

SUBJECT:	FINANCIAL PERFORMANCE – QUARTERLY MONITORING
REPORT BY:	CHIEF EXECUTIVE & TOWN CLERK
LEAD OFFICER:	JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

1.1. To present to Performance Scrutiny Committee (PSC) the third quarter's performance (up to 31st December), on the Council's:

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

And to seek approval for changes to the 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. The Council approved a balanced budget earlier this year, but much has changed since that point. Spiralling inflation, soaring energy prices and nationally agreed pay agreements have added significant cost pressures to the Council's budgets. These are in the main part caused by national issues, beyond the Council's control, and are impacting all Councils. In addition, the current cost of living crisis has the potential to increase demand for the Council's services by those who rely on the safety net provided by local government. These unforeseen and unavoidable pressures have seriously impacted the assumptions that underpin the MTFs. As a result of these pressures, when reporting the forecast position at the end of Quarter 2, the General Fund forecasted a significant financial shortfall for 2022/23 of £912,511, with cost pressures also in the Housing Revenue Account and Housing Repairs Service.

2.3. In response to this forecast position, the Council began developing a range of mitigation actions as part of a financial recovery programme in order to ensure it retained a sustainable financial position in 2022/23 and also in the medium-term (the impact of these inflationary pressures are not isolated to 2022/23 and have permanently increased the cost base of the Council).

- 2.4. Included within these actions was a review of the Council's Borrowing, Investment and Minimum Revenue Provision (MRP) strategies. This review has resulted in a proposed change to the current MRP Policy, which if approved will generate significant savings in the medium term, whilst still maintaining a prudent provision. The net saving in 2022/23 is £749,000.
- 2.5. As a result of this proposed reduction in capital financing costs, along with other actions taken during the year, including an in-year increase in some fees and charges and temporary recruitment measures, the General Fund is forecasting a significantly improved position for 2022/23, with a current estimate of a £70,358 budget shortfall. The forecast position on both the Housing Revenue Account and Housing Repairs Service has also improved since quarter 2.
- 2.6. Whilst there are still a number of planning variables which are subject to unprecedented levels of uncertainty, based on the latest set of assumptions as at the end of the third quarter (up to 31st December) the forecast financial position of the Council for 2022/23 is:

Revenue Accounts	2022/23		
	Budget £'000	Forecast @ Q3 £'000	Variance @ Q3 £'000
General Fund – Contribution (to)/from balances	(61)	(21)	40
Housing Revenue Account (HRA) – Contribution (to)/from balances	(39)	(40)	(1)
Housing Repairs Service	0	0	0

Capital Programmes	2022/23		
	Budget following Q2 Report £'000	Revised Budget @ Q3 £'000	Movement @ Q3 £'000
General Investment Programme	30,156	17,864	(12,292)
Housing Investment Programme	22,133	21,258	(874)

Reserves and Balances	2022/23		
	Balance @ 01/04/22 £'000	Forecast Balance @ 31/03/23 £'000	Forecast Movement £'000
General Fund Balances	(2,263)	(2,223)	40
Housing Revenue Account Balances	(1,064)	(1,065)	(1)
Housing Repairs Service Balances	0	0	0
General Fund Earmarked Reserves	(12,668)	(6,265)	6,402
HRA Earmarked Reserves	(2,876)	(2,760)	116

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

3. General Fund Revenue Account

- 3.1. For 2022/23 the Council's net General Fund revenue budget was set at £8,907,490 including a planned contribution to balances of £60,700 resulting in an estimated level of general balances at the year-end of £2,262,761 (after allowing for the 2021/22 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast overspend of £39,548 (Appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,223,213.
- 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:

General Fund	Forecast
Forecast year-end key variances:	£'000
Pay award settlement	550
Contractual inflation increases	108
Energy inflation increases	137
Impact of YLC pool closure	328
Reduction in Housing Benefits overpayments & increased B&B costs non-recoverable	167
Building Regulations, Development Control & Land Charges income pressures	146
Less:	
Net savings on MRP Review	(749)
Interest on Investments	(432)
Release of Inflation reserve	(150)
Net Car Parking Income surplus	(206)
Net other variances	141
Overall forecast budget deficit/(surplus)	40

- 3.4. The key variances are predominately driven by the rapidly escalating levels of inflation and the impact of external economic factors, which were unforeseen and far exceed the assumptions underpinning the MTFS. In addition, other service costs and income are subject to fluctuation during the year as the cost-of-living crisis and external economic factor impacts both directly and indirectly on households and businesses. This is leading to an increased demand for council services, as the more vulnerable in the City look to the Council for support and a reduction in income for services as household and business incomes become under pressure.
- 3.5. The main variances, both positive and negative cover:
- Contractual services inflation increases – contracts for key front line service provision are linked to annual CPI/RPI price increases at set points in the year. The most significant of these contracts is in relation to waste and street

cleansing. These two contracts are linked to inflation as at the previous December and have therefore seen increases of 5.4% for 2022/23.

- Gas and electric supplies - whilst the Council procures the majority of its energy supplies through a framework agreement, allowing it to benefit from economies of scale, it is still subject to the impacts of fluctuations in wholesale prices. Gas prices for 2022/23 have increased by 70% since April 2022 and electricity prices have increased by 100% from October 2022. Whilst there is some reduction in tariffs under the Energy Bill Relief Scheme this is minimal in proportion to the overall increase. The relief is only applicable to the Council's electricity supplies as the prices secured for its gas supplies are below the cap level for energy relief support.
- Nationally agreed pay inflation - the pay offer, made by the National Employers for Local Government Services, was accepted by the Trade Unions in early November 2022. The pay deal sees a flat rate increase of £1,925 to all employees, equivalent to a 10.5% increase for the lowest paid members of staff and with the majority of officers receiving pay rises above 5%.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 4%, the level of interest earned on the Council's cash balances has increased significantly. At present there has been limited consequent impact on the cost of borrowing all debt is at fixed rates and no new borrowing has been undertaken.
- Bed and breakfast accommodation - increased demand for temporary accommodation, coupled with a shortage in suitable accommodation has increased the use of bed and breakfasts. Regardless of the actual cost of the accommodation the amount that can be reclaimed through the housing subsidy process is limited to the local housing allowance rate of £91.15 per week, increasing the cost borne by the Council.
- Reduced fees and charges income - income from planning applications, building control and land charges, all of which are linked to the construction and housing market, has gradually reduced during 2022/23 as the current economic climate and cost-of-living crisis begins to impact on development within the city.

Whilst the contractual cost increases, pay settlement and utility increases are now known with certainty, there remains some uncertainty surrounding other budget assumptions, particularly in terms of service demands and income forecasts. The potential for further change during the fourth quarter therefore still remains.

- 3.6. In response to the financial pressures facing the Council a number of actions were taken to ensure a balanced budget position was maintained in 2022/23, and over the period of the MFTS. This included a review of the Council's Borrowing, Investment and Minimum Revenue Provision (MRP) strategies. This review has resulted in a proposed change to the current MRP Policy, which if approved will generate significant savings in the medium term, whilst still ensuring a prudent provision is maintained.

- 3.7. The objective of the review, undertaken by the Council's Treasury Advisors, was to identify opportunities to move to a more suitable and cost effective MRP strategy, whilst ensuring the provision remains prudent and compliant with statutory guidance. The review proposes an alternative calculation method for MRP from the existing straight-line method to an annuity method, which brings the benefit of a reduction in MRP charges in the near term. This method is as prudent as the current option since neither the time over which the debt liability will be repaid or the asset lives currently being used will be changed. In addition, it can also be said that the annuity method provides a fairer charge than the straight-line method since it results in a consistent charge over the asset's life, considering the time value of money.
- 3.8. The overall net saving to the General Fund in 2022/23 is £749,000. Whilst the proposed change in the MRP calculation method is still subject to Full Council approval, as part of the Treasury Management Strategy, the net saving has been included in the quarter three forecast.
- 3.9. In addition to the MRP review, further actions were taking during the last six months to implement control of expenditure and to seek to increase income. This included an in-year increase to fees and charges for car parking and the crematorium. These have had a further positive impact on the forecast position.
- 3.10. As a result of the in-year actions taken the General Fund is forecasting a significantly improved position for 2022/23, with a current estimate of a £39,548 budget shortfall, an improvement of £872,962 from the quarter two forecast. This improved forecast does still assume the use of the inflation reserve of £150,000.
- 3.11. As set out throughout this report, there still remains a number of variables in the forecast assumptions, and as such the final outturn position for the year is still subject to further change. At this stage though there are no further mitigations recommended, however, as always, there will continue to be a need for strong budgetary control in this financial year to ensure expenditure and income remain balanced within the budget.
- 3.12. **Earmarked Reserves**

Carry Forward Requests

PSC should be aware that the forecast outturn position of a £39,548 budget overspend does not take into account any requested carry forwards. 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 was one carry forward proposal, as follows:

Directorate	Reason for Carry Forward	Amount £
DCE	Consultancy Fees: Waste Contract – delayed start resulting in requirement to defer backfill funding to the end of the project	30,810
	Total Contribution to Reserves	30,810

The forecast outturn for the General Fund would therefore be a budget overspend of £70,358 if the above carry forward were to be agreed.

PSC are asked to consider the proposed carry forward request.

3.13. Further details of the General Fund Earmarked Reserves are set out in paragraph 6 and Appendix G.

3.14. **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2022/23 was £1,050,000. Total savings secured and brought forward from last financial year are £716,410 leaving an in-year target of £333,590.

Progress against this target, based on quarter 3 performance, shows that secured savings total £191,530 for the General Fund, with a further £90,970 identified, leaving a forecast shortfall of £51,090.

A summary of the specific reviews that have contributed to this target are shown in Appendix K.

4. **Housing Revenue Account**

4.1. For 2022/23 the Council's Housing Revenue Account (HRA) net revenue budget was set at a £38,670 use of balances, resulting in an estimated level of general balances at the year-end of £1,063,872, after allowing for the 2021/22 outturn position.

4.2. The HRA is currently projecting a forecast underspend of £961, which would increase the General Balances to £1,064,833 at the end of 2022/23, Appendix C of this report provides a forecast Housing Revenue Account Summary. This position maintains balances above the prudent minimum of c.£1m.

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, whilst the table below sets out the key variances:

Housing Revenue Account	Forecast £'000
Forecast year-end key variances:	
Increased depreciation following revaluation of HRA assets	412
Energy inflation increases	135
Pay award settlement	212
Reduction in Rent & Service Charge income as a result of increased void levels	133
Housing IT Cloud License Fee	107
Admin fee income loss	100
Less:	
Increased Investment Interest	(538)
Direct Revenue Financing Adjustment	(519)
Repairs and Maintenance – Painting and Pre-Painting	(641)
HRS Recharges:	
Housing Repairs Service Overall Deficit Repatriation	420
Repairs and Maintenance – Responsive Repairs	(596)
Repairs and Maintenance – Voids, Aids & Adapts & Cleansing work increase	572
Skip charges	128
Net Other Variances	74
Overall forecast deficit/(surplus)	(1)

4.4. In line with the General Fund, many of the key variances are predominately driven by the rapidly escalating levels of inflation and the impact of external economic factors, which were unforeseen and far exceed the assumptions underpinning the MTFS. In addition, the HRA is experiencing a number of other variances due to demand pressures and current recruitment and retention challenges.

4.5. The main variances, both positive and negative, cover:

- Gas and electric supplies – similarly to the General Fund whilst the HRA procures the majority of its energy supplies through a framework agreement, allowing it to benefit from economies of scale, it is still subject to the impacts of fluctuations in wholesale prices. Gas prices for 2022/23 have increased by 70% since April 2022 and electricity prices have increased by 100% from October 2022.
- Nationally agreed pay inflation – the pay offer, made by the National Employers for Local Government Services, was accepted by the Trade Unions in early November and saw a flat rate increase of £1,925 to all employees, equivalent to a 10.5% increase for the lowest paid members of staff and with the majority of officers receiving pay rises above 5%.

- Depreciation - charges to the HRA have significantly risen as a result of the latest revaluation exercise, although these have been offset by a reduction in the amount of direct revenue financing charged to the account.
- HRA Repairs Account – repairs and maintenance costs, predominantly on Painting and Pre-painting, are significantly underspent as a result of delays in the procurement of a new contractor.
- Housing Repairs Services (HRS) – the service is currently reporting a forecast deficit, which is consequentially repatriated to the HRA, as a result of the issues set out in Section 5 below. In addition, demand for housing voids has significantly increased and demand for responsive repairs has reduced, resulting in a switch in the nature of HRS rechargeable works.
- Rental income – whilst overall collection levels of housing rents remain above target, overall income levels are below budget due to an increased level of void properties during the year. However, the number of voids has reduced since quarter two and mitigations continue to be implemented to manage void levels and turnaround times.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 4%, the level of interest earned on the HRA's cash balances has increased significantly. At present there has been limited consequent impact on the cost of borrowing all debt is at fixed rates and no new borrowing has been undertaken.

4.6. As set throughout this report, there still remains a number of variables in the forecast assumptions, and as such the final outturn position for the year is still subject to further change. At this stage no additional mitigations, other than those currently being implemented in response to the issues faced by the HRS and in response to void levels, are recommended. Strong budgetary control should continue to be a focus in this financial year to ensure expenditure and income remain balanced within budget.

4.7. **HRA Earmarked Reserves**

Details of the HRA Earmarked Reserves are set out in paragraph 6 and Appendix G.

5. **Housing Repairs Service**

5.1. For 2022/23 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2. At Quarter 3 HRS are forecasting a deficit of £420,284 in 2022/23, Appendix E provides a forecast HRS Summary. Full details of the main variances are provided within Appendix F of this report, while the key variances are summarised below:

Housing Repairs Service	Forecast
Forecast year-end key variances:	£'000
Increased use of sub-contractors and increases in sub-contractor prices	1,230
Pay award settlement	110
Less:	
Reduction in material costs due to less jobs being carried out by HRS operatives	(119)
Staff vacancies due to recruitment and retention challenges	(305)
Overachieved income due to high level of voids works	(580)
Net other variances	84
Overall forecast deficit/(surplus)	420

- 5.3. The main contributory factor to the deficit is the ongoing recruitment and retention challenges, which is being felt not just by the council but across the construction industry as a whole. This inability to attract and retain staff results in a greater reliance on the use of sub-contractors to ensure that service demands are met. The cost of using subcontractors is however more expensive than the HRS's own workforce, due to the ongoing impact of Covid19, the current inflationary crisis and a reduced pool of contractors from which to secure services. These additional costs are therefore not fully offset by the vacancy and material savings achieved by not carrying out the work internally. These increased costs are further compounded by increased demands resulting from the higher level of voids currently being experienced, although this is partially offset by a reduction in responsive repairs works being requested.
- 5.4. As the increased subcontractor costs are not reflected in the service hourly rate and overhead recovery is not recouped on sub-contractors this results in an under recovery of full costs from the HRA. Despite this, the overall level of rechargeable income is overachieved due to the volume of voids works being undertaken, albeit at a higher cost, compensating for a reduction in responsive repairs works.
- 5.5. The forecast deficit also includes the impact of the nationally agreed pay award implemented in December, which was significantly over and above the assumptions included within the MTFs, and the impact of increased inflation on utilities as a result of the escalating cost of gas and electricity supplies as outlined in both the General Fund and HRA variances.
- 5.6. It should be noted that due to the interconnection of the HRS and HRA the consequential costs in the HRA are ordinarily reduced, and therefore offset any repatriated deficit. However due to the increased usage of more expensive sub-contractors and increased volume of works, primarily due to the levels of void properties, this is not the case this financial year, as detailed in paragraph 5.3 above and there is a significant additional cost for repairs and maintenance of the housing stock that is being incurred by the HRA. This additional cost is though set against the overall HRA position as set out in section 4 above.

6. Earmarked Reserves

- 6.1. The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves include income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment etc. A number of these reserves are budgeted for use over the period of the MTFS.
- 6.2. The details of all the earmarked reserves and their forecast balance as at 31st March 2023 are attached in Appendix G, with further details in the MTFS 2022-2027. In summary:

Earmarked Reserves	Opening Balance 01/04/22 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/23 £'000
General Fund	(12,668)	(939)	7,342	(6,265)
Housing Revenue Account	(2,876)	(54)	171	(2,760)

7. Capital Programme

7.1. General Investment Programme

- 7.2. The revised General Investment Programme for 2022/23 amounted to £30.156m following the quarter 2 report. At quarter 3 the programme has been decreased by £12.296m to £17.860m, as shown below:

General Investment Programme	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Revised budget Quarter 2	30,156	5,689	2,494	766	500
Budget changes for approval – Quarter 3	(12,296)	8,426	7,969	5,470	552
Revised Budget	17,860	14,115	10,463	6,236	1,052

- 7.3. All changes over the approved limit require approval by the Executive. The following table shows two schemes requiring Executive approval for the third quarter:

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Western Growth Corridor (as per Executive report 20/02/23 for separate approval)	(8,503)	3,561	5,312	4,895	0
Increase Disabled Facilities Grant, based on previous grant awards (fully grant funded)	0	552	552	552	552

Total Schemes requiring Executive approval	(8,503)	4,113	5,864	5,447	552
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All new projects are subject to Executive approval. During the third quarter the following schemes were added to the GIP, having been considered by the Executive in the third quarter:

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Re-imaging Greyfriars (Executive 21/11/22)	0	1,168	899	5	0
UK Shared Prosperity Fund (Executive 25/07/22)	34	89	357	0	0
Total Schemes already considered by the Executive	34	1,257	1,256	5	0

- 7.4. 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 during Quarter 3:

GIP Movements Approved by the Chief Finance Officer:	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Town Deal Schemes reprofiled over 2023-2026.	(3,896)	3,030	849	18	0
Greyfriars – reprofiled to next year	(26)	26	0	0	0
Boultham Park Lake - increase using additional grant funding	22	0	0	0	0
Hope Wood – increase using new grant funding	66	0	0	0	0
Heritage Action Zone – additional grant awarded for the Guildhall scheme	7	0	0	0	0
Total GIP Movements Approved by the CFO	(3,827)	3,056	849	18	0

Total GIP Delegated Approvals and Approvals by/for Executive	(12,296)	8,426	7,969	5,470	552
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- 7.5. The table below provides a summary of the projected outturn position for the General Investment Programme:

	2022/23			
General Investment Programme - Projected Outturn	Budget following Q2	Revised Budget Q3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing and Investment	338	338	338	0
Communities and Environment	3,499	3,594	3,594	0
Chief Executive	1,361	1,335	1,335	0
Major Developments	20,040	9,352	9,352	0
Total Active Schemes				
Schemes on Hold/Contingencies	316	316	316	0
Externally Delivered Town Deal Schemes	4,602	2,925	2,925	0
Total Capital Programme	30,156	17,860	17,860	0

- 7.6. The overall spending on the General Investment Programme for the third quarter of 22/23 is £5.9m, which is 39.8% of the 2022/23 active programme (excluding externally delivered schemes). This is detailed further at Appendix I.

Although this is a low percentage of expenditure at this stage of the financial year, further expenditure is expected in quarter 4 on Disabled Facilities Grants, Town's Deal Schemes, HAZ, and various capitalised maintenance schemes. There is now expected to be further budget re-profiles to 2023/24 during quarter four.

7.7. Housing Investment Programme

- 7.8. The revised Housing Investment Programme for 2022/23 amounted to £22.133m following the quarter 2 report. At quarter 3 the programme has been decreased by £1.634m to £20.499m, as shown below:

Housing Investment Programme	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Revised budget Quarter 2	22,133	13,546	14,116	10,832	11,450
Budget changes for approval – Quarter 3	(1,634)	2,916	1,565	251	62
Revised Budget	20,499	16,462	15,681	11,083	11,512

- 7.9. All changes over the approved limit require approval by the Executive. The following changes require Executive approval for the third quarter:

Changes requiring Executive Approval:	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Decent Homes *	(738)	0	0	0	0
Lincoln Standard - Over bath showers *	(30)	0	0	0	0
Health and Safety - Fire Alarms *	(25)	0	0	0	0

Other Current Developments – Some movement between schemes Communal TV aerials; HRA Buildings; Garages; Landscaping (full detail in Appendix J) *	(31)	0	0	0	0
Decent Homes – Void Capitalised Works	0	221	174	121	62
Western Growth Corridor (as per Executive report 20/02/23 for separate approval)	(1,259)	2,644	567	130	0
Total changes requiring Executive Approval	(2,083)	2,865	741	251	62
Total moved to Contingency	824	0	0	0	0
Contingency Reprofiled to 2024/25	(824)	0	824	0	0

*Budget moved to contingency and reprofiled to 2024/25

- 7.10. All new projects are subject to Executive approval. There is one new project for consideration by the Executive during Quarter 3.

Due to unforeseen circumstances out of our control, our current fleet provider no longer wishes to lease the HRS vehicles and has requested either surrender the vehicles back to them or purchase the vehicles from them by 6th March 2023. At this point the actual cost for purchasing the vehicles is unknown and dependent upon the vehicle valuations and the rationalisation of the fleet to keep the impact to a minimum. An estimate of £500k is therefore proposed for inclusion in the HIP and will be adjusted through the appropriate approval limits once the actual purchase price is confirmed.

Schemes requiring Executive Approval:	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Fleet Procurement	500	0	0	0	0
Total Schemes to be considered by the Executive	500	0	0	0	0

- 7.11. 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 during Quarter 3:

HIP Movements Approved by the Chief Finance Officer:	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Reprofiling					
Hiab and Mule – Reprofile from 2023/24	21	(21)	0	0	0
Housing Support Services Computer Fund – Reprofiled to 2023/24	(72)	72	0	0	0
Total HIP Movements Approved by the CFO	(51)	51	0	0	0
Total HIP Delegated Approvals and Approvals by/for Executive	(1,634)	2,916	1,565	251	62

- 7.12. The table below provides a summary of the projected outturn position for the Housing Investment Programme:

Housing Investment Programme - Projected Outturn	2022/23			
	Budget following Q2 £'000	Revised Budget Q3 £'000	Forecast Outturn £'000	Variance £'000
Decent Homes / Lincoln Standard	6,325	5,558	5,558	0
Health and Safety	777	752	752	0
Contingent Major Repairs / Works	544	544	544	0
New Build Programme	12,040	10,780	10,780	0
Other Schemes	1,684	2,174	2,174	0
Computer Fund / IT Schemes	763	691	691	0
Total Capital Programme	22,133	20,499	20,499	0

- 7.13. The overall expenditure on the Housing Investment Programme for the third quarter of 22/23 is £7.566m, which is 37% of the 2022/23 revised programme. This is detailed further at Appendix J. A further £1.18m has been spent as at the end of January 2023.

Although this is a low percentage of expenditure at this stage of the financial year, works have been constrained by the availability of contractors and materials however new contracts are in place and spend is expected to increase in future periods.

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.

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 and the mitigations have been implemented, both the General Fund and HRA are forecasted to maintain balanced budget positions in the current financial year.

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 the level of balances in 2022/23 are estimated to be maintained within these ranges. The close monitoring of the Council's overall financial position will remain critical over the course of this financial year, and as ever strong budgetary control will be required.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2022/23 the Council faces, continued, significant financial challenges. Ongoing reductions in resources, increased service costs arising from both inflation and demand for services will require ongoing reductions in the net cost base if the Council is to live within a significantly reduced resources envelope. The MTFS 2022-2027, approved by Full Council in March 2022, has now been updated to reflect these new financial challenges and the new MTFS 2023-2028 will be presented to the Executive on 20th February, ahead of Full Council approval on 28th February 2023.

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 the 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 2022-27, this has been subsequently refreshed in the new Medium Term Financial Strategy 2023-2028.

11. Recommendations

PSC are recommended to:

- 11.1. Note the financial performance for the period 1st April to 31st December 2022, and the projected outturns for 2022/23.
- 11.2. Note 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. Note the General Fund carry forward request as detailed in paragraph 3.12, prior to reporting to the Executive.
- 11.4. Note the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.4 and 7.11.
- 11.5. Note the changes to the General Investment programme and the Housing Investment programme to be approved by the Executive as detailed in paragraphs 7.3, 7.9 and 7.10.
- 11.6. Consider any specific recommendations to be referred to Executive relating to the contents of this report.

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? Eleven

List of Background Papers: MTFS 2022-27

Lead Officer: Colleen Warren, Financial Services Manager
Telephone: (01522) 873361

GENERAL FUND SUMMARY – AS AT 31 DECEMBER 2022

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	1,859	1,844	(15)
Chief Finance Officer (S151)	B	(328)	(430)	(101)
City Solicitor	C	1,640	1,804	163
Housing	D	769	886	117
Growth and Regeneration	E	0	0	0
Director of Major Developments	F	3,406	3,420	14
Communities and Street Scene	G	7,326	7,392	65
Health and Environmental Services	H	462	913	451
Planning	I	(2,405)	(2,345)	60
		12,730	13,483	754
Corporate Expenditure	J	2,125	2,183	57
TOTAL SERVICE EXPENDITURE		14,855	15,666	811
Capital Accounting Adjustment	K	7,934	7,085	(849)
Specific Grants	L	(8,131)	(8,131)	0
Contingencies	M	38	64	26
Savings Targets	N	(142)	(91)	51
Earmarked Reserves	O	(6,402)	(6,402)	0
Insurance Reserve	P	40	40	0
TOTAL EXPENDITURE		8,192	8,231	40
CONTRIBUTION FROM BALANCES		61	21	(40)
NET REQUIREMENT		8,252	8,252	0
Retained Business Rates Income	Q	4,918	4,918	0
Collection Fund Surplus/(Deficit)	R	(4,050)	(4,050)	0
Revenue Support Grant	S	24	24	0
Council Tax	T	7,360	7,360	0
TOTAL RESOURCES		8,252	8,252	0

General Fund Forecast Variances – Quarter 3

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	<u>Additional Expenditure</u>	£	Reason for variance
B	Property Services	39,990	Local Government as a whole is experiencing a recruitment and retention crisis, this is being felt within a number of service areas in the Council. In these instances, and where it is not possible to absorb/stop the work of the vacant posts, agency staff have been procured or work has been externalised. This has resulted in cost pressures due to a higher cost of 'buying in' services.
B	Financial Services	46,290	
C	Legal Services	30,740	
D	Control Centre	56,600	
C	Municipal Elections	49,000	Increased staffing costs and additional room hire charges as a result of increased Covid prevention requirements.
F	Waste	42,030	Inflationary increase on contract prices over and above MTFS assumptions.
F	Street Cleansing	65,490	Inflationary increase on contract prices over and above MTFS assumptions.
G	Yarborough Leisure Centre	327,580	Additional costs incurred due to pool closure.
G	Christmas Market	25,220	Additional expenditure due to rising contract costs, compounded by reduced income below (total deficit pressure £44.7k).
H	Car Parks	101,000	Increased business rates costs (£37k) & card payment fees due to increased transactions (£64k), offset by increased income below (net car parking surplus £206.4k).
H	Car Parks	73,780	Costs incurred for a system upgrade as current system unsupported, offset by increased income below.
H	Car Parks	85,370	Additional, unforeseen costs on maintenance, specialist equipment, suicide prevention works and increased staffing costs, offset by increased income below.
L	Pay Award	550,000	Impact of nationally agreed pay award above budget assumptions
L	Energy Inflation	137,250	Forecast utility price increases.

Ref		£	Reason for variance
L	Annual Vacancy Savings Target	154,820	Vacancy savings target, offset by savings in service areas.
M	Savings Target	51,090	Shortfall in planned savings against annual savings target of £1.05m.

Reduced Income

B	Council Tax Court Costs	49,000	Reduction in court costs income, as a result of reduced summons, due to the application of Council Tax Energy rebates on customer accounts and resulting reduction in accounts in arrears.
B	Housing Benefits	65,530	Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears, plus a funding allocation shortfall.
B	Housing Benefits	101,730	Un-recoverable B&B costs as a result of disparity between Local Housing Allowance rates and rising demand and costs of accommodation.
G	Christmas Market	19,440	Reduction in stallholder and park and ride income, compounded by increased expenditure above (total deficit pressure £44.7k).
G	Crematorium	90,520	Reduced income as a result of lower than budgeted cremation levels in December, as experienced nationally, mitigated in part by price increases implemented from December.
H	Building Regulations	48,910	Anticipated reduction in income as a result of current economic conditions.
H	Development Control	70,000	Anticipated reduction in income as a result of current economic conditions.
H	Land Charges	26,840	Anticipated reduction in income as a result of current economic conditions compounded by the impact of HMLR Transition Project which transfers out Local Land Charge income from Local Authorities into a Central Digital register.

Reduced Expenditure

A	Business Development & IT Manager	(55,530)	Vacancy savings pending implementation of restructure, offset against corporate vacancy savings target.
A	CX Corporate Policy	(49,770)	Vacancy savings pending implementation of restructure, offset against corporate vacancy savings target.

Ref		£	Reason for variance
B	CX Management	(60,370)	Vacancy savings offset against corporate vacancy savings target.
D	Community Leadership & Sustainability	(41,710)	Vacancy & general expenditure savings as a result of application of ringfenced funding from Community Chest & Controlling Migration reserves.
G	Housing Regeneration	(44,150)	Vacancy savings offset against corporate vacancy savings target.
H	Development Control	(28,220)	Vacancy savings offset against corporate vacancy savings target.
J	Capital Accounting Adjustments	(749,000)	Net saving as a result of reduction in Minimum Revenue Provision (MRP) costs.
N	Earmarked Reserves	(150,000)	Release of Inflation Volatility reserve to offset increased expenditure as a result of nationally agreed pay award and energy price increases.

Additional Income

B	Lincoln Properties/Industrial Estates	(62,230)	Increased rental income following in year rent reviews plus low level of void properties.
B	Council Tax Rebate Scheme	(59,670)	New Burdens funding to compensate for work associated with administering the CT Energy Rebates (partially offset by IT costs, postage and staff overtime).
B	Other Interest	(432,340)	Increased investment income as a result of higher interest rates and additional dividend income.
H	Car Parks	(465,000)	Increase in season ticket income & forecast increase in pay and display income following busy festive period & price increase in December, wholly offsetting cost pressures listed above (net car parking surplus £206.4k).

HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 31 DECEMBER 2022

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(30,571)	(30,469)	102
Charges for Services & Facilities	B	(510)	(479)	31
Contribution towards Expenditure	C	(50)	(22)	28
Repairs Account – Income	D1	0	(5)	(5)
Supervision & Management – General	D2	(659)	(522)	137
Supervision & Management – Special	D3	0	(118)	(118)
Repairs & Maintenance	E	10,022	9,375	(646)
Supervision & Management – General	F1	6,834	7,015	181
Supervision & Management – Special	F2	1,532	1,636	105
Rents, Rates and Other Premises	G	486	769	283
Increase in Bad Debt Provisions	H	250	250	0
Insurance Claims Contingency	I	169	169	0
Contingencies	J	(64)	100	164
Depreciation	K	7,450	7,862	412
Impairments	L	0	0	0
Debt Management Expenses	M	15	15	0
HRS Trading (Surplus) / Deficit	N	0	404	404
Net Cost of Service	O	(5,097)	(4,020)	1,078
Loan Charges Interest	P	2,580	2,580	0
Investment/Mortgage Interest	Q	(66)	(604)	(538)
Net Operating Inc/Exp	R	(2,583)	(2,044)	540
Major Repairs Reserve Adjustment	T	2,559	2,040	(519)
Transfers to/from reserves	U	(15)	(35)	(20)
(Surplus)/Deficit in Year	V	(39)	(40)	(1)

Housing Revenue Account Variances – Quarter 3

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 Income</u>			
A	Supervision & Management-General	100,000	Reduced admin fee income due to procurement slippage on new contractors.
A	Gross Rental Income	74,520	Reduction to social rent income predominantly due higher level of voids than anticipated.
A	Gross Rental Income	43,490	Non-dwelling rental income reduced due to increase in garage voids.
A	Gross Rental Income	33,880	Reduction in DeWint Service Charge income due to delay in tenancy start dates.
C	Court costs	28,000	Reduction in recovered income from court costs as less cases in year than anticipated.
<u>Increased Income</u>			
Q	Investment Interest	(537,730)	Increased investment income as a result of higher interest rates.
F1	Contractor costs	(58,110)	Credit relating to overpayment from previous financial year.
D3	Supervision & Management – Special	(40,000)	Additional income from recoverable garden voids works.
D2	Supervision & Management - General	(39,900)	Surplus on NSAP & RSAP properties attributable to HRA.
<u>Reduced Expenditure</u>			
E	Repairs & Maintenance	(596,320)	Reduced HRS expenditure on Responsive Repairs, offset by increases on Voids, A&A and Cleansing below (net underspend £24.7k).
E	Repairs & Maintenance	(641,010)	Reduction on Painting & Pre-painting costs due to delays in tendering process
E	Repairs & Maintenance	(239,870)	Other material underspends on Repairs Account.

Ref		£	Reason for variance
E	Repairs & Maintenance	(32,260)	Underspend on Gas Servicing of Central Heating due to contractual savings.
T	Major Repairs Reserve/Direct Revenue Finance	(519,320)	Reduced contribution to Major Repairs Reserve - £412k re increase in depreciation, £144k net Cloud Licence Fee less £37k credit.
F1	Supervision & Management – General	(154,850)	Reduced expenditure on Employee Costs due to staff vacancies.

Increased Expenditure

K	Depreciation	412,250	Increase in depreciation costs following revaluation of housing stock, offset by a Major Repairs reserve.
E	Repairs & Maintenance	571,620	Increased HRS expenditure on Voids, Aids & Adaptations & Cleansing, wholly offset by reduced cost on Responsive Repairs above.
N	HRS Surplus/Deficit	403,730	Estimated deficit position for HRS (refer to HRS variances).
G	Rent, Rates & Other Premises	282,890	Cost of licence fee for new housing I.T system (£144k - offset by a Major Repairs reserve) and anticipated inflationary increases in utilities (£138k).
J	Contingencies	63,870	Release of vacancy factor (offset by savings in service areas)
J	Contingencies	212,000	Impact of nationally agreed pay award, above budget assumptions, and associated increase in CSS recharges from the General Fund.
F1	Supervision & Management – General	196,600	Cost of agency staff to cover staff vacancies within Supervision & Management
F1	Supervision & Management – General	162,230	Additional Void work costs, consultancy fees & overtime costs within Tenancy Services.
E	Repairs & Maintenance	127,965	Unattributable skip charges from HRS.
E	Asbestos Removal	63,480	Responsive Asbestos Removal costs due to higher level of voids than anticipated

HOUSING REPAIRS SERVICE SUMMARY – AS AT 31 DECEMBER 2022

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,403	3,208	(195)
Premises	118	146	28
Transport	418	329	(89)
Materials	1,415	1,297	(119)
Sub-Contractors	2,044	3,274	1,230
Supplies & Services	307	451	144
Central Support Charges	579	579	0
Capital Charges	0	0	0
Total Expenditure	8,283	9,283	1,000
Income	(8,283)	(8,863)	(580)
(Surplus)/Deficit	0	420	420

Housing Repairs Service Variances – Quarter 3

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	(441,350)	Vacancies within the Operative staff.
Fleet Charges	(89,370)	Reduction in lease costs due to delay in receiving new vehicles from supplier.
Direct Materials	(118,700)	Reduced levels of materials spend mainly due to use of sub-contractors instead of own workforce due to vacancies.
<u>Increased Expenditure</u>		
Employee Costs	136,290	Agency and backfill costs covering vacancies offset by savings above.
Employee Costs	110,000	Impact of nationally agreed pay award above budget assumptions.
Sub-Contractors	1,230,497	Increased use of sub-contractors to cover vacancies within the operative team.
Supplies & Services	54,400	Increased skip and equipment hire costs.
Supplies & Services	117,310	Anticipated contractual & utility inflation costs.
<u>Increased Income</u>		
Income	(579,510)	Increase in income due to additional void works carried out. This is offset by the increase in void sub-contractor spend.

EARMARKED RESERVES – Q3 MONITORING 2022/23

	Revised Opening Balance	Budgeted Contribution	Actuals Q1-Q3	Forecast Q4	Forecast Balance
	01/04/2022 £'000	£'000	£'000	£'000	31/03/2023 £'000
General Fund					
Budget Carry Forwards	667	-	(93)	(82)	492
Grants & Contributions	1,932	(73)	(36)	108	1,932
Active Nation Bond	380	-	(200)	-	180
AGP Sinking Fund	52	50	-	(50)	52
Air Quality Initiatives	16	6	-	-	22
Birchwood Leisure Centre	66	-	20	-	86
Business Rates Volatility	5,566	(4,770)	-	(655)	140
Christmas Decorations	14	-	-	-	14
City Hall Sinking Fund	60	-	-	-	60
Commons Parking	1	-	-	11	12
Corporate Training	60	-	-	-	60
Council Tax Hardship Fund	213	-	-	(213)	-
Covid19 Recovery	1,047	-	-	-	1,047
Covid19 Response	354	-	-	-	354
DRF Unused	204	(202)	-	-	2
Electric Van replacement	24	4	-	-	28
Funding for Strategic Priorities	89	(89)	-	-	-
HiMO CPN Available	-	-	-	51	51
HiMO CPN Appeals	47	-	-	45	92
Income Volatility Reserve	320	-	-	-	320
Inflation Volatility Reserve	150	-	-	(150)	-
Invest to Save (GF)	100	1	-	(47)	54
IT Reserve	219	65	-	23	307
Lincoln Lottery	9	-	-	-	9
Mayoral Car	27	-	-	-	27
MSCP & Bus Station Sinking Fund	104	45	-	-	149
Private Sector Stock Condition Survey	39	12	-	-	51
Revenue & Benefits Community Fund	25	-	-	-	25
Section 106 Interest	32	-	-	-	32
Strategic Growth Reserve	5	-	-	-	5
Tank Memorial	10	-	-	-	10
Tree Risk Assessment	84	17	-	(35)	65
Vision 2025	701	(31)	(11)	(122)	538
WGC Planning	49	-	-	-	49
	12,668	(4,967)	(320)	(1,116)	6,265

HRA

Capital Fees Equalisation	110	-	-	-	110
De Wint Court	73	-	-	10	83
Disrepairs Management	300	-	-	-	300
Housing Business Plan	77	-	-	(37)	40
Housing Repairs Service	126	-	-	-	126
HRA IT	-	-	-	35	35
HRA Repairs Account	1,351	-	-	-	1,351
Housing Strategic Priority	582	(15)	-	(43)	524
Invest to Save (HRA)	253	(81)	-	5	177
RSAP/NSAP Sinking Fund	-	-	-	9	9
Strategic Growth Reserve	5	-	-	-	5
	2,876	(96)	-	(21)	2,760
Total Earmarked Reserves	15,544	(5,063)	(320)	(1,137)	9,025

CAPITAL RESOURCES – Q3 MONITORING 2022/23

	Opening balance	Contributions	Used in financing	Forecast balance 31/03/23
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	1,823	12,434	(13,891)	366
Capital Grants/Contributions HRA	0	495	(495)	0
Capital receipts General Fund	30	0	0	30
Capital receipts HRA	2,900	750	(1,562)	2,088
Capital receipts 1-41	2,778	0	(906)	1,872
Major Repairs Reserve	11,768	7,862	(9,348)	10,282
HRA DRF	8,319	2,147	(4,614)	5,852
Total Capital Resources	27,618	23,688	(30,816)	20,490

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 22/23.

General Investment Programme – Summary of Expenditure as at 31st December 2022

GENERAL INVESTMENT PROGRAMME	Budget 2022/23 - Reported at Q2	2022/23 Budget Increase / Decrease Q3	2022/23 Budget Reprofiles - Q3	2022/23 Revised Budget	2022/23 REVISED Total Spend to Date	2022/23 % Spend
<u>Housing and Investment</u>						
Housing Renewal Area Unallocated	338,152	0	0	338,152	0	0.00%
Housing and Investment Total	338,152	0	0	338,152	0	0.00%
<u>DCE - Community and Environment</u>						
Crem - remodelling	130,607	0	0	130,607	130,467	99.89%
Disabled Facilities Grant	2,081,372	0	0	2,081,372	466,031	22.39%
Whittons Park	78,112	0	0	78,112	78,018	99.88%
DCE - Community and Environment Total	2,290,092	0	0	2,290,092	674,515	29.45%
<u>DCE - Community Services</u>						
Boultham Park Lake Restoration	16,938	21,635	0	38,573	21,503	55.74%
Car Park Improvements - ticket machines	0	0	0	0	(6,200)	0.00%
Flood Alleviation Scheme - Hartsholme Park	318,641	0	0	318,641	308,985	96.97%
Hope Wood	0	47,500	0	47,500	0	0.00%
Hope Wood - new trees	0	19,000	0	19,000	0	0.00%
Traveller deterrent	27,501	0	0	27,501	11,671	42.44%
DCE - Community Services Total	363,080	88,135	0	451,215	335,959	74.46%
<u>DCE - Planning</u>						
Heritage Action Zone	190,253	(13,700)	0	176,553	0	0.00%
St Mary le Wigford (HAZ)	40,000	0	0	40,000	0	0.00%
St Mary's Guildhall (HAZ)	365,744	20,700	0	386,444	200,889	51.98%
Windmill View	250,000	0	0	250,000	2,552	1.02%
DCE - Planning Total	845,997	7,000	0	852,997	203,441	23.85%

GENERAL INVESTMENT PROGRAMME	Budget 2022/23 - Reported at Q2	2022/23 Budget Increase / Decrease Q3	2022/23 Budget Reprofiles - Q3	2022/23 Revised Budget	2022/23 REVISED Total Spend to Date	2022/23 % Spend
<u>Chief Executive Corporate Policy</u>						
New Telephony System	82,850	0	0	82,850	12,800	15.45%
Chief Executive Corporate Policy Total	82,850	0	0	82,850	12,800	15.45%
<u>Chief Executive Chief Finance Officer</u>						
40 Michaelgate Structural works	2,283	0	0	2,283	0	0.00%
Allotments Asbestos Sheds	33,795	0	0	33,795	0	0.00%
Canwick Rd Cemetery Railings	9,500	0	0	9,500	0	0.00%
City Hall Lightning Protection	6,104	0	0	6,104	0	0.00%
Grandstand Terracing Improvements	3,275	0	0	3,275	0	0.00%
Re-Imagining Greyfriars	56,210	(25,822)	0	30,388	32,300	106.29%
Greyfriars Roof Improvements	4,050	0	0	4,050	0	0.00%
Guildhall Walkway/ Access Improvements.	11,959	0	0	11,959	0	0.00%
Guildhall Works	17,630	0	0	17,630	0	0.00%
High Bridge Café	50,000	0	0	50,000	0	0.00%
Long Leys Road Drainage	3,275	0	0	3,275	0	0.00%
Monks Abbey Bowls Pavilions	2,195	0	0	2,195	0	0.00%
Planned Capitalised Works	280,033	0	0	280,033	0	0.00%
Play Area Surfacing Works	5,133	0	0	5,133	0	0.00%
Stamp End Demolition	138,200	0	0	138,200	62,355	45.12%
Yarborough Pool Ceiling Refurbishment	614,300	0	0	614,300	496,618	80.84%
YLC Diving Boards	39,825	0	0	39,825	0	0.00%
Chief Executive Chief Finance Officer Total	1,277,767	(25,822)	0	1,251,945	591,272	47.23%
<u>Major Developments</u>						
Central Markets	2,000	0	0	2,000	0	0.00%
Central Markets (All Funding Streams)	6,984,196	0	(2,218,400)	4,765,796	2,651,058	55.63%

GENERAL INVESTMENT PROGRAMME	Budget 2022/23 - Reported at Q2	2022/23 Budget Increase / Decrease Q3	2022/23 Budget Reprofiles - Q3	2022/23 Revised Budget	2022/23 REVISED Total Spend to Date	2022/23 % Spend
HUG - Home Upgrade Grant	104,500	0	0	104,500	0	0.00%
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	460,356	0	0	460,356	373,546	81.14%
LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS	2,203,194	0	0	2,203,194	253,566	11.51%
LAD 3 Top Up HUB	440,000	0	0	440,000	0	0.00%
TD Tentercroft Street	50,000	0	0	50,000	0	0.00%
The Terrace Heat Mitigation Works	246,547	0	0	246,547	0	0.00%
Towns Deal Programme Management	80,455	0	0	80,455	13,540	16.83%
UK Shared Prosperity Fund (UKSPF)	0	34,111	0	34,111	0	0.00%
WGC COLC	500,000	0	(500,000)	0	0	0.00%
WGC Housing Delivery	6,766,212	0	(6,472,814)	293,398	0	0.00%
WGC Pre-planning	42,179	0	45,750	87,929	0	0.00%
WGC Shared Infrastructure	2,160,227	0	(1,576,090)	584,137	835,727	100.00%
Major Developments Total	20,039,867	34,111	(10,721,554)	9,352,424	4,127,437	44.13%
TOTAL ACTIVE SCHEMES	25,237,804	103,424	(10,721,554)	14,619,674	5,945,425	40.67%
<u>Schemes Currently Under Review</u>						
Capital Contingencies	8,170	0	0	8,170	0	0.00%
Compulsory Purchase Orders	151,254	0	0	151,254	0	0.00%
Compulsory Purchase Orders	82,227	0	0	82,227	0	0.00%
IT Reserve	74,334	0	0	74,334	0	0.00%
Schemes Currently Under Review Total	315,985	0	0	315,985	0	0.00%
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	25,553,788	103,424	(10,721,554)	14,935,658	5,945,425	39.81%

GENERAL INVESTMENT PROGRAMME	Budget 2022/23 - Reported at Q2	2022/23 Budget Increase / Decrease Q3	2022/23 Budget Reprofiles - Q3	2022/23 Revised Budget	2022/23 REVISED Total Spend to Date	2022/23 % Spend
<u>Externally Delivered Towns' Deal Schemes</u>						
TD Barbican Production & Maker Hub	1,200,000	0	(1,200,000)	0	0	0.00%
TD Drill Hall	1,000,000	0	0	1,000,000	1,000,000	100.00%
TD Hospitality & Events & Tourism Institute	1,120,000	0	0	1,120,000	607,839	54.27%
TD Lincoln City FC and Foundation	349,000	0	(135,000)	214,000	24,878	11.63%
TD Lincoln Connected	132,888	0	(11,342)	121,546	0	0.00%
TD LSIP	40,000	0	(40,000)	0	0	0.00%
TD Sincil Bank	349,324	0	(250,000)	99,324	0	0.00%
TD Store of Stories	159,750	0	56,250	216,000	216,000	100.00%
TD Wigford Way	251,500	0	(97,826)	153,674	0	0.00%
Externally Delivered Towns' Deal Schemes Total	4,602,462	0	(1,677,918)	2,924,544	1,848,717	63.21%
GRAND TOTAL	30,156,250	103,424	(12,399,472)	17,860,202	7,794,142	43.64%

Housing Investment Programme – Summary of Expenditure as at 31st December 2022

	2022/23 Budget Reported at Q2	2022/23 Budget Changes Q3	2022/23 Budget Reprofiling Q3	2022/23 Revised Budget	2022/23 Total Spend to Date	2022/23 % Spend
HOUSING INVESTMENT PROGRAMME						
Contingency Schemes						
Contingency Reserve	544,120	823,857	(823,857)	544,120	0	0.00%
Contingency Schemes Total	544,120	823,857	(823,857)	544,120	0	0.00%
Decent Homes						
Bathrooms & WC's	100,000	(79,669)	0	20,331	20,331	100.00%
DH Central Heating Upgrades	2,318,818	210,000	0	2,528,818	1,475,580	58.35%
Door Replacement	1,350,000	(500,000)	0	850,000	310,917	36.58%
Fire Compartment works	5,000	0	0	5,000	0	0.00%
Fire Doors	95,049	0	0	95,049	0	0.00%
Kitchen Improvements	300,000	(300,000)	0	0	0	-
Lincoln Standard Windows Replacement	500,000		0	500,000	244,929	48.99%
New services	37,895	(22,895)	0	15,000	0	0.00%
Re-roofing	20,000	(20,000)	0	0	0	-
Rewiring	25,000	(20,000)	0	5,000	0	0.00%
Structural Defects	25,000	0	0	25,000	0	0.00%
Thermal Comfort Works	10,000	(5,000)	0	5,000	0	0.00%
Void Capitalised Works	1,508,422	0	0	1,508,422	954,019	63.25%
Decent Homes Total	6,295,184	(737,564)	0	5,557,620	3,005,776	54.08%
Health and Safety						
Asbestos Removal	291,164	0	0	291,164	1,232	0.42%
Asbestos Surveys	255,645	0	0	255,645	41,878	16.38%
Fire Alarms	30,000	(25,360)	0	4,640	4,640	100.00%

	2022/23 Budget Reported at Q2	2022/23 Budget Changes Q3	2022/23 Budget Reprofiling Q3	2022/23 Revised Budget	2022/23 Total Spend to Date	2022/23 % Spend
<u>HOUSING INVESTMENT PROGRAMME</u>						
Renew stair structure	0	0	0	0	0	-
Replacement Door Entry Systems	200,083	0	0	200,083	27,046	13.52%
Health and Safety Total	776,892	(25,360)	0	751,532	74,795	9.95%
<u>IT/Infrastructure</u>						
Housing Support Services Computer Fund	500,000	0	(71,645)	428,355	256,767	59.94%
Infrastructure Upgrade	166,383	0	0	166,383	0	0.00%
Operation Rose	13,573	0	0	13,573	890	6.56%
Telephony	82,850	0	0	82,850	12,800	15.45%
IT/Infrastructure Total	762,806	0	(71,645)	691,161	270,457	39.13%
<u>Lincoln Standard</u>						
Over bath showers (10 year programme)	30,000	(30,000)	0	0	0	-
Lincoln Standard Total	30,000	(30,000)	0	0	0	-
<u>Other Current Developments</u>						
CCTV	46,685	0	0	46,685	36,875	78.99%
Communal Electrics	75,000	0	0	75,000	49,504	66.01%
Communal TV Aerials	19,832	(9,832)	0	10,000	1,075	10.75%
Environmental works	1,490,044	0	0	1,490,044	5,724	0.38%
Garages	5,000	2,000	0	7,000	1,940	27.71%
Hiab and Mule	0	0	20,670	20,670	20,670	100.00%
Fleet Procurement	0	500,000	0	500,000	0	0%
HRA Buildings	37,729	(27,729)	0	10,000	0	0.00%
Landscaping & Boundaries	0	4,628	0	4,628	4,628	100.00%
Thurlby Crescent	10,000	0	0	10,000	0	0.00%
Other Current Developments Total	1,684,290	469,067	20,670	2,174,027	120,417	5.54%
HOUSING INVESTMENT TOTAL	10,093,292	500,000	(874,832)	9,718,460	3,471,444	35.72%

	2022/23 Budget Reported at Q2	2022/23 Budget Changes Q3	2022/23 Budget Reprofiling Q3	2022/23 Revised Budget	2022/23 Total Spend to Date	2022/23 % Spend
HOUSING INVESTMENT PROGRAMME						
HOUSING STRATEGY AND INVESTMENT						
<u>New Build Programme</u>						
Property Acquisitions	1,098,886	0	0	1,098,886	881,908	80.25%
Hermit Street Regeneration	150,000	0	0	150,000	3,682	2.45%
New Build Capital Salaries	44,332	0	0	44,332	0	0.00%
New Build- De Wint Court	832,366	0	0	832,366	120,344	14.46%
New Build Programme	3,282,165	0	0	3,282,165	0	0.00%
New Build Programme (141 eligible)	448,903	0	0	448,903	0	0.00%
New Build Programme (Borrowing for 141 eligible)	673,354	0	0	673,354	0	0.00%
New Build Site - Queen Elizabeth Road	26,761	0	0	26,761	0	0.00%
New Build Site - Rookery Lane	4,160,800	0	0	4,160,800	3,088,199	74.22%
New Build Site - Searby Road	62,497	0	0	62,497	0	0.00%
Western Growth Corridor	1,259,766	(1,259,766)	0	0	0	0.00%
New Build Programme Total	12,039,830	(1,259,766)	0	10,780,064	4,094,132	37.98%
HOUSING STRATEGY AND INVESTMENT TOTAL	12,039,830	(1,259,766)	0	10,780,064	4,094,132	37.98%
TOTAL HOUSING INVESTMENT PROGRAMME	22,133,122	(759,766)	(874,832)	20,498,524	7,565,576	36.91%

TFS Phase7 programme: progress at Q3 - 2022/2023

Service	Summary of project	Dir.	Total savings in 2022/23	GF savings in 2022/23	HRA savings in 2022/23	Comments
			£000's	£000's	£000's	
ACTIONS COMPLETED AS OF END Q3 2022/23						
Savings secured – b'fwd from 21/22			779	716	63	Complete
Community Services	Transfer maintenance of lighting to Cathedral	DCE	20	20	-	Complete
Strategic Development	BDIT/Policy Restructure	CX	49	45	4	Exec 25/07/22
Corporate	One Council Reviews	CORP	46	46	-	Complete
Managed Workspaces	Principal Small Business Support Officer vacancy	DMD	35	35	-	Complete for 22/23 - future business case required
Work based Learning	Review of Work based Learning	CX	81	46	35	Complete for 22/23 - future business case required
TOTAL			1,010	908	102	