

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 Housing Scrutiny Sub Committee (HSSC) the third quarter's performance (up to 31st December), on the Council's:
- 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. 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.
- 3.2. 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
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
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
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
HRA Earmarked Reserves	(4,507)	(4,828)	(321)

3.3. The detailed financial position is shown in sections 4-7 and accompanying appendices.

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 A 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 the Appendix B, 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. 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 HRA and 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:

- Pay settlement inflation pressure - the impact of the nationally agreed pay award is in excess of the assumptions included within the 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.
- 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 5.25% to 5% at quarter two, 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 are still 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.
- 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 E.

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 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 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 subcontractor 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 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 Housing Repairs, HRA Strategic Priorities, HRA Invest to Save, HRA IT 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 forecast balance as at 31st March 2025 are attached in Appendix E, 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
Housing Revenue Account	4,507	747	(426)	4,828

7. Capital Programme

7.1. Housing Investment Programme

7.2. 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

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

Approved by the Executive:	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

- 7.4. 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.

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

- 7.5. 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

- 7.6. 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

7.7. 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

7.8. 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 G.

- 7.9. 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. 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, the HRA is forecast to maintain a balanced budget position in the current financial year.

General Balances, on the HRA, are the only resource not earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the HRA is £1m-£1.5m. Based on the latest forecasts of income and expenditure the level of balances in 2024/25 are estimated to be maintained above this range. 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. Recommendation

HSSC are recommended to:

11.1. Note the financial performance for the period 1st April to 31st December 2024.

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

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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.

HRA 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
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
Total Earmarked Reserves	4,507	747	(426)	4,828

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 HRA	275	1,155	(1,155)	275
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
Total Capital Resources	30,349	16,101	(15,963)	30,487

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

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%

IT/Infrastructure					
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%
Lincoln Standard					
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%
Other Current Developments					
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%

