)	(300)	(84)	0	0

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Markets	(100)	0	0	0	0
High Bridge Cafe	50	0	0	0	0
Planned Maintenance	(50)	0	0	0	0
Boultham Park Lake	90	0	0	0	0
Safer Streets	184	0	0	0	0
Total changes	2,946	5,920	902	0	0

General Investment Programme – Summary of Expenditure as at 30th September 2021

Scheme	Revised Budget following Q1 report	Budget to be approved	Actuals as at Q2	Variance	Spend
	£	£	£	£	%
ACTIVE SCHEMES					
DCE (Communities & Environment)					
Disabled Facilities Grant	1,849,085	1,849,085	193,425	(1,655,650)	10%
Artificial Grass Pitches (AGP)	88,307	88,307	0	(88,307)	0%
New Software (Crem)	2,250	2,250	0	(2,250)	0%
Crematorium	2,487,550	2,487,550	1,806,459	(681,091)	73%
Whittons Park Play Area	130,000	130,000	0	(130,000)	0%
	4,557,192	4,557,192	1,999,844	2,557,308	44%
DCE (Community Services)					
Flood alleviation scheme (Hartsholme Park)	55,415	55,415	650	(54,765)	1%
Boultham Park Masterplan	49,700	49,700	0	(49,700)	0%
Boultham Park Lake	181,893	272,306	299,355	27,049	110%
Car Park Ticket Machines	0	0	(6,200)	(6,200)	0%
Car Park Improvements (CCTV in MSCPs)	6,142	6,142	1,860	(4,282)	30%
EV Charging Points	43,982	43,982	26,389	(17,593)	60%
Traveller deterrent	30,000	30,000	0	(30,000)	0%
Safer Streets		184,126	0	(184,126)	0%
	367,132	641,671	322,054	(319,617)	50%
DCE (Planning)					
Heritage Action Zone	568,038	254,505	85,782	(168,723)	33%

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St Mary's Guildhall	0	109,000	0	(109,000)	0%
	568,038	363,505	85,782	(277,723)	24%
DCE Total	5,492,362	5,562,368	2,407,720	(3,154,638)	42%
General Fund Housing					
Housing Renewal Area Unallocated	360,152	320,152	-	(320,152)	0%
	360,152	320,152	-	(320,152)	0%
Major Developments					
Lincoln Transport HUB	-	-	(59,202)	(59,202)	0%
Central Markets	263,383	163,383	389	(162,994)	0%
Western Growth Corridor (Phase 1 Devt)	9,339,303	9,339,303	154,015	(9,185,288)	2%
Towns Fund	169,010	169,010	441,359	272,349	161%
LAD 2 Green Homes	479,600	479,600		(479,600)	0%
Lincoln Central Market & Vibrancy Project	0	1,654,533	97,515	(1,557,018)	6%
Externally delivered Town's Fund Schemes					
Lincoln City FC and Foundation	0	300,000	-	(300,000)	0%
Drill Hall	0	1,000,000	-	(1,000,000)	0%
Wigford Way	0	29,000	-	(29,000)	0%
Sincil Bank	0	33,000	-	(33,000)	0%
	10,251,296	13,167,829	634,076	(12,533,753)	5%
Chief Executives (Corporate Policy)					
New Telephony System	24,099	24,099	-	(24,099)	0%
Infrastructure Upgrade	3,772	3,772	-	(3,772)	0%
	27,871	27,871	-	(27,871)	0%
Chief Executives (Chief Finance Officer)					
Planned Capitalised Works	273,944	187,541	-	(187,541)	0%
Allotments Asbestos Sheds	33,795	33,795	-	(33,795)	0%
City Hall Improvements	931	0	-	0	0%

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Guildhall Works	17,630	17,630	-	(17,630)	0%
Stamp End Demolition	139,400	139,400	-	(139,400)	0%
Greyfriars Roof Improvements	4,050	4,050	-	(4,050)	0%
City Hall 3rd Floor Fire Works	5,001	0	-	0	0%
Guildhall	609	0	-	0	0%
Michaelgate Structural Works	2,283	2,283	-	(2,283)	0%
Play Area Surfacing Works	11,639	21,446	-	(21,446)	0%
Long Leys Road Drainage	10,438	10,438	7,163	(3,275)	69%
YLC Diving Boards	39,825	39,825	-	(39,825)	0%
The Terrace	0	0	(2,142)	(2,142)	0%
The Terrace Heat Mitigation Works	246,547	246,547	-	(246,547)	0%
Brayford Viewing Platform	8,246	8,246	-	(8,246)	0%
Greyfriars	174,317	174,317	65,046	(109,271)	37%
Monks Abbey Bowls Pavilions External Works	9,061	11,125	-	(11,125)	0%
Guildhall Walkway/ Access Improvements.	11,219	11,959	-	(11,959)	0%
Grandstand Terracing Improvements	12,837	15,000	-	(15,000)	0%
West Common External Rendering Improvements	4,980	4,980	-	(4,980)	0%
City Hall Lightning Protection	6,104	6,104	-	(6,104)	0%
High Bridge Cafe	0	50,000	-	(50,000)	0%
Broadgate Fire Alarm	0	7,545	-	(7,545)	0%
St Nicholas Church Wall	0	11,125	-	(11,125)	0%
Canwick Road Cemetery Railings	0	9,500	-	(9,500)	0%
	1,012,856	1,012,856	70,067	(942,789)	7%
TOTAL BUDGET FOR ACTIVE SCHEMES	17,144,537	20,091,076	3,111,293	(16,979,783)	15%
Schemes Currently Under Review					
Capital Contingencies	2,424	2,424	-	(2,424)	0%

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IT Reserve	70,562	70,562	-	(70,562)	0%
Compulsory Purchase Orders	233,481	233,481	-	(233,481)	0%
	306,467	306,467	-	(306,467)	0%
TOTAL GENERAL INVESTMENT PROGRAMME	17,451,004	20,397,542	3,111,293	(17,286,250)	15%

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

Project Name	2021/22 MTFS Budget Following Q1 report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from) future years
Unallocated new build budget	1,203,265	0	1,203,265	0
New Build Programme 70% Match funding	889,208	-889,208	0	-392,595
New Build Programme (141 eligible)	381,089	-381,089	0	-168,255
New Build Capital Salaries	42,416	0	42,416	0
New Build (De Wint Court)	9,126,588	0	9,126,588	0
New Build (Searby Road)	62,497	0	62,497	0
Western Growth Corridor	1,259,766	0	1,259,766	0
New Build (QER)	26,761	0	26,761	0
Rookery Lane	3,345,420	24,000	3,369,420	0
Next Steps Accommodation Project	636,723	-45,618	591,105	0
Property Acquisitions	507,543	1,831,146	2,338,689	0
Rough Sleepers Accommodation Project		1,619,250	1,619,250	0
New Build Programme	17,481,276	2,158,481	19,639,757	-560,850
Land Acquisition				
Land Acquisition fund	94,689	0	94,689	0
Land Acquisition	94,689	0	94,689	0
Total New Build/Acquisitions	17,575,965	2,158,481	19,734,446	-560,850

Housing Investment Programme – Decent Homes– Summary of Financial Changes

Project Name	2021/22 MTFS Budget Following Q1 Report	Budget increase/ (reduction)	Budget to be Approved	Reprofile to/(from)future years
	£	£	£	£
<u>Decent Homes</u>				
Bathrooms & WC's	100,000	(85,000)	15,000	0
DH Central Heating Upgrades	2,060,491	0	2,060,491	0
Thermal Comfort Works	0	0	0	0
*Kitchen Improvements	200,000	(150,000)	50,000	0
Rewiring	50,000	0	50,000	0
*Reroofing	50,000	(30,000)	20,000	0
*Lincoln Standard Windows Replacement	295,159	0	295,159	0
Structural Defects	10,000	0	10,000	0
Door Replacement	987,162	(237,162)	750,000	237,162
*New services	51,401	(21,401)	30,000	0
Void Capitalised Works	1,500,000	0	1,500,000	0
Fire doors	47,879	0	47,879	0
Fire compartment works	0	0	0	0
Total Decent Homes	5,352,092	(523,363)	4,828,529	237,162
<u>Lincoln Standard</u>				
Over bath showers (10(year programme)	25,785	(20,785)	5,000	0
Total Lincoln Standard	25,785	(20,785)	5,000	0
<u>Health & Safety</u>				
Asbestos Removal	195,850	0	195,850	0
Asbestos Surveys	167,640	0	167,640	0

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Replacement Door Entry Systems	93,740	0	93,740	0
Renew stair structure	10,000	0	10,000	0
Fire Alarms	40,000	0	40,000	0
Total Health & Safety	507,230	0	507,230	0
Other				
Environmental new works	748,293	(500,000)	248,293	500,000
Gunby Avenue	3,333	0	3,333	0
Communal Electrics	137,469	(100,000)	37,469	100,000
Garages	164,409	(120,000)	44,409	120,000
HRA Assets (Shops/Buildings)	60,094	0	60,094	0
CCTV	26,685	20,000	46,685	0
Communal TV Aerials	10,000	0	10,000	0
Total Other	1,150,283	(700,000)	450,283	720,000
Contingency Schemes				
Contingency Reserve	3,922,377	287,186	4,209,563	0
Total Contingency Schemes	3,922,377	287,186	4,209,563	0
Other Schemes				
Housing Support Services Computer Fund	179,602	0	179,602	0
Infrastructure Upgrade	251,633	0	251,633	0
Operation Rose	81,769	0	81,769	0
Total Other Schemes	513,004	0	513,004	0
Total Housing Investment	11,470,770	(957,162)	10,513,608	957,162

Housing Investment Programme – Summary of Expenditure as at 30th September 2021**Housing Investment**

Project Name	2021/22 Budget following Q1 report	Q2 Budget Changes	Revised Budget	Actual expenditure as at Q2	Variance	% Spend
Decent Homes						
Bathrooms & WC's	100,000	(85,000)	15,000	(4,447)	(19,447)	0%
DH Central Heating Upgrades	2,060,491	0	2,060,491	858,498	(1,201,993)	42%
Thermal Comfort Works	0	0	0	(822)	(822)	0%
Kitchen Improvements	200,000	(150,000)	50,000	(15,833)	(65,833)	0%
Rewiring	50,000	0	50,000	21,940	(28,060)	44%
Reroofing	50,000	(30,000)	20,000	(2,290)	(22,290)	0%
Lincoln Standard Windows Replacement	295,159	0	295,159	(1,846)	(297,005)	0%
Structural Defects	10,000	0	10,000	(177)	(10,177)	0%
Door Replacement	987,162	(237,162)	750,000	4,091	(745,909)	1%
New services	51,401	(21,401)	30,000	5,550	(24,450)	19%
Void Capitalised Works	1,500,000	0	1,500,000	133,175	(1,366,825)	44%
Fire Doors	47,879	0	47,879	(1,499)	(49,378)	0%
Fire Compartment Works	0	0	0	(1,915)	(1,915)	0%
Total Decent Homes	5,352,092	(523,563)	4,828,529	994,921	(3,833,607)	21%

Lincoln Standard						
Over bath showers (10(year programme)	25,785	(20,785)	5,000	(585)	(5,585)	0%
Total Lincoln Standard	25,785	(20,785)	5,000	(585)	(5,585)	0%

Appendix M

Health & Safety						
Asbestos Removal	195,850	0	195,850	31,791	(164,059)	16 %
Asbestos Surveys	167,640	0	167,640	27,861	(139,779)	17%
Replacement Door Entry Systems	93,740	0	93,740	0	(93,740)	0%
Renew stair structure	10,000	0	10,000	0	(10,000)	0%
Fire Alarms	40,000	0	40,000	33,309	(6,691)	83%
Total Health & Safety	507,230	0	507,230	92,961	(414,269)	18%

Other						
Environmental works	748,293	(500,000)	248,293	(1,917)	(250,210)	0%
Landscaping & Boundaries	0	0	0	(6,052)	(6,052)	0%
2 Gunby Avenue	3,333	0	3,333	0	(3,333)	0%
Communal Electrics	137,469	(100,000)	37,469	(795)	(38,264)	0%
Garages	164,409	(120,000)	44,409	0	(44,409)	0%
HRA Assets (Shops/Buildings)	60,094	0	60,094	0	(60,094)	0%
CCTV	26,685	20,000	46,685	0	(46,685)	0%
Communal TV Aerials	10,000	0	10,000	0	(10,000)	0%
Total Other	1,150,283	(700,000)	450,283	(8,764)	(459,047)	0%

Contingency Schemes						
Contingency Reserve	3,922,377	287,186	4,209,563	0	(4,209,563)	0.00%
Total Contingency Schemes	3,922,377	287,186	4,209,563	0	(4,209,563)	0.00%

Other Schemes						
Housing Support Services Computer Fund	179,602	0	179,602	0	(179,602)	0%
Operation ROSE	81,769	0	81,769	22,520	(59,249)	28%

Appendix M

IT Infrastructure Upgrade	251,633	0	251,633	0	(251,633)	0%
Other Schemes	513,004	0	513,004	22,520	(490,484)	4%

Total Housing Investment	11,470,770	(957,162)	10,513,608	1,101,052	(9,412,556)	
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Housing Strategy

New Build Programme						
Unallocated New Build	1,203,265		1,203,265	0	(1,203,265)	0%
New Build Programme	1,401,971	(1,270,296)	131,675	0	(131,675)	0%
Purchase and repair	507,543	1,831,146	2,338,689	826,916	(1,511,773)	35%
Rookery Lane	3,345,420	24,000	3,369,420	312,969	(3,056,451)	9%
Western Growth Corridor	1,259,766		1,259,766	0	(1,259,766)	0%
NSAP Properties	636,723	(45,618)	591,105	591,105	0	100%
De Wint Court	9,126,588		9,126,588	2,664,479	(6,462,109)	29%
RSAP Properties	0	1,619,250	1,619,250	124	(1,619,126)	1%
Total New Build Programme	17,481,276	2,158,482	19,639,758	4,395,593	(15,244,165)	22%

Land Acquisition						
Land Acquisition Fund	94,689	0	94,689	0	(94,689)	0.00%
Total Land Acquisition	94,689	0	94,689	0	(94,689)	0.00%

Total Housing Strategy	17,575,965	2,158,482	19,734,447	4,395,593	(15,338,834)	
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Total Housing Investment & Strategy	29,046,735	1,201,320	30,248,055	5,496,646	(24,751,409)	18%
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TFS Phase7 programme: progress at Q2 - 2021/2022

Service	Summary of project	Dir.	Total savings in 2021/22 £000's	GF savings in 2021/22 £000's	HRA savings in 2021/22 £000's	Comments
ACTIONS COMPLETED AS OF END Q1 2021/22						
Major Developments	Carry forward of new burdens funding	DMD	35	35	0	Complete for 21/22 – future business case required
Revenues & Benefits Shared Service	Deletion of vacant hours/post	CX	35	35	0	Complete
Sports, Leisure & City Services	Review of Recreational Services	DCE	21	21	0	Executive 17.03.21
Development Control	Review of Development Control	DCE	32	32	0	Executive 17.03.21
Development Control	Reinstatement	DCE	(36)	(36)	0	Complete
Business Development & IT	Review of Systems & Info Team	CX	27	26	1	Executive 17.03.21
Council-Wise	Mutually Agreed Resignation Scheme	ALL	254	194	59	Executive 22.02.21
Property Services	Transfer of HRA shops to General Fund	CX	117	117	0	Executive 17.03.21
Corporate	Review of funding support to The Network	CORP	4	4	0	Complete
Facilities Management	Deletion of vacant post	CX	10	10	0	Complete
Community Services	Review or public conveniences	DCE	38	38	0	Executive 24.06.21
Parking Services	Deletion of vacant posts	DCE	39	39	0	Complete
TOTAL			576	515	60	