

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

1. Purpose of Report

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

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

And to seek approval for changes to the capital programmes.

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

2. Executive Summary

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

2.2. 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 third quarter (up to 31st December) the forecast financial position of the Council for 2023/24 is:

Revenue Accounts	2023/24		
	Budget £'000	Forecast @ Q3 £'000	Variance @ Q3 £'000
General Fund – Contribution (to)/from balances	191	(98)	(290)
Housing Revenue Account – Contribution (to)/from balances	59	73	14
Housing Repairs Service – (surplus)/deficit	0	552	552*

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

Capital Programmes	2023/24		
	Budget following Q2 Report £'000	Revised Budget @ Q3 £'000	Movement @ Q3 £'000
General Investment Programme	24,784	15,334	(9,450)
Housing Investment Programme	16,862	16,120	(742)

Balances	2023/24		
	Budgeted Balance @ 31/03/24 £'000	Forecast Balance @ 31/03/24 £'000	Forecast Movement £'000
General Fund Balances	(2,229)	(2,518)	(290)
Housing Revenue Account Balances	(1,126)	(1,111)	14
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)	(7,489)	(449)
HRA Earmarked Reserves	(3,510)	(3,467)	43

- 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 £289,602 (Appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,518,341. 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
Forecast year-end key variances:	£'000
National pay award settlement	440
Reduction in Housing Benefits overpayments, increased non-recoverable temporary accommodation costs & increased non recoverable supported accommodation.	285
Building Regulations, Land Charges & Development Control income pressures	220
Less:	
Investment Interest	(504)
Lincoln Properties - tenant profit share arising from arrangements related to CVA agreed during Covid-19 pandemic, along with in year rent reviews.	(143)
Additional Government grant for Land Drainage Levies	(142)
Net Car Parking Income surplus (gross surplus £332k)	(122)
Net other variances	(324)
Overall forecast budget deficit/(surplus)	(290)

3.4. The key variances are predominately driven by the impact of external economic factors e.g. inflation and interest rates, which far exceed the assumptions underpinning the MTFS, along with rising service demands.

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, was accepted by the Trade Unions on 31 October and was paid in December. The award 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 receiving pay rises above 5% for a second consecutive year.
- Investment income – as a result of the rising Bank of England Base Rate, which has maintained at 5.25% during quarter three, 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 (one loan has been re-financed in year, but this was at a lower interest rate).
- 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. Despite this rate being increased in the Autumn Budget, this does not apply to housing benefit so has no impact on the Council's costs. In addition, there has also been an increase in the level of claims in relation to supported accommodation, which do not attract 100% subsidy, increasing the cost to the Council.

- Reduced fees and charges income – 2023/24 continues to see a reduction in income from planning applications, land charges and building control, and whilst the position at quarter three has improved due to a couple of larger applications, the forecast outturn remains lower than budgeted as a result of 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.

3.6. The cost pressures in relation to the pay award are unavoidable, and the levels of income in relation to development in the city and primarily driven by economic factors, both of which have required the resetting of budgets as part of the MTFS. However, in relation to the increasing cost of housing benefits that the Council is bearing the Corporate Management Team have commissioned a range of responses, these will focus on both managing the demand for temporary accommodation as well as exploring options to increase the supply of suitable accommodation to reduce the reliance on costly bed and breakfast usage. In addition, careful review of all supported accommodation claims is in place to ensure the appropriate levels of housing benefit are awarded.

3.7. While the forecast outturn for the General Fund is a budget underspend, there still remains uncertainty in terms of service demands and income forecasts. As such the final outturn position for the year is still subject to further change and will continue to be carefully monitored. At this stage no additional mitigations, other than those currently being implemented in response to temporary and supported accommodation costs, are recommended. Strong budgetary control should continue to be a focus to ensure expenditure and income remain balanced within the budget, resulting in a positive contribution to reserves at outturn.

3.8. Earmarked Reserves

3.9. Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, to be used for the same purpose, in future years subject to their Directorate as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn, for each Directorate in 2023/24 a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £60,400:

Directorate	Reason for Carry Forward	Amount £
CX-CITYSOL	Corporate Training reserve – retain unutilised training budget to support ongoing training needs.	23,400
DHI	Homelessness Reserve – retain underspent core budget, as a result of increased grant allocation, to support ongoing Homelessness pressures.	37,000
Total carry forward requests:		60,400

These carry forward requests are included in the forecast outturn position.

3.10. Transfers to Reserves

In addition to the above carry forward requests, a number of requests for additional transfers to reserves have been made, whereby Directorates have requested a transfer to a new, or existing, reserve for a number of underspent budgets, to be used for alternative purposes or to mitigate risks, in future years subject to their Directorate as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn for 2023/24, a list of requests is shown below totalling £126,650:

Directorate	Reason for Carry Forward	Amount £
CX-STRATDEV	IT Reserve – transfer proportion of directorate underspend to reserves to support V2025 IT Strategy	43,650
DMD	Climate Change Initiatives – transfer proportion of directorate underspend to reserves to support the Councils Climate Change initiatives	30,000
DMD	Central Market – transfer proportion of directorate underspend to support non-recurrent costs linked to launch of the new Central Market	15,000
DCE-Directorate wide	Income Volatility Reserve – transfer directorate underspend to Corporate Income Volatility reserve to mitigate income risks in future years	38,000
	Total carry forward requests:	126,650

These additional reserve contributions are included in the forecast outturn position.

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

3.12. Towards Financial Sustainability Programme

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

Progress against this target, based on quarter three performance, shows that secured savings total £126,080 for the General Fund, with a further £121,590 identified, resulting in an over-achievement of £62,460 in year.

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 overspend of £13,787, which would result in HRA balances of £1,111,730 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 overspend 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 year-end key variances:	Forecast £'000
National Pay Award Settlement	126
Insurance Fund – Disrepairs Claims	148
Less:	
Increased Investment Interest	(791)
HRA Repairs Account	(298)
Additional Rental Income	(188)
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Deficit Repatriation	552
HRS Repairs – increased Responsive and Aids & Adaptations jobs	524
HRS Repairs – reduced level of Voids and Cleansing jobs	(116)
Net Other Variances	16
Overall forecast deficit/(surplus)	14

- 4.4. In line with the General Fund, some of the key variances are predominately driven by the impact of external economic factors, which far exceed the assumptions underpinning the MTFS. However, 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, was accepted by the Trade Unions on 31st October and was paid in December. The award 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 receiving pay rises above 5% for a second consecutive year.
 - Insurance Fund – claims currently not funded from the insurance reserve, subject to outturn, predominantly driven by increasing levels of Disrepair Claims. Contributions into the Insurance Fund have been increased in the new MTFS to reflect that increased level of claims seen over the last 3 years and work to manage claims continues via the Disrepairs Working Group.

- Investment income – as a result of the rising Bank of England Base Rate, which has maintained at 5.25% during quarter three, 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 (one loan has been re-financed in year, but this was at a lower interest rate).
- HRA Repairs Account – repairs and maintenance costs across various contracts are underspent as a result some of the work being undertaken as part of the voids works programme, alongside fluctuations due to the cyclical nature of some jobs.
- 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. In addition, demand for responsive housing repairs and aids and adaptations has significantly increased in year, though partially offset by a reduction in the level of voids repairs and cleansing works, resulting in a switch in the nature of HRS rechargeable works.

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 to the rising cost of Disrepair claims, are recommended. Strong budgetary control should continue to be a focus 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 3 the HRS are forecasting a deficit of £552,062 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	1,585
Increase in materials usage and price	29
National Pay Award Settlement	125
Less:	
Staff vacancies due to recruitment and retention challenges	(662)
Increased income for HRS jobs for increased works	(567)
Net other variances	42
Overall forecast deficit/(surplus)	552

- 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 inflationary factors, a reduced national workforce 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 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. The 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, was accepted by the Trade Unions for both Red and Green Book employees and was subsequently paid in December. The award 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 staff receiving pay rises above 5% for a second consecutive year.
- 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	2,322	(1,873)	7,489
Housing Revenue Account	3,510	137	(180)	3,467

7. Capital Programme

7.1. General Investment Programme

7.2. The revised General Investment Programme for 2023/24 amounted to £24.784m following the quarter 2 report. At quarter 3 the programme has reduced by £9.450m to £15.334m, as shown below:

General Investment Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Budget following Q2 report	24,784	10,423	6,236	1,052	1,052
Budget changes for approval – Quarter 3	(9,450)	7,103	1,327	0	0
Revised Budget	15,334	17,526	7,563	1,052	1,052

7.3. All changes over delegated limits require approval by the Executive. The following schemes have been changed and require approval by the Executive.

Changes requiring approval by the Executive	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Skate Park – removal of budget and associated borrowing until specific scheme bought forward.	0	(183)	0	0	0
Green Homes Grant LAD3 – lower than anticipated number of households claimed within the grant period, therefore balance of grant is required to be repaid	(1,155)	0	0	0	0
Windmill View retaining wall repairs – final project costs have increased above original budget provision.	150	0	0	0	0
Total Schemes requiring approval by the Executive	(1,005)	(183)	0	0	0

In relation to Windmill View, the scheme was originally funded through prudential borrowing, in the absence of any alternative funding source. As a result of an increase in the costs to complete the works, an additional borrowing requirement of £150,000 is not required. The additional interest and MRP costs of c£10,950 p.a. will be provided for the in the Medium Term Financial Strategy 2024-29.

- 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:

New Schemes requiring approval by the Executive / Delegated Portfolio Holder	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Western Growth Corridor - additional Phase 2 spend funded by Homes England grant	115	0	0	0	0
Total Schemes requiring approval by the Executive	115	0	0	0	0

- 7.5. In addition to the approval of the above new scheme, the following scheme has also been added to the GIP, having been approved at Executive during Quarter 3.

Approved by the Executive / Delegated Portfolio Holder	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Safer Streets 5 – new CCTV cameras (Executive 16th October 2023)	50	0	0	0	0
Total Schemes requiring approval by the Executive	50	0	0	0	0

- 7.6. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit, or to reprofile the budget, as set out under Financial Procedure Rules. The following changes and reprofiles were approved during Quarter 3:

GIP Movements Approved by the Chief Finance Officer:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
The Terrace Heat Mitigation Work - reprofiled	(247)	247	0	0	0
Western Growth Corridor Phase 1a Housing Delivery - reprofiled	(1,756)	410	1,346	0	0
Western Growth Corridor Phase1a Shared Infrastructure - reprofiled	(931)	957	(26)	0	0
Planned Capitalised Work - reprofiled	(300)	300	0	0	0
Planned Capitalised Work – net movement	(15)	0	0	0	0
Stamp End Costs – scheme complete move back to Planned Capitalised Work	(3)	0	0	0	0
Greyfriars Roof – move back to Planned Capitalised Work	(4)	0	0	0	0
Bud Robinson CC Boiler work - budget from Planned Capitalised Work	28	0	0	0	0
City Hall Lightning Protection - move back to Planned Capitalised Work	(6)	0	0	0	0
Allotments Asbestos Sheds - reprofiled	(34)	34	0	0	0
Greyfriars – reprofiled	(852)	845	7	0	0
Boultham Park Lake Restoration – scheme complete remove from programme	(5)	0	0	0	0
HAZ Shopfronts scheme costs higher than expected – funded from HAZ revenue via DRF.	8	0	0	0	0
Better Care Fund - reprofiled	(1,508)	1,508	0	0	0
Housing Renewal Area Unallocated - reprofiled	(298)	298	0	0	0
Traveller Deterrent - reprofiled	(6)	6	0	0	0

Compulsory Purchase Orders - reprofiled	(233)	233	0	0	0
Towns Deal – Wigford Way - reprofiled	(245)	245	0	0	0
Towns Deal – Sincil Bank - reprofiled	(1,419)	1,419	0	0	0
Towns Deal – Tentercroft Street - reprofiled	(290)	290	0	0	0
Towns Deal – LSIP - reprofiled	(420)	420	0	0	0
IT Reserve - reprofiled	(74)	74	0	0	0
Total GIP Movements Approved by the CFO	(8,610)	7,286	1,327	0	0

Total GIP Delegated Approvals and Approvals by/for Executive	(9,450)	7,103	1,327	0	0
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- 7.7. 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 Q2 Report	Revised Budget Q3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing and Investment	298	0	0	0
Communities and Environment	3,071	1,761	1,761	0
Chief Executive	1,896	710	710	0
Major Developments	13,895	9,631	9,631	0
Total Active Schemes	19,160	12,102	12,102	0
Schemes on Hold/Contingencies	308	0	0	0
Externally Delivered Town Deal Schemes	5,316	3,232	3,232	0
Total Capital Programme	24,784	15,334	15,334	0

- 7.8. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), for the third quarter of 23/24 is £8.2m, which is 67.57% of the budget. This is detailed further at Appendix I.

7.9. Housing Investment Programme

- 7.10. The revised Housing Investment Programme for 2023/24 amounted to £16.862m following the Quarter 2 position. At quarter 3 the programme has been decreased by £0.742m to £16.120m, as shown below:

Housing Investment Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Revised Budget at Q2	16,862	19,175	15,515	14,289	14,307
Budget changes for approval – Quarter 3	(742)	1,868	440	545	548
Revised Budget	16,120	21,043	15,955	14,834	14,855

- 7.11. All changes over the approved limit require approval by the Executive. The following changes require Executive approval for Quarter 3:

Changes requiring Executive Approval:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Budget Under/Overspends returned to available resources (major repairs reserves)					
Thermal Comfort Works	(151)	0	0	0	0
Kitchen Improvements	(400)	0	0	0	0
Increased budget allocations					
Void Capitalised Works - identified as part of MTFS process (funded from the major repairs reserve)	0	536	541	545	548
Property Acquisitions – this includes individual purchase and repair and LAHF acquisitions approved under officer delegations (funded from grant and 1-4-1 receipts with borrowing as match element).	955	0	0	0	0
Total changes requiring Executive Approval	404	536	541	545	548

- 7.12. All new projects are subject to Executive approval. There has been one new project in quarter 3, having been approved under delegation in accordance with the Virtual Asset Management Group, as follows:

Changes Approved by Executive/ under delegation	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Ermine Church Land acquisition, financed through DRF.	350	0	0	0	0
Total changes approved by Executive	350	0	0	0	0

- 7.13. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved during Quarter 3:

Changes approved by the Chief Finance Officer:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Reprofiled Expenditure					
New Build – Hermit Street - reprofiled	(556)	556	0	0	0
Western Growth Corridor Phase 1a infrastructure - reprofiled	(675)	776	(101)	0	0
Budget Under/Overspends returned to available resources (major repairs reserve and DRF)					
Rewiring	(30)	0	0	0	0
Structural Defects	(75)	0	0	0	0
New Services	2	0	0	0	0
Over bath showers (10 year programme) – returned to available resources	(30)	0	0	0	0
Communal Electrics	(89)	0	0	0	0
Garages	(20)	0	0	0	0
Communal TV Aerials	(7)	0	0	0	0
Fire Doors	(61)	0	0	0	0
HRA Buildings	(91)	0	0	0	0
Increased budget allocations					
New Build – Rookery Lane (funded from DRF)	83	0	0	0	0
New Build – De Wint Court (funded from DRF)	53	0	0	0	0
Total Changes Approved by the Chief Finance Officer	(1,496)	1,332	(101)	0	0
Total HIP Delegated Approvals and Approvals by/for Executive	(742)	1,868	440	545	548

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

Housing Investment Programme - Projected Outturn	2023/24			
	Q2 Budget	Revised Budget Q3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Decent Homes / Lincoln Standard	7,487	6,741	6,741	0
Health and Safety	673	673	673	0
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	7,235	7,095	7,095	0
Other Schemes	962	1,105	1,105	0
Computer Fund / IT Schemes	506	506	506	0
Total Capital Programme	16,862	16,120	16,120	0

- 7.15. The overall expenditure on the Housing Investment Programme at the end of Q3 was £7.029m, which is 41.85% of the 2023/24 revised programme. This excludes expenditure relating to Western Growth Corridor, which is currently shown on the GIP, to be apportioned at year end (current forecast outturn £1.97m). This is detailed further at Appendix J.

A further £0.525m has been spent as at the end of January 2024, 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 by the end of the financial year. In addition, schemes such as Hermit Street 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 it 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 inflationary impacts, 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 the impact of these issues and an increased need to deliver ongoing reductions in the net cost base, as set out in the MTFS 2024-2029, which is due to be presented for approval by Council on 27th February 2024.

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, with further details provided within the new MTFS 2024-29.

11. Recommendations

Executive are recommended to:

- 11.1. Note the financial performance for the period 1st April to 31st December 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. Approve the proposed carry forward requests and transfers to earmarked reserves detailed in paragraph 3.8 and 3.9;
- 11.4. Review the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.6 and 7.13.
- 11.5. Approve the changes to the General Investment programme and the Housing Investment programme approved, or to be approved, by the Executive as detailed in paragraphs 7.3, 7.4, 7.5, 7.11 and 7.12.

Key Decision	No
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: 2028	Medium Term Financial Strategy 2023-
Lead Officer:	Laura Shipley, Financial Services Manager Laura.shipley@lincoln.gov.uk

GENERAL FUND SUMMARY – AS AT 31 DECEMBER 2023

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,167	2,140	(27)
Chief Finance Officer (S151)	B	(226)	(724)	(499)
City Solicitor	C	1,891	1,947	56
Revenues & Benefits	D	520	770	250
Housing	E	(6)	27	33
Director of Major Developments	F	779	795	16
Communities and Street Scene	G	8,329	8,375	46
Health and Environmental Services	H	1,349	1,221	(128)
Planning	I	(2,960)	(2,879)	81
		11,844	11,672	(172)
Corporate Expenditure	J	1,287	1,100	(187)
TOTAL SERVICE EXPENDITURE		13,131	12,772	(359)
Capital Accounting Adjustment	K	2,210	2,279	69
Specific Grants	L	(700)	(700)	0
Contingencies	M	(102)	80	181
Savings Targets	N	(59)	(122)	(62)
Earmarked Reserves	O	567	448	(118)
Insurance Reserve	P	(453)	(453)	0
TOTAL EXPENDITURE		14,594	14,304	(290)
CONTRIBUTION FROM BALANCES		(191)	98	290
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 3

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

Ref		£	
	<u>Increased Expenditure</u>		
B	Industrial Estates	96,750	Backdated rent review in relation to leased in industrial units.
B	Property Services	60,180	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	105,380	
E	Control Centre	55,070	
E	Control Centre	49,810	Increase in annual maintenance contract, telephony and IT costs.
F	Central Market	62,000	Additional legal costs and website fees.
G	Waste	60,140	Additional contract management (£27k) and inflation (£33k) pressures over and above the MTFS assumptions, offset by reduced expenditure on Street Cleansing contract below (net pressure £20k).
I	Car Parks	216,670	Additional card payment fees due to a system upgrade (£45k), additional maintenance works required at Lucy Tower & Broadgate (£44k), additional utilities pressures over and above MTFS assumptions (£54k), deep clean at Central (£14k) & various other cost pressures relating to overtime, additional charges due to increase in pay by phone transaction, increased security costs (£59k), wholly offset by increased income below (net car parking surplus £122k).
M	Pay Award	440,371	Impact of National Employers pay award over and above budget assumptions.
M	Annual Vacancy Savings Target	177,670	Vacancy savings target, offset by savings in service areas.

Reduced Income

Ref		£	
D	Housing Benefits	152,630	Un-recoverable housing benefit costs in relation to increased B&B costs, as a result of disparity between Local Housing Allowance rates and rising demand and costs of accommodation.
D	Housing Benefits	54,730	Un-recoverable housing benefit costs in relation to increased costs of supported accommodation
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	87,800	Reduced income due to revised re-opening date.
H	Yarborough Leisure Centre	50,000	Anticipated contribution to support Utility inflation pressures.
H	Crematorium	72,510	Reduced income as a result of lower than budgeted cremation levels, offset by savings on utilities and business rate costs, (net saving £55.2k).
I	Building Regulations	80,000	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	110,000	Anticipated reduction in income as a result of current economic conditions.
<u>Reduced Expenditure</u>			
A	Corporate Policy	(117,250)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
D	Revenues & Benefits Shared Service	(70,210)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
F	Central Market	(54,580)	Reduced expenditure on staffing (£7k), utility costs (£21.7k) and business rates (£23.6k) due to revised re-opening date.
F	DMD Director	(55,560)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
G	Street Cleansing	(52,750)	Reduction in contracted charges in relation to car parks (£40k) and other minor underspends, offsets waste contract overspends above (net pressure £20k).
H	Housing Regeneration	(86,530)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.

Ref		£	
H	Crematorium	(127,710)	Forecast underspend on utilities and business rates as a result of transitional discounts, partially offset by reduced income above (net saving £55.2k).
I	Development Control	(52,630)	Vacancy savings offset against corporate vacancy savings target.
N	Earmarked Reserves	(100,000)	Release of CX Capacity reserve to offset increased expenditure as a result of vacancy pressures above.

Increased Income

B	Industrial Estates	(46,590)	Increased income as a result of backdated rent reviews
B	Lincoln Properties	(142,530)	Tenant profit share as agreed in arrangements related to CVA agreed during Covid-19 pandemic, along with in year rent reviews.
B	Other Interest	(503,950)	Increased investment income as a result of higher interest rates and additional dividend income.
E	Housing Solutions Management	(25,000)	New Burdens grant income relating to staff time attributable to work on the Ukrainian Resettlement.
F	Major Developments Team	(49,670)	Admin grant funding for administration of UKSPF project.
H	Community Centres	(46,660)	Increased income levels, predominantly driven by ongoing contract at the Grandstand.
I	Car Parks	(332,000)	Increase in season ticket income & forecast increase in pay and display income (net car parking surplus £122k).
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 31 DECEMBER 2023

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(32,643)	(32,833)	(189)
Charges for Services & Facilities	B	(554)	(636)	(83)
Contribution towards Expenditure	C	(50)	(13)	37
Repairs Account – Income	D1	0	(68)	(68)
Supervision & Management – General	D2	(664)	(683)	(19)
Supervision & Management – Special	D3	(66)	(80)	(14)
Repairs & Maintenance	E	10,834	10,944	110
Supervision & Management – General	F1	6,936	7,296	360
Supervision & Management – Special	F2	1,991	2,131	140
Rents, Rates and Other Premises	G	846	819	(26)
Increase in Bad Debt Provisions	H	250	250	0
Insurance Claims Contingency	I	174	322	148
Contingencies	J	114	53	(60)
Depreciation	K	7,750	8,199	449
Impairments	L	0	0	0
Debt Management Expenses	M	16	16	0
HRS Trading (Surplus) / Deficit	N	0	552	552
Net Cost of Service	O	(5,067)	(3,730)	1,337
Loan Charges Interest	P	2,356	2,316	(40)
Investment/Mortgage Interest	Q	(308)	(1,099)	(791)
Net Operating Inc/Exp	R	(3,020)	(2,513)	507
Major Repairs Reserve Adjustment	T	3,000	2,551	(449)
Transfers to/from reserves	U	79	35	(44)
(Surplus)/Deficit in Year	V	59	73	14

Housing Revenue Account Variances – Quarter 3

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

Ref		£	Reason for variance
<u>Reduced Income</u>			
C	Court Costs	37,000	Reduction in recovered income from court costs as less cases in year than anticipated.
<u>Increased Income</u>			
Q	Investment Interest	(790,570)	Increased investment income as a result of higher interest rates.
A	Gross Rental Income	(187,750)	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	Transfers to/(from) Reserves	(44,100)	Contributions from reserves to offset expenditure as outlined below (further detail in appendix G).
<u>Reduced Expenditure</u>			
T	Major Repairs Reserve Adjustment/Direct Revenue Finance	(448,990)	Reduced contribution to Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year.
E	Repairs & Maintenance	(326,130)	Underspend on Repairs Account expenditure predominantly due to cyclical repair/replacement works
F	Supervision & Management	(296,320)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below (excl. Pay Award below).
E	Repairs & Maintenance - HRS	(115,980)	Reduced HRS expenditure on Voids (£99k) and Cleansing (£17k), partially offsets increases on Responsive and Aids & Adaptations below (net overspend £408k).

Ref		£	Reason for variance
G/E	Rent, Rates & Other Premises	(55,650)	Underspend on Utility costs across the HRA excluding De Wint Court
P	Loan Charges Interest	(39,780)	Repayment of existing borrowing & re-borrowing at lower interest rate
<u>Increased Expenditure</u>			
N	HRS Surplus/Deficit	552,060	Estimated HRS deficit position (refer to HRS variances – Appendix F).
E	Repairs & Maintenance - HRS	523,940	Increased HRS expenditure on Responsive Repairs (£201k), and Aids & Adaptations (£323k) partially offset by underspend above (net overspend £408k).
K	Depreciation	448,990	Increase in depreciation costs following revaluation of housing stock, offset by a Major Repairs reserve reduction above.
F1	Supervision & Management – General	347,960	Cost of agency staff to cover staff vacancies within Supervision & Management, partially offset by Vacancy savings above.
F1	Supervision & Management – General	287,920	Increased expenditure due to consultancy costs on HRA Business Plan schemes (£106k), void work & garden/hedge/tree work costs (£101k) caretakers tipping (£46k), housing needs survey (£25k), additional consultancy costs (£35k), partially offset by increased call on reserves above.
I	Insurance Claims Contingency	148,150	Anticipated increase in disrepair claims, offset by increased call on Insurance reserve.
F	Supervision & Management	126,000	Impact of National Employers pay award over and above budgeted assumptions.

HOUSING REPAIRS SERVICE SUMMARY – AS AT 31 DECEMBER 2023

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,852	3,315	(537)
Premises	171	211	40
Transport	432	370	(62)
Materials	1,519	1,549	30
Sub-Contractors	2,154	3,739	1,585
Supplies & Services	333	397	64
Central Support Charges	586	586	0
Capital Charges	0	0	0
Total Expenditure	9,047	10,167	1,119
Income	(9,047)	(9,615)	(567)
(Surplus)/Deficit	0	552	552

Housing Repairs Service Variances – Quarter 3

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

	£	Reason for Variance
<u>Reduced Expenditure</u>		
Employee Costs	(662,367)	Vacancies within the Operative staff.
Fleet Charges	(62,120)	Reduction in lease costs due to delay in receiving new vehicles from supplier.
<u>Increased Expenditure</u>		
Employee Costs	125,230	Impact of National Employers pay award over and above budgeted assumptions.
Sub-Contractors	1,585,106	Increased use of sub-contractors to meet increased demand and cover vacancies within the operative team.
Direct Materials	29,319	Increased usage and rising material prices following end of fixed-term contract prices.
<u>Increased Income</u>		
Income	(567,268)	Increased income as a result of increase in number of jobs, offset by increased costs of sub-contractor spend above.

EARMARKED RESERVES – Q3 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	205	(166)	522
Grants & Contributions	1,445	117	(188)	1,374
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	-	13	47
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	-	(57)	112
Income Volatility Reserve	320	-	-	320
Inflation Volatility Reserve	466	-	-	466
Invest to Save (GF)	37	400	(88)	349
IT Reserve	284	65	-	349
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	29	-	54
Section 106 Interest	32	-	-	32
Staff Wellbeing	28	-	-	28
Tank Memorial	10	-	-	10
Tree Risk Assessment	102	-	(40)	62
Unused DRF	199	155	(199)	155
Vision 2025/Vision 2030	533	58	(294)	297
	7,040	2,322	(1,873)	7,489

HRA

Capital Fees Equalisation	110	-	-	110
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	10	85	-	95
Disrepairs Management	300	-	-	300
Housing Business Plan	177	-	(129)	48
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	-	(51)	377
RSAP/NSAP Sinking Fund	9	9	-	18
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	23	8	-	31

3,510	137	(180)	3,467
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Total Earmarked Reserves

10,550	2,459	(2,053)	10,956
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CAPITAL RESOURCES – Q3 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	17,294	(11,818)	6,908
Capital Grants/Contributions HRA	0	789	(789)	0
Capital receipts General Fund	13	1,650	0	1,663
Capital receipts HRA	2,660	1,044	(1,000)	2,704
Capital receipts 1-4-1	4,274	1,906	(1,379)	4,801
Major Repairs Reserve	12,432	8,199	(6,886)	13,745
GENF DRF	164	26	(69)	121
HRA DRF	10,200	3,000	(3,894)	9,306
Total Capital Resources	31,175	33,908	(25,835)	39,248

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 31st December 2023

GENERAL INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q2	Q3 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Housing and Investment					
Housing Renewal Area Unallocated	298,152	(298,152)	0	0	0.00%
Housing and Investment Total	298,152	(298,152)	0	0	0.00%

DCE - Community and Environment					
Better Care Fund (was Disabled Facilities Grant)	2,358,356	(1,508,356)	850,000	554,180	65.20%
DCE - Community and Environment Total	2,358,356	(1,508,356)	850,000	554,180	65.20%

DCE - Community Services					
Boultham Park Lake Restoration	8,658	(5,083)	3,575	3,575	99.99%
Flood Alleviation Scheme - Hartsholme Park	4,530		4,530	4,530	100.00%
Hope Wood	35,553	(0)	35,553	1,727	4.86%
Safer Streets - CCTV Cameras	0	50,000	50,000	0	0.00%
Traveller deterrent	6,200	(6,200)	0	0	0.00%
DCE - Community Services Total	54,941	38,717	93,658	9,832	10.50%

DCE - Planning					
Car Parking Software	34,850		34,850	9,975	28.62%
HAZ - Shopfronts on a Framework	107,330	8,085	115,415	0	0.00%
St Mary le Wigford (HAZ)	10,000		10,000	5,565	55.65%
St Mary's Guildhall (HAZ)	67,000		67,000	(2,594)	-3.87%
Windmill View	439,339	150,000	589,339	562,996	95.53%
DCE - Planning Total	658,519	158,085	816,604	575,942	70.53%

Chief Executive Corporate Policy					
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 Q2	Q3 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Chief Executive Chief Finance Officer					
Allotments Asbestos Sheds	33,795	(33,795)	0	0	0.00%
Bud Robinson Community Centre	0	27,550	27,550	0	0.00%
City Hall Lightning Protection	6,104	(6,104)	0	0	0.00%
Crematorium Curtains	19,410		19,410	9,706	50.00%
Greyfriars - Phase 2 Delivery	1,232,410	(851,670)	380,740	75,395	19.80%
Greyfriars Roof Improvements	4,050	(4,050)	0	0	0.00%
Guildhall Works	17,630	330	17,960	17,960	100.00%
High Bridge Café	50,000		50,000	0	0.00%
Lincoln Central Lifts	150,000		150,000	0	0.00%
Planned Capitalised Works	373,396	(315,006)	58,390	0	0.00%
Stamp End Demolition	0	(2,720)	(2,720)	(2,720)	100.00%
Chief Executive Chief Finance Officer Total	1,886,795	(1,185,465)	701,330	100,340	14.31%

Major Developments					
Central Markets	2,000		2,000	196	9.80%
Central Markets (All Funding Streams)	3,604,271		3,604,271	3,134,858	86.98%
Electric Vehicle Charge Points - Phase 2	237,000		237,000	0	0.00%
HUG - Home Upgrade Grant	15,242	0	15,242	15,242	100.00%
LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS	1,736,293	(1,155,490)	580,803	580,803	100.00%
Lincoln Transport HUB	0		0	(56,196)	0.00%
TD Tentercroft Street	290,000	(290,000)	0	0	0.00%
The Terrace Heat Mitigation Works	246,547	(246,547)	0	0	0.00%
Towns Deal Programme Management	75,260		75,260	20,822	27.67%
UKSPF (Shared Prosperity Fund)	122,801		122,801	0	0.00%
WGC Housing Delivery	2,034,010	(1,755,915)	278,095	138,730	49.89%
WGC Phase 1b Bridges	3,662,840		3,662,840	617,832	16.87%
WGC Phase 2 Homes England	0	115,000	115,000	37,928	32.98%
WGC Shared Infrastructure	1,868,599	(930,728)	937,871	2,446,420	260.85%

GENERAL INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q2	Q3 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Major Developments Total	13,894,863	(4,263,679)	9,631,184	6,936,635	72.02%
TOTAL ACTIVE SCHEMES	19,160,384	(7,058,850)	12,101,534	8,176,929	67.57%
Schemes Currently Under Review					
Compulsory Purchase Orders	233,481	(233,481)	0	0	0.00%
IT Reserve	74,334	(74,334)	0	0	0.00%
Schemes Currently Under Review Total	307,815	(307,815)	0	0	0.00%
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	19,468,199	(7,366,665)	12,101,534	8,176,929	67.57%
Externally Delivered Town's Deal Schemes					
TD Barbican Production & Maker Hub	1,700,000		1,700,000	0	0.00%
TD Hospitality & Events & Tourism Institute	209,954	(0)	209,954	209,954	100.00%
TD Lincoln City FC and Foundation	814,122		814,122	814,122	100.00%
TD Lincoln Connected	462,108		462,108	105,108	22.75%
TD LSIP	420,000	(420,000)	0	0	0.00%
TD Sincil Bank	1,457,952	(1,418,662)	39,290	39,290	100.00%
TD Wigford Way	251,500	(244,708)	6,792	6,792	100.00%
Externally Delivered Town's Deal Schemes Total	5,315,636	(2,083,370)	3,232,266	1,175,266	36.36%
Grand Total	24,783,835	(9,450,035)	15,333,800	9,352,195	60.99%

Housing Investment Programme – Summary of Expenditure as at 31st December 2023

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q2	Q3 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	300,000	0	300,000	0	0.00%
DH Central Heating Upgrades	2,253,948	0	2,253,948	1,618,153	71.79%
Door Replacement	900,000	0	900,000	525,358	58.37%
Fire Compartment works	10,000	0	10,000	0	0.00%
Fire Doors	120,919	(60,919)	60,000	0	0.00%
Kitchen Improvements	1,100,000	(400,000)	700,000	388,725	55.53%
Lincoln Standard Windows Replacement	789,732	0	789,732	613,947	77.74%
New services	75,000	1,774	76,774	76,774	100.00%
Re-roofing	20,000	0	20,000	0	0.00%
Rewiring	50,000	(30,000)	20,000	0	0.00%
Structural Defects	85,448	(75,448)	10,000	0	0.00%
Thermal Comfort Works	181,250	(151,250)	30,000	9,659	32.20%
Void Capitalised Works	1,570,320	0	1,570,320	614,859	39.16%
Decent Homes Total	7,456,617	(715,843)	6,740,774	3,847,476	57.08%
<u>Health and Safety</u>					
Asbestos Removal	190,000	0	190,000	16,986	8.94%
Asbestos Surveys	129,000	0	129,000	30,975	24.01%
Fire Alarms	0	0	0	0	0.00%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q2	Q3 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	313,757	0	313,757	168,487	53.70%
Health and Safety Total	672,757	0	672,757	216,448	32.17%
<u>IT/Infrastructure</u>					
Housing Support Services Computer Fund	319,743	0	319,743	346,660	108.42%
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	346,660	68.54%
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	30,000	(30,000)	0	0	0.00%
Lincoln Standard Total	30,000	(30,000)	0	0	0.00%
<u>Other Current Developments</u>					
CCTV	0	0	0	0	0.00%
Communal Electrics	119,063	(89,063)	30,000	9,786	32.62%
Communal TV Aerials	10,000	(7,000)	3,000	1,734	57.80%
Environmental works	400,000	0	400,000	197,645	49.41%
Garages	50,000	(20,000)	30,000	0	0.00%
Eco Welfare Unit	24,324	405	24,729	24,729	100.00%
Hiab and Mule	122,330	0	122,330	0	0.00%
HRA Buildings	115,805	(90,805)	25,000	0	0.00%
Landscaping & Boundaries	0	0	0	0	0.00%
Thurlby Crescent	120,000	0	120,000	28,850	24.04%
Ermine Church Land	0	350,000	350,000	0	0.00%
Other Current Developments Total	961,522	143,537	1,105,059	262,744	23.78%

HOUSING INVESTMENT TOTAL	9,626,683	(602,306)	9,024,376	4,673,328	51.79%
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<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q2	Q3 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	2,024,278	1,459,050	3,483,328	1,763,643	50.63%
Hermit Street Regeneration	8,003	0	8,003	8,003	100.00%
New Build Capital Salaries	46,032	0	46,032	0	0.00%
New Build- De Wint Court	0	52,913	52,913	52,913	100.00%
New Build Programme	503,364	(503,364)	0	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	(555,824)	1,412,640	406,998	28.81%
New Build Site - Queen Elizabeth Road	0	0	0	0	0.00%
New Build Site - Rookery Lane	40,804	82,965	123,768	123,768	100.00%
New Build Site - Searby Road	0	0	0	0	0.00%
Western Growth Corridor	2,644,051	(675,373)	1,968,678	0	0.00%
New Build Programme Total	7,234,996	(139,633)	7,095,362	2,355,325	30.31%
HOUSING STRATEGY AND INVESTMENT TOTAL	7,234,996	(139,633)	7,095,362	2,355,325	30.31%
TOTAL HOUSING INVESTMENT PROGRAMME	16,861,678	(741,939)	16,119,738	7,028,653	43.60%

TFS Phase7 programme: progress at Q3 - 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 Q3 2023/24						
Major Developments	Capitalisation of salaries for WGC	DMD	56	56	-	Exec 20/02/23
Waste/Street Cleansing	Waste/Street Cleansing Contract Savings	DCE	60	60	-	Complete
Sport Development	Cycle Grand Prix Grant	DCE	4	4	-	Complete
Community Centres	St Giles Community Centre	DCE	6	6	-	Complete
TOTAL			126	126	-	