

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING

REPORT BY: 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 2024/25 is:

Revenue Accounts	2024/25		
	Budget £'000	Forecast @ Q3 £'000	Variance @ Q3 £'000
General Fund – Contribution (to)/from balances	(147)	(285)	(138)
Housing Revenue Account – Contribution (to)/from balances	101	(613)	(714)
Housing Repairs Service – (surplus)/deficit	0	(33)	(33)*

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

Capital Programmes	2024/25		
	Opening Budget £'000	Revised Budget @ Q3 £'000	Movement @ Q3 £'000
General Investment Programme	27,894	22,024	(5,870)
Housing Investment Programme	22,763	17,411	(5,351)

Balances	2024/25		
	Budgeted Balance @ 31/03/25 £'000	Forecast Balance @ 31/03/25 £'000	Forecast Movement £'000
General Fund Balances	(2,392)	(2,530)	(138)
Housing Revenue Account Balances	(1,030)	(1,744)	(714)

Reserves	2024/25		
	Opening Balance @ 01/04/24 £'000	Forecast Balance @ 31/03/25 £'000	Forecast Movement £'000
General Fund Earmarked Reserves	(8,234)	(7,061)	1,173
HRA Earmarked Reserves	(4,507)	(4,828)	(321)

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

3. General Fund Revenue Account

- 3.1. For 2024/25 the Council's net General Fund revenue budget was set at £15,427,670 including a planned contribution to balances of £146,820 resulting in an estimated level of general balances at the year-end of £2,391,979 (after allowing for the 2023/24 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast underspend of £138,429 (Appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,530,408. 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
Increased non-recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payments	388
Trend in reduced crematorium income plus additional interim management & administration costs	387
Cornhill Market additional initial operational costs	219
Nationally agreed pay award settlement	184
Re-profiling of historic premium on early repayment of debt	157
Less:	
Net Car Parking Income surplus	(334)
Reduced Borrowing Costs	(332)
Release of Inflation Volatility reserve	(184)
Additional Government grant for Land Drainage Levies	(173)
Increased Investment Interest	(166)
Additional government grant for Business Rate Levy/Safety Net Retention plus additional New Burden funding	(156)
Net other variances	(128)
Overall forecast budget deficit/(surplus)	(138)

3.4. A number of the key forecast variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. These main variances, both positive and negative cover:

- Pay settlement inflation pressure - the impact of the nationally agreed pay award is in excess of the assumptions included within the Medium Term Financial Strategy (MTFS). The 2024/25 pay award, agreed by the National Employers for Local Government Services, provided either a flat rate increase of £1,290 (prorate) or a 2.5% increase to all staff dependant on pay spinal point, equivalent to a 5.7% increase for the lowest paid members of staff. In order to mitigate this cost pressure, an equivalent drawdown from the inflation volatility reserve will be released.
- Unrecoverable Housing Benefit – the number of housing benefit claims in relation to supported (exempt) accommodation, which does not attract 100% subsidy, continues to be at elevated levels, in addition other areas of housing benefit expenditure which do not attract 100% subsidy are also above budgeted levels.
- Borrowing costs – as a result of a delay in the anticipated reduction of the Bank of England Base Rate, which has only dropped marginally from 5% to 4.75% at quarter three, the Council have benefitted from reduced borrowing costs due to the continued strategy to review the reprofiling of loans and maintain adequate resource to reduce the level of budgeted borrowing while interest rates remain high.

- Investment income – in addition to savings on interest payable, the ongoing high base rate has increased the level of interest earned on the Council's cash balances over and above the levels anticipated within the MTFS.
- Carparking Fees and Charges – levels of carparking income remain buoyant, particularly in relation to sessional fees and season ticket sales with a particularly busy festive season.

- 3.5 The potential impact beyond 2024/25 of these changes in key variables has been assessed and in some cases has required future years budgets to be reset as part of the refreshed MTFS 2025-2030. The additional staff costs arising as a result of the proposed pay award are unavoidable and have required an ongoing increase in future pay budgets. Budgets for 2025/26 have also been adjusted in relation to the increasing cost of housing benefits, however a range of mitigating actions continue to be taken, e.g. lobbying against current subsidy rules and Local Housing Allowance rates, focusing on actions to manage the supply of and demand for affordable/social housing and temporary accommodation, review of all supported accommodation claims is in place to ensure the appropriate levels of housing benefit are awarded, supporting housing providers to attain social registered landlord status etc. These actions are not likely to reduce costs in the short term, but are part of a longer-term solution. Treasury Management budgets and fees and charges income budget have also all been reviewed and updated in the MTFS 2025-2030 in line with the latest financial planning assumptions.
- 3.6 Assumptions around Government funding have also been reviewed in the MTFS 2025-2030, but due to the variable nature of the grants and changes in distribution methodologies and overall national funding allocations, it is often prudent to not assume a grant allocation and treat any funding in year as fortuitous income.
- 3.7 Alongside the above variances, a significant variance against the Council's crematorium budget is also forecasted, resulting from a continuation of the reduction in income from cremations seen last financial year, driven by increasing competition from neighbouring crematoriums and beyond. This position is being carefully monitored and an action plan has been developed. In addition, the service is currently being supported by external industry professionals, increasing the management and administration costs, this is being carefully monitored and will only remain in place for as long as required.
- 3.8 In addition, a significant in-year variance is now forecasted for the Cornhill Market. The refurbished Market opened on 17 May 2024 but the original budget for 2024/25 was set on the basis of a full year of operation and based on the draft business plan approved at Executive in July 2021. Now that the market is operational a full review of the business plan, based on the actual operating costs and income levels, is underway and will be reported to Executive in summer 2025 following a full year of operation and changes to the service provision. The next update of the Council's MTFS will reflect the expected position. The in-year variance being reported at the end of quarter three therefore reflects a number of one-off opening costs in 3 main areas:

- Rental income for the year has now been forecast to be £81k less than originally budgeted as it will not be operating for the full financial year with all stalls let at full rent. There has also been the impact of the standard rent-free periods for new stall holders which was not reflected in the original budget, this financial year, alongside incentives to drive activity.
- As part of opening the market a number of one-off items totalling £20k have been purchased which have not been able to be capitalised.
- Additional legal and letting fees of £55k have also been incurred as a one-off for the production of new lease types/terms/lettings for all stalls.
- Other variances including staffing, cleaning and utility costs above initial, pre-opening, budgeted estimates.

3.9 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. While mitigating actions are underway as set out above, 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.

3.10 Earmarked Reserves

3.11 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 2024/25 a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £37,580:

Directorate	Reason for Carry Forward	Amount £
DCE	Climate Change Initiatives & Biodiversity reserve – retain budget underspend as a result of grant funding to reinvest in green initiatives.	26,810
DCE	Boutham Park Advisory Group – retain unspent grant income to fund advisory group activities.	8,260
CX-CITYSOL	Elections Act Reserve – retain unspent grant income to fund ongoing costs in relation to election activities.	2,510
Total Carry Forward Requests:		37,580

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

3.12 Transfers to Reserves

In addition to the above carry forward requests, a request for an additional transfer to reserves have been made, whereby Directorates can request a transfer to a new, or existing reserve from 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 2024/25, all request(s) are shown below totalling £120,000:

Directorate	Reason for Transfer to Reserves	Amount £
DCE	Income Volatility Reserve – transfer proportion of the car parking underspend to Corporate Income Volatility reserve to mitigate income risks in future years.	120,000
	Total Transfer to Reserves Requests:	120,000

This additional reserve contribution is included in the forecast outturn position.

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

3.14 Towards Financial Sustainability Programme

The savings target included in the MTFS for 2024/25 was £125,000.

Progress against this target, based on quarter three performance, shows secured savings of £88,840, resulting in a forecast under-achievement of £36,160 in year for the General Fund. While this is an under-achievement against the target, the overall forecast position for the General Fund is positive, with additional contributions to General Balances.

4. Housing Revenue Account

- 4.1. For 2024/25 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £101,220, resulting in an estimated level of general balances at the year-end of £1,030,024, after allowing for the 2023/24 outturn position.
- 4.2. The HRA is currently projecting a forecast underspend of £714,390 (Appendix C provides a forecast HRA Summary), which would result in HRA balances of £1,744,414 as at the end of 2024/25. This position maintains balances above the prudent minimum of c.£1-1.5m.
- 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 Appendix D, while the table below sets out the key variances:

Housing Revenue Account	Forecast
Forecast year-end key variances:	£'000
Nationally agreed pay award settlement	119
Less:	
Increased Investment Interest	(241)
Additional Rental Income	(190)
Increase Admin Overhead Recharges to Capital on External Contracts	(159)
Reduced Repairs Programme Costs	(118)
Reduced Borrowing Costs	(68)
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Surplus Repatriation	(33)
HRS Repairs – increased Responsive jobs	724
HRS Repairs – reduced level of Voids, Aids & Adaptations and Cleansing jobs	(825)
Net Other Variances	77
Overall forecast deficit/(surplus)	(714)

4.4. In line with the General Fund, some of the key variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. However, in addition, the Housing Revenue Account (HRA) and Housing Revenue Service (HRS) continue to experience a number of other variances due to demand pressures and continued recruitment and retention challenges. These main variances, both positive and negative, cover:

- Nationally agreed pay award inflation pressure – as per the General Fund the national pay award is in excess of the assumptions included within the MTFS.
- Investment income – as per the General Fund as a result interest rates and the Council's borrowing strategy, the level of borrowing and reprofiling of loans is being carefully managed, reducing overall borrowing costs.
- Rental income – income levels are higher than anticipated due to a higher than budgeted opening Housing stock at the start of the financial year.
- Repairs Programme costs – a change in the nature of works on the Council's housing stock in year has resulted in an increase in works eligible to be funded through the capital investment programme.
- HRS Repairs – while there has been a net reduction in repairs recharges from the HRS to the HRA, there has been a switch in the nature of HRS rechargeable works anticipated this year with a significant increase in demand for responsive repairs, wholly offset by a reduction in the level of voids repairs, aids and adapts and cleansing works.

- 4.5. Alongside these variances the Housing Repairs Services (HRS) is currently reporting a small forecast surplus, which is consequentially repatriated to the HRA, as a result of the information set out in Section 5 below.
- 4.6. The potential impact beyond 2024/25 of these changes in key variables has been assessed and has in some cases has required future years budgets to be reset as part of the refreshed MTFS 2025-2030. The additional staff costs arising as a result of the proposed pay award are unavoidable and have required an ongoing increase in future pay budgets. In relation to housing repairs, the Housing Directorate Management Team continue work on the individual repairs service areas, i.e. Aids & Adaptations, Voids, Responsive Repairs etc, in order to review and manage demand and cost drivers. Work also continues within the HRA and 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.
- 4.7. 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 are recommended. Strong budgetary control should continue to be a focus to ensure expenditure and income remain balanced within budget, resulting in a positive contribution to reserves at outturn.
- 4.8. **HRA Earmarked Reserves**
- 4.9. **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 the HRA as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn, in 2024/25 a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £325,340:

Reason for Carry Forward	Amount £
DeWint Court Sinking Fund reserve – as agreed in the original business case, any in year surplus will be contributed to a Sinking Fund to support future maintenance costs.	59,570
HRA Electrical Testing – in year surplus contributed to reserves to manage the cyclical nature of works in future years.	119,860
Smoke Alarm/CO2 Detector Testing – in year surplus contributed to reserves to manage the cyclical nature of works in future years.	127,620

Tenant Satisfaction Survey reserve – retain unspent grant income to fund ongoing costs in relation to tenant satisfaction measures.	18,290
Total Carry Forward Requests:	325,340

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

4.10. Transfers to Reserves

In addition to the above carry forward requests, a number of requests for additional transfers to reserves have been made, whereby the HRA have requested a transfer to a new, or existing, reserve from underspent budgets, to be used for alternative purposes or to mitigate risks in future years, subject to the HRA as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn for 2024/25, all of request(s) are shown below totalling £77,020:

Reason for Transfer to Reserves	Amount £
HRA IT Reserve – transfer of admin team vacancy savings to support agency costs in relation to the HITREP project in 25/26.	30,000
HRS Social Value Reserve – transfer of contractor SV contributions to support future initiatives.	47,020
Total Transfer to Reserves Requests:	77,020

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

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

5. Housing Repairs Service

- 5.1. For 2024/25 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2. At quarter three the HRS are forecasting a surplus of £32,882 in 2024/25, an improvement of £50,136 since quarter two, which has subsequently been repatriated to the HRA, 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
Increase in sub-contractors' usage and prices	1,062
Income shortfall as a result of a lower level of voids, aids & adapts and cleansing jobs	247
Increased Skip hire costs	104
Nationally agreed pay award settlement	47
Less:	
Staff vacancies due to recruitment and retention challenges	(451)
Decrease in material costs	(58)
Income surplus as a result of increase in responsive repairs, quoted jobs & other works	(975)
Net other variances	(9)
Overall forecast deficit/(surplus)	(33)

5.3. While overall the HRS is forecasting a much-improved year-end position, with a small forecast surplus, there are still a number of significant income and expenditure variances. These main variances, both positive and negative, cover:

- Whilst the position is improving, the HRS is still being impacted by recruitment challenges, with continued difficulties in attracting and retaining staff resulting 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.
- Additionally, the HRS are seeing increased levels of work in relation to regulatory compliance, such as damp and mould remediation and installation of fire doors, this is increasingly affecting the capacity to carry out routine works, further compounding the reliance on sub-contractors.
- As the increased sub-contractor costs are not reflected in the service hourly rate an overhead recovery is not recouped on sub-contractors this results in an under recovery of full costs from the HRA. However, due to the change in nature of works this year and the increase in responsive repairs, which are predominantly performed by our own labour force, the HRS has seen an increase in income which does attract the overhead recovery rate.
- The forecast surplus also includes the impact of the national pay award settlement, which is in excess of the assumptions included within the MTFS as outlined in both the General Fund and HRA variances.

5.4. While the forecast outturn for the HRS is a small budget underspend, there still remains uncertainty in terms of service demands and income forecasts. As such it is essential that the tight controls implemented to monitor premium sub-contractor spend are maintained to minimise the projected surplus and mitigate against the

potential for the current net underspend in the HRA, as outlined in section 4 above, to deteriorate.

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 2025 are attached in Appendix G, with further details in the MTFS 2024-2029. In summary:

Earmarked Reserves	Opening Balance 01/04/24 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/25 £'000
General Fund	8,234	1,218	(2,391)	7,061
Housing Revenue Account	4,507	747	(426)	4,828

7. Capital Programme

7.1. General Investment Programme

- 7.2. The revised General Investment Programme for 2024/25 amounted to £27.9m following the quarter 2 report. At quarter 3 the programme has been decreased by £5.9m to £22.0m, as shown below:

General Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revised Budget at Quarter 2	27,894	17,639	4,617	1,052	1,052
Budget changes for approval – Quarter 3	(5,870)	6,594	0	0	0
Revised Budget	22,024	24,233	4,617	1,052	1,052

- 7.3. All changes over delegated limits require approval by the Executive. The following change has already been approved by the Executive.

Approved by the Executive / Delegated Portfolio Holder	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Central Car Park – New payment system – approved 6 th January 2025	100	0	0	0	0
Refuse Food Caddies & Bins – approved 9 th December 2024	0	318	0	0	0
Total Schemes already considered by the Executive	100	318	0	0	0

- 7.4. New schemes, or changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following new schemes, and changes to current schemes in quarter 3 requiring Executive approval.

Requires approval by the Executive / Delegated Portfolio Holder	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Charterholme Development Wider Site Costs – Funded through additional Homes England Grant	305	0	0	0	0
Yarborough Leisure Centre Energy Efficiency - Reduction in scheme costs and grant funding restrictions do not allow reallocation.	(264)	0	0	0	0
Padley Road Play Area – funded through developer commuted sum.	0	65	0	0	0
Better Care Fund (DFG's) – funded through additional grant allocation.	0	205			
Total Schemes to be approved by the Executive	41	270	0	0	0

- 7.5. In addition to the changes to schemes that require the approval of the Executive, the General Investment Programme as includes schemes as part of the Lincoln Town Deal, for which the Council is the Accountable Body. Changes to a number of schemes during quarter 3 have been approved by the Town Deal Board, under a separate governance framework, and are follows:

GIP Movements Approved by Lincoln Towns Board:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Transfers between schemes					
Town Deal LSIP not going ahead & funds reallocated	(800)	0	0	0	0
Town Deal Sincil Bank	(2)	0	0	0	0
Town Deal Lincoln City Football Club & Foundation	251	0	0	0	0
Town Deal Hospitality, Events & Tourism Institute	101	0	0	0	0
Town Deal Drill Hall	114	0	0	0	0
Town Deal Barbican	149	0	0	0	0
Town Deal Store of Stories	187	0	0	0	0
Total GIP Movements Approved by Towns Board	0	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:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiling budgets to other years:					
Greyfriars – Phase 2 Delivery	(1,689)	1,689	0	0	0
Better Care Fund (DFG's)	(764)	764	0	0	0
Town Deal Wigford Way	(245)	245	0	0	0
Town Deal Sincil Bank	(2,233)	2,233	0	0	0
Town Deal Tentercroft Street	(312)	312	0	0	0
Housing Renewal Area Unallocated	(298)	298	0	0	0
Planned Capitalised Works	(281)	281	0	0	0
Allotments Asbestos Sheds	(34)	34	0	0	0
Lincoln Central Lifts	(150)	150	0	0	0
Transfers between schemes					
Central Markets (old scheme)	(2)	0	0	0	0
Central Markets (current scheme)	2	0	0	0	0
Changes to budget allocations					
New Telephony system – scheme complete and unspent budget has been returned to the revenue.	(5)	0	0	0	0
Total GIP Movements Approved by the CFO	(6,011)	6,006	0	0	0
Total GIP Delegated Approvals and Approvals by/for Executive	(5,870)	6,594	0	0	0

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

General Investment Programme - Projected Outturn	2024/25			
	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	2,907	1,978	1,978	0
Chief Executive	3,417	1,258	1,258	0
Major Developments	15,613	15,606	15,606	0
Total Active Schemes	22,235	18,842	18,842	0
Schemes on Hold/ Contingencies	74	74	74	0
Externally Delivered Town Deal Schemes	5,585	3,108	3,108	0
Total Capital Programme	27,894	22,024	22,024	0

- 7.8. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), at the end of quarter 3 is £10.1m, which is 53.1% of the budget. This is detailed further at Appendix I.
- 7.9. The low capital spend at this stage of the year is primarily mainly due to the profiling of a number of large schemes only starting on site towards the end of quarter 2, beginning of quarter 3, e.g. Greyfriars, Yarborough Leisure Centre, Western Growth Corridor Phase 1a Homes and the LUF2 Eastern Access Bridge.
- 7.10. **Housing Investment Programme**
- 7.11. The revised Housing Investment Programme for 2024/25 amounted to £17.432m following the Quarter 2 position. At quarter 3 the programme has been decreased by £0.020m to £17.411m, as shown below:

Housing Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revised Budget at Quarter 2	17,432	17,219	14,780	13,698	12,056
Budget changes for approval – Quarter 3	(20)	2,380	436	38	39
Revised Budget	17,411	19,600	15,216	13,736	12,095

- 7.12. All changes over delegated limits require approval by the Executive. The following change has already been approved by the Executive.

Approved by the Executive:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Victory Hotel Site Boultham Park Road – approved at Executive 18 th November 2024	0	2,537	0	0	0
Total changes approved by Executive	0	2,537	0	0	0

- 7.13. New schemes, or changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following new schemes, and changes to current schemes in quarter 3 requiring Executive approval.

Changes requiring Executive Approval:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Void Capitalised Works - funded from MRR	0	34	36	38	39
Total changes requiring Executive Approval	107	34	36	38	39

- 7.14. The Chief Finance Officer has authority to approve new schemes up to an approved limit. The following schemes was added in Quarter 3:

Approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Property Acquisitions: Individual purchase and repair acquisitions approved under officer delegations - funded from RTB 1-4-1 receipts with borrowing as match element	107	0	0	0	0
Sincil Community Land Trust Right to Buy Grant Scheme - funded through RTB 1-4-1 receipts	78	0	0	0	0
Total changes approved by Chief Finance Officer	78	0	0	0	0

- 7.15. 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:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiled Expenditure					
Thermal Comfort Works	(42)	42	0	0	0
Kitchen Improvements	490	(490)	0	0	0
Door Replacement	(200)	0	200	0	0
Replacement Door Entry Systems	(50)	50	0	0	0
Fire Doors	(100)	100	0	0	0
Environmental Works	(200)	0	200	0	0
HRA Buildings	(82)	82	0	0	0
Increased budget allocations					
DH Central Heating Upgrades - funded from MRR	0	25	0	0	0
Communal TV Aerials - funded from MRR	8	0	0	0	0
Fire Alarms - funded from MRR	9	0	0	0	0
Reduced budget allocations - returned to available resources (major repairs reserve and DRF)					
Telephony	(6)	0	0	0	0
Communal Electrics	(8)	0	0	0	0
Renew stair structure	(25)	0	0	0	0
Total Changes Approved by the Chief Finance Officer	(205)	(191)	400	0	0
Total HIP Delegated Approvals and Approvals by/for Executive	(20)	2,380	436	38	39

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

Housing Investment Programme - Projected Outturn	2024/25			
	Budget following Q2 Report £'000	Revised Budget Q3 £'000	Forecast Outturn £'000	Variance £'000
Decent Homes / Lincoln Standard	9,005	9,153	9,153	0
Health and Safety	646	580	580	0
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	6,331	6,515	6,515	0
Other Schemes	1,137	856	856	0
Computer Fund / IT Schemes	312	306	306	0
Total Capital Programme	17,432	17,411	17,411	0

- 7.17. The overall expenditure on the Housing Investment Programme at the end of Q3 was £8.861m, which is 50.89% of the 2024/25 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 £1.3m). This is detailed further at Appendix J.
- 7.18. A further £0.680m has been spent as at the end of January 2025, 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 billing of capital works.

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 2024/25 in order that it can continue to deliver services in support of Vision 2025, and the new Vision 2030.

9. Resource Implications

9.1. Financial Implications

- 9.1.2 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 forecasts, 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 earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure the level of balances in 2024/25 are estimated to be maintained 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 2024/25 the Council continues to face ongoing pressures as a result of increasing baseline costs due to inflationary impacts, escalating service demands and income pressures. The Council will continue to face further financial challenges as it responds to the impact of these issues and the continued need to deliver ongoing reductions in the net cost base, as set out in the MTFS 2025-2030.

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 2025-30.

11. Recommendations

Executive are recommended to:

- 11.1. Note the financial performance for the period 1st April to 31st December 2024.
- 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 3.11, 3.12, 4.9 and 4.10;
- 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 7.5 and 7.12.
- 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, 7.10 and 7.11.

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 2025-2030
Lead Officer:	Laura Shipley, Financial Services Manager Email: laura.shipley@lincoln.gov.uk

GENERAL FUND SUMMARY – AS AT 31 DECEMBER 2024

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,228	2,195	(33)
Chief Finance Officer (S151)	B	(121)	(326)	(204)
City Solicitor	C	1,964	1,963	(2)
Revenues & Benefits	D	830	1,218	388
Housing	E	314	187	(127)
Director of Major Developments	F	(3,103)	(2,924)	178
Communities and Street Scene	G	8,033	8,328	295
Health and Environmental Services	H	1,309	1,236	(73)
Planning	I	(3,147)	(3,192)	(45)
		8,004	8,380	377
Corporate Expenditure	J	1,533	1,385	(148)
TOTAL SERVICE EXPENDITURE		9,537	9,766	229
Capital Accounting Adjustment	K	2,415	2,084	(331)
Specific Grants	L	4,452	4,420	(32)
Contingencies	M	(122)	22	280
Savings Targets	N	(36)	0	36
Earmarked Reserves	O	(989)	(1,173)	(184)
Insurance Reserve	P	23	23	0
TOTAL EXPENDITURE		15,281	15,142	(138)
CONTRIBUTION FROM BALANCES		147	285	138
NET REQUIREMENT		15,428	15,428	0
Retained Business Rates Income	Q	6,972	6,972	0
Collection Fund Surplus/(Deficit)	R	468	468	0
Revenue Support Grant	S	187	187	0
Council Tax	T	7,906	7,906	0
TOTAL RESOURCES		15,428	15,428	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	Corporate Management	47,150	Fee variations on external Audit Fees.
E	Housing Needs	30,980	Increased staffing costs as a result of additional Fixed Term Contracts covering temporary absences.
F	Cornhill Market	143,615	Increased expenditure as a result of additional staffing, utilities, contractor & legal costs required as part of initial operation of the newly re-opened market.
H	Crematorium	289,700	External industry professional support to the management and administration of the Crematorium.
H	Birchwood & Yarborough Leisure Centres	50,000	Anticipated contribution under profit/loss agreement.
I	Car Parks	156,970	Re-profiling of historic premium on early repayment of debt
I	Car Parks	91,090	Additional charges due to increased pay by phone transactions (cost & volume) and forecast maintenance works wholly offset by increased income below (net car parking surplus £334k).
M	National Pay Award	183,890	Impact of the National Employers pay settlement, in excess of budget assumptions.
M	Annual Vacancy Savings Target	144,110	YTD vacancy savings target, offset by savings in service areas.
	<u>Reduced Income</u>		
B	Internal Audit	38,430	Forecast underachievement of income due to reduction in externally contracted services.
D	Housing Benefits	387,590	Increased non recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payment.
D	Council Tax	46,420	Forecast reduction in income as a result of delays in recovery due to billing changes on Universal Credit/benefits.

F	Cornhill Market	75,150	Rental income forecast to be less than originally budgeted due to market not operating for the full financial year with all stalls let at full rent.
G	Crematorium	151,200	Forecast reduction in income as a result of YTD, and anticipated, cremation levels, partially offset by vacancy and utilities savings (net pressure £99.7k).
G	Cemeteries	27,000	Forecast reduction in income as a result of YTD, and anticipated, burials.
I	Building Regulations	50,000	Anticipated reduction in income as a result of current economic conditions, wholly offset by vacancy savings below above (net saving £65k).
I	Land Charges	45,560	Anticipated reduction in income as a result of current economic conditions.

Reduced Expenditure

A	CX Corporate Policy	(28,900)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
B	City Hall	(39,270)	Forecast underspend on utility costs.
E	Homeless Bed & Breakfast	(50,000)	Reduction in number of presentations alongside an increase in Rent in Advance/Top Up support to reduce demand for B&B accommodation.
E	Rough Sleepers	(44,990)	Reduction in contracted out support for professional services.
G	Street Cleansing	(57,350)	Reduction in contracted charges and underspend on amenity cleaning.
G	Crematorium	(51,780)	Forecast underspend, predominantly utilities and vacancy savings, offset by reduced income above (net pressure £99.7k).
H	Housing Regeneration	(54,740)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
I	Building Regulations	(114,500)	Vacancy savings offset against anticipated reduction in income above (net saving £65k).
I	Heritage	(58,720)	Vacancy savings offset against corporate vacancy savings target.
O	Earmarked Reserves	(183,870)	Release of Inflation Volatility reserve to offset increased expenditure as a result of agreed pay award.

Increased Income

B	Lincoln Properties & Industrial Estates	(68,500)	Increased income as a result of backdated rent reviews & lower level of void properties.
B	City Hall	(69,080)	Increased income to be received from lease agreements.
B	Other Interest	(166,060)	Increased investment income as a result of higher interest rates and additional dividend income.
D	Household Support Scheme	(33,460)	New Burdens grant funding for the administration of the Household Support Scheme phase 5 & 6.
E	Community Leadership & Sustainability	(38,850)	New Burdens grant funding for the administration of UKSPF project.
F	Major Developments Team	(51,640)	New Burdens grant funding for administration of UKSPF project.
H	Community Centres	(71,000)	Increased income levels, predominantly driven by ongoing contract at the Grandstand.
I	Car Parks	(445,000)	Increase in season ticket income & pay and display income (net car parking surplus £334k).
J	Capital Accounting Adjustment- Interest Payable	(331,540)	Reduction in interest payable as a result of reduced borrowing levels.
J	Land Drainage Levies	(173,000)	Additional government grant received to offset the increased cost of Internal Drainage Board Levies.
L	Specific Grants	(31,988)	Additional government grant for Business Rate Levy/Safety Net Retention.

HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 31 DECEMBER 2024

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(35,220)	(35,410)	(190)
Charges for Services & Facilities	B	(658)	(699)	(41)
Contribution towards Expenditure	C	(50)	(10)	40
Repairs Account – Income	D1	(68)	(126)	(58)
Supervision & Management – General	D2	(808)	(1,008)	(200)
Supervision & Management – Special	D3	(75)	(113)	(38)
Repairs & Maintenance	E	11,729	11,741	12
Supervision & Management – General	F1	7,367	7,521	154
Supervision & Management – Special	F2	2,140	2,385	244
Rents, Rates and Other Premises	G	861	838	(23)
Increase in Bad Debt Provisions	H	251	251	0
Insurance Claims Contingency	I	439	439	0
Contingencies	J	348	103	(245)
Depreciation	K	8,198	8,513	315
Impairments	L	0	0	0
Debt Management Expenses	M	16	9	(7)
HRS Trading (Surplus) / Deficit	N	0	(33)	(33)
Net Cost of Service	O	(5,530)	(5,599)	(69)
Loan Charges Interest	P	2,331	2,264	(68)
Investment/Mortgage Interest	Q	(428)	(669)	(241)
Net Operating Inc/Exp	R	(3,626)	(4,004)	(378)
Major Repairs Reserve Adjustment	T	3,423	3,109	(315)
Transfers to/from reserves	U	304	282	(22)
(Surplus)/Deficit in Year	V	101	(613)	(714)

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	40,000	Reduction in recovered income from court costs as less cases in year than anticipated.
	<u>Increased Income</u>		
Q	Investment Interest	(241,230)	Increased investment income as a result of higher interest rates.
D2	Supervision & Management - General	(159,000)	Increase in admin overhead recharges to capital on external contracts.
A	Gross Rental Income	(148,070)	Additional rental income as a result of higher than budgeted opening housing stock levels.
B	Non Dwelling Rents	(41,500)	Reduction in void loss garage rental income
N	HRS Surplus/Deficit	(32,880)	Estimated HRS surplus position (refer to further detail in Section 5 and Appendix F).
	<u>Reduced Expenditure</u>		
E	Repairs & Maintenance - HRS	(825,180)	Reduced HRS expenditure on Voids (£664k), Aids and Adapts (£138k) and Cleansing (£23k), wholly offsetting the increase on Responsive Repairs costs below (net underspend £724k).
T	Major Repairs Reserve Adjustment/Direct Revenue Finance	(314,520)	Reduced contribution to Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year
F	Supervision & Management	(119,590)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below.
E	Repairs Account	(118,320)	Reduced expenditure on HRA Repairs programme due to a change in nature between capital and revenue costs with more costs being eligible to be capitalised.
P	Loan Charges Interest	(67,560)	Reprofiling of loans and adequate resources resulting in reduction in planned borrowing costs.

Ref		£	Reason for variance
	<u>Increased Expenditure</u>		
E	Repairs & Maintenance - HRS	723,590	Increased HRS expenditure on Responsive Repairs (£724k), offset by underspend above (net underspend £102k).
K	Depreciation	314,520	Increase in depreciation costs following revaluation of housing stock, offset by a Major Repairs reserve reduction above.
F1	Supervision & Management – General	119,390	Impact of National Employers pay award settlement in excess of budgeted assumptions.
F1	Supervision & Management – General	47,260	Cost of agency staff to cover staff vacancies within Supervision & Management, offset by Vacancy savings above.
F1	Supervision & Management – General	66,250	Membership Fee increases on Housing Ombudsman, and additional Regulator of Social Housing annual subscription costs.
F1	Supervision & Management – General	74,230	Increased expenditure primarily due to additional Housing IT costs
E	Repairs Account	56,170	Gas Servicing of Central Heating increase in market prices and addition of relet costs.
F1	Supervision & Management – General	50,850	Caretakers fly tipping cost increase

HOUSING REPAIRS SERVICE SUMMARY – AS AT 31 DECEMBER 2024

	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Employees	4,107	3,703	(404)
Premises	193	166	(27)
Transport	440	416	(23)
Materials	1,561	1,503	(58)
Sub-Contractors	2,635	3,696	1,062
Supplies & Services	323	469	146
Central Support Charges	707	707	0
Capital Charges	0	0	0
Total Expenditure	9,965	10,660	696
Income	(9,965)	(10,693)	(728)
(Surplus)/Deficit	0	(33)	(33)

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	(450,898)	Vacancies within the Operative staff.
Premises	(26,650)	Reduction in utility forecasts due to delay in depot being in use.
<u>Increased Expenditure</u>		
Sub-Contractors	1,061,711	Increased use of sub-contractors to meet void turnaround targets, new work streams and impact of Hermit Street properties becoming available.
Skip Hire	103,648	Increased usage of skips due to delay to the use of Hiab.
National Pay Award	46,570	Impact of the National Employers pay settlement, in excess of budget assumptions.
<u>Increased Income</u>		
Response Repairs, Quoted Jobs & Other Income	(975,436)	Higher level of responsive work carried out by HRS Operatives, as a result of a switch in the nature of HRS works between voids and responsive repairs, generating increased income through the internal overhead recovery rate.
<u>Reduced Income</u>		
Voids, Aids & Adapts and Cleansing Works Income	247,038	Reduced income as a result of sub-contractor costs on overhead recovery and old SOR rates used for billing (pending update). Voids works at £85k, Aids & Adapts £138k and Cleansing works at £23k.

EARMARKED RESERVES – Q3 MONITORING 2024/25

	Revised Opening Balance	In Year Increase	In Year Decrease	Forecast Closing Balance
	01/04/2024			31/03/2025
	£'000	£'000	£'000	£'000
General Fund				
Budget Carry Forwards	523	-	(195)	328
Grants & Contributions	1,456	45	(424)	1,077
Active Nation Bond	100	-	(60)	40
AGP Sinking Fund	102	50	(50)	102
Air Quality Initiatives	22	-	-	22
Birchwood Leisure Centre	106	20	-	126
Business Rates Volatility	916	53	-	969
Christmas Decorations	14	-	-	14
City Centre Masterplan	75	-	-	75
City Hall Improvement Works	50	-	-	50
City Hall Sinking Fund	60	-	-	60
Climate Change Initiative & Biodiversity	49	27	-	75
Commons Parking	28	15	-	43
Corporate Maintenance	100	-	-	100
Corporate Training	71	-	(26)	45
Council Tax Hardship Fund	-	-	-	-
Countywide Devolution Work	16	-	1	15
Covid19 Recovery	1,047	-	(200)	847
Covid19 Response	354	-	-	354
CX Capacity	56	-	(56)	-
Electric Van replacement	31	4	-	35
HiMO CPN Appeals	110	1	-	111
Income Volatility Reserve	520	120	(170)	520
Inflation Volatility Reserve	466	-	(184)	282
Invest to Save (GF)	350	16	(88)	278
IT Reserve	393	71	-	463
Lincoln Lottery	9	-	-	9
Mayoral Car	7	-	-	7
MSCP & Bus Station Sinking Fund	195	47	-	242
Private Sector Stock Condition Survey	51	12	(52)	11
Professional Trainee Scheme	90	-	-	90
Residents Parking Scheme	-	5	-	5
Revenue & Benefits Community Fund	54	-	-	54
Section 106 Interest	32	-	-	32
Staff Wellbeing	28	-	-	28
Tank Memorial	10	-	-	10
Tree Risk Assessment	86	-	25	61
Unused DRF	271	405	(554)	121

Vision 2025/Vision 2030	386	327	(304)	408
	8,234	1,218	(2,391)	7,061
HRA				
Capital Fees Equalisation	110	-	-	110
Cyclical Smoke Alarm/CO2 Detector Testing	0	128	-	128
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	113	71	-	184
Disrepairs Management	287	-	(32)	255
Housing Business Plan	842	-	(166)	676
Housing Repairs Service	76	-	(69)	7
HRA IT	170	365	-	535
HRA Electrical Testing	0	120	-	120
HRA Repairs Account	1,351	-	(90)	1,261
Housing Strategic Priority	764	-	-	764
HRS Social Value	111	47	-	158
Invest to Save (HRA)	375	-	(44)	331
NSAP/RSAP Sinking Fund	18	9	-	27
Regulator of Social Housing	180	-	(26)	154
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	31	8	-	39
	4,507	747	(426)	4,828
Total Earmarked Reserves	12,741	1,965	(2,817)	11,889

CAPITAL RESOURCES – Q3 MONITORING 2024/25

	Opening balance 01/04/24	Contributions	Used in financing	Forecast balance 31/03/25
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	0	12,557	(12,557)	0
Capital Grants/Contributions HRA	275	1,155	(1,155)	275
Capital receipts General Fund	1,663	0	(74)	1,589
Capital receipts HRA	2,560	1,059	(404)	3,215
Capital receipts 1-4-1	3,780	1,951	(732)	4,999
Major Repairs Reserve	23,734	11,936	(13,672)	21,998
GENF DRF	141	5,683	(5,683)	121
Total Capital Resources	32,153	34,321	(34,277)	32,197

Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 24/25.

General Investment Programme – Summary of Expenditure as at 31st December 2024

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Housing and Investment</u>					
Housing Renewal Area Unallocated	298,152	(298,152)	0	0	0.00%
Housing and Investment Total	298,152	(298,152)	0	0	0.00%
<u>DCE - Health and Environmental Services</u>					
Better Care Fund (was Disabled Facilities Grant)	2,159,391	(764,180)	1,395,211	740,531	53.08%
Yarborough Leisure Centre - Energy Efficiency	644,350	(264,350)	380,000	87,571	23.05%
Yarborough Leisure Centre - Equipment	80,000	0	80,000	80,084	100.11%
DCE - Health and Environmental Services Total	2,883,741	(1,028,530)	1,855,211	908,186	48.95%
<u>DCE - Community Services</u>					
Traveller deterrent	6,200	0	6,200	0	0.00%
DCE - Community Services Total	6,200	0	6,200	0	0.00%
<u>DCE - Planning & City services</u>					
Car Parking Software	14,337	0	14,337	8,663	60.42%
St Mary's Guildhall (HAZ)	0	0	0	(90)	0.00%
Central Car Park - new payment system	0	100,000	100,000	0	0.00%
Windmill View	2,172	0	2,172	(6,196)	(285.27)%
DCE - Planning & City services Total	16,509	100,000	116,509	2,377	2.04%
<u>Chief Executive Corporate Policy</u>					
New Telephony System	5,558	(5,558)	0	0	0.00%
Chief Executive Corporate Policy Total	5,558	(5,558)	0	0	0.00%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Chief Executive Chief Finance Officer</u>					
Allotments Asbestos Sheds	33,795	(33,795)	0	0	0.00%
City Hall Level 2 Ceiling & lights	22,961	0	22,961	0	0.00%
City Hall Refurb level 3 toilets	39,930	0	39,930	0	0.00%
Greyfriars - Phase 2 Delivery	2,662,787	(1,688,543)	974,244	249,530	25.61%
Lincoln Central Lifts	150,000	(150,000)	0	0	0.00%
Michaelgate	75,000	0	75,000	74,607	99.48%
Planned Capitalised Works	281,104	(281,104)	0	0	0.00%
Sudbrooke Drive CC Shower refurb	34,700	0	34,700	0	0.00%
Victoria St Car Park Wall	99,260	0	99,260	0	0.00%
Yarborough LC mansafe system	12,000	0	12,000	0	0.00%
Chief Executive Chief Finance Officer Total	3,411,537	(2,153,442)	1,258,095	324,137	25.76%
<u>Major Developments</u>					
Central Markets	2,000	(2,000)	0	0	0.00%
Central Markets (All Funding Streams)	283,583	2,000	285,583	(57,974)	(20.30)%
Lincoln Transport HUB	0	0	0	(27,861)	0.00%
TD Sincil Bank Gateway & Greening Project	555,028	0	555,028	61,449	11.07%
TD Tentercroft Street	312,000	(312,000)	0	0	0.00%
The Terrace Heat Mitigation Works	0	0	0	0	0.00%
Towns Deal Programme Management	75,970	0	75,970	16,240	21.38%
UKSPF (Shared Prosperity Fund)	0	0	0	0	0.00%
UKSPF Belmont Street Our Community Bakery	130,000	0	130,000	0	0.00%
UKSPF Moorland Community Hub	70,000	0	70,000	71,925	102.75%
UKSPF Sudbrooke Drive Hub	230,288	0	230,288	129,699	56.32%
WGC Housing Delivery	2,796,850	0	2,796,850	212,803	7.61%
WGC Phase 1b Bridges	10,052,140	0	10,052,140	6,424,168	63.91%
WGC Shared Infrastructure	1,011,645	0	1,011,645	1,763,022	174.27%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
WGC Site Wide Costs	19,487	305,000	324,487	138,824	42.78%
WGC Wider 1b Site Costs	73,810	0	73,810	85,585	115.95%
Major Developments Total	15,612,801	(7,000)	15,605,801	8,817,880	56.50%
TOTAL ACTIVE SCHEMES	22,234,498	(3,392,682)	18,841,816	10,052,580	53.35%
<u>Schemes Currently Under Review</u>					
Compulsory Purchase Orders	0	0	0	0	0.00%
IT Reserve	74,334	0	74,334	0	0.00%
Schemes Currently Under Review Total	74,334	0	74,334	0	0.00%
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	22,308,832	(3,392,682)	18,916,150	10,052,580	53.14%
<u>Externally Delivered Town's Deal Schemes</u>					
TD Lincoln Connected	577,968	0	577,968	540,384	93.50%
TD Sincil Bank	2,234,696	(2,234,696)	0	0	0.00%
TD Wigford Way	244,708	(244,708)	0	0	0.00%
TD Lincoln City FC & Foundation	0	250,960	250,960	0	0.00%
TD Hospitality Events & Tourism Institute (HEAT)	0	101,280	101,280	0	0.00%
TD Drill Hall Development	0	114,160	114,160	0	0.00%
TD Barbican Production & Maker Hub	1,700,000	148,960	1,848,960	617,268	33.38%
TD Store of Stories	28,000	186,480	214,480	28,000	13.05%
TD LSIP	800,000	(800,000)	0	0	0.00%
Externally Delivered Town's Deal Schemes Total	5,585,372	(2,477,564)	3,107,808	1,185,652	38.15%
Grand Total	27,894,204	(5,870,246)	22,023,958	11,238,232	51.03%

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

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Decent Homes</u>					
Bathrooms & WC's	500,000	0	500,000	233,224	46.64%
DH Central Heating Upgrades	2,016,960	0	2,016,960	1,579,668	78.32%
Door Replacement	1,034,000	(200,000)	834,000	441,672	52.96%
Fire Compartment works	50,000	0	50,000	2,675	5.35%
Fire Doors	300,000	(100,000)	200,000	80,468	40.23%
Kitchen Improvements	1,190,000	490,000	1,680,000	852,707	50.76%
Lincoln Standard Windows Replacement	1,183,000	0	1,183,000	986,563	83.40%
New services	75,000	0	75,000	52,790	70.39%
Re-roofing	100,000	0	100,000	484	0.48%
Rewiring	20,000	0	20,000	0	0.00%
Structural Defects	100,000	0	100,000	10,154	10.15%
Thermal Comfort Works	50,000	(42,000)	8,000	0	0.00%
Aids & Adaptions	50,000	0	50,000	46,879	93.76%
Void Capitalised Works	2,300,000	0	2,300,000	233,970	10.17%
Decent Homes Total	8,968,959	148,000	9,116,959	4,529,902	49.69%
<u>Health and Safety</u>					
Asbestos Removal	198,702	0	198,702	87,553	44.06%
Asbestos Surveys	133,763	0	133,763	45,920	34.33%
Fire Alarms	0	9,062	9,062	9,062	100.00%
Renew stair structure	25,000	(25,000)	0	0	0.00%
Replacement Door Entry Systems	288,846	(50,000)	238,846	10,679	4.47%
Health and Safety Total	646,311	(65,938)	580,373	153,214	26.40%
<u>IT/Infrastructure</u>					

Housing Support Services Computer Fund	306,441	0	306,441	190,455	62.15%
Telephony	5,558	(5,558)	0	0	0.00%
IT/Infrastructure Total	311,999	(5,558)	306,441	190,455	62.15%
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	36,450	0	36,450	0	0.00%
Lincoln Standard Total	36,450	0	36,450	0	0.00%
<u>Other Current Developments</u>					
CCTV	0	0	0	0	0.00%
Communal Electrics	160,000	(8,000)	152,000	60,059	39.51%
Communal TV Aerials	5,000	8,000	13,000	9,799	75.38%
Environmental works	500,000	(200,000)	300,000	140,245	46.75%
Garages	60,000	0	60,000	0	0.00%
Hiab and Mule	130,689	0	130,689	130,689	100.00%
HRA Buildings	81,639	(81,639)	0	0	0.00%
Landscaping & Boundaries	200,000	0	200,000	112,389	56.19%
Other Current Developments Total	1,137,327	(281,639)	855,689	453,180	52.96%
HOUSING INVESTMENT TOTAL	11,101,047	(205,135)	10,895,912	5,326,751	48.89%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>HOUSING STRATEGY AND INVESTMENT</u>					
<u>New Build Programme</u>					
Property Acquisitions	2,546,991	106,507	2,653,498	1,282,072	48.32%
New Build Capital Salaries	46,953	0	46,953	0	0.00%
SCLT Right to Buy Grant Scheme	0	78,219	78,219	0	0.00%

New Build Site – Hermit Street	1,995,857	0	1,995,857	1,911,982	95.80%
New Build Site - Jasmin Green	50,000	0	50,000	0	0.00%
Ermine Church Land	349,893	0	349,893	340,000	97.17%
Western Growth Corridor	1,340,941	0	1,340,941	0	0.00%
New Build Programme Total	6,330,635	184,726	6,515,361	3,534,054	54.24%
HOUSING STRATEGY AND INVESTMENT TOTAL	6,330,635	184,726	6,515,361	3,534,054	54.24%
TOTAL HOUSING INVESTMENT PROGRAMME	17,431,682	(20,409)	17,411,273	8,860,805	50.89%

TFS Phase7 programme: progress at Q3 – 2024/2025

Service	Summary of project	Dir.	Total savings in 2024/25	GF savings in 2024/25	HRA savings in 2024/25	Comments
			£000's	£000's	£000's	
ACTIONS COMPLETED AS OF END Q3 2024/25						
Major Developments	Maximise Towns Fund/Review of workspaces	DMD	46	39	6	Complete
Workbased Learning	Review of Workbased Learning	CX	86	50	36	Complete for 24/25 – future business case required
TOTAL			131	89	42	