

SUBJECT: HOUSING FINANCIAL PERFORMANCE – OUTTURN 2023/24

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1. To present to Housing Scrutiny Sub Committee (HSSC) the provisional 2023/24 financial outturn position on the Council's revenue and capital budgets, including:
- Housing Revenue Account
 - Housing Repairs Service
 - Housing Investment Programme
- 1.2. This report will provide HSSC with a summary of actual income and expenditure compared to revised budget and how any surpluses have been allocated/are proposed to be allocated to reserves.
- 1.3. HSSC should note that the financial outturn is still subject to Audit by KPMG, the Council's external auditors.

2. Lincoln Tenants Panel Consultation

- 2.1. Lincoln Tenants Panel are invited to comment on the content of this report.

3. Executive Summary

- 3.1. This report covers the Housing Revenue Account budgets and Housing Investment Programme for the current financial year and sets out the provisional financial outturn position.
- 3.2. During the last quarter of 2023/24, the position on the Housing Revenue Account and Housing Repairs Service has improved since quarter three with budget surpluses achieved within HRA at the end of the financial year.
- 3.3. Despite this positive outturn position the Council continues to face escalating cost pressures, above those already factored into the MTFS. The positive outturn in 2023/24 has been largely driven by investment income with interest rates continuing above the levels assumed within the MTFS. This will not be the case in 2024/25 with budgets adjusted to reflect the base rate forecast, as such strong financial discipline and delivery of the significant savings targets underpinning the MTFS will remain critical in ensuring the Council maintains a sustainable financial position in the medium term.

- 3.4. The table below sets out a summary of the financial position of the Council for the financial year 2023/24, based on the provisional outturn:

Revenue Accounts	2023/24		
	Budget £'000	Actual £'000	Variance £'000
Housing Revenue Account – Contribution (to)/from balances	59	53	(6)
Housing Repairs Service – (surplus)/deficit	0	289	289*

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

Capital Programme	2023/24		
	Budget following Q3 Report £'000	Revised Outturn Budget £'000	Movement £'000
Housing Investment Programme	16,120	14,732	(1,388)

Balances	2023/24		
	Budgeted Balance @ 31/03/24 £'000	Actual Balance @ 31/03/24 £'000	Movement £'000
Housing Revenue Account Balances	(1,125)	(1,131)	(6)
Housing Repairs Service Balances	0	0	0

Reserves	2023/24		
	Opening Balance @ 01/04/23 £'000	Actual Balance @ 31/03/24 £'000	Movement £'000
HRA Earmarked Reserves	(3,510)	(4,507)	(997)

- 3.5. The detailed financial position is shown in sections 3-6 and accompanying appendices.

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 £1,125,516 (after allowing for the 2022/23 outturn position).
- 4.2. The financial performance quarterly monitoring report for the 3rd quarter predicted an overspend of £13,787. The provisional outturn for 2023/24 now indicated an improvement of £19,515 resulting in an overall budget underspend of £5,728 (including additional transfers to earmarked reserves). This would result in HRA balances as at 31st March 2024 of £1,131,244.

- 4.3. There are a significant number of variations in income and expenditure against the approved budget, full details of the main variances are provided in the Appendix B, while the table below sets out the key variances:

Housing Revenue Account Year-end key variances:	Outturn £'000
National Pay Award Settlement	126
Less:	
Increased Investment Interest	(764)
HRA Repairs Account	(384)
Bad Debt Provision write back	(333)
Additional Rental Income	(283)
Plus:	
Net movement in Earmarked Reserves	1,016
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Deficit Repatriation	289
HRS Repairs – increased Responsive, Aids & Adaptations, Cleansing jobs	795
HRS Repairs – reduced level of Voids jobs	(299)
Net Other Variances	(169)
Overall deficit/(surplus)	(6)

- 4.4. 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.
- Investment income – as a result of the rising Bank of England Base Rate, which has maintained at 5.25% during quarter four, 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.
- Bad Debt Provision – as a result of the year-end review of the provision for outstanding debtors, in line with the Credit Loss model (IFRS9 Financial Instruments), a one off write back from the provision was required.
- 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 has reported a forecast deficit, which is consequentially repatriated to the HRA, as a result of the issues set out in Section 4 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. In response to the key cost pressures that have occurred in 2023/24; the additional staff costs arising as a result of the pay award were unavoidable and have required the resetting of budgets for 2024/25 (this was taken into account in the latest MTFS). In relation to the additional costs transferred from the HRS, the Housing Directorate Management Team are commissioning work to review the individual repairs service areas, i.e. Aids & Adaptations, Voids, Responsive Repairs etc, in order to identify a range of specific mitigations to manage demand and cost drivers. In addition, work continues within the HRS to address the recruitment and retention challenges, (this also forms part of a wider scope of work developing the Council's Workforce Development Strategy), which is already seeing some success with a reduction in level of vacancies at the end of the financial year.

4.7. HRA Earmarked Reserves

The provisional outturn of a £5,728 budget underspend includes a number of additional transfers to earmarked reserves, in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

Reason for Reserve Transfer	Amount £
30 Year HBP initiatives: High rise review and remediation, carbon reduction and home safety and further area reviews.	800,000
Regulator of Social Housing: Competency and conduct standard and inspection costs.	180,000
De Wint Court sinking fund additional outturn contribution.	92,500
HRS Social value contributions ringfenced for future schemes.	49,890
Total Reserve Transfers:	1,122,390

- 4.8. Following contributions to earmarked reserves the underspend of £5,728 would result in HRA general balance of £1,131,244 as at 31st March 2024, remaining within prudent levels.
- 4.9. The level of each of the current earmarked reserves, as at 31st March 2024 is attached at Appendix E. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 3.7 above.

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. The outturn for 2023/24 shows the HRS had a deficit of £288,844, an improvement of £263,218 since quarter three, which was repatriated to the HRA, Appendix C provides a forecast HRS Summary. Full details of the main variances are provided within Appendix D of this report, while the key variances are summarised below:

Housing Repairs Service Year-end key variances:	Outturn £'000
Increased use of sub-contractors and increases in sub-contractor prices	1,825
National Pay Award Settlement	125
Less:	
Staff vacancies due to recruitment and retention challenges	(651)
Transport Costs	(78)
Increased income for HRS jobs for increased works	(941)
Net other variances	9
Overall deficit/(surplus)	289

- 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 in a very small underspend.
- 5.6. The 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.
- 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 3 above.

6. Earmarked Reserves

- 6.1. The Council holds a number of earmarked revenue reserves within the HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves include the Housing Repairs, HRA Strategic Priorities, HRA Invest to Save and Disrepairs Management, 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 balance as at 31st March 2024 are attached in Appendix E, with further details in the MTFS 2024-2029. In summary:

Earmarked Reserves	Opening Balance 01/04/23 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/24 £'000
Housing Revenue Account	3,510	1,185	(188)	4,507

7. Capital Programme

7.1. Housing Investment Programme

- 7.2. The revised Housing Investment Programme for 2023/24 amounted to £16.120m following the Quarter 3 position. At quarter 4 the programme has been decreased by £1.388m to £14.732m, as shown below:

Housing Investment Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Revised Budget at Q3	16,120	21,043	15,955	14,834	14,855
Budget changes for approval – Quarter 4	(1,388)	1,720	523	(115)	(121)
Revised Budget	14,732	22,763	16,478	14,718	14,734

- 7.3. All changes over the approved limit require approval by the Executive. The following changes require Executive approval for Quarter 4:

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)					
Bathrooms & WC	(105)	0	0	0	0
Environmental Works	(137)	0	0	0	0
Stamp Duty Refunds	(328)	0	0	0	0
Transfers between schemes					
New Build Programme (Borrowing/DRF for 141 eligible following increase to 50% retention)	0	(100)	(100)	(100)	(100)
New Build Programme (141 eligible following increase to 50% retention)	0	100	100	100	100
Infrastructure Upgrade	(166)	0	0	0	0
Housing Support Services Computer Fund	166	0	0	0	0
Increased budget allocations					
Void Capitalised Works (funded from major repairs reserve)	214	0	0	0	0
New Build – Hermit Street (correction to agree budget to original Executive report)	138	0	0	0	0
New Build – Capital Salaries (funded from 1-4-1 and borrowing)	15	0	0	0	0
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).	279	724	0	0	0
Total changes requiring Executive Approval	76	724	0	0	0

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

Changes requiring Executive approval	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Jasmin Green feasibility/development (funded through DRF).	0	50	0	0	0
Total changes requiring Executive Approval	0	50	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 4:

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	(212)	212	0	0	0
Western Growth Corridor Phase 1a infrastructure – reprofiled	359	(359)	0	0	0
Fire Doors	0	(500)	500	0	0
Housing Support Services Computer Fund	(70)	306	0	(115)	(121)
DH Central Heating Upgrades	(23)	0	23	0	0
Thermal Comfort Works	(20)	20	0	0	0
Ermine Church Land	(350)	350	0	0	0
Lincoln Standard Window Replacement	(90)	90	0	0	0
Door Replacement	(129)	129	0	0	0
Replacement Door entry systems	(137)	137	0	0	0
Garages	(30)	30	0	0	0
Fire Compartment Works	(10)	10	0	0	0
HRA Buildings	(25)	25	0	0	0
Hiab and Mule	(122)	122	0	0	0
Telephony	(6)	6	0	0	0
Ermine Church Land	(350)	350	0	0	0
Property Acquisitions	(367)	367	0	0	0
Budget Under/Overspends returned to available resources (major repairs reserve and DRF)					
Kitchen Improvements	45	0	0	0	0
Rewiring	(12)	0	0	0	0
Re-roofing	(20)	0	0	0	0
Structural Defects	(10)	0	0	0	0
New Services	26	0	0	0	0
Renew Stair Structure	(40)	0	0	0	0
Communal Electrics	10	0	0	0	0
Communal TV Aerials	2	0	0	0	0
Fire Doors	(59)	0	0	0	0
Asbestos Removals	(87)	0	0	0	0
Asbestos Surveys	(69)	0	0	0	0
Operation Rose	(11)	0	0	0	0
Thurlby Crescent	(8)	0	0	0	0

Increased budget allocations					
New Build – De Wint Court (funded from DRF)	1	0	0	0	0
Total Changes Approved by the CFO	(1,449)	945	523	(115)	(121)

Total HIP Delegated Approvals and Approvals by/for Executive	(1,388)	1,720	523	(115)	(121)
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- 7.6. The table below provides a summary of the projected outturn position for the Housing Investment Programme:

Housing Investment Programme - Outturn	2023/24			
	Budget	Revised Budget	Outturn	Variance
	Q3 £'000	Q4 £'000	£'000	to Q3 Budget £'000
Decent Homes / Lincoln Standard	6,741	6,549	6,549	(192)
Health and Safety	673	339	339	(334)
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	7,445	6,980	6,980	(465)
Other Schemes	755	446	446	(309)
Computer Fund / IT Schemes	506	419	419	(87)
Total Capital Programme	16,120	14,732	14,732	(1,388)

- 7.7. The overall expenditure on the Housing Investment Programme for the final quarter of 2023/24 was £14.732m, which is 91.3% of the budget. This is detailed further at Appendix G.

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 achieve a balanced budget position for 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.

General Balances, on the 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 HRA are £1m-£1.5m. Based on the provisional outturn the level of balances as at 31st March 2024 will be maintained within these ranges, with the General Fund slightly higher.

Although this report sets out the financial outturn, which for the HRA has resulted in a positive position, this does not mean that the financial issues for the Council are resolved. 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.

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 MTFS 2024-29.

11. Recommendations

HSSC are recommended to:

- 11.1. Note the provisional 2023/24 financial outturn for the Housing Revenue Account, Housing Repairs Service and Capital Programme as set out in sections 3 – 6, and in particular the reasons for any variances.

Key Decision	No
Key Decision Reference No.	N/A
Do the exempt information categories apply?	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain appendices?	Yes
List of Background Papers:	Medium Term Financial Strategy 2023-2028 Medium Term Financial Strategy 2024-2029 Housing 30 Year Business Plan 2023/24
Lead Officer:	Laura Shipley, Financial Services Manager Laura.shipley@lincoln.gov.uk

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2023/24

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(32,643)	(32,937)	(294)
Charges for Services & Facilities	B	(554)	(650)	(96)
Contribution towards Expenditure	C	(50)	(11)	39
Repairs Account – Income	D1	0	(133)	(133)
Supervision & Management – General	D2	(664)	(813)	(149)
Supervision & Management – Special	D3	(66)	(82)	(16)
Repairs & Maintenance	E	10,834	10,947	113
Supervision & Management – General	F1	6,901	7,239	338
Supervision & Management – Special	F2	1,991	2,127	136
Rents, Rates and Other Premises	G	846	777	(69)
Increase in Bad Debt Provisions	H	250	(83)	(333)
Insurance Claims Contingency	I	174	282	108
Contingencies	J	149	0	(149)
Depreciation	K	7,750	8,199	449
Impairments	L	0	0	0
Debt Management Expenses	M	16	9	(7)
HRS Trading (Surplus) / Deficit	N	0	289	289
Net Cost of Service	O	(5,067)	(4,839)	228
Loan Charges Interest	P	2,356	2,317	(39)
Investment/Mortgage Interest	Q	(308)	(1,073)	(764)
Net Operating Inc/Exp	R	(3,020)	(3,595)	(575)
Major Repairs Reserve Adjustment	T	3,000	2,552	(447)
Transfers to/from reserves	U	79	1,096	1,016
(Surplus)/Deficit in Year	V	59	53	(6)

Housing Revenue Account Variances – Outturn 2023/24

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

Ref		£	Reason for variance
	<u>Reduced Income</u>		
C	Court Costs	38,730	Reduction in recovered income from court costs as less cases in year than anticipated.
	<u>Increased Income</u>		
Q	Investment Interest	(764,430)	Increased investment income as a result of higher interest rates.
A	Gross Rental Income	(282,650)	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	(132,550)	Additional income from rechargeable void works HRS social value contribution and in year profit share income
D2	Supervision & Management: General	(52,080)	Additional income from contractor admin fee and internal fees.
	<u>Reduced Expenditure</u>		
T	Major Repairs Reserve Adjustment/Direct Revenue Finance	(447,100)	Contribution from Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year.
H	Bad Debt Provision	(332,510)	Write back from provision for outstanding debts, following year-end review of ongoing requirements.
E	Repairs & Maintenance	(409,590)	Underspend on Repairs Account expenditure predominantly due to cyclical repair/replacement works.
F	Supervision & Management	(319,230)	Reduced expenditure on employee costs due to staff vacancies, offset by agency costs below (excl. Pay Award below).
E	Repairs & Maintenance - HRS	(298,780)	Reduced HRS expenditure on Voids, partially offsets increases on Responsive, Aids & Adaptations and Cleansing below (net overspend £497k).

Ref		£	Reason for variance
G/E	Rent, Rates & Other Premises	(127,980)	Underspend on Utility costs and Council Tax liability across the HRA (excluding De Wint Court).
P	Loan Charges Interest	(38,650)	Repayment of existing borrowing & re-borrowing at lower interest rate
	<u>Increased Expenditure</u>		
N	HRS Surplus/Deficit	288,840	HRS deficit position (refer to HRS variances – Appendix D).
E	Repairs & Maintenance - HRS	795,450	Increased HRS expenditure on Responsive Repairs (£335k), Aids & Adaptations (£446k) and Cleansing (£14k) partially offset by underspend above (net overspend £497k).
K	Depreciation	449,100	Increase in depreciation costs following revaluation of housing stock, offset in full by a Major Repairs reserve adjustment above.
F1	Supervision & Management – General	323,030	Cost of agency staff to cover staff vacancies within Supervision & Management, partially offset by Vacancy savings above.
F1	Supervision & Management – General	366,410	Increased expenditure due to consultancy costs on void work & garden/hedge/tree work costs (£205k), HRA Business Plan schemes (£99k), caretakers tipping (£46k), additional consultancy costs (£54k), housing needs survey (£25k), partially offset by increased call on reserves.
I	Insurance Claims Contingency	108,170	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.
U	Transfers To/(From) Reserves	1,016,420	Net additional contribution to reserves, over and above budgeted levels (as outlined in paragraph 3.7 and Appendix E).

HOUSING REPAIRS SERVICE SUMMARY – OUTTURN 2023/24

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,852	3,326	(526)
Premises	171	165	(6)
Transport	432	354	(78)
Materials	1,519	1,511	(8)
Sub-Contractors	2,154	3,979	1,825
Supplies & Services	333	381	49
Central Support Charges	586	559	(26)
Capital Charges	0	0	0
Total Expenditure	9,047	10,277	1,230
Income	(9,047)	(9,888)	(941)
(Surplus)/Deficit	0	289	289

Housing Repairs Service Variances – Outturn 2023/24

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	(651,017)	Vacancies within the Operative staff.
Fleet Charges	(78,352)	Reduction in lease costs due to delay in receiving new vehicles from supplier.
Central Support Costs	(26,330)	Reduction in Corporate Support Service charges to the HRS.
<u>Increased Expenditure</u>		
Employee Costs	125,230	Impact of National Employers pay award over and above budgeted assumptions.
Sub-Contractors	1,825,033	Increased use of sub-contractors to meet increased demand and cover vacancies within the operative team.
<u>Increased Income</u>		
Income	(940,786)	Increased income as a result of increase in number of jobs, offset by increased costs of sub-contractor spend above.

EARMARKED RESERVES – OUTTURN 2023/24

	Revised Opening Balance	In Year Increase	In Year Decrease	Closing Balance
	01/04/2023 £'000	£'000	£'000	31/03/2024 £'000
HRA				
Capital Fees Equalisation	110	-	-	110
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	10	103	-	113
Disrepairs Management	300	-	(13)	287
Housing Business Plan	177	800	(134)	842
Housing Repairs Service	76	-	-	76
HRA IT	135	35	-	170
HRA Repairs Account	1,351	-	-	1,351
Housing Strategic Priority	764	-	-	764
HRS Social Value	61	50	-	111
Invest to Save (HRA)	416	-	(41)	375
NSAP/RSAP Sinking Fund	9	9	-	18
Regulator of Social Housing	0	180	-	180
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	23	9	-	31
Total Earmarked Reserves	3,510	1,185	(188)	4507

CAPITAL RESOURCES – OUTTURN 2023/24

	Opening balance	Contributions	Used in financing	Closing balance 31/03/24
	£'000	£'000	£'000	£'000
Capital Grants/Contributions HRA	275	817	(817)	275
Capital receipts HRA	2,660	900	(1,000)	2,560
Capital receipts 1-4-1	4,274	1,062	(1,557)	3,780
Major Repairs Reserve	22,631	10,749	(9,645)	23,735
Total Capital Resources	29,840	13,528	(13,019)	30,350

Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 23/24.

Housing Investment Programme – Summary of Expenditure as at 31st March 2024

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	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	0
Contingency Schemes Total	0	0	0	0	0	0
<u>Decent Homes</u>						
Bathrooms & WC's	300,000	(104,582)	0	195,418	195,418	100.00%
DH Central Heating Upgrades	2,253,948	0	(22,542)	2,231,406	2,231,406	100.00%
Door Replacement	900,000	0	(129,420)	770,580	770,580	100.00%
Fire Compartment works	10,000	0	(10,000)	0	0	0.00%
Fire Doors	60,000	(58,821)	0	1,179	1,179	100.00%
Kitchen Improvements	700,000	45,155	0	745,155	745,155	100.00%
Lincoln Standard Windows Replacement	789,732	0	(89,692)	700,040	700,040	100.00%
New services	76,774	26,246	0	103,020	103,020	100.00%
Re-roofing	20,000	(20,000)	0	0	0	0.00%
Rewiring	20,000	(12,272)	0	7,728	7,728	100.00%
Structural Defects	10,000	(10,000)	0	0	0	0.00%
Thermal Comfort Works	30,000	0	(19,858)	10,142	10,142	100.00%
Void Capitalised Works	1,570,320	213,534	0	1,783,854	1,783,854	100.00%
Decent Homes Total	6,740,774	79,260	(271,512)	6,548,522	6,548,522	100.00%
<u>Health and Safety</u>						
Asbestos Removal	190,000	(87,465)	0	102,535	102,535	100.00%
Asbestos Surveys	129,000	(69,440)	0	59,560	59,560	100.00%
Fire Alarms	0	0	0	0	0	0.00%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Renew stair structure	40,000	(40,000)	0	0	0	0.00%
Replacement Door Entry Systems	313,757	0	(136,846)	176,911	176,911	100.00%
Health and Safety Total	672,757	(196,905)	(136,846)	339,006	339,006	100.00%
<u>IT/Infrastructure</u>						
Housing Support Services Computer Fund	319,743	166,383	(70,078)	416,048	416,048	100.00%
Infrastructure Upgrade	166,383	(166,383)	0	0	0	0.00%
Operation Rose	10,903	(10,903)	0	0	0	0.00%
Telephony	8,758	(5,558)	0	3,200	3,200	100.00%
IT/Infrastructure Total	505,786	(10,903)	(70,078)	419,248	419,248	100.00%
<u>Lincoln Standard</u>						
Over bath showers (10 year programme)	0	0	0	0	0	0.00%
Lincoln Standard Total	0	0	0	0	0	0.00%
<u>Other Current Developments</u>						
CCTV	0	0	0	0	0	0.00%
Communal Electrics	30,000	10,270	0	40,270	40,270	100.00%
Communal TV Aerials	3,000	2,351	0	5,351	5,351	100.00%
Environmental works	400,000	(137,232)	0	262,768	262,768	100.00%
Garages	30,000	0	(30,000)	0	0	0.00%
Eco Welfare Unit	24,729	0	0	24,729	24,729	100.00%
Hiab and Mule	122,330	0	(122,330)	0	0	0.00%
HRA Buildings	25,000	0	(25,000)	0	0	0.00%
Landscaping & Boundaries	0	0	0	0	0	0.00%
Thurlby Crescent	120,000	(7,607)	0	112,393	112,393	100.00%
Other Current Developments Total	755,059	(132,219)	(177,330)	445,510	445,510	100.00%
HOUSING INVESTMENT TOTAL	8,674,376	(260,767)	(661,324)	7,752,285	7,752,285	100.00%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2023/24 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	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	3,483,328	279,287	(367,270)	3,395,344	3,395,344	100.00%
Ermine Church Land	350,000	0	(349,893)	107	107	100.00%
Stamp Duty Refunds	0	(327,800)	0	(327,800)	(327,800)	100.00%
New Build Capital Salaries	46,032	14,758	0	60,790	60,790	100.00%
New Build- De Wint Court	52,913	603	0	53,517	53,517	100.00%
New Build Programme	0	0	0	0	0	0.00%
New Build Programme (141 eligible)	0	0	0	0	0	0.00%
New Build Programme (Borrowing for 141 eligible)	0	0	0	0	0	0.00%
New Build Site – Hermit Street	1,412,640	138,316	(212,401)	1,346,557	1,346,557	100.00%
New Build Site - Queen Elizabeth Road	0	0	0	0	0	0.00%
New Build Site - Rookery Lane	123,768	0	0	123,768	123,768	100.00%
New Build Site - Searby Road	0	0	0	0	0	0.00%
Western Growth Corridor	1,968,678	0	358,982	2,327,660	2,327,660	100.00%
New Build Programme Total	7,445,362	105,164	(570,583)	6,979,944	6,979,944	100.00%
HOUSING STRATEGY AND INVESTMENT TOTAL	7,445,362	105,164	(570,583)	6,979,944	6,979,944	100.00%
TOTAL HOUSING INVESTMENT PROGRAMME	16,119,738	(155,603)	(1,231,907)	14,732,229	14,732,229	100.00%

