

SUBJECT: FINANCIAL PERFORMANCE – OUTTURN 2022/23

REPORT BY: CORPORATE MANAGEMENT TEAM

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to the Executive the provisional 2022/23 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- 1.2 This report will provide the Executive with a summary of actual income and expenditure compared to revised budget and how any surpluses have been allocated to reserves.
- 1.3 The Executive should note that the financial outturn is still subject to Audit by Mazars, the Council's external auditors.

2. Executive Summary

- 2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year and sets out the provisional financial outturn position.
- 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 is creating in rising demands 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 budget and MTFS. As a result of these pressures, when reporting the forecast position at the end of the first two quarters of the year, the General Fund, Housing Revenue Account and Housing Repairs service were all forecasting significant cost pressures.
- 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 change to the MRP Policy, which has released significant savings in the medium term, whilst still maintaining a prudent provision. The net saving in 2022/23 is £789,989.
- 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 was forecasting a significantly improved position for 2022/23 at the end of Quarter 3, with an estimated budget shortfall of £39,548. The forecast position on both the Housing Revenue Account and Housing Repairs Service had also improved at the end of Quarter 3.
- 2.6 During the last quarter of 2022/23, the position on the General Fund, Housing Revenue Account and Housing Repairs Service has improved further (primarily been a result of additional income received in the quarter) with budget surpluses achieved across all three funds at the end of the financial year.
- 2.7 Despite this positive outturn position the Council continues to face escalating cost pressures, above those already factored into the MTFS. Strong financial discipline and delivery of the significant savings targets underpinning the MTFS will remain critical in ensuring the Council maintains a sustainable financial position in the medium term.
- 2.8 The table below sets out a summary of the financial position of the Council for the financial year 2022/23, based on the provisional outturn:

	2022/23		
	Budget £'000	Actual £'000	Variance £'000
Revenue Accounts			
General Fund – Contribution to/(from balances)	(61)	(218)	(157)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	(39)	(159)	(120)
Housing Repairs Service (surplus)/deficit	0	0	0
Capital Programmes			
General Fund Investment Programme	17,860	10,818	(7,042)
Housing Investment Programme	20,499	12,647	(7,852)
Capital Receipts			
General Fund	0	0	0
HRA	750	2,644	1,894

	2022/23		
	Budget £'000	Actual £'000	Variance £'000
Reserves & Balances	Opening Balance £'000	Closing Balance £'000	Variance £'000
General Fund Balances	(2,263)	(2,420)	(157)
HRA Balances	(1,064)	(1,184)	(120)
HRS Balances	0	0	0
General Fund Earmarked Reserves	(12,668)	(7,040)	5,627
HRA Earmarked Reserves	(2,876)	(2,745)	131

2.9 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).

3.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an overspend against the revised budget of £39,548 (before carry forwards requests). The provisional outturn for 2022/23 now indicates an improvement of £196,636, resulting in an overall budget underspend of £157,088 (including additional transfers to earmarked reserves and carry forward requests). This represents a variance against the revised budget of 7%.

3.3 There are a significant number of provisional 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 year-end key variances:	Forecast £'000
Pay award settlement	550
Contractual inflation increases	108
Energy inflation increases	137
Impact of YLC pool closure	329
Reduction in Housing Benefits overpayments & increased non-recoverable costs	241
Building Regulations, Development Control & Land Charges income pressures	200
Additional Transfers to Reserves (see para. 3.6 & 3.7)	593
Less:	
Net savings on MRP Review	(790)
Interest on Investments	(517)
Reduced Contribution to Bad Debt Provision	(167)

Net Car Parking Income surplus	(288)
Additional New Burdens grants for administering the Business Rates, Council Tax Energy Rebate & Household Support Schemes	(208)
Net other variances	(345)
Overall forecast budget deficit/(surplus)	(157)

The most significant movements from Q3 to provisional outturn include:

	£'000
Additional Transfers to Reserves	593
Increased Housing Benefit overspend	102
Deterioration in Planning Income	54
Reduction in Bad Debt provision contribution	(167)
Additional New Burdens grants	(208)
Improved Car Parking Income (net of additional costs)	(82)
Reduced external interest payable and capital financing costs	(92)
Increased interest on investments	(84)

3.4 The key adverse budget variances are predominately driven by the rapidly escalating levels of inflation and the impact of external economic factors, which were unforeseen and far exceeded the assumptions underpinning the original budget for the year. In addition, other service costs and income have been adversely affected during the year as the cost-of-living crisis and external economic factors have impacted on households and businesses. This has led to an increased demand for council services, as the more vulnerable in the City look to the Council for support, and a reduction in some income areas as household and business incomes become under pressure. The key positive variances have arisen due to action taken by the Council in response to the cost pressures that emerged during the year, along with favourable economic impacts such as increased investment returns.

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 4.25%, 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.
- 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. Car Parking income has though exceeded its budget target, due to both buoyant usage levels and due to the in-year increase in charges.
- MRP Review – following a review of MRP and the approval of the change in strategy from straight line to an annuity method significant savings were realised in 2022/23.
- Unrecoverable Housing Benefit - 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. In addition, there has also been increases in other costs which do not attract 100% subsidy.

3.6 Earmarked Reserves

The provisional outturn of a £157,088 budget underspend includes a number of additional transfers to earmarked reserves in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to earmarked reserves are set out below:

Directorate	Reserve	£
Contributions to Reserves (primarily grants, external funding and existing reserves)		
DCE-ADCOMSS	Tree Risk Reserve - additional contribution towards tree risk works	(30,000)
DCE-ADPLAN	Neighbourhood Planning Grant	(10,000)
CORP	Development of Professional Trainee Scheme to respond to recruitment challenges.	(90,000)
CX-CFINOFF	City Hall Improvement Works	(36,530)
CX-Directorate Wide	Capacity within CX Directorate	(83,000)

CORP	Inflation Volatility Reserve - further capacity to respond to increased costs arising from the anticipated 2023/24 pay award and other inflationary pressures	(157,090)
	Total additional reserve contribution required:	(406,620)

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

3.7 Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, subject to their Directorate as a whole not being overspent. Following confirmation of the final cash limited outturn for each Directorate in 2022/23, a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £186,270:

Directorate	Reason for Carry Forward	Amount £
DCE-ADCOMSS	Secondment costs for delivery of Waste/Grounds/Street Cleansing contract renewal.	(30,950)
DCE-ADCOMSS	Ongoing path repairs and equipment purchase at Hartsholme Country Park	(6,000)
DCE-ADCOMSS	New vehicle at Hartsholme Country Park	(15,540)
DCE-ADPLAN	IT software upgrade for car parking machines	(73,780)
GF HSG	Provision for Homelessness/Rough sleeping costs	(30,000)
CORP	Contributions to External Schemes	(30,000)
	Total additional reserve contribution required:	(186,270)

- 3.8 All of the proposed carry forward requests within paragraph 3.7 are reflected in the provisional outturn of £157,088 budget underspend.
- 3.9 The remaining underspend of £157,088 will result in a contribution of £217,788 to balances (£60,700 budgeted), with balances as at 31st March 2023 of £2,419,849, this is £157,088 more than the balance assumed in the MTFS and is within prudent levels.
- 3.10 The level of each of the current earmarked reserves, as at 31st March 2023 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves and the drawdown of funding to cover expenditure as per budget approvals and the additional transfers set out in paragraph 3.6 and 3.7 above.
- 3.11 **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2022/23 was originally £1,050,000. Progress against this target, based on the provisional outturn performance shows that secured savings total £996,400. This results in an under-achievement of the target in

2022/23 by £53,600. Despite this under-achievement, the General Fund has out-turned in an overall positive position. 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 contribution to balances, resulting in an estimated level of general balances at the year-end of £1,063,872.
- 4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £961. The provisional outturn for 2022/23 now indicates an improvement of £119,614, resulting in an overall budget underspend of £120,575 (including additional transfers to/from earmarked reserves). This would result in HRA balances as at 31st March 2023 of £1,184,447.
- 4.3 There are a significant number of provisional 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:

Housing Revenue Account	Forecast
Forecast year-end key variances:	£'000
Additional transfers to Reserves (see para 4.6)	680
Increased depreciation following revaluation of HRA assets	412
Pay award settlement	212
Energy inflation increases	135
Insurance Claims	115
Housing IT Cloud License Fee	107
Less:	
Increased Investment Interest	(547)
Direct Revenue Financing Adjustment	(412)
Repairs and Maintenance – Painting and Pre-Painting	(641)
Repairs and Maintenance – Other underspends on repairs accounts	(282)
Reduction in Loan Charges	(148)
HRS Recharges:	
Housing Repairs Service Overall Deficit Repatriation	222
Repairs and Maintenance – Responsive Repairs	(537)
Repairs and Maintenance – Voids, Aids & Adapts & Cleansing work increase	274
Skip charges	143
Net Other Variances	147
Overall forecast deficit/(surplus)	(120)

Whilst the movement from Q3 to provisional outturn position is not significant, there have been a number of significant movements, which include:

	£'000
Additional Contribution to Earmarked Reserves (see para 4.6)	680
Insurance Claims	115
Reduction in HRS recharges, predominantly due to increase in capitalised works	(238)
Final outturn position in the HRS – repatriation reduction	(181)
Reduction in Repairs Account expenditure	(157)
Reduction in loan charges interest	(148)
Increase Rent & Service Charge income	(100)

4.4 The main variances for HRA cover:

- 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%.
- 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. In addition, the level of responsive repairs requested and recharged from the HRS has reduced (see section 5 for further details)
- Housing Repairs Services (HRS) – the service has reported a deficit, which is consequentially repatriated to the HRA, see section 5 for further details.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 4.25%, 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.

4.5 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.

4.6 The provisional outturn of a £120,575 budget underspend includes four additional transfers to earmarked reserves, in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

- Invest to Save Reserve - £240,000, to support future initiatives to deliver ongoing efficiencies.
- Strategic Priority Reserve - £240,000, to support future projects in support of Vision 2025 and the HRA Business Plan.
- HRA 30 Year Business Plan reserve - £100,000, to fund consultancy, additional software requirements and specialist advice.
- HRA IT Reserve - £100,000, to fund further costs in relation to the current replacement of the main housing IT system.

- 4.7 Following contributions to earmarked reserves the underspend of £120,575 would result in HRA general balance of £1,184,447 as at 31st March 2023, remaining within prudent levels.
- 4.8 The level of each of the current earmarked reserves, as at 31st March 2023 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 4.6 above.

5. Housing Repairs Service

- 5.1 For 2022/23 the Council’s Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 The outturn for 2022/23 shows a trading deficit of £221,845, a movement of £198,439. The movement is as a result of the delay in billing of void jobs as highlighted at Quarter 3, which made forecasting the outturn position difficult.
- 5.3 The net trading deficit of £221,845 is the result of several year-end variations in income and expenditure against the approved budget. The main over and underspends included within the provisional outturn are detailed in Appendix F, while the key variances are summarised below:

Housing Repairs Service Forecast year-end key variances:	Forecast £'000
Increased use of sub-contractors and increases in sub-contractor prices	1,417
Pay award settlement	110
Skip & equipment hire	103
Less:	
Reduction in material costs due to less jobs being carried out by HRS operatives	(326)
Staff vacancies due to recruitment and retention challenges	(277)
Overachieved income due to high level of voids works	(855)
Net other variances	50
Overall forecast deficit/(surplus)	222

- 5.4 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.

- 5.5 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 (of both a capital and revenue nature), albeit at a higher cost, compensating for a reduction in responsive repairs works.
- 5.6 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.
- 5.7 The deficit of £221,845 has been recharged to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

6. Earmarked Reserves

- 6.1 The details of all the earmarked reserves and their balance as at 31st March 2023 are attached in Appendix G. In summary:

	Opening Balance	Increase	Decrease	Closing Balance
	01/04/22			31/03/23
	£'000	£'000	£'000	£'000
General Fund	12,668	1,079	(6,706)	7,040
HRA	2,876	768	(135)	3,509
Capital Resources	27,777	22,659	(19,791)	30,645

7. Capital Programme

7.1 General Investment Programme

- 7.2 The last quarterly report approved a General Fund Investment Programme for 2022/23 of £17,860,202. Movements in the programme since revised budget approval decreased actual capital expenditure in 2022/23 to £10,817,844. A summary of the budget changes is shown below:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Approved Q3 Budget	17,860	14,114	10,463	6,236	1,052
Budget changes approved under CFO delegated authority:					
- Changes	(106)	35	0	0	0
- Reprofiting	(6,624)	6,624	0	0	0
Budget changes in Qtr to be approved by Executive	(440)	0	0	0	0

Budget changes in Qtr approved by Executive/	128	479	0	0	0
Revised Budget	10,818	21,252	10,463	6,236	1,052

- 7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Primarily these changes in the final quarter are reprofiles of budgets between financial years, these changes are detailed in Appendix I. However, there are a number of other budget increases or reductions are summarised in the table below, with further explanation provided beneath the table:

	2022/23 Q4 Budget Increase/ Decrease	2023/24 Q4 Budget Increase
	£'000	£'000
Communities & Environment		
Car Park Improvements	(6)	0
Boultham Park Lake Restoration	(19)	0
Traveller deterrent	(4)	0
Car Parking Software	0	35
St Mary's Guildhall (HAZ)	3	0
Chief Executive		
Yarborough Pool Ceiling Refurbishment	(32)	0
Polling Booths	25	0
Major Developments		
Western Growth Corridor	1	0
Towns Deal Programme Management	14	0
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	(80)	0
Schemes Under Review		
Capital Contingencies	(8)	0
	(106)	35

Budget Increases/Decreases 2022/23

- **Car Park Improvements** - Scheme complete with an underspend.
- **Boultham Park Lake Restoration** – Additional budget was added in Q3 funded by NHLF Grant, majority of the additional spend has now been identified as revenue spend, grant has been moved to revenue.
- **Traveller Deterrent** – Scheme complete with an underspend.
- **Car Park Software** – New scheme in 2023/24 £34,850 capitalised costs for the new software, funded by DRF.
- **St Mary's Guildhall (HAZ)** - Reallocation of grant between revenue and capital.

- **Yarborough Pool Ceiling Refurbishment** – Scheme complete with an underspend.
- **Polling Booths** – Purchase of new booths funded by capital contingency and unallocated capital receipts.
- **Western Growth Corridor** – Minor additional spend on planning support, funded from revenue.
- **Towns Deal - Programme Management** – capitalised salary costs funded by the Capacity Reserve.
- **LAD 2 - Green Homes Grant Local Authority Delivery Scheme** – Scheme complete with an underspend (externally grant funded).
- **Capital Contingencies** – contingency re-allocated to new polling booths, as detailed above.

7.4 All changes over the approved limit require approval by the Executive. The only change for the final quarter that requires Executive approval is the removal of a scheme, as detailed below:

- **LAD 3 Top Up HUB** – (£440,000) - This scheme is funded from the energy HUB, via Nottingham City Council. The funds are being redirected to other authorities in the HUB that have more qualifying properties eligible for the grant (this grant was aimed at properties who access alternative fuels, e.g., oil).

7.5 All new projects are subject to Executive approval. The following schemes have been added in quarter 4 and have already had Executive approval.

	2022/23 Q4 Budget Increase/ Decrease	2023/24 Q4 Budget Increase
	£'000	£'000
Communities & Environment		
Windmill View (Executive 20 March 2023)	0	250
Major Developments		
Western Growth Corridor 1b Bridges (Executive 20 February 2023)	9	111
Electric Vehicle Charge Points (Delegated Portfolio Holder Decision – February 2023)	119	118
	128	479

7.6 The table below provides a summary of the provisional outturn position for the General Investment Programme at 31st March 2023:

	2022/23 Budget Approved at Q3	Q4 Budget Increase / Decrease	Year End Reprofiles	2022/23 Revised Budget	Outturn	Variance to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	1,335	(7)	(497)	831	831	(504)
Communities & Environment	3,594	(26)	(1,747)	1,821	1,821	(1,773)
Major Developments	9,352	(377)	(3,025)	5,950	5,950	(3,402)
Housing & Investment	338	0	(338)	0	0	(338)
Schemes under review	316	(8)	(308)	0	0	(316)
Sub Total	14,935	(418)	(5,915)	8,602	8,602	(6,333)
Externally Delivered Towns Deal Schemes	2,925	0	(709)	2,216	2,216	(709)
TOTAL GIP	17,860	(418)	(6,624)	10,818	10,818	(7,042)

7.7 The overall spending on the General Investment Programme, excluding externally delivered schemes, for 2022/23 was £8,602,314 which is 57.6% (including externally delivered schemes overall was sending was £10,817,967, which is 60.57%) of the revised 2022/23 programme as per the MTFS 2023-28.

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

- £1.4m Disabled Facilities Grant – This is due to previous years underspends as a result of Covid19 working practices impacting the number of referrals from Occupational Therapists and the number of applicants shielding. There was also a shortage of materials impacting contractors. Although the in year budget was underspent, with commitments in place, this is expected to be fully spent in 2023/24.
- £1.7m LAD 3 Green Homes Grant – The strict criteria limited applications, but this has now been amended and an extension to the grant has been given. This is expected to be spent in 2023/24.

7.8 Housing Investment Programme

7.9 The last quarterly report approved a Housing Investment Programme for 2022/23 of £20,498,524. Movements in the programme since approval of the revised budget decreased actual capital expenditure to £12,647,269 in 2022/23.

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Approved Budget Q3	20,499	16,462	15,681	11,083	11,512
Budget changes approved under CFO delegated authority:					
- Changes	1	0	0	0	0
- Reprofiting	(5,722)	5,712	10	0	0

Budget changes for Executive approval at Outturn	(2,130)	0	0	0	0
Revised Budget	12,647	22,174	15,691	11,083	11,512

- 7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Changes in the final quarter approved by the CFO under delegated authority are detailed in Appendix J, these are primarily reprofiles of budgets between financial years.
- 7.11 All changes over the approved limit require approval by the Executive. The changes for the final quarter are summarised in the table below:

	2022/23 Budget Changes	2023/24 Budget Changes	2024/25 Budget Changes	2025/26 Budget Changes	2026/27 Budget Changes
	£'000	£'000	£'000	£'000	£'000
Environmental Works	(1,484)	0	0	0	0
Fleet Procurement	(218)	0	0	0	0
New Build – De Wint Court	(428)	0	0	0	0
TOTAL CHANGES	(2,130)	0	0	0	0

- **Environmental Works** – due to a delay in the project starting the budgets have been moved to available resources.
- **Fleet Procurement** – actual costs for the procurement were lower than the cost estimate in quarter three, the underspend has been moved to available resources.
- **De-Wint Court** – scheme now complete, any underspend has been moved to available resources.

The following table shows the reallocation of budgets between capital schemes which have net nil impact on the HIP:

	2022/23 Budget Changes	2023/24 Budget Changes	2024/25 Budget Changes	2025/26 Budget Changes	2026/27 Budget Changes
	£'000	£'000	£'000	£'000	£'000
<u>Decent Homes and Lincoln Standard</u>					
Door Replacement	(293)	0	0	0	0
LS Window Replacement	343	0	0	0	0
Rewiring	(5)	0	0	0	0
New Services	20	0	0	0	0
Void Capitalised Works	655	0	0	0	0
<u>Other Schemes</u>					
CCTV	(8)	0	0	0	0
Communal TV Aerials	(9)	0	0	0	0

Health and Safety					
Asbestos Removal	(288)	0	0	0	0
Asbestos Surveys	(163)	0	0	0	0
Contingency Schemes					
Contingency Reserve	(253)	0	0	0	0
TOTAL CHANGES	0	0	0	0	0

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

	2022/23 Budget at Q3	Q4 Budget Changes	Reprofiles to/(from) 2022/23	2022/23 Revised Budget	Outturn	Variance to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000
Decent Homes	5,558	720	(280)	5,998	5,998	440
Lincoln Standard	0	0	0	0	0	0
Health and Safety	752	(451)	(102)	199	199	(553)
New build programme	10,780	(427)	(4,783)	5,570	5,570	(5,210)
Other Schemes	2,174	(1,719)	(35)	420	420	(1,754)
IT/Infrastructure Schemes	691	0	(231)	460	460	(231)
Contingency	544	(253)	(291)	0	0	(544)
Total	20,499	(2,130)	(5,722)	12,647	12,647	(7,852)

7.13 The overall spending on the Housing Investment Programme for 2022/23 was £12,647,269 which is 61.7% of the revised 2022/23 programme as per MTFS 2023-28.

The main reason for the underspend on the programme against the MTFS is due to delays in appointed contractors for the schemes. The majority of these budgets have been re-profiled into future years for when the contractors are appointed.

The new build programme budgets were also largely underspent in the year, as a result of the development of schemes not yet at delivery stage as well as lower than budgeted acquisitions for buy backs for the housing stock. These underspends have been re-profiled into future years to accommodate these underspends.

8. Strategic Priorities

8.1 The MTFS underpins this policy and financial planning framework and sets 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 2022/23 in order that we can continue to deliver services in support of Vision 2025.

9. Resource Implications

9.1 The financial implications are contained throughout the report.

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

General Balances, on both the General Fund and HRA, are the only resource not earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the provisional outturn the level of balances as at 31st March 2023 will be maintained within these ranges, with the General Fund slightly higher.

Although this report sets out the financial outturn, which for the General Fund and HRA has resulted in a positive position, this does not mean that the financial issues for the Council are resolved. Beyond 2022/23 the Council is set to face ongoing pressures from the escalating inflation impacts and service demands arising from the cost-of-living crisis. The Council will continue to face financial challenges in 2023/24 as it responds to these issues as well as ensuring that it delivers the ongoing reductions in the net cost base that are already assumed in the MTFS 2023-28.

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, no specific Equality Impact Analysis is required.

10. Risk Implications

10.1 A full financial risk assessment is included in the MTFS, this is continually reviewed in light of changes in the underlying financial assumptions. There are currently a significant number of critical risk factors to the budget and MTFS, further details will be provided in the first quarters financial monitoring report for 2023/24.

11. Recommendations

The Executive are recommended to:

- 11.1 Note the provisional 2022/23 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances;
- 11.2 Note the proposed transfer to General Fund and HRA earmarked reserves detailed in paragraph 3.6 and 4.6/
- 11.3 Approve the proposed General Fund carry forward requests, as detailed in paragraph 3.7, prior to reporting to the Executive;
- 11.5 Note the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.3 and 7.10), approved by the Chief Finance Officer;
- 11.6 Approve the financial changes to both General Investment Programme and the Housing Investment Programme (paragraphs 7.4 and 7.11), that are above the limit delegated to the Chief Finance Officer.

Key Decision	No
---------------------	----

Key Decision Reference No.	N/A
-----------------------------------	-----

Do the Exempt Information Categories Apply	No
---	----

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
---	----

Does the report contain Appendices?	Yes
--	-----

List of Background Papers:	Medium Term Financial Strategy 2023-2028
-----------------------------------	--

Lead Officer:	Colleen Warren, Financial Services Manager E Mail:colleen.warren@lincoln.gov.uk.
----------------------	---

GENERAL FUND SUMMARY – OUTTURN 2022/23

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Strategic Development	A	1,882	1,895	13
Chief Finance Officer (S.151)	B	(401)	(435)	(34)
Major Developments	C	489	457	(32)
City Solicitor	D	1,536	1,787	251
Housing	E	1,100	1,050	(51)
Communities and Street Scene	F	5,687	5,748	61
Health & Environmental Services	G	1,972	2,435	462
Planning	H	(2,371)	(2,286)	84
Corporate Expenditure	I	1,969	1,932	(37)
TOTAL SERVICE EXPENDITURE		11,863	12,582	719
Capital Accounting Adjustment	J	3,234	2,297	(937)
Specific Grants	K	(859)	(899)	(40)
Contingencies	L	(112)	0	112
Savings Targets	M	(54)	0	54
Earmarked Reserves	N	(5,626)	(5,627)	(1)
Insurance Reserve	O	40	(23)	(63)
TOTAL EXPENDITURE		8,486	8,330	(156)
CONTRIBUTION TO/(FROM) BALANCES		61	218	157
NET REQUIREMENT		8,546	8,547	1
Retained Business Rates Income	P	(15,956)	(16,082)	(126)
Tariff	Q	13,094	13,094	0
Section 31 Grant	R	(3,108)	(3,192)	(84)
Levy	S	759	967	208
Revenue Support Grant	T	(24)	(24)	0
Council Tax	U	(7,360)	(7,360)	0
Council Tax Section 31 Grant				
Council Tax Surplus	V	5	5	0
NNDR Deficit	W	4,044	4,044	0
TOTAL RESOURCES		(8,546)	(8,547)	(1)
BALANCES B/F 1ST APRIL 2022		(2,202)	(2,202)	0
USE OF/(CONTRIBUTION) TO BALANCES		(61)	(218)	(157)
BALANCES C/F 31ST MARCH 2023		(2,263)	(2,420)	(157)

General Fund Forecast Variances - Outturn 2022/23

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

Ref	<u>Additional Expenditure</u>	£	Reason for variance
B	Financial Services	45,650	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.
C	Legal Services	46,130	
D	Control Centre	90,035	
G	Public Protection	33,230	
A	IT Management and Administration & Telephony and Network	60,310	Additional IT equipment for rollout of computer upgrades, offset by savings from new Telephony system.
C	Municipal Elections	51,260	Increased staffing costs and additional room hire charges as a result of increased Covid prevention requirements.
F	Waste	36,160	Inflationary increase on contract prices over and above MTFS assumptions.
F	Street Cleansing	14,280	Inflationary increase on contract prices over and above MTFS assumptions.
G	Yarborough Leisure Centre	329,450	Additional costs incurred due to pool closure.
G	Christmas Market	35,360	Additional expenditure due to rising contract costs, compounded by reduced income below (total deficit pressure £55.5k).
H	Car Parks	116,000	Increased business rates costs (£37k) & card payment fees due to increased transactions (£79k), offset by increased income below (net car parking surplus £287.7k).
H	Car Parks	260,300	Additional, unforeseen costs on maintenance, specialist equipment, suicide prevention works, increased staffing costs and other minor variances, offset by increased income below (net car parking surplus £287.7k).
L	Pay Award	550,000	Impact of nationally agreed pay award above budget assumptions

Ref		£	Reason for variance
L	Energy Inflation	137,250	Utility price increases.
L	Annual Vacancy Savings Target	154,820	Vacancy savings target, offset by savings in service areas.
M	Savings Target	53,600	Shortfall in planned savings against annual savings target of £1.05m.
N	Earmarked Reserves	592,890	Proposed carry forward & additional contributions to reserves to support increased costs in future years, as outlined in paragraph 3.6 & 3.7

Reduced Income

B	Housing Benefits	87,700	Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears (net of reduction in required contribution to bad debt provision).
B	Housing Benefits	152,930	Un-recoverable housing benefit costs, including increased B&B costs as a result of disparity between Local Housing Allowance rates and rising demand and costs of accommodation and other claim costs not attracting 100% subsidy.
F	Garden Waste	41,930	Reduction in income as a result of decline in bin sales.
G	Crematorium	50,560	Reduced income as a result of lower than budgeted cremation levels, mitigated in part by price increases implemented from December onwards.
G	Christmas Market	20,130	Reduction in stallholder and park and ride income, compounded by increased expenditure above (total deficit pressure £55.5k).
H	Building Regulations	46,990	Reduction in income as a result of current economic conditions.
H	Development Control	116,510	Reduction in income as a result of current economic conditions.
H	Land Charges	36,220	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	CX Corporate Policy	(60,880)
---	---------------------	----------

Ref		£	Reason for variance
A	Business Development & IT Manager	(46,020)	Vacancy savings pending implementation of restructure, offset against corporate vacancy savings target.
B	CX Management	(54,600)	Vacancy savings, offset against corporate vacancy savings target.
G	Private Sector Housing	(47,270)	Vacancy savings, offset against corporate vacancy savings target.
G	Crematorium	(39,670)	Utility savings due to reduced usage for part of the year.
I	Bad Debt Provision	(167,190)	Reduction in the required contribution to the bad debt provision for housing benefits and general fund debtor balances.
J	Capital Accounting Adjustments – Interest	(51,510)	Reduction in external interest payable.
J	Capital Accounting Adjustments – MRP	(789,990)	Net saving as a result of reduction in Minimum Revenue Provision (MRP) costs.
N	Insurance Reserve	(62,250)	Reduction in drawdown from reserves to fund insurance costs, plus additional interest on balances.
A-H	Repairs & Maintenance	(66,676)	Reduced level of repairs carried out during quarter 4.

Additional Income

B	Other Interest	(516,970)	Increased investment income as a result of higher interest rates and additional dividend income.
B	New Burdens Grants	(176,920)	New Burdens funding to compensate for work associated with administering the CT Energy Rebates and Household Support Fund schemes (partially offset by IT costs, postage and staff overtime).
B	Lincoln Properties/ Industrial Estates	(68,240)	Increased rental income following in year rent reviews plus low level of void properties.
D	Control Centre	(76,170)	Increase in recoverable income on devices plus stock adjustment.
D	Housing Solutions Management	(25,000)	Grant income received relating to staff time attributable to working on Ukrainian Resettlement

Ref		£	Reason for variance
F	Car Parks	(664,730)	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 £287.7k).
G	Visitor Information Centre	(28,530)	Over-achievement of income due to increased visitors throughout summer and over the festive period.
I	Corporates Services	(31,260)	New Burdens funding to compensate for work associated with administering the business support grants.

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2022/23

HRA PROVISIONAL OUTTURN – 2022/23				
		Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(30,571)	(30,494)	77
Charges for Services & Facilities	B	(510)	(544)	(34)
Contribs towards Expenditure	C	(50)	(20)	30
Repairs Account Income	D1	(0)	(74)	(74)
Supervision & Management – General	D2	(659)	(725)	(66)
Supervision & Management – Special	D3	(1)	(73)	(71)
Repairs & Maintenance	E	10,022	8,982	(1,039)
Supervision & Management – General	F1	6,837	7,163	326
Supervision & Management – Special	F2	1,533	1,613	79
Rents, Rates and Other Premises	G	486	621	135
Increase in Bad Debt Provisions	H	250	300	50
Insurance Claims Contingency	I	169	284	115
Contingencies	J	(29)	0	29
Depreciation	K	7,450	7,862	412
Impairments	L	0	0	0
Debt Management Expenses	M	15	9	(6)
HRS Trading Deficit/(Surplus)	N	0	222	222
Net Cost of Service	O	(5,058)	(4,873)	186
Loan Charges Interest	P	2,580	2,432	(148)
Investment/Mortgage Interest	Q	(66)	(614)	(547)
Net Operating Inc/Exp	R	(2,544)	(3,054)	(510)
Capital Accounting Adjustments	S	0	0	0
Major Repairs Reserve Adjustment	T	2,559	2,147	(412)
Transfers to/from reserves	U	(53)	748	801
(Surplus)/Deficit in Year		(39)	(159)	(120)
Pension Reserve	W	0	0	0
Balances b/f @ 1st April	X	(1,025)	(1,025)	0
(Increase)/Decrease in Balances	Y	(39)	(159)	(120)
Balances c/f @ 31st March	Z	(1,064)	(1,184)	(120)

Housing Revenue Account Variances - Outturn 2022/23

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

Ref		£	Reason for variance
<u>Reduced Income</u>			
A	Gross Rental Income	43,960	Reduction to Rental income predominantly due to delayed occupancy in tenants in De Wint Court.
A	Gross Rental Income	29,870	Non-dwelling rental income reduced due to increase in garage voids.
C	Court Costs	29,700	Reduction in recovered income from court costs as less cases in year than anticipated.
B	Charges for Services and Facilities	20,760	Reduction in DeWint Service Charge income due to delay in tenancy start dates.
<u>Increased Income</u>			
Q	Investment Interest	(547,450)	Increased investment income as a result of higher interest rates.
D1	Supervision & Management – Special	(69,040)	Additional income from rechargeable void works
F1	Supervision & Management – General	(58,100)	Credit relating to overpayment from previous financial year.
D2	Supervision & Management – General	(46,560)	Additional income from recoverable garden void works
D2	Supervision & Management – General	(32,660)	Surplus on NSAP & RSAP properties attributable to HRA.
<u>Reduced Expenditure</u>			
E	Repairs & Maintenance	(641,010)	Reduction on Painting & Pre-painting costs due to delays in tendering process.
E	Repairs & Maintenance	(281,830)	Other material underspends on Repairs Account.

Appendix D

T	Major Repairs Reserve Adjustment	(412,250)	Reduced contribution to Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year.
E	Repairs & Maintenance	(537,500)	Reduced HRS expenditure on Responsive Repairs, offset by increases on Voids, A&A and Cleansing below (net underspend £263.1k)
F	Supervision & Management	(183,200)	Reduced expenditure on Employee Costs due to staff vacancies.
P	Loan Charges Interest	(148,050)	Reduction in loan charges interest due to no borrowing undertaken in year due to high interest rates.

Increased Expenditure

U	Transfers to/from Reserves	680,000	Additional contributions to reserves (as set out in para 4.6).
K	Depreciation	412,250	Increase in depreciation costs following revaluation of housing stock, offset by a Major Repairs reserve.
E	Repairs & Maintenance	274,360	Increased HRS expenditure on Voids, Aids & Adaptations & Cleansing, wholly offset by reduced cost on Responsive Repairs above.
N	HRS Surplus/Deficit	221,850	HRS deficit position (refer to HRS variances).
F1	Supervision & Management – General	193,670	Cost of agency staff to cover staff vacancies within Supervision & Management.
F1	Supervision & Management – General	107,070	Licensing costs for Housing IT system replacement.
E	Repairs & Maintenance	142,920	Unattributable skip charges from HRS.
F2	Supervision & Management – Special	129,190	Implementation of revised staffing structure to deliver ongoing efficiencies.
I	Insurance Claims	115,330	Insurance claims not funded from the insurance reserve.
G	Rent, Rates & Other Premises	101,570	Utility cost increases across the HRA.
F1	Supervision & Management – General	95,940	Additional voids work costs.

Appendix D

F1	Supervision & Management – General	51,390	Further consultancy support required for housing IT system replacement project and 30 Year Business Plan development.
K	Bad Debt Provision	50,400	Increase in Bad Debt provision, based on level of year end arrears.

HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2022/23

	Revised Budget £'000	Outturn £'000	Variance £'000
Employees	3,403	3,235	(167)
Premises	118	131	13
Transport	418	397	(21)
Materials	1,415	1,089	(326)
Sub-Contractors	2,044	3,460	1,417
Supplies & Services	307	492	185
Central Support Costs	579	556	(23)
Capital Charges	0	0	0
Total Expenditure	8,283	9,361	1,077
Income	(8,283)	(9,139)	(855)
(Surplus)/Deficit	0	222	222

Housing Repairs Service Variances - Outturn 2022/23

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

	£	Reason for Variance
<u>Reduced Expenditure</u>		
Employee Costs	(395,570)	Vacancies within the Operative staff.
Direct Materials	(326,420)	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	118,370	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	1,416,770	Increased use of sub-contractors to cover vacancies within the operative team.
Supplies & Services	103,230	Increased skip and equipment hire costs.
Supplies & Services	79,525	Contractual costs, mobile phone & utility inflation costs.
<u>Increased Income</u>		
Income - Other	(855,410)	Increase in income due to additional void works carried out. This is offset by the increase in void sub-contractor spend.

EARMARKED RESERVES – OUTTURN 2022/23

	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
<u>General Fund</u>				
Budget Carry Forwards	667	-	(159)	508
Grants & Contributions	1,932	(73)	(414)	1,445
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)	(362)	434
Christmas Decorations	14	-	-	14
City Hall Improvement Works	-	-	50	50
City Hall Sinking Fund	60	-	-	60
Commons Parking	1	-	12	13
Corporate Maintenance	-	-	100	100
Corporate Training	60	-	-	60
Council Tax Hardship Fund	213	-	(213)	-
Covid19 Recovery	1,047	-	-	1,047
Covid19 Response	354	-	-	354
CX Capacity	-	-	100	100
DRF Unused	204	(202)	162	164
Electric Van replacement	24	4	(2)	26
Funding for Strategic Priorities	89	(89)	-	-
HiMO CPN Appeals	47	-	122	169
Income Volatility Reserve	320	-	-	320
Inflation Volatility Reserve	150	-	316	466
Invest to Save	100	1	(63)	38
IT Reserve	219	65	-	284
Lincoln Lottery	9	-	-	9
Mayoral Car	27	-	(20)	7
MSCP & Bus Station Sinking Fund	104	45	-	149
Private Sector Stock Condition Survey	39	12	0	51
Professional Trainee Scheme	-	-	90	90
Revenue & Benefits Community Fund	25	-	-	25
Section 106 Interest	32	-	-	32
Staff Wellbeing	-	-	39	39
Strategic Growth Reserve	5	-	(5)	-
Tank Memorial	10	-	-	10
Tree Risk Assessment	84	17	2	102
Vision 2025	701	(31)	(136)	534
WGC Planning	49	-	(49)	-
Total General Fund Reserves	12,668	(4,965)	(662)	7,040

	Revised Opening Budget £000's	Budgeted Contribution £000's	In Year Movements £000's	Closing Balance £000's
HRA				
Capital Fees Equalisation Reserve	110	-	-	110
De Wint Court Reserve	73	-	-	73
De Wint Court Sinking Fund	-	-	10	10
Disrepairs Management Reserve	300	-	-	300
Housing Business Plan Reserve	77	-	100	177
Housing Repairs Service	126	-	11	137
HRA IT Reserve	-	-	135	135
HRA Repairs Account	1,351	-	-	1,351
HRA Strategic Priority Reserve	582	(15)	197	764
Invest to Save (HRA)	253	(81)	244	416
NSAP/RSAP Sinking Fund	-	-	9	9
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	-	-	22	22
Total HRA Reserves	2,876	(96)	729	3,509

Total Earmarked Reserves	15,544	(5,061)	67	10,549
---------------------------------	---------------	----------------	-----------	---------------

Insurance Reserves

General Fund Insurance Reserve	1,492	39	(62)	1,470
HRA Insurance Reserve	1,938	82	33	2,053
Total Insurance Reserves	3,430	121	(28)	3,523

CAPITAL RESOURCES – OUTTURN 2022/23

	Opening Balance	Contributions	Used in Financing/ Adjustments	Forecast Balance
	01/04/2022			31/03/2023
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	1,823	9,444	(9,835)	1,432
Capital Grants/Contributions (HRA)	0	495	(495)	0
Capital Receipts	30	0	(17)	13
Capital Receipts (HRA)	5,678	2,644	(1,917)	6,405
Major Repairs Reserve	11,768	7,862	(6,777)	12,853
DRF	159	67	(62)	164
DRF (HRA)	8,319	2,147	(688)	9,778
Total Capital Resources	27,777	22,659	(19,791)	30,645

Appendix I

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
<u>Housing and Investment</u>								
Housing Renewal Area Unallocated	338	0	0	(338)	0	0	(338)	0%
Housing and Investment Total	338	0	0	(338)	0	0	(338)	0%
<u>DCE - Health and Environmental</u>								
Crem - remodelling	131	(0)	0	0	130	130	(0)	100%
Disabled Facilities Grant	2,081	0	0	(1,432)	649	649	(1,432)	31%
Whittons Park	78	0	0	0	78	78	(0)	100%
DCE - Health and Environmental Total	2,290	(0)	0	(1,432)	858	858	(1,432)	37%
<u>DCE - Community Services</u>								
Boultham Park Lake Restoration	39	(19)	0	(9)	11	11	(28)	28%
Car Park Improvements - ticket machines	0	(6)	0	0	(6)	(6)	(6)	
Flood Alleviation Scheme - Hartsholme Park	319	0	5	(5)	319	319	1	100%
Hope Wood	48	0	(1)	(36)	11	11	(36)	24%
Hope Wood - new trees	19	0	1	0	20	20	1	104%
Traveller deterrent	28	(4)	(5)	(6)	12	12	(16)	42%
DCE - Community Services Total	451	(29)	0	(55)	367	367	(84)	81%
<u>DCE - Planning</u>								
HAZ - Shopfronts on a Framework	0	0	88	(63)	24	24	24	
Heritage Action Zone	177	0	(77)	0	100	100	(77)	56%
St Mary le Wigford (HAZ)	40	3	3	0	46	46	6	114%
St Mary's Guildhall (HAZ)	386	0	(14)	(7)	366	366	(21)	95%
Windmill View	250	0	0	(189)	61	61	(189)	24%
DCE - Planning Total	853	3	0	(260)	596	596	(257)	70%

Appendix I

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Chief Executive – Strategic Development								
New Telephony System	83	0	0	(43)	40	40	(43)	48%
Chief Executive – Strategic Development Total	83	0	0	(43)	40	40	(43)	48%
Chief Executive- Chief Finance Officer								
40 Michaelgate Structural works	2	0	0	(2)	0	0	(2)	0%
Allotments Asbestos Sheds	34	0	0	(34)	0	0	(34)	0%
Canwick Rd Cemetery Railings	10	0	0	(10)	0	0	(10)	0%
City Hall Lightning Protection	6	0	0	(6)	0	0	(6)	0%
Grandstand Terracing Improvements	3	0	0	8	11	11	8	332%
Greyfriars - Phase 1 Development	30	0	0	0	30	30	(0)	100%
Greyfriars Roof Improvements	4	0	0	(4)	0	0	(4)	0%
Guildhall Walkway/ Access Improvements.	12	0	0	(12)	0	0	(12)	0%
Guildhall Works	18	0	0	(18)	0	0	(18)	0%
High Bridge Café	50	0	0	(50)	0	0	(50)	0%
Long Leys Road Drainage	3	0	0	1	4	4	1	116%
Monks Abbey Bowls Pavilions External Timber/ Fascia Board Improvements	2	0	0	(2)	0	0	(2)	0%
Planned Capitalised Works	280	0	0	(280)	(0)	0	(280)	0%
Play Area Surfacing Works	5	0	0	(5)	0	0	(5)	0%
Polling Booths	0	26	0	0	26	26	26	
Stamp End Demolition	138	0	0	0	138	138	0	100%
Yarborough Pool Ceiling Refurbishment	614	(32)	0	0	582	582	(32)	95%
YLC Diving Boards	40	0	0	(40)	(0)	0	(40)	0%
Chief Executive - Chief Finance Officer Total	1,252	(7)	0	(454)	791	791	(461)	63%

Appendix I

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Major Developments								
Central Markets	2	0	0	(2)	0	0	(2)	0%
Central Markets (All Funding Streams)	4,766	0	0	(420)	4,346	4,346	(420)	91%
Electric Vehicle Charge Points - Phase 2	0	119	0	(119)	0	0	0	
HUG - Home Upgrade Grant	105	0	0	(93)	12	12	(93)	11%
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	460	(80)	0	0	380	380	(80)	83%
LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS	2,203	0	0	(1,720)	483	483	(1,720)	22%
LAD 3 Top Up HUB	440	(440)	0	0	0	0	(440)	0%
TD Tentercroft Street	50	0	0	(50)	0	0	(50)	0%
The Terrace Heat Mitigation Works	247	0	0	(247)	0	0	(247)	0%
Towns Deal Programme Management	80	15	0	0	95	95	15	118%
UKSPF (Shared Prosperity Fund)	34	0	0	(34)	0	0	(34)	0%
WGC Housing Delivery	293	0	0	(293)	0	0	(293)	0%
WGC Phase 1b Bridges	0	10	0	0	10	10	10	
WGC Planning Support	0	1	0	0	1	1	1	
WGC Pre-planning	88	0	0	1	89	89	1	101%
WGC Shared Infrastructure	584	0	0	(49)	535	535	(49)	92%
Major Developments Total	9,352	(377)	0	(3,025)	5,951	5,951	(3,402)	64%
Schemes Under Review								
Capital Contingencies	8	(8)	0	0	(0)	0	(8)	0%
Compulsory Purchase Orders	151	0	0	(151)	0	0	(151)	0%
Compulsory Purchase Orders	82	0	0	(82)	0	0	(82)	0%

Appendix I

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
IT Reserve	74	0	0	(74)	0	0	(74)	0%
Schemes Currently Under Review Total	316	(8)	0	(308)	(0)	0	(316)	0%
<u>Externally Delivered Town's Deal Schemes</u>								
TD Drill Hall	1,000	0	0	0	1,000	1,000	0	100%
TD Hospitality & Events & Tourism Institute	1,120	0	0	(210)	910	910	(210)	81%
TD Lincoln City FC and Foundation	214	0	0	(189)	25	25	(189)	12%
TD Lincoln Connected	122	0	0	(57)	65	65	(57)	53%
TD Sincil Bank	99	0	0	(99)	0	0	(99)	0%
TD Store of Stories	216	0	0	0	216	216	0	100%
TD Wigford Way	154	0	0	(154)	0	0	(154)	0%
Externally Delivered Town's Deal Schemes Total	2,925	0	0	(709)	2,216	2,216	(709)	76%
Grand Total	17,860	(418)	0	(6,624)	10,818	10,818	(7,042)	61%

HOUSING INVESTMENT PROGRAMME 2022/23

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actuals	Variance to last approved budget Q3	% Spend to last approved budget Q3
Decent Homes								
Bathrooms & WC's	20,331				20,331	20,331	0	100%
DH Central Heating Upgrades	2,528,818			(172,525)	2,356,293	2,356,293	(172,525)	93%
Thermal Comfort Works	5,000			(5,000)	0	0	(5,000)	0%
Rewiring	5,000		(5,000)		(0)	0	(5,000)	0%
Lincoln Standard Windows Replacement	500,000		342,900		842,900	842,900	342,900	169%
Structural Defects	25,000			(23,608)	1,392	1,392	(23,608)	6%
Door Replacement	850,000		(292,678)		557,321	557,322	(292,678)	66%
New services	15,000		20,411		35,411	35,411	20,411	236%
Void Capitalised Works	1,508,422		654,763		2,163,185	2,163,185	654,763	143%
Fire Doors	95,049			(73,749)	21,300	21,300	(73,749)	22%
Fire Compartment works	5,000			(5,000)	0	0	(5,000)	0%
Decent Homes Total	5,557,620	0	720,396	(279,882)	5,998,134	5,998,134	440,514	108%
Health and Safety								
Asbestos Removal	291,164		(287,723)		3,442	3,442	(287,723)	1%
Asbestos Surveys	255,645		(163,124)		92,521	92,521	(163,124)	36%
Replacement Door Entry Systems	200,083			(102,454)	97,629	97,629	(102,454)	49%
Fire Alarms	4,640		232		4,872	4,872	232	105%
Health and Safety Total	751,532	0	(450,614)	(102,454)	198,464	198,464	(553,068)	26%

Appendix J

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actuals	Variance to last approved budget Q3	% Spend to last approved budget Q3
Other								
Environmental works	1,490,044	(1,484,255)			5,789	5,789	(1,484,255)	0%
Landscaping & Boundaries	4,628				4,628	4,628	0	100%
Thurlby Crescent	10,000			(8,583)	1,418	1,418	(8,583)	14%
Communal Electrics	75,000			(24,063)	50,937	50,937	(24,063)	68%
Garages	7,000			7,637	14,637	14,637	7,637	209%
HRA Buildings	10,000			(10,000)	0	0	(10,000)	0%
CCTV	46,685		(7,966)		38,719	38,719	(7,966)	83%
Hiab and Mule	20,670				20,670	20,670	0	100%
Fleet Procurement	500,000	(217,620)			282,380	282,380	(217,620)	56%
Communal TV Aerials	10,000		(8,872)		1,129	1,128.75	(8,872)	11%
Other Total	2,174,027	(1,701,875)	(16,837)	(35,009)	420,306	420,305.78	(1,753,721)	19%
Contingency Schemes								
Contingency Reserve	544,120	0	(252,944)	(291,176)	0	0	(544,120)	0%
Contingency Schemes Total	544,120	0	(252,944)	(291,176)	0	0	(544,120)	0%
Housing Support Services Computer Fund	428,355			(11,013)	417,343	417,343	(11,013)	97%
Infrastructure Upgrade	166,383			(166,383)	0	0	(166,383)	0%
Telephony	82,850			(42,716)	40,134	40,134	(42,716)	48%
Operation Rose	13,573			(10,903)	2,670	2,670	(10,903)	20%
IT/Infrastructure Total	691,161	0	0	(231,014)	460,146	460,146	(231,014)	67%

Appendix J

Project Name	2022/23 Approved Budget at Q3	Q4 Budget Increase / Decrease	Q4 Budget Movements between Schemes	Year End Reprofiling	Revised Budget	Actuals	Variance to last approved budget Q3	% Spend to last approved budget Q3
New Build Programme								
New Build Programme	3,282,165			(3,282,165)	0	0	(3,282,165)	0%
New Build Programme (Borrowing for 141 eligible)	673,354	(113,275)		(560,079)	0	0	(673,354)	0%
New Build Programme (141 eligible)	448,903	(75,517)		(373,386)	0	0	(448,903)	0%
New Build Site - Searby Road	62,497			(62,497)	0	0	(62,497)	0%
New Build Site - Rookery Lane	4,160,800			(40,804)	4,119,996	4,119,996	(40,804)	99%
Hermit Street Regeneration	150,000			(146,319)	3,682	3,682	(146,319)	2%
New Build Site - Queen Elizabeth Road	26,761			(26,761)	0	0	(26,761)	0%
New Build Capital Salaries	44,332	13,898			58,230	58,230	13,898	131%
New Build- De Wint Court	832,366			(428,359)	404,007	404,007	(428,359)	49%
Western Growth Corridor	0	1,312			1,312	1,312	1,312	
Acquisition Buy Back Programme	1,098,886	174,894		(290,788)	982,991	982,991	(115,894)	89%
New build programme Total	10,780,064	1,312	0	(5,211,158)	5,570,218	5,570,218	(5,209,846)	52%
Grand Total	20,498,524	(1,700,563)	0	(6,150,693)	12,647,268	12,647,268	(7,851,256)	62%

TFS Phase7 programme: progress at Q4 - 2022/23

Service	Summary of project	Dir.	Total savings in 2022/23 £000's	GF savings in 2022/23 £000's	HRA savings in 2022/23 £000's	Comments
ACTIONS COMPLETED AS OF END Q4 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
Major Developments	Capitalisation of Major Development Officer	DMD	54	54	-	Exec 20/02/23
Major Developments	Maximise Towns Fund/Review of workspaces	DMD	35	35	-	Complete for 22/23 - future business case required
TOTAL			1,098	996	102	