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|----------------------|---|
| SUBJECT: | FINANCIAL PERFORMANCE – QUARTERLY MONITORING |
| REPORT BY: | CHIEF EXECUTIVE AND TOWN CLERK |
| LEAD OFFICER: | LAURA SHIPLEY, FINANCIAL SERVICES MANAGER |

1. Purpose of Report

1.1. To present to Performance Scrutiny Committee the second quarter's performance (up to 30 September), on the Council's:

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

And to note 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. While there are still a number of variables, which are subject to a level of uncertainty, based on the latest set of assumptions as at the end of the second quarter (up to 30th September) the forecast financial position of the Council for 2023/24 is:

| Revenue Accounts | 2023/24 | | |
|---|-----------------|---------------------------|---------------------------|
| | Budget £'000 | Forecast @ Q2 £'000 | Variance @ Q2 £'000 |
| General Fund – Contribution (to)/from balances | 191 | 73 | (118) |
| Housing Revenue Account – Contribution (to)/from balances | 59 | 30 | (29) |
| Housing Repairs Service – (surplus)/deficit | 0 | 761 | 761* |

*any HRS variance is repatriated to the HRA and as such included within the HRA balances above

| Capital Programmes | 2023/24 | | |
|------------------------------|--|---------------------------------|---------------------------|
| | Budget following Q1 Report £'000 | Revised Budget @ Q2 £'000 | Movement @ Q2 £'000 |
| General Investment Programme | 24,688 | 24,784 | 96 |
| Housing Investment Programme | 17,969 | 16,862 | (1,107) |

| Balances | 2023/24 | | |
|----------------------------------|---|---|----------------------------|
| | Budgeted Balance @ 31/03/24 £'000 | Forecast Balance @ 31/03/24 £'000 | Forecast Movement £'000 |
| General Fund Balances | (2,229) | (2,346) | (118) |
| Housing Revenue Account Balances | (1,126) | (1,155) | (29) |
| Housing Repairs Service Balances | 0 | 0 | 0 |

| Reserves | 2023/24 | | |
|---------------------------------|--|---|----------------------------|
| | Opening Balance @ 01/04/23 £'000 | Forecast Balance @ 31/03/24 £'000 | Forecast Movement £'000 |
| General Fund Earmarked Reserves | (7,040) | (7,050) | (10) |
| HRA Earmarked Reserves | (3,510) | (3,400) | 110 |

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

3. General Fund Revenue Account

- 3.1. For 2023/24 the Council's net General Fund revenue budget was set at £14,402,660 including a planned contribution from balances of £191,110 resulting in an estimated level of general balances at the year-end of £2,228,739 (after allowing for the 2022/23 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast underspend of £117,659 (appendix A provides a forecast General Fund Summary), resulting in

general balance at the year-end of £2,346,398. This position maintains balances above the prudent minimum of c.£1.5-£2m.

- 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 year-end key variances: | Forecast £'000 |
|---|---------------------------|
| National pay award settlement | 535 |
| Reduction in Housing Benefits overpayments, increased non-recoverable temporary accommodation costs & reduction in claims attracting 100% subsidy | 227 |
| Building Regulations & Development Control income pressures | 270 |
| Less: | |
| Release of Inflation Volatility reserve | (233) |
| Interest on Investments | (448) |
| Additional funding for Land Drainage Levies | (142) |
| Net other variances | (327) |
| Overall forecast budget deficit/(surplus) | (118) |

- 3.4. The key variances are predominately driven by the ongoing impact of high levels of inflation and the impact of external economic factors, which far exceed the assumptions underpinning the MTFS.

- 3.5. The main variances, both positive and negative cover:

- Pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, has now been accepted by the Trade Unions. The award, which will now be paid in December, reflects the higher of either, a flat rate increase of £1,925, or 3.5-3.8% to all employees, equivalent to a 9.4% increase for the lowest paid members of staff and with the majority of officers set to receive pay rises above 5%.
- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5.25%, the level of interest earned on the Council's cash balances has increased significantly. At present there has been a limited consequential impact on the cost of borrowing as all debt is at fixed rates and no new borrowing has been undertaken.
- 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, this rate has been frozen for a number of years, increasing the cost borne by the Council. In addition, there has also been a shift in other costs from those which attract 100% subsidy to those which attract lower levels of subsidy.

- Reduced fees and charges income – 2023/24 continues to see a reduction in income from planning applications, land charges and building control linked to pressures in the construction and housing market as the ongoing economic climate and cost-of-living crisis continue to impact on development within the city.
- Release of inflation volatility reserve – in order to partially mitigate the budget pressure created by the proposed national pay award, half of the inflation volatility reserve will be released.

3.6. Whilst the level of uncertainty around inflation pressures is significantly reduced this year due to actions taken in the latest MTFS, there still remains uncertainty in terms of service demands and income forecasts. At quarter two, the potential for further variances during the year remains high, 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.

3.7. **Earmarked Reserves**

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

3.8. **Towards Financial Sustainability Programme**

The savings target included in the MTFS for 2023/24 was £185,210.

Progress against this target, based on quarter 2 performance, shows that secured savings total £115,510 for the General Fund, with a further £69,700 identified, which will achieve the in year target in full.

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

4. **Housing Revenue Account**

4.1. For 2023/24 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £58,930, resulting in an estimated level of general balances at the year-end of £1,125,517, after allowing for the 2022/23 outturn position.

4.2. The HRA is currently projecting a forecast underspend of £28,999, which would result in HRA balances of £1,154,516 as at the end of 2023/24, 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. Although the forecast position is an underspend there are a number of significant variations in income and expenditure. Full details of the main variances are provided in the Appendix D, while the table below sets out the key variances:

| Housing Revenue Account | Forecast |
|--|-----------------|
| Forecast year-end key variances: | £'000 |
| National pay award settlement | 209 |
| Less: | |
| Increased Investment Interest | (857) |
| Additional Rental Income | (196) |
| <u>HRS Recharges:</u> | |
| Housing Repairs Service Overall Deficit Repatriation | 761 |
| Net Other Variances | 54 |
| Overall forecast deficit/(surplus) | (29) |

- 4.4. In line with the General Fund, many of the key variances are predominately driven by the continuing high levels of inflation and the impact of external economic factors, which far exceed the assumptions underpinning the MTFS. In addition, the HRA and HRS continue to experience a number of other variances due to demand pressures and the ongoing recruitment and retention challenges.
- 4.5. The main variances, both positive and negative, cover:
- Pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, has now been accepted by the Trade Unions. The award, which will now be paid in December, reflects the higher of either, a flat rate increase of £1,925, or 3.5-3.8% to all employees, equivalent to a 9.4% increase for the lowest paid members of staff and with the majority of officers set to receive pay rises above 5%.
 - Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5.25%, 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 as all debt is at fixed rates and no new borrowing has been undertaken.
 - Rental income – income levels are higher than anticipated due to a higher than budgeted opening Housing stock at the start of the financial year, coupled with higher than expected occupancy, and rent levels, at the new Rookery Lane development.
 - 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.
- 4.6. As outlined 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 2023/24 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

5.2. At Quarter 2 the HRS are forecasting a deficit of £761,406 in 2023/24, 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 year-end key variances: | Forecast £'000 |
|---|---------------------------|
| Increased use of sub-contractors and increases in sub-contractor prices | 1,260 |
| Increase in materials usage and price | 142 |
| National proposed pay award settlement | 125 |
| | |
| Less: | |
| Staff vacancies due to recruitment and retention challenges | (644) |
| Increased income for HRS Jobs | (127) |
| | |
| Net other variances | 5 |
| Overall forecast deficit/(surplus) | 761 |

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 savings achieved by not carrying out the work internally.

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.

5.5. Whilst last year high vacancy levels, and the use of sub-contractors rather than the Council's own workforce, resulted in an underspend on materials for the Council,

this year higher than anticipated inflation levels, an industry wide issue, and an expected increase in repairs jobs has resulted an overspend on materials further compounding the HRS forecast position.

- 5.6. The forecast deficit also includes the impact of the proposed national pay award, which is significantly over and above the assumptions included within the MTFS as outlined in both the General Fund and HRA variances. Whilst the pay award has now been accepted for Green Book employees the Red Book contract, which affects the majority of the HRS workforce, is yet to be agreed. The proposed pay award is currently forecast to be in line with the agreed Green Book award, however until an agreement is made there remains a risk that this could be subject to change.
- 5.7. 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 materials, and an increased volume of works, this is not the case this financial year, as detailed 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 currently being offset 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 2024 are attached in Appendix G, with further details in the MTFS 2023-2028. In summary:

| Earmarked Reserves | Opening Balance 01/04/23 £'000 | Increase £'000 | Decrease £'000 | Closing Balance 31/03/24 £'000 |
|---------------------------|---|---------------------------|---------------------------|---|
| General Fund | 7,040 | 2,054 | (2,044) | 7,050 |
| Housing Revenue Account | 3,510 | 71 | (181) | 3,400 |

7. Capital Programme

7.1. General Investment Programme

- 7.2. The revised General Investment Programme for 2023/24 amounted to £24.688m following the quarter 1 report. At quarter 2 the programme has increased by £0.096m to £24.784m, as shown below:

| General Investment Programme | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Budget following Q1 report | 24,688 | 10,463 | 6,236 | 1,052 | 1,052 |
| Budget changes for approval – Quarter 2 | 96 | 0 | 0 | 0 | 0 |
| Revised Budget | 24,784 | 10,463 | 6,236 | 1,052 | 1,052 |

7.3. All changes over the approved limit require approval by the Executive. There are no changes requiring Executive approval for the second quarter.

7.4. All new projects are subject to Executive approval. The following schemes have been added to the GIP, and require approval by the Executive:

| Approved by the Executive / Delegated Portfolio Holder | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Lincoln Central Car Park Lifts (new scheme funded from existing planned maintenance budget) | 150 | 0 | 0 | 0 | 0 |
| Total Schemes requiring approval by the Executive | 150 | 0 | 0 | 0 | 0 |

7.5. 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 2:

| GIP Movements Approved by the Chief Finance Officer: | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Crematorium Curtains | 19 | 0 | 0 | 0 | 0 |
| Green Homes Grant (increase to Grant b/f) | 13 | 0 | 0 | 0 | 0 |
| Home Upgrade Grant (extra grant received to cover costs after grant was repaid) | 9 | 0 | 0 | 0 | 0 |
| Better Care Fund (additional grant received) | 74 | 0 | 0 | 0 | 0 |
| Planned Capitalised Work contribution to Lincoln Central Lifts, and Crematorium Curtains | (169) | 0 | 0 | 0 | 0 |
| Total GIP Movements Approved by the CFO | (54) | 0 | 0 | 0 | 0 |

| | | | | | |
|---|-----------|----------|----------|----------|----------|
| Total GIP Delegated Approvals and Approvals by/for Executive | 96 | 0 | 0 | 0 | 0 |
|---|-----------|----------|----------|----------|----------|

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

| General Investment Programme - Projected Outturn | 2023/24 | | | |
|--|----------------------------|-------------------|------------------|----------|
| | Budget following Q1 Report | Revised Budget Q2 | Forecast Outturn | Variance |
| | £'000 | £'000 | £'000 | £'000 |
| Active Programme | | | | |
| Housing and Investment | 298 | 298 | 298 | 0 |
| Communities and Environment | 2,997 | 3,071 | 3,071 | 0 |
| Chief Executive | 1,896 | 1,896 | 1,896 | 0 |
| Major Developments | 13,873 | 13,895 | 13,895 | 0 |
| Total Active Schemes | 19,064 | 19,160 | 19,160 | 0 |
| Schemes on Hold/Contingencies | 308 | 308 | 308 | 0 |
| Externally Delivered Town Deal Schemes | 5,316 | 5,316 | 5,316 | 0 |
| Total Capital Programme | 24,688 | 24,784 | 24,784 | 0 |

- 7.7. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), for the second quarter of 23/24 is £4.4m, which is 22.6% of the budget. 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 the next 6 months on Better Care Fund (DFG's), Western Growth Corridor, Greyfriars, Central Market, and Town's Deal Schemes.

7.8. Housing Investment Programme

- 7.9. The revised Housing Investment Programme for 2023/24 amounted to £17.969m following the Quarter 1 position. At quarter 2 the programme has been decreased by £1.107m to £16.862m, as shown below:

| Housing Investment Programme | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Revised Budget at Q1 | 17,969 | 19,568 | 18,957 | 13,472 | 13,743 |
| Budget changes for approval – Quarter 2 | (1,107) | (393) | (3,442) | 817 | 565 |
| Revised Budget | 16,862 | 19,175 | 15,515 | 14,289 | 14,307 |

- 7.10. All changes over the approved limit require approval by the Executive. There have been a number of changes made to the HIP as part of the ongoing work on the 30-year business plan and will align the budgets to reflect planned acquisitions and scheduled works on the existing housing stock for the length of the MTFs. The following changes, reflected in the business plan, require Executive approval for Quarter 2:

| Changes requiring Executive Approval: | 2023/24* £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Replacement Door Entry Systems | 150 | 0 | 0 | 0 | 0 |
| Environmental works | (311) | 0 | 0 | 0 | 0 |
| Void Capitalised Works | 0 | (400) | (400) | (400) | (400) |
| Fire Doors | 0 | 953 | (35) | 213 | (40) |
| Fire Compartment works | 0 | 195 | 5 | 4 | 4 |
| New Build Programme (141 eligible) | 0 | (1,009) | (2,072) | 600 | 600 |
| New Build Programme (Borrowing for 141 eligible) | 0 | (673) | (1,381) | 400 | 400 |
| Total changes requiring Executive Approval | (161) | (934) | (3,883) | 817 | 564 |

* 2023/24 changes not reflected in the Housing Business Plan.

- 7.11. All new projects are subject to Executive approval. There has been one new project, to be funded from the Major Repairs Reserve, requiring approval:

| Changes Approved at Executive: | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Eco Welfare Unit | 24 | 0 | 0 | 0 | 0 |
| Total changes approved by Executive | 24 | 0 | 0 | 0 | 0 |

- 7.12. 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 2:

| Changes approved by the Chief Finance Officer: | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Bathrooms & WC's | (100) | 100 | 0 | 0 | 0 |
| Door replacements | (882) | 441 | 441 | 0 | 0 |
| New services | 20 | 0 | 0 | 0 | 0 |
| Over bath showers (10 year programme) | (20) | 0 | 0 | 0 | 0 |
| Communal TV Aerials | (30) | 0 | 0 | 0 | 0 |
| Thurlby Crescent | 41 | 0 | 0 | 0 | 0 |
| Total Changes Approved by the Chief Finance Officer | (971) | 541 | 441 | 0 | 0 |

| | | | | | |
|---|----------------|--------------|----------------|------------|------------|
| Total HIP Delegated Approvals and Approvals by/for Executive | (1,108) | (393) | (3,442) | 817 | 564 |
|---|----------------|--------------|----------------|------------|------------|

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

| Housing Investment Programme - Projected Outturn | 2023/24 | | | |
|--|---------------|-------------------|------------------|----------|
| | Budget | Revised Budget Q2 | Forecast Outturn | Variance |
| | £'000 | £'000 | £'000 | £'000 |
| Decent Homes / Lincoln Standard | 8,469 | 7,487 | 7,487 | 0 |
| Health and Safety | 523 | 673 | 673 | 0 |
| Contingent Major Repairs / Works | 0 | 0 | 0 | 0 |
| New Build Programme | 7,235 | 7,235 | 7,235 | 0 |
| Other Schemes | 1,237 | 962 | 962 | 0 |
| Computer Fund / IT Schemes | 506 | 506 | 506 | 0 |
| Total Capital Programme | 17,970 | 16,862 | 16,862 | 0 |

- 7.14. The overall expenditure on the Housing Investment Programme at the end of Q2 was £4.205m, which is 24.94% of the 2023/24 revised programme. This is detailed further at Appendix J.

A further £0.649m has been spent as at the end of October 2023, although this is still 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. In addition, schemes such as Hermit Street and Western Growth Corridor have only recently commenced, and a number of the LAHF acquisitions are currently in progress but not yet complete.

8. Strategic Priorities

- 8.1. The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. Vision 2025 identifies the Council's strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2023/24 in order that we can continue to deliver services in support of Vision 2025.

9. Resource Implications

- 9.1. The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves. Although there remains some uncertainty around the latest budget estimates based on the information to date on income and expenditure, 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 2023/24 are estimated to be maintained, or above, 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 2023/24 the Council is set to face ongoing pressures as a result of increasing baseline costs due to the ongoing inflation impacts and escalating service demands and income pressures arising from the cost-of-living crisis. The Council will continue to face further financial challenges as it responds to these issues as well as ensuring that it delivers the ongoing reductions in the net cost base that are assumed within 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 there are no direct equality, diversity, or human rights implications.

10. Risk Implications

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 within the new MTFS 2024-29.

11. Recommendations

Performance Scrutiny Committee are recommended to:

- 11.1. Note the financial performance for the period 1st April to 30th September 2023,

- 11.2. Assess the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and appendix B), 4.3 (and appendix D), and 5.2 (and appendix F).
- 11.3. Note the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.5 and 7.12.
- 11.4. Note the changes to the General Investment programme and the Housing Investment programme approved, or to be approved, by the Executive as detailed in paragraphs 7.4, 7.10 and 7.11.
- 11.5. Consider any specific recommendations to be referred to Executive relating to the contents of this report.

Is this a key decision? No

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? Yes

List of Background Papers:

Medium Term Financial Strategy 2023-2028

Lead Officer:

Laura Shipley, Financial Services Manager
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GENERAL FUND SUMMARY – AS AT 30 SEPTEMBER 2023

| Service Area | Ref | Revised Budget £'000 | Projected Outturn £'000 | Variance £'000 |
|-----------------------------------|------------|-------------------------------------|--|---------------------------|
| Strategic Development | A | 2,194 | 2,150 | (44) |
| Chief Finance Officer (S151) | B | (252) | (642) | (390) |
| City Solicitor | C | 1,891 | 1,933 | 42 |
| Revenues & Benefits | D | 520 | 709 | 189 |
| Housing | E | (6) | 46 | 52 |
| Director of Major Developments | F | 779 | 779 | 0 |
| Communities and Street Scene | G | 8,329 | 8,325 | (3) |
| Health and Environmental Services | H | 1,272 | 1,061 | (211) |
| Planning | I | (2,960) | (2,748) | 212 |
| | | 11,767 | 11,614 | (153) |
| Corporate Expenditure | J | 1,287 | 1,141 | (146) |
| TOTAL SERVICE EXPENDITURE | | 13,054 | 12,755 | (299) |
| Capital Accounting Adjustment | K | 2,210 | 2,409 | 199 |
| Specific Grants | L | (700) | (700) | 0 |
| Contingencies | M | (102) | 526 | 627 |
| Savings Targets | N | (70) | (70) | 0 |
| Earmarked Reserves | O | 654 | 10 | (645) |
| Insurance Reserve | P | (453) | (453) | 0 |
| TOTAL EXPENDITURE | | 14,594 | 14,476 | (118) |
| CONTRIBUTION FROM BALANCES | | (191) | (73) | 118 |
| NET REQUIREMENT | | 14,403 | 14,403 | 0 |
| Retained Business Rates Income | Q | 6,125 | 6,125 | 0 |
| Collection Fund Surplus/(Deficit) | R | 546 | 546 | 0 |
| Revenue Support Grant | S | 175 | 175 | 0 |
| Council Tax | T | 7,556 | 7,556 | 0 |
| TOTAL RESOURCES | | 14,403 | 14,403 | 0 |

General Fund Forecast Variances – Quarter 2

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

| Ref | | £ | |
|-----|-------------------------------------|---------|---|
| | <u>Increased Expenditure</u> | | |
| B | Property Services | 74,950 | 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, overtime or 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 | 106,290 | |
| E | Control Centre | 48,950 | |
| E | Control Centre | 49,210 | Increase in annual maintenance contract, telephony and IT costs. |
| E | Homeless Bed & Breakfast | 35,000 | Forecast increase in B&B expenditure as a result of rising demand on service due to cost of living crisis, offset by additional grant income below. |
| G | Waste | 61,720 | Additional contract management (£34k) and inflation (£28k) pressures over and above the MTFS assumptions, offset by reduced expenditure on Street Cleansing contract below (net pressure £2.5k). |
| G | Garden Waste | 6,740 | Additional costs for outsourced printing costs |
| H | Car Parks | 170,120 | Additional card payment fees due to a system upgrade (£45k), additional maintenance works required at Lucy Tower & Broadgate (£34k), additional utilities pressures over and above MTFS assumptions (£28k), deep clean at Central (£11k) & various other cost pressures relating to overtime, additional charges due to increase in pay by phone transaction, increased security costs (£52k), wholly offset by increased income below (net car parking surplus £1.8k). |
| M | Pay Award | 534,920 | Impact of National Employers pay award over and above budget assumptions. |
| M | Annual Vacancy Savings Target | 88,835 | YTD Vacancy savings target, offset by savings in service areas. |

Reduced Income

| Ref | | £ | |
|------------|---------------------------|----------|---|
| D | Housing Benefits | 95,000 | 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. |
| D | Housing Benefits | 55,000 | Forecast reduction in housing benefits income as a result of change in subsidy allocation. |
| D | Housing Benefits | 77,200 | Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears (£50k), plus a funding allocation shortfall (£27.2k). |
| F | Central Market | 40,060 | Additional legal costs and website fees. |
| H | Crematorium | 50,120 | Reduced income as a result of lower than budgeted cremation levels, offset by savings on utilities and business rate costs. |
| H | Yarborough Leisure Centre | 50,000 | Anticipated contribution to support Utility inflation pressures at YLC. |
| I | Building Regulations | 50,000 | Anticipated reduction in income as a result of current economic conditions. |
| I | Land Charges | 29,570 | Anticipated reduction in income as a result of current economic conditions. |
| I | Development Control | 190,000 | Anticipated reduction in income as a result of current economic conditions. |

Reduced Expenditure

| | | | |
|---|------------------------------------|-----------|--|
| A | Corporate Policy | (77,010) | Vacancy savings pending recruitment, offset against Corporate vacancy savings target. |
| D | Revenues & Benefits Shared Service | (61,100) | Vacancy savings pending recruitment, offset against Corporate vacancy savings target. |
| F | DMD Director | (35,320) | Vacancy savings pending recruitment, offset against Corporate vacancy savings target. |
| G | Street Cleansing | (59,270) | Reduction in contracted charges in relation to car parks (£40k) and other minor underspends, offsets waste contract overspends above (net pressure £2.5k). |
| H | Housing Regeneration | (92,200) | Vacancy savings pending recruitment, offset against Corporate vacancy savings target. |
| H | Crematorium | (116,740) | Forecast underspend on utilities and business rates as a result of transitional discounts. |

| Ref | | £ | |
|------------|---------------------|-----------|---|
| I | Development Control | (51,790) | Vacancy savings offset against corporate vacancy savings target. |
| N | Earmarked Reserves | (233,100) | Release half of Inflation Volatility reserve to offset increased expenditure as a result of proposed pay award. |
| N | Earmarked Reserves | (100,000) | Release of CX Capacity reserve to offset increased expenditure as a result of proposed vacancy pressures above. |

Increased Income

| | | | |
|---|------------------------------|-----------|---|
| E | Housing Solutions Management | (25,000) | New Burdens grant income relating to staff time attributable to work on the Ukrainian Resettlement. |
| E | Homeless Bed & Breakfast | (35,000) | Additional grant expenditure offsetting B&B pressures outlined above. |
| B | Lincoln Properties | (60,910) | Tenant profit share as agreed in arrangements related to CVA agreed during Covid-19 pandemic. |
| B | Other Interest | (447,520) | Increased investment income as a result of higher interest rates and additional dividend income. |
| H | Community Centres | (48,990) | Increased income levels, predominantly driven by NHS Contract at the Grandstand (£29.2k). |
| I | Car Parks | (172,040) | Increase in season ticket income & forecast increase in pay and display income (net car parking surplus £1.8k). |
| J | Land Drainage Levies | (141,930) | Additional government grant received to offset the increased cost of Internal Drainage Board Levies. |

HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 30 SEPTEMBER 2023

| | Ref | Revised Budget £'000 | Projected Outturn £'000 | Variance £'000 |
|------------------------------------|----------|----------------------------|-------------------------------|-------------------|
| Gross Rental Income | A | (32,643) | (32,836) | (192) |
| Charges for Services & Facilities | B | (554) | (660) | (106) |
| Contribution towards Expenditure | C | (50) | (20) | 30 |
| Repairs Account – Income | D1 | 0 | (68) | (68) |
| Supervision & Management – General | D2 | (664) | (683) | (19) |
| Supervision & Management – Special | D3 | (66) | (78) | (11) |
| Repairs & Maintenance | E | 10,834 | 10,685 | (149) |
| Supervision & Management – General | F1 | 6,924 | 7,241 | 317 |
| Supervision & Management – Special | F2 | 1,991 | 2,088 | 97 |
| Rents, Rates and Other Premises | G | 846 | 891 | 45 |
| Increase in Bad Debt Provisions | H | 250 | 250 | 0 |
| Insurance Claims Contingency | I | 174 | 330 | 156 |
| Contingencies | J | 114 | 362 | 248 |
| Depreciation | K | 7,750 | 7,750 | 0 |
| Impairments | L | 0 | 0 | 0 |
| Debt Management Expenses | M | 16 | 16 | 0 |
| HRS Trading (Surplus) / Deficit | N | 0 | 761 | 761 |
| Net Cost of Service | O | (5,080) | (3,971) | 1,109 |
| Loan Charges Interest | P | 2,356 | 2,356 | 0 |
| Investment/Mortgage Interest | Q | (308) | (1,165) | (857) |
| Net Operating Inc/Exp | R | (3,032) | (2,780) | 252 |
| Major Repairs Reserve Adjustment | T | 3,000 | 3,000 | 0 |
| Transfers to/from reserves | U | 91 | (190) | (281) |
| (Surplus)/Deficit in Year | V | 59 | 30 | (29) |

Housing Revenue Account Variances – Quarter 2

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

| Ref | | £ | Reason for variance |
|-------------------------------------|----------------------------------|-----------|---|
| <u>Reduced Income</u> | | | |
| C | Court Costs | 30,000 | Reduction in recovered income from court costs as less cases in year than anticipated. |
| <u>Increased Income</u> | | | |
| Q | Investment Interest | (856,700) | Increased investment income as a result of higher interest rates. |
| U | Transfers to/(from) Reserves | (280,970) | Contributions from reserves to offset expenditure outlined below (further detail in appendix G). |
| A | Gross Rental Income | (196,210) | Additional rental income as a result of reduced voids and higher rent levels at Rookery Lane development, plus higher than budgeted opening housing stock levels. |
| D1 | Repairs Account | (67,860) | Additional income from rechargeable void works. |
| <u>Reduced Expenditure</u> | | | |
| E | Repairs & Maintenance - HRS | (299,710) | Reduced HRS expenditure on Responsive Repairs, Voids and Cleansing offset by increases on Aids & Adaptations below (net overspend £13.1k). |
| F | Supervision & Management | (274,040) | Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below. |
| E | Repairs & Maintenance | (125,960) | Underspend on Repairs Account expenditure predominantly due to skip recharges and cyclical repair/replacement works. |
| E | Repairs & Maintenance – Asbestos | (36,480) | Net reduction on Asbestos Removals (£21k o/s) & Asbestos Surveys (£58k u/s) |
| <u>Increased Expenditure</u> | | | |

| Ref | | £ | Reason for variance |
|-----|------------------------------------|---------|---|
| N | HRS Surplus/Deficit | 761,410 | Estimated HRS deficit position (refer to HRS variances – Appendix F). |
| F1 | Supervision & Management – General | 348,110 | Increased expenditure due to consultancy costs on HRA Business Plan schemes (£106k), void work & garden/hedge/tree work costs (£62k) caretakers tipping (£45k), additional training requirements (£25k), housing needs survey (£25k), partially offset by increased call on reserves. |
| F1 | Supervision & Management – General | 345,290 | Cost of agency staff to cover staff vacancies within Supervision & Management, partially offset by Vacancy savings above. |
| E | Repairs & Maintenance - HRS | 312,760 | Increased HRS expenditure on Aids & Adaptations largely offset by reduced cost on Responsive Repairs above. |
| J | Contingencies | 208,550 | Impact of proposed National Employers pay award over and above budgeted assumptions. |
| I | Insurance Claims Contingency | 156,000 | Anticipated increase in disrepair claims, offset by increased call on Insurance reserve. |
| J | Contingencies | 39,790 | Release of vacancy factor (offset by savings in service areas). |

HOUSING REPAIRS SERVICE SUMMARY – AS AT 30 SEPTEMBER 2023

| | Revised Budget | Forecast Outturn | Variance |
|--------------------------|---------------------------|-----------------------------|-----------------|
| | £'000 | £'000 | £'000 |
| Employees | 3,852 | 3,333 | (519) |
| Premises | 171 | 205 | 34 |
| Transport | 432 | 385 | (47) |
| Materials | 1,519 | 1,661 | 142 |
| Sub-Contractors | 2,154 | 3,414 | 1,260 |
| Supplies & Services | 333 | 352 | 19 |
| Central Support Charges | 586 | 586 | 0 |
| Capital Charges | 0 | 0 | 0 |
| Total Expenditure | 9,047 | 9,936 | 889 |
| Income | (9,047) | (9,175) | (127) |
| (Surplus)/Deficit | 0 | 761 | 761 |

Housing Repairs Service Variances – Quarter 2

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

| | £ | Reason for Variance |
|-------------------------------------|-----------|--|
| <u>Reduced Expenditure</u> | | |
| Employee Costs | (644,360) | Vacancies within the Operative staff. |
| Fleet Charges | (46,920) | Reduction in lease costs due to delay in receiving new vehicles from supplier. |
| <u>Increased Expenditure</u> | | |
| Employee Costs | 125,230 | Impact of nationally proposed pay award above budgeted assumptions. |
| Sub-Contractors | 1,258,870 | Increased use of sub-contractors to meet demand and cover vacancies within the operative team. |
| Direct Materials | 141,870 | Increased usage and rising material prices following end of fixed-term contract prices. |
| <u>Increased Income</u> | | |
| Income | (127,300) | Increased income as a result of increase in number of jobs. |

EARMARKED RESERVES – Q2 MONITORING 2023/24

| | Revised Opening Balance | In Year Increase | In Year Decrease | Forecast Closing Balance |
|---------------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| | 01/04/2023 £'000 | £'000 | £'000 | 31/03/2024 £'000 |
| General Fund | | | | |
| Budget Carry Forwards | 483 | 27 | (158) | 352 |
| Grants & Contributions | 1,447 | 192 | (224) | 1,415 |
| Active Nation Bond | 180 | - | - | 180 |
| AGP Sinking Fund | 52 | 50 | - | 102 |
| Air Quality Initiatives | 22 | - | - | 22 |
| Birchwood Leisure Centre | 86 | 20 | - | 106 |
| Business Rates Volatility | 434 | 1,163 | (681) | 916 |
| Christmas Decorations | 14 | - | - | 14 |
| City Hall Improvement Works | 50 | - | - | 50 |
| City Hall Sinking Fund | 60 | - | - | 60 |
| Commons Parking | 13 | 9 | - | 22 |
| Corporate Maintenance | 100 | - | - | 100 |
| Corporate Training | 60 | - | - | 60 |
| Council Tax Hardship Fund | - | - | - | - |
| Covid19 Recovery | 1,047 | - | - | 1,047 |
| Covid19 Response | 354 | - | - | 354 |
| CX Capacity | 100 | - | (100) | - |
| Electric Van replacement | 27 | 4 | - | 31 |
| HiMO CPN Appeals | 169 | - | (65) | 104 |
| Income Volatility Reserve | 320 | - | - | 320 |
| Inflation Volatility Reserve | 466 | - | (233) | 233 |
| Invest to Save (GF) | 37 | 400 | (88) | 349 |
| IT Reserve | 284 | 109 | - | 393 |
| Lincoln Lottery | 9 | - | - | 9 |
| Mayoral Car | 7 | - | - | 7 |
| MSCP & Bus Station Sinking Fund | 149 | 46 | - | 195 |
| Private Sector Stock Condition Survey | 51 | - | (48) | 3 |
| Professional Trainee Scheme | 90 | - | - | 90 |
| Revenue & Benefits Community Fund | 25 | - | - | 25 |
| Section 106 Interest | 32 | - | - | 32 |
| Staff Wellbeing | 28 | - | - | 28 |
| Tank Memorial | 10 | - | - | 10 |
| Tree Risk Assessment | 102 | - | (39) | 63 |
| Unused DRF | 199 | - | (199) | - |
| Vision 2025 | 533 | 34 | (209) | 359 |
| | 7,040 | 2,054 | (2,044) | 7,050 |

HRA

| | | | | |
|----------------------------|-------|----|-------|-------|
| Capital Fees Equalisation | 110 | - | - | 110 |
| De Wint Court | 73 | - | - | 73 |
| De Wint Court Sinking Fund | 10 | 19 | - | 29 |
| Disrepairs Management | 300 | - | - | 300 |
| Housing Business Plan | 177 | - | (142) | 35 |
| Housing Repairs Service | 137 | - | - | 137 |
| HRA IT | 135 | 35 | - | 170 |
| HRA Repairs Account | 1,351 | - | - | 1,351 |
| Housing Strategic Priority | 764 | - | - | 764 |
| Invest to Save (HRA) | 416 | - | (39) | 377 |
| RSAP/NSAP Sinking Fund | 9 | 9 | - | 18 |
| Strategic Growth Reserve | 5 | - | - | 5 |
| Tenant Satisfaction Survey | 23 | 8 | - | 31 |

| | | | | |
|--|--------------|-----------|--------------|--------------|
| | 3,510 | 71 | (181) | 3,400 |
|--|--------------|-----------|--------------|--------------|

Total Earmarked Reserves

| | | | | |
|--|---------------|--------------|----------------|---------------|
| | 10,550 | 2,125 | (2,225) | 10,450 |
|--|---------------|--------------|----------------|---------------|

CAPITAL RESOURCES – Q2 MONITORING 2023/24

| | Opening balance | Contributions | Used in financing | Forecast balance 31/03/24 |
|--|--------------------|---------------|----------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Capital Grants/Contributions General Fund | 1,432 | 19,596 | (18,490) | 2,538 |
| Capital Grants/Contributions HRA | 0 | 727 | (727) | 0 |
| Capital receipts General Fund | 13 | 1,650 | 0 | 1,663 |
| Capital receipts HRA | 2,660 | 750 | (1,000) | 2,410 |
| Capital receipts 1-4-1 | 4,274 | 0 | (1,004) | 3,270 |
| Major Repairs Reserve | 12,432 | 7,750 | (7,601) | 12,581 |
| GENF DRF | 164 | 1 | (165) | 0 |
| HRA DRF | 10,200 | 3,000 | (5,240) | 7,960 |
| Total Capital Resources | 31,175 | 33,474 | (34,227) | 30,422 |

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 23/24.

General Investment Programme – Summary of Expenditure as at 30th September 2023

| GENERAL INVESTMENT PROGRAMME | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|--|--|--|------------------------------|---------------------------|--|
| <u>Housing and Investment</u> | | | | | |
| Housing Renewal Area Unallocated | 298,152 | | 298,152 | 0 | 0.00% |
| Housing and Investment Total | 298,152 | | 298,152 | 0 | 0.00% |
| | | | | | |
| <u>DCE - Community and Environment</u> | | | | | |
| Better Care Fund (was Disabled Facilities Grant) | 2,284,012 | 74,344 | 2,358,356 | 172,286 | 7.31% |
| DCE - Community and Environment Total | 2,284,012 | 74,344 | 2,358,356 | 172,286 | 7.31% |
| | | | | | |
| <u>DCE - Community Services</u> | | | | | |
| Boultham Park Lake Restoration | 8,658 | | 8,658 | -2,401 | -27.73% |
| Flood Alleviation Scheme - Hartsholme Park | 4,530 | | 4,530 | -3,140 | -69.32% |
| Hope Wood | 35,553 | | 35,553 | 1,015 | 2.85% |
| Traveller deterrent | 6,200 | | 6,200 | 0 | 0.00% |
| DCE - Community Services Total | 54,941 | | 54,941 | -4,526 | -8.24% |
| | | | | | |
| <u>DCE - Planning</u> | | | | | |
| Car Parking Software | 34,850 | | 34,850 | 9,975 | 28.62% |
| HAZ - Shopfronts on a Framework | 107,330 | | 107,330 | 0 | 0.00% |
| St Mary le Wigford (HAZ) | 10,000 | | 10,000 | 4,355 | 43.55% |
| St Mary's Guildhall (HAZ) | 67,000 | | 67,000 | 2,406 | 3.59% |
| Windmill View | 439,339 | | 439,339 | 435,009 | 99.01% |
| DCE - Planning Total | 658,519 | | 658,519 | 451,744 | 68.60% |
| | | | | | |
| <u>Chief Executive Corporate Policy</u> | | | | | |
| New Telephony System | 8,758 | | 8,758 | 0 | 0.00% |
| Chief Executive Corporate Policy Total | 8,758 | | 8,758 | 0 | 0.00% |
| | | | | | |

| GENERAL INVESTMENT PROGRAMME | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|--|--|--|------------------------------|---------------------------|--|
| <u>Chief Executive Chief Finance Officer</u> | | | | | |
| Allotments Asbestos Sheds | 33,795 | | 33,795 | 0 | 0.00% |
| City Hall Lightning Protection | 6,104 | | 6,104 | 0 | 0.00% |
| Crematorium Curtains | 0 | 19,410 | 19,410 | 0 | 0.00% |
| Greyfriars - Phase 2 Delivery | 1,232,410 | | 1,232,410 | 51,562 | 4.18% |
| Greyfriars Roof Improvements | 4,050 | | 4,050 | 0 | 0.00% |
| Guildhall Works | 17,630 | | 17,630 | 0 | 0.00% |
| High Bridge Café | 50,000 | | 50,000 | 0 | 0.00% |
| Lincoln Central Lifts | 0 | 150,000 | 150,000 | 0 | 0.00% |
| Planned Capitalised Works | 542,806 | -169,410 | 373,396 | 3,941 | 1.06% |
| Chief Executive Chief Finance Officer Total | 1,886,795 | 0 | 1,886,795 | 55,502 | 2.94% |
| | | | | | |
| <u>Major Developments</u> | | | | | |
| Central Markets | 2,000 | | 2,000 | 0 | 0.00% |
| Central Markets (All Funding Streams) | 3,604,271 | | 3,604,271 | 2,140,243 | 59.38% |
| Electric Vehicle Charge Points - Phase 2 | 237,000 | | 237,000 | 0 | 0.00% |
| | | | | | |
| HUG - Home Upgrade Grant | 6,641 | 8,601 | 15,242 | 15,242 | 100.00% |
| LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS | 1,723,455 | 12,838 | 1,736,293 | 387,407 | 22.31% |
| Lincoln Transport HUB | 0 | | 0 | -56,196 | |
| TD Tentercroft Street | 290,000 | | 290,000 | 0 | 0.00% |
| The Terrace Heat Mitigation Works | 246,547 | | 246,547 | 0 | 0.00% |
| Towns Deal Programme Management | 75,260 | | 75,260 | 9,342 | 12.41% |
| UKSPF (Shared Prosperity Fund) | 122,801 | | 122,801 | 0 | 0.00% |
| WGC Housing Delivery | 2,034,010 | | 2,034,010 | 54,181 | 2.66% |
| WGC Phase 1b Bridges | 3,662,840 | | 3,662,840 | 326,822 | 8.92% |
| WGC Shared Infrastructure | 1,868,599 | | 1,868,599 | 851,515 | 45.57% |
| Major Developments Total | 13,873,424 | 21,439 | 13,894,863 | 3,728,557 | 26.83% |
| | | | | | |

| GENERAL INVESTMENT PROGRAMME | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|---|--|--|------------------------------|---------------------------|--|
| TOTAL ACTIVE SCHEMES | 19,064,601 | 95,783 | 19,160,384 | 4,403,563 | 22.98% |
| | | | | | |
| <u>Schemes Currently Under Review</u> | | | | | |
| Compulsory Purchase Orders | 151,254 | 82,227 | 233,481 | 0 | 0.00% |
| Compulsory Purchase Orders | 82,227 | -82,227 | 0 | 0 | 0.00% |
| IT Reserve | 74,334 | | 74,334 | 0 | 0.00% |
| Schemes Currently Under Review Total | 307,815 | 0 | 307,815 | 0 | 0.00% |
| | | | | | |
| TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES | 19,372,416 | 95,783 | 19,468,199 | 4,403,563 | 22.62% |
| | | | | | |
| <u>Externally Delivered Town's Deal Schemes</u> | | | | | |
| TD Barbican Production & Maker Hub | 1,700,000 | | 1,700,000 | 0 | 0.00% |
| TD Hospitality & Events & Tourism Institute | 209,954 | | 209,954 | 209,954 | 100.00% |
| TD Lincoln City FC and Foundation | 814,122 | | 814,122 | 487,000 | 59.82% |
| TD Lincoln Connected | 462,108 | | 462,108 | 91,861 | 19.88% |
| TD LSIP | 420,000 | | 420,000 | 0 | 0.00% |
| TD Sincil Bank | 1,457,952 | | 1,457,952 | 0 | 0.00% |
| TD Wigford Way | 251,500 | | 251,500 | 0 | 0.00% |
| Externally Delivered Town's Deal Schemes Total | 5,315,636 | | 5,315,636 | 788,815 | 14.84% |
| | | | | | |
| Grand Total | 24,688,052 | 95,783 | 24,783,835 | 5,192,378 | 20.95% |

Housing Investment Programme – Summary of Expenditure as at 30th September 2023

| <u>HOUSING INVESTMENT PROGRAMME</u> | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|--|--|--|---------------------------------------|------------------------------------|--|
| | | | | | |
| <u>Contingency Schemes</u> | | | | | |
| Contingency Reserve | 0 | 0 | 0 | 0 | 0 |
| Contingency Schemes Total | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| <u>Decent Homes</u> | | | | | |
| Bathrooms & WC's | 400,000 | (100,000) | 300,000 | 0 | 0.00% |
| DH Central Heating Upgrades | 2,253,948 | 0 | 2,253,948 | 1,187,257 | 52.67% |
| Door Replacement | 1,782,491 | (882,491) | 900,000 | 331,523 | 36.84% |
| Fire Compartment works | 10,000 | 0 | 10,000 | 0 | 0.00% |
| Fire Doors | 120,919 | 0 | 120,919 | 0 | 0.00% |
| Kitchen Improvements | 1,100,000 | 0 | 1,100,000 | 3,006 | 0.27% |
| Lincoln Standard Windows Replacement | 789,732 | 0 | 789,732 | 363,913 | 46.08% |
| New services | 55,000 | 20,000 | 75,000 | 10,552 | 14.07% |
| Re-roofing | 20,000 | 0 | 20,000 | 0 | 0.00% |
| Rewiring | 50,000 | 0 | 50,000 | 0 | 0.00% |
| Structural Defects | 85,448 | 0 | 85,448 | 0 | 0.00% |
| Thermal Comfort Works | 181,250 | 0 | 181,250 | 988 | 0.54% |
| Void Capitalised Works | 1,570,320 | 0 | 1,570,320 | 374,757 | 23.86% |
| Decent Homes Total | 8,419,108 | (962,491) | 7,456,617 | 2,271,996 | 30.47% |
| | | | | | |
| <u>Health and Safety</u> | | | | | |
| Asbestos Removal | 190,000 | 0 | 190,000 | (40) | (0.02%) |
| Asbestos Surveys | 129,000 | 0 | 129,000 | 22,283 | 17.27% |
| Fire Alarms | 0 | 0 | 0 | 0 | 0.00% |

| <u>HOUSING INVESTMENT PROGRAMME</u> | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|--|--|--|---------------------------------------|------------------------------------|--|
| Renew stair structure | 40,000 | 0 | 40,000 | 0 | 0.00% |
| Replacement Door Entry Systems | 163,757 | 150,000 | 313,757 | 164,872 | 52.55% |
| Health and Safety Total | 522,757 | 150,000 | 672,757 | 187,114 | 27.81% |
| | | | | | |
| <u>IT/Infrastructure</u> | | | | | |
| Housing Support Services Computer Fund | 319,743 | 0 | 319,743 | 250,514 | 78.35% |
| Infrastructure Upgrade | 166,383 | 0 | 166,383 | 0 | 0.00% |
| Operation Rose | 10,903 | 0 | 10,903 | 0 | 0.00% |
| Telephony | 8,758 | 0 | 8,758 | 0 | 0.00% |
| IT/Infrastructure Total | 505,786 | 0 | 505,786 | 250,514 | 49.53% |
| | | | | | |
| <u>Lincoln Standard</u> | | | | | |
| Over bath showers (10 year programme) | 50,000 | (20,000) | 30,000 | 0 | 0.00% |
| Lincoln Standard Total | 50,000 | (20,000) | 30,000 | 0 | 0.00% |
| | | | | | |
| <u>Other Current Developments</u> | | | | | |
| CCTV | 0 | 0 | 0 | 0 | 0.00% |
| Communal Electrics | 119,063 | 0 | 119,063 | 9,786 | 8.22% |
| Communal TV Aerials | 40,000 | (30,000) | 10,000 | 1,284 | 12.84% |
| Environmental works | 710,827 | (310,827) | 400,000 | 764 | 0.19% |
| Garages | 50,000 | 0 | 50,000 | 0 | 0.00% |
| Eco Welfare Unit | 0 | 24,324 | 24,324 | 7,330 | 30.14% |
| Hiab and Mule | 122,330 | 0 | 122,330 | 0 | 0.00% |
| HRA Buildings | 115,805 | 0 | 115,805 | 0 | 0.00% |
| Landscaping & Boundaries | 0 | 0 | 0 | 0 | 0.00% |
| Thurlby Crescent | 78,583 | 41,418 | 120,000 | 2,250 | 1.88% |
| Other Current Developments Total | 1,236,608 | (275,086) | 961,522 | 21,414 | 2.23% |
| HOUSING INVESTMENT TOTAL | 10,734,259 | (1,107,577) | 9,626,683 | 2,731,038 | 28.37% |

| <u>HOUSING INVESTMENT PROGRAMME</u> | Budget 2023/24 - Reported at Q1 | Q2 Budget Increase / Decrease | 2023/24 Revised Budget | 2023/24 Total Spend | 2023/24 % Spend to Revised Budget |
|--|--|--|---------------------------------------|--------------------------------|--|
| | | | | | |
| <u>HOUSING STRATEGY AND INVESTMENT</u> | | | | | |
| | | | | | |
| <u>New Build Programme</u> | | | | | |
| Property Acquisitions | 1,940,628 | 83,650 | 2,024,278 | 1,170,061 | 57.80% |
| Hermit Street Regeneration | 8,003 | 0 | 8,003 | 19,561 | 244.42% |
| New Build Capital Salaries | 46,032 | 0 | 46,032 | 0 | 0.00% |
| New Build- De Wint Court | 0 | 0 | 0 | 24,549 | 0.00% |
| New Build Programme | 587,014 | (83,650) | 503,364 | 0 | 0.00% |
| New Build Programme (141 eligible) | 0 | 0 | 0 | 0 | 0.00% |
| New Build Programme (Borrowing for 141 eligible) | 0 | 0 | 0 | 0 | 0.00% |
| New Build Site – Hermit Street | 1,968,464 | 0 | 1,968,464 | 134,935 | 6.85% |
| New Build Site - Queen Elizabeth Road | 0 | 0 | 0 | 0 | 0.00% |
| New Build Site - Rookery Lane | 40,804 | 0 | 40,804 | 123,768 | 303.32% |
| New Build Site - Searby Road | 0 | 0 | 0 | 0 | 0.00% |
| Western Growth Corridor | 2,644,051 | 0 | 2,644,051 | 0 | 0.00% |
| New Build Programme Total | 7,234,996 | 0 | 7,234,996 | 1,474,194 | 20.38% |
| | | | | | |
| HOUSING STRATEGY AND INVESTMENT TOTAL | 7,234,996 | 0 | 7,234,996 | 1,474,194 | 20.38% |
| | | | | | |
| TOTAL HOUSING INVESTMENT PROGRAMME | 17,969,255 | (1,107,577) | 16,861,678 | 4,205,032 | 24.94% |

TFS Phase7 programme: progress at Q2 - 2023/2024

| Service | Summary of project | Dir. | Total savings in 2023/24 | GF savings in 2023/24 | HRA savings in 2023/24 | Comments |
|---|------------------------------------|-------------|---------------------------------|------------------------------|-------------------------------|-----------------|
| | | | £000's | £000's | £000's | |
| ACTIONS COMPLETED AS OF END Q2 2023/24 | | | | | | |
| Major Developments | Capitalisation of salaries for WGC | DMD | 56 | 56 | - | Exec 20/02/23 |
| Waste/Street Cleansing | Waste/Street Cleansing Standards | DCE | 60 | 60 | - | Complete |
| TOTAL | | | 116 | 116 | - | |