

SUBJECT: FINANCIAL PERFORMANCE – OUTTURN 2024/25

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 provisional 2024/25 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- 1.2. This report will provide the Executive with a summary of actual income and expenditure compared to the revised budget and how any surpluses have been allocated/are proposed to be allocated to reserves.
- 1.3. The Executive should note that the financial outturn is still subject to Audit by KPMG, the Council's external auditors.

2. Executive Summary

- 2.1. This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year and sets out the provisional financial outturn position.
- 2.2. During the last quarter of 2024/25, the position on the General Fund, Housing Revenue Account (HRA) and Housing Repairs Service has remained positive with budget surpluses/additional contributions to reserves achieved across both the General Fund and HRA at the end of the financial year.
- 2.3. Despite this positive outturn position the Council continues to face cost pressures in future years, above those already factored into the Medium Term Financial Strategy (MTFS). The positive outturn in 2024/25 has been largely driven by reduced borrowing costs and investment income with interest rates continuing above the levels assumed within the MTFS, alongside other overachieved income in the General Fund, predominantly car parking and property rental income. This will not be the case in 2025/26 with budgets adjusted to reflect the base rate forecast, and new demand/activity/rent levels, as such strong financial discipline and delivery of the savings targets underpinning the MTFS will remain critical in ensuring the Council maintains a sustainable financial position in the medium term.

- 2.4. The table below sets out a summary of the financial position of the Council for the financial year 2024/25, based on the provisional outturn:

Revenue Accounts	2024/25		
	Budget £'000	Actual £'000	Variance £'000
General Fund – Contribution (to)/from balances	(147)	(147)	(0)
Housing Revenue Account – Contribution (to)/from balances	101	(52)	(153)
Housing Repairs Service – (surplus)/deficit	0	(113)	(113)*

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

Capital Programmes	2024/25		
	Budget following Q3 Report £'000	Revised Outturn Budget £'000	Movement £'000
General Investment Programme	22,024	18,966	(3,058)
Housing Investment Programme	17,411	16,308	(1,104)

Balances	2024/25		
	Budgeted Balance @ 31/03/25 £'000	Actual Balance @ 31/03/25 £'000	Movement £'000
General Fund Balances	(2,392)	(2,392)	(0)
Housing Revenue Account Balances	(1,030)	(1,183)	(153)

Reserves	2024/25		
	Opening Balance @ 01/04/24 £'000	Actual Balance @ 31/03/25 £'000	Movement £'000
General Fund Earmarked Reserves	(8,234)	(8,769)	291
HRA Earmarked Reserves	(4,507)	(5,588)	(1,081)

- 2.5. 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 financial performance quarterly monitoring report for the 3rd quarter predicted an underspend against the revised budget of £176,017 (before additional transfers to earmarked reserves and carry forwards requests). The provisional outturn for 2024/25 now indicates an improvement of £604,852 (before additional transfer to earmarked reserves and carry forward requests). Based on this position, additional transfer to earmarked reserves and carry forward requests totalling £826,658 have been proposed resulting in an overall budget underspend of £7. This represents a variance against the revised budget of less than 1%.
- 3.3. There are a number of 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 Year-end key variances:	Outturn £'000
Additional transfers to earmarked reserves and carry forward requests (see para 3.10 & 3.11)	827
Reduced crematorium income plus additional interim management & administration costs	407
Increased non-recoverable housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payments	288
Additional initial operational costs at the Cornhill Market	282
National Pay Award Settlement	184
Re-profiling of historic premium on early repayment of debt	157
Less:	
Net Car Parking Income surplus	(507)
Reduced Borrowing Costs	(319)
Net Additional Rent & Contributions Income	(243)
Increased Investment Interest	(233)
Release of Inflation Volatility reserve	(184)
Additional Government Grants	(350)
Net Other Variances	(316)
Overall deficit/(surplus)	(7)

- 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 - the impact of the nationally agreed pay award, agreed by the National Employers for Local Government Services, was in excess of the assumptions included within the MTFS. In order to mitigate this cost pressure, an equivalent drawdown from the inflation volatility reserve has been 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 had only dropped marginally from 4.75% to 4.5% at quarter four, 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 continuing into the new year.
- Additional Rental & Contributions Income – increased rental yield resulting from rent reviews and lower void levels across the Council's investment assets.

- 3.5. The potential impact beyond 2024/25 of these changes in key variables has been assessed and has in some cases 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 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, fees and charges income budgets, and rental income budgets 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 has resulted 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 is in place. In addition, the service was supported during the year by external industry professionals, increasing the management and administration costs. These increased management costs are not anticipated to continue beyond the first quarter of 2025/26.
- 3.8. In addition, a significant in-year variance has been incurred on the Cornhill Market. The refurbished Market opened in mid-May 2024, however 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 therefore reflects a number of one-off opening costs in 3 main areas:

- Rental income for the year was £91k less than originally budgeted as it has not been 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 £31k have been purchased which have not been able to be capitalised.
- Additional legal and letting fees of £51k 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 were above initial, pre-opening, budgeted estimates.

3.9. Earmarked Reserves

3.10. 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. Following confirmation of the final cash limited 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 £41,530:

Directorate	Reason for Carry Forward	Amount £
CX-STRATDEV	IT Reserve – carry forward the Get CAF (Cyber Assessment Framework) Ready grant to support cost of delivery in 25/26.	15,000
DCE-ADCOMSS	Boultham Park Advisory Group – retain unspent grant income to fund advisory group activities.	12,260
DCE-ADCOMSS	Rural Payments Grant – retain unspent grant to fund ongoing costs in 25/26.	14,270
	Total Carry Forward Requests:	41,530

All of the above carry forward requests are reflected in the provisional outturn position.

3.11. Transfers to Reserves

In addition to the above carry forward requests, a number of requests for additional transfers to reserves have been made, whereby Directorates have requested a transfer to a new, or existing, reserve for a number of underspent budgets, to be used for alternative purposes or to mitigate risks in future years. Following confirmation of the final cash limited outturn a list of requests is shown below totalling £785,130:

Directorate	Reason for Reserve Transfer	Amount £
DMD	To set aside un-ringfenced Levelling Up Fund Additional Capacity grant to be used to support delivery of major projects	60,000
DCE-ADHENV	To provide resource for the production of a Play Pitch & Built Facility Strategy.	20,000
DCE-ADHENV	To provide resources for leisure provision within the City.	370,000
CORP	To replenish the Business Rates Volatility Reserve, providing resources to cushion the impact of fluctuations in business rates income.	150,000
CORP	To provide further capacity in the Income Volatility Reserve to cushion the impact of fluctuations in income levels.	100,000
CORP	To set aside resources in the Inflation Volatility Reserve in order to respond to any fluctuations in budgeted inflation assumptions.	85,130
Total Reserve Transfers:		785,130

All of the above transfer to reserves are reflected in the provisional outturn position.

3.12. The remaining underspend of £7 will result in a contribution of £146,937 to balances (£146,930 budgeted), with balances as at 31st March 2025 of £2,392,096. This is £7 more than the balance assumed in the MTFS and is above prudent levels.

3.13. The level of each of the current earmarked reserves, as at 31st March 2025 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves and the drawdown of funding to cover expenditure as per budget approvals and the additional transfers set out in paragraph 3.10 and 3.11 above.

3.14. Towards Financial Sustainability Programme

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

Delivery against this target shows secured savings of £85,590, resulting in an under-achievement of £39,410 in year for the General Fund. While this is an under-

achievement against the target, the provisional outturn position for the General Fund is positive, with additional contributions to General Balances.

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

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 yearend of £1,030,024 (after allowing for the 2023/24 outturn position).
- 4.2. The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £714,390 (before additional transfers to earmarked reserves and carry forward requests). The provisional outturn for 2024/25 now indicates an overall budget underspend of £1,557,873 (before additional transfers to earmarked reserves and carry forward requests). Based on this position, additional transfers to earmarked reserves and carry forward requests totalling £1,404,580 have been proposed resulting in an overall budget underspend of £153,293. This would result in HRA balances as at 31st March 2025 of £1,183,317.
- 4.3. There are a significant number of variations in income and expenditure against the approved budget, full details of the main variances are provided in the Appendix D, while the table below sets out the key variances:

Housing Revenue Account Year-end key variances:	Outturn £'000
Increased Investment Interest & Reduced Borrowing Costs	(334)
Additional Rental Income	(228)
Staff Vacancy Savings	(218)
Increase Admin Overhead Recharges to Capital on External Contracts	(162)
Reduced Repairs Programme Costs	(112)
<u>Less:</u>	
Net additional contributions to Earmarked Reserves	600
Increased contribution to Bad Debt Provision	238
Additional contribution to the Major Repairs Reserve	386
National Pay Award Settlement	119
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Surplus Repatriation	(113)
HRS Repairs – Increased Responsive jobs	498
HRS Repairs – Reduced level of Voids, Aids & Adaptations and Cleansing jobs	(846)
Net Other Variances	19
Overall deficit/(surplus)	(153)

- 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 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:

- 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.
- Bad Debt Provision – an increase in tenant arrears in year, as a result of resource issues within the recovery team, has increased the level of provision required for doubtful debts.
- 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. In addition, an increase in the eligible admin recharge to capital has arisen from the increase in the investment programme contracts.
- 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. Included within these variances is the Housing Repairs Services (HRS) outturn position which was a surplus of £113k. This surplus 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 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. HRA Earmarked Reserves

4.8. 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. The provisional outturn of a £199,090 budget underspend includes a number of carry forward requests, in addition to those transfers to/from earmarked reserves already approved and budgeted for, as follows totalling £418,310:

Reason for Carry Forward Request	Amount £
HRA Electrical Testing – in year underspend contributed to reserves to manage the cyclical nature of works in future years.	202,230
Smoke Alarm/CO2 Detector Testing – in year underspend contributed to reserves to manage the cyclical nature of works in future years.	132,810
HRA Training – in year underspend contributed to reserves to fund compulsory competence framework training next financial year	17,960
Tenant Satisfaction Survey – retain unspent grant income to fund ongoing costs in relation to tenant satisfaction measures.	18,290
HRS Social Value – transfer of contractor SV contributions to support future initiatives.	47,020
Total Carry Forward Requests:	418,310

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

4.9. 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 provisional outturn position for 2024/25, all of request(s) are shown below totalling £986,270:

Reason for Reserve Transfer	Amount £
Housing Business Plan – as part of the HRA 30 year BP a commitment was made to review the high rise provision and, where necessary, fund remediation requirements.	200,000
Regulator of Social Housing – service improvement acceleration in line with Core Service Improvements (specifically Tenancy Services) as required by 30 Year BP.	200,000

Invest to Save – to provide further resources for future invest to save opportunities.	100,000
HRA Training – to support future compulsory competence framework training requirements.	100,000
Major Repairs Reserve – to provide direct revenue financing of costs associated with the Council's Radon response.	200,000
Major Repairs Reserve – to provide direct revenue financing of additional HITREP project costs.	186,270
Total Transfer to Reserves Requests:	986,270

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

- 4.10. Following contributions to earmarked reserves the underspend of £153,293 would result in HRA general balance of £1,118,317 as at 31st March 2025, remaining within prudent levels.
- 4.11. The level of each of the current earmarked reserves, as at 31st March 2025 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 4.8 and 4.9 above.

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. The outturn for 2024/25 shows the HRS had a surplus of £112,647 which was 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 Year-end key variances:	Outturn £'000
Increased use of sub-contractors and increases in sub-contractor prices	840
Income shortfall as a result of a lower level of voids, aids & adapts and cleansing jobs	307
Increased skip hire costs	137
National Pay Award settlement	47
Less:	
Income surplus as a result of increase in responsive repairs, quoted jobs & other works	(666)
Staff vacancies due to recruitment and retention challenges	(409)
Decrease in material costs	(217)
Decrease in central support charges from the General Fund and HRA	(134)

Net other variances	(18)
Overall deficit/(surplus)	(113)

5.3. While overall the HRS has achieved a positive year-end position, with an overall budget underspend, 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 outturn position 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 outturn position for the HRS is a budget underspend this year, ongoing there still remains uncertainty in terms of service demands, due to increasing workloads linked to regulatory compliance works. The HRS are currently reviewing options to deliver these increased demands whilst avoiding the need to engage in premium sub-contractors, as such it is essential that the tight controls are maintained, whilst this exercise is ongoing, to mitigate against a deterioration in financial performance in 2025/26.

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 balance as at 31st March 2025 are attached in Appendix G, with further details in the MTFS 2025-2030. In summary:

Earmarked Reserves	Opening Balance 01/04/24 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/25 £'000
General Fund	8,234	2,691	(2,156)	8,769
Housing Revenue Account	4,507	1,436	(355)	5,588

7. Capital Programme

7.1. General Investment Programme

- 7.2. The revised General Investment Programme for 2024/25 amounted to £22m following the quarter 3 report. At quarter 4 the programme has reduced by £3.06m to £18.97m, as shown below:

General Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Budget following Q3 report	22,024	24,232	4,617	1,052	1,052
Budget changes for approval – Quarter 4	(3,058)	3,997	0	0	0
Revised Budget	18,966	28,229	7,563	1,052	1,052

- 7.3. New schemes, over an approved limit, are subject to Executive approval, during quarter 4 the following schemes were subject to separate Executive approval:

Approved by the Executive	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
ICT Hardware (Executive 24/03/25)	0	300	0	0	0
UKSPF Shared Prosperity Fund (Executive 24/03/25)	0	144	0	0	0
Total Schemes approved by the Executive	0	444	0	0	0

- 7.4. There are no other new schemes that require the approval of the Executive.

- 7.5. Changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following changes to current schemes in quarter 4 requiring Executive approval:

Changes requiring Executive approval:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Better Care Fund (DFGs) – funded through additional grant allocation for 2024/25	128	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 4:

Changes approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiled Budgets to other years:					
The Terrace Heat Mitigation Works	28	(28)	0	0	0
Greyfriars	(421)	421	0	0	0
Charterholme Housing Delivery	(969)	969	0	0	0
Charterholme Phase1a Shared Infrastructure	(319)	319	0	0	0
Charterholme Phase1b Bridges	771	(771)	0	0	0
Charterholme Site Wide Costs	(15)	15	0	0	0
Charterholme Wider 1b Site Costs	(60)	60	0	0	0
Central Market	(229)	229	0	0	0
IT Reserve	(28)	28	0	0	0
Better Care Fund (DFG's)	(422)	422	0	0	0
Towns Deal Lincoln Connected	(38)	38	0	0	0
Towns Deal Lincoln City FC & Foundation	(250)	250	0	0	0
Towns Deal Hospitality Events & Tourism Institute	(100)	100	0	0	0
Towns Deal Tentercroft Street	17	(17)	0	0	0
Towns Deal Drill Hall	(113)	113	0	0	0
Towns Deal Barbican Production & Maker Hub	(148)	148	0	0	0
Towns Deal Store of Stories	(186)	186	0	0	0
Towns Deal Sincil Bank Gateway & Greening	(486)	486	0	0	0
Car Parking Software	(5)	5	0	0	0
Planned Capitalised Works	26	(26)			
Sudbrooke Drive CC Shower Refurb	(35)	35	0	0	0
City Hall Refurb level 3 toilets	(40)	40	0	0	0
Victoria St Car Park Wall	(99)	99	0	0	0
YLC mansafe system	(12)	12	0	0	0
Traveller deterrent	(6)	6	0	0	0
YLC - Energy Efficiency	(103)	103	0	0	0

Central Car Park - new payment system	(100)	100	0	0	0
Transfers between schemes					
Planned Capitalised Work – net movement	(26)	0	0	0	0
Sudbrooke Drive CC Shower refurb – move from Planned Capitalised Work	11	0	0	0	0
St Mary's Guildhall new heating - move from Planned Capitalised Work	15	0	0	0	0
IT Reserve – move to new scheme Agresso cloud migration	(46)	0	0	0	0
New Scheme - Agresso cloud migration – funded from IT Reserve	46	0	0	0	0
UKSPF Our Community Bakery – reallocation of schemes in programme	(98)	0	0	0	0
UKSPF Moorland Community Hub – reallocation of schemes in programme	35	0	0	0	0
UKSPF Sudbrooke Drive Hub – reallocation of schemes in programme	63	0	0	0	0
Increased budget allocations					
Charterholme Shared Infrastructure – budget provision for legal expenses, funded from DRF via LUF reserve	95	0	0	0	0
UKSPF Sudbrooke Drive Hub – increased scheme costs funded from DRF via UKSPF revenue grant	49	0	0	0	0
Towns Deal Programme Management – increased consultancy costs funded from DRF via Capacity Grant Reserve	11	0	0	0	0
Total Changes Approved by the CFO	(3,187)	3342	0	0	0
Total GIP Delegated Approvals and Approvals by/for Executive	(3,059)	3,786	0	0	0

- 7.7. The table below provides a summary of the provisional outturn position for the General Investment Programme at 31st March 2025:

General Investment Programme - Outturn	2024/25			
	Budget following Q3 Report	Revised Budget Q4	Outturn	Variance to Q3 Budget
	£'000	£'000	£'000	£'000
Active Programme				
Housing and Investment	0	0	0	0
Communities and Environment	1,978	1,470	1,470	(508)
Chief Executive	1,258	724	724	(534)
Major Developments	15,606	14,499	14,499	(1,107)
Total Active Schemes	18,842	16,693	16,693	(2,149)
Schemes on Hold/Contingencies	74	0	0	(74)
Externally Delivered Town Deal Schemes	3,108	2,273	2,273	(835)
Total Capital Programme	22,024	18,966	18,966	(3,058)

- 7.8. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), for 2024/25 is £16.7m, which is 88.25% of the Q3 budget. This is detailed further at Appendix I. The main variances are in relation to the Better Care Fund, Greyfriars, Town Deal and Charterholme Housing Delivery. While these schemes are on site and/or in active delivery, slippage against their original budget profiles has occurred required budgets to be re-profiled to 2025/26.

7.9. **Housing Investment Programme**

- 7.10. The revised Housing Investment Programme for 2024/25 amounted to £17.615m following the Quarter 3 position. At quarter 4 the programme has been decreased by £1.308m to £16.308m, as shown below:

Housing Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revised Budget at Q3	17,411	19,600	15,216	13,736	12,095
Budget changes for approval – Quarter 4	(1,104)	1,928	90	110	0
Revised Budget	16,308	21,528	15,306	13,847	12,095

- 7.11. New schemes, over an approved limit, are subject to Executive approval, during quarter 4 the following schemes were subject to separate Executive approval:

Changes requiring Executive approval	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Jasmin Green (Executive 24/03/25)	0	550	0	0	0
Total changes requiring Executive Approval	0	550	0	0	0

- 7.12. New schemes, over an approved limit, are subject to Executive approval, the following new schemes require Executive approval:

Changes requiring Executive approval	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Radon Remediation – set aside of surplus revenue funds for future requirements (funded from DRF)	0	200	0	0	0
Total new schemes requiring Executive Approval	0	200	0	0	0

- 7.13. Changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following changes to current schemes in quarter 4 requiring Executive approval are as follows:

Changes requiring Executive approval:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Budget Under/Overspends returned to available resources (major repairs reserves)					
Kitchen Improvements	(154)	0	0	0	0
Replacement Door Entry Systems	(208)	0	0	0	0
Increased budget allocations					
DH Central Heating Upgrades (funded from major repairs reserve)	65	212	0	0	0
Property Acquisitions	204	0	0	0	0
Lincoln Standard Windows Replacement (funded from major repairs reserve)	476	0	0	0	0
Housing Support Services Computer Fund (funded from DRF)	0	96	90	0	0
Total changes requiring Executive Approval	383	309	90	0	0

- 7.14. 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 4:

Changes approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiled Budgets to other years					
Environmental Works	(110)	0	0	110	0
Victory Hotel Site	250	(250)	0	0	0
Jasmin Green	(50)	50	0	0	0
Housing Support Services Computer Fund	(17)	17	0	0	0
Charterholme	(486)	486	0	0	0
Property Acquisitions	(567)	567	0	0	0
Budget Under/Overspends returned to available resources (major repairs reserve and DRF)					
Bathrooms & WC's	13	0	0	0	0
Thermal Comfort Works	(8)	0	0	0	0
Rewiring	(11)	0	0	0	0
Re-roofing	29	0	0	0	0
Structural Defects	(62)	0	0	0	0
New Services	(20)	0	0	0	0
Door replacement	(12)	0	0	0	0
Aids & Adaptions	(3)	0	0	0	0
Over bath showers	(36)	0	0	0	0
Communal TV Aerials	(2)	0	0	0	0
Fire Doors	(47)	0	0	0	0
Fire Alarms	1	0	0	0	0
Landscaping & Boundaries	1	0	0	0	0
Asbestos Removals	(23)	0	0	0	0
Asbestos Surveys	(46)	0	0	0	0
Communal Electrics	(13)	0	0	0	0
Garages	(8)	0	0	0	0
Void Capitalised Works	(88)	0	0	0	0
Fire Compartment Works	(47)	0	0	0	0
Thurby Crescent	(7)	0	0	0	0
Budget Under/Overspends returned to available resources (Capital Receipts)					
Charterholme	(79)	0	0	0	0
New Build Capital Salaries	(31)	0	0	0	0
Property Acquisitions	(11)	0	0	0	0

Total Changes Approved by the CFO	(1,486)	870	0	110	0
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Total HIP Delegated Approvals and Approvals by/for Executive	(1,104)	1,728	90	110	0
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- 7.15. The table below provides a summary of the projected outturn position for the Housing Investment Programme:

Housing Investment Programme – Outturn	2024/25			
	Budget	Revised Budget	Outturn	Variance
	Q3 £'000	Q4 £'000	£'000	to Q3 Budget £'000
Decent Homes / Lincoln Standard	9,153	9,247	9,247	93
Health and Safety	580	304	304	(276)
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	6,515	5,751	5,751	(764)
Other Schemes	856	715	715	(140)
Computer Fund / IT Schemes	306	290	290	(17)
Total Capital Programme	17,411	16,308	16,308	(1,104)

- 7.16. The overall expenditure on the Housing Investment Programme for the final quarter of 2024/25 was £16.508m, which is 93.66% of the budget. This is detailed further at Appendix J.

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 2030 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 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. Based on the provisional outturn position on income and expenditure, both the General Fund and HRA are forecasted to maintain balanced budget positions in the current financial year.

General Balances, on both the General Fund and HRA, are the only resource not ear-marked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the provisional outturn the level of balances as at 31st March 2025 will be maintained within, or in excess of, these ranges.

Although this report sets out positive outturn positions for the General Fund and HRA, this does not mean that the financial issues for the Council are resolved. Beyond 2024/25 the Council is set to face ongoing pressures as a result of increasing baseline costs due to inflationary impacts, escalating service demands and income pressures. The Council will continue to face further financial challenges as it responds to the impact of these issues and an increased need to deliver ongoing reductions in the net cost base, as set out in the MTFS 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

The Executive are recommended to:

- 11.1. Note the provisional 2024/25 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7 and, in particular the reasons for any variances.
- 11.2. Approved the proposed General Fund carry forward requests and transfers to earmarked reserves, as detailed in paragraph 3.10 and 3.11.

- 11.3. Approve the HRA carry forward requests and transfers to earmarked reserves and the Major Repairs reserve detailed in paragraph 4.8 and 4.9.
- 11.4. Note the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.6 and 7.14.
- 11.5. Note the changes to the General Investment Programme and Housing Investment Programme having already received Executive approval in paragraphs 7.3 and 7.11.
- 11.6. Approve the changes to the General Investment programme and the Housing Investment programme, that are above the limit delegated to the Chief Finance Officer, as detailed in paragraphs 7.5, 7.12 and 7.13.

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 2024-2025
Medium Term Financial Strategy 2025-2030

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GENERAL FUND SUMMARY – OUTTURN 2024/25

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,228	2,192	(36)
Chief Finance Officer (S151)	B	(251)	(584)	(333)
City Solicitor	C	1,943	1,916	(28)
Revenues & Benefits	D	830	1,155	325
Housing	E	907	654	(254)
Director of Major Developments	F	(2,242)	(2,118)	125
Communities and Street Scene	G	6,047	6,258	211
Health and Environmental Services	H	1,959	1,686	(273)
Planning	I	(3,207)	(3,511)	(304)
		8,214	7,647	(567)
Corporate Expenditure	J	1,529	1,466	(63)
TOTAL SERVICE EXPENDITURE		9,743	9,113	(630)
Revenue Capital Accounting Costs	K	6,624	6,397	(227)
Specific Grants	L	(841)	(881)	(40)
Contingencies	M	62	0	(62)
Savings Targets	N	(39)	0	39
Earmarked Reserves	O	(292)	535	827
Insurance Reserve	P	23	98	75
TOTAL EXPENDITURE		15,281	15,262	(19)
CONTRIBUTION FROM BALANCES		147	147	(0)
NET REQUIREMENT		15,428	15,409	(19)
Retained Business Rates Income	Q	(6,972)	(6,953)	19
Collection Fund Surplus/(Deficit)	R	(364)	(364)	0
Revenue Support Grant	S	(187)	(187)	0
Council Tax	T	(7,905)	(7,905)	0
TOTAL RESOURCES		15,428	15,409	19

General Fund Variances – Outturn 2024/25

Figures in brackets indicate an underspend of expenditure or additional income.

Ref		£	
	<u>Increased Expenditure</u>		
B	Corporate Repairs & Maintenance Costs	38,970	Overspend against the corporate repairs & maintenance programme due to essential works required across the estate.
B	Corporate Management	45,870	Fee variations on external Audit Fees.
F	Cornhill Market	191,140	Increased expenditure as a result of additional staffing, utilities, contractor & legal costs required as part of initial operation of the newly re-opened market.
F	The Terrace	46,210	Additional costs predominantly in relation repairs & maintenance at The Terrace.
G	Crematorium	324,500	External industry professional support to the management and administration of the Crematorium.
H	Leisure Centres	59,070	External consultancy support and non-recoverable repairs & maintenance costs.
I	Car Parks	156,970	Re-profiling of historic premium on early repayment of debt
I	Car Parks	83,590	Additional charges due to increased pay by phone transactions (cost & volume) and maintenance works wholly offset by increased income below (net car parking surplus £507k).
M	National Pay Award	183,890	Impact of the National Employers pay settlement, in excess of budget assumptions.
M	Annual Vacancy Savings Target	192,150	YTD vacancy savings target, offset by savings in service areas.
O	Earmarked Reserves	826,660	Proposed carry forward & additional contributions to reserves, as outlined in paragraph 3.10 & 3.11.
	<u>Reduced Income</u>		
B	Internal Audit	38,430	Underachievement of income due to reduction in externally contracted services.

Ref		£	
D	Housing Benefits	287,840	Increased non recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payment.
D	Council Tax	59,880	Reduction in income as a result of delays in recovery due to billing changes on Universal Credit/benefits.
F	Cornhill Market	90,560	Rental income less than originally budgeted due to market not operating for the full financial year with all stalls let at full rent.
G	Crematorium	141,990	Reduction in income as a result of reduced cremation levels, partially offset by vacancy and utilities savings (net pressure £109k).
I	Building Regulations	56,160	Reduction in income as a result of current economic conditions, wholly offset by vacancy savings below above (net saving £73k).
I	Land Charges	44,380	Reduction in income as a result of current economic conditions.
J	Bad Debt Provision	102,740	Increase in bad debt provision as a result of increased write offs and general increases in aged debtors.
	<u>Reduced Expenditure</u>		
A	CX Corporate Policy	(31,130)	Vacancy savings pending recruitment, offset against corporate vacancy savings target.
B	City Hall	(48,170)	Underspend as a result of reduction in utility costs.
B	Lincoln Properties	(99,570)	Favourable negotiation of backdated rent review for externally leased property.
B	CX Workbased Learning	(36,440)	Underspends predominantly as a result of vacancy savings, offset against corporate vacancy savings target.
C	Homeless Bed & Breakfast	(76,810)	Reduction in number of presentations alongside new measures to reduce demand for B&B accommodation.
E	Rough Sleepers	(44,990)	Reduction in contracted out support for professional services.
E	Community Leadership & Sustainability	(30,700)	Reduction in scheme costs, programme reprofiled to next year.

Ref		£	
E	Major Developments Team	(94,490)	Underspend predominantly as a result of salary savings and a reduction in costs on consultancy and economic development project costs.
F	Public Conveniences	(31,800)	Vacancy savings pending recruitment, offset against corporate vacancy savings target.
G	Street Cleansing	(51,340)	Reduction in contracted charges and underspend on amenity cleaning.
G	Crematorium	(33,270)	Underspend predominantly owing to utilities and vacancy savings, offset by reduced income above (net pressure £109k).
G	Housing Regeneration	(79,140)	Vacancy savings pending recruitment, offset against corporate vacancy savings target.
H	Building Regulations	(129,040)	Vacancy savings offset against anticipated reduction in income above (net saving £73k).
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.
<u>Increased Income</u>			
B	City Hall	(64,110)	Increased income received from lease agreements.
B	Lincoln Properties & Industrial Estates	(62,860)	Increased income as a result of backdated rent reviews and lower level of void properties.
B	Other Interest	(232,980)	Increased investment income as a result of higher interest rates and additional dividend income.
B	Household Support Scheme	(33,640)	New Burdens grant funding for the administration of the Household Support Scheme phase 5 & 6.
D	Community Leadership & Sustainability	(32,730)	New Burdens grant funding for the administration of UKSPF project resulted in some staffing costs funded by grant
E	Major Developments Team	(60,000)	Additional Levelling Up Fund Capacity grant to support delivery of major projects.
F	Major Developments Team	(52,330)	New Burdens grant funding for the administration of UKSPF project.
F	Community Centres	(81,030)	Increased income levels, predominantly driven by ongoing contract at the Grandstand.

Ref		£	
H	Car Parks	(591,000)	Increase in season ticket income & forecast increase in pay and display income (net car parking surplus £507k).
I	Development Control	(73,720)	Increased fees & charges income
I	Capital Accounting Adjustment- Interest Payable	(319,220)	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.
J	Specific Grants	(31,990)	Additional government grant for Business Rate Levy/Safety Net Retention.

HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2024/25

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(35,220)	(35,425)	(205)
Charges for Services & Facilities	B	(658)	(699)	(41)
Contribution towards Expenditure	C	(50)	(9)	41
Repairs Account – Income	D1	(68)	(166)	(98)
Supervision & Management – General	D2	(808)	(946)	(138)
Supervision & Management – Special	D3	(75)	(149)	(74)
Repairs & Maintenance	E	11,712	11,157	(555)
Supervision & Management – General	F1	7,627	7,779	173
Supervision & Management – Special	F2	1,897	2,008	111
Rents, Rates and Other Premises	G	861	826	(35)
Increase in Bad Debt Provisions	H	251	488	237
Insurance Claims Contingency	I	439	412	(27)
Contingencies	J	348	0	(348)
Depreciation	K	8,198	8,307	109
Impairments	L	0	0	0
Debt Management Expenses	M	16	9	(7)
HRS Trading (Surplus) / Deficit	N	0	(113)	(113)
Net Cost of Service	O	(5,530)	(6,499)	(970)
Loan Charges Interest	P	2,331	2,244	(87)
Investment/Mortgage Interest	Q	(427)	(674)	(247)
Net Operating Inc/Exp	R	(3,626)	(4,930)	(1,304)
Major Repairs Reserve Adjustment	T	3,423	3,809	386
Transfers to/from reserves	U	304	1,069	765
(Surplus)/Deficit in Year	V	101	(52)	(153)

Housing Revenue Account Variances – Outturn 2024/25

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

Ref		£	Reason for variance
	<u>Increased Expenditure</u>		
U	Transfers To/(From) Reserves	600,000	Net transfer to reserves (as outlined in paragraph 4.9 and Appendix G).
E	Repairs & Maintenance - HRS	498,080	Increased HRS expenditure on Responsive Repairs (£498k), offset by underspend above (net underspend £348k)
T	Revenue Contribution to Capital Outlay	386,270	Increased revenue contribution to Major Repairs Reserve to provide direct revenue financing of additional HITREP project costs & Radon remediation works.
H	Bad Debt Provision	237,520	Increase in tenant arrears as a result of reduced resources within the Recovery Team.
F1	Pay Award Impact	119,390	Impact of National Employers pay award settlement in excess of budgeted assumptions.
K	Depreciation	108,660	Increase in depreciation costs following revaluation of housing stock, offset by Major Repairs Reserve.
F1	Membership Fees	57,540	Membership Fee increases on Housing Ombudsman and additional Regulator of Social Housing annual subscription costs.
E	HRS Skips	49,200	Increased skip charge from HRS.
F1	Fly Tipping	46,160	Caretakers fly tipping cost increase.
F1	Grounds Maintenance	43,730	Net increase of Grounds Maintenance expenditure.
E	Asbestos Surveys & Removal	40,090	Reactive asbestos removal & survey costs
F1	Agency	39,170	Cost of agency staff to cover staff vacancies within Supervision & Management, offset by Vacancy savings above.
E	Gas Servicing of Central Heating	37,640	Gas Servicing of Central Heating increase in market prices and addition of relet costs.
F1	Tenancy Services	37,520	Increase in Postage and IT costs.

Ref		£	Reason for variance
F1	Supervision & Management	36,910	Increased expenditure primarily due to additional Housing IT costs.
	<u>Reduced Income</u>		
C	Court Costs	40,910	Reduction in recovered income from court costs as less cases in year than anticipated.
	Reduced Expenditure		
E	Repairs & Maintenance – HRS	(846,060)	Reduced HRS expenditure on Voids (£768k), Aids and Adapts (£77k) and Cleansing (£1k), wholly offsetting the increase on Responsive Repairs costs below (net underspend £348k).
F	Employee Costs	(376,404)	Reduced expenditure on employee costs due to staff vacancies, offset by agency costs below (excl. Pay Award below).
T	Revenue Contribution to Capital Outlay	(108,660)	Reduced contribution to Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year.
P	Loan Charges Interest	(86,870)	Reprofiling of loans and adequate resources resulting in reduction in planned borrowing costs.
E	Gas Maintenance	(68,530)	Reduced expenditure due to a change in nature between capital and revenue costs with more costs being eligible to be capitalised.
E	Fire Risk Surveys	(43,810)	New contractor to be engaged – unable to procure in 24/25 due to timing delays
	<u>Increased Income</u>		
Q	Investment Interest	(247,360)	Increased investment income as a result of higher interest rates.
D2	Supervision & Management: General	(162,110)	Increase in admin overhead recharges to capital on external contracts.
A	Gross Rental Income	(176,780)	Additional rental income as a result of higher than budgeted opening housing stock levels.
N	HRS Surplus/Deficit	(112,650)	HRS surplus position (refer to further detail in Section 5 and Appendix F).
B	Non Dwelling Rents	(50,880)	Reduction in void loss garage rental income

HOUSING REPAIRS SERVICE SUMMARY – OUTTURN 2024/25

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	4,107	3,745	(362)
Premises	193	161	(32)
Transport	440	231	(208)
Materials	1,561	1,344	(217)
Sub-Contractors	2,635	3,475	840
Supplies & Services	323	496	173
Central Support Charges	707	573	(134)
Capital Charges	0	185	185
Total Expenditure	9,965	10,211	246
Income	(9,965)	(10,324)	(359)
(Surplus)/Deficit	0	(113)	(113)

Housing Repairs Service Variances – Outturn 2024/25

Figures in brackets indicate an underspend of expenditure or additional income.

	£	Reason for Variance
<u>Increased Expenditure</u>		
Sub-Contractors	840,426	Increased use of sub-contractors to meet void turnaround targets, new work streams and impact of Hermit Street properties becoming available.
Skip Hire	136,955	Increased usage of skips.
Employee Costs	46,570	Impact of the National Employers pay settlement, in excess of budget assumptions.
<u>Reduced Income</u>		
Voids, Aids & Adapts and Cleansing Works Income	306,826	Reduced income as a result of sub-contractor costs on overhead recovery and old SOR rates used for billing (pending update). Voids works at £201k, Aids & Adapts £87k and Cleansing works at £18k.
<u>Reduced Expenditure</u>		
Employee Costs	(408,412)	Vacancies within the Operative staff.
Premises	(31,603)	Reduction in utility forecasts due to delay in depot being in use.
Central Support Costs	(133,868)	Reduction in Corporate Support Service charges to the HRS due to savings within the General Fund and HRA.
Direct Materials	(217,408)	Reduction in material spend due to vacancies within the operatives.
<u>Increased Income</u>		
Response Repairs, Quoted Jobs & Other Income	(666,507)	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.

EARMARKED RESERVES – OUTTURN 2024/25

	Revised Opening Balance	In Year Increase	In Year Decrease	Closing Balance
	01/04/2024			31/03/2025
	£'000	£'000	£'000	£'000
General Fund				
Budget Carry Forwards	553	20	(194)	379
Grants & Contributions	1,416	822	(478)	1,760
Active Nation Bond	100	-	-	100
AGP Sinking Fund	102	50	-	152
Air Quality Initiatives	22	-	-	22
Birchwood Leisure Centre	106	20	-	126
Business Rates Volatility	916	203	-	1,119
Christmas Decorations	14	-	-	14
City Centre Masterplan	75	-	-	75
City Hall Improvement Works	50	-	-	50
City Hall Sinking Fund	60	-	-	60
Climate Change, Greening the City & Biodiversity	88	-	-	88
Commons Parking	28	13	-	41
Corporate Maintenance	100	-	-	100
Corporate Training	71	-	(13)	58
Council Tax Hardship Fund	-	-	-	-
Countrywide Devolution	16	-	-	16
Covid19 Recovery	1,047	-	(200)	847
Covid19 Response	354	-	-	354
CX Capacity	56	-	(23)	33
Electric Van replacement	31	4	-	35
HiMO CPN Appeals	110	3	-	113
Income Volatility Reserve	520	100	(50)	570
Inflation Volatility Reserve	466	85	(184)	367
Invest to Save (GF)	350	16	(88)	278
IT Reserve	393	86	-	478
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 (NEW)	-	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	-	(45)	41
Unused DRF	241	498	(525)	214

Vision 2030	386	338	(304)	420
	8,233	2,691	(2,156)	8,769

HRA

Capital Fees Equalisation	110	-	-	110
Cyclical Smoke Alarm/CO2 Detector Testing	0	133	-	133
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	113	74	-	187
Disrepairs Management	287	-	(31)	256
Housing Business Plan	842	200	(153)	889
Housing Repairs Service	76	-	(69)	7
HRA Electrical Testing	0	202	-	202
HRA IT	170	335	-	505
HRA Repairs Account	1,352	-	(55)	1,297
HRA Training	0	118	-	118
Housing Strategic Priority	764	-	-	764
HRS Social Value	111	47	-	158
Invest to Save (HRA)	375	100	(21)	454
NSAP/RSAP Sinking Fund	18	9	-	27
Regulator of Social Housing	180	200	(15)	365
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	31	18	(11)	38
	4,507	1,436	(355)	5,588

Total Earmarked Reserves

12,740	4,127	(2,511)	14,357
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CAPITAL RESOURCES – OUTTURN 2024/25

	Opening balance 01/04/24	Contributions	Used in financing	Closing balance 31/03/25
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	0	12,601	(12,601)	0
Capital Grants/Contributions HRA	275	1,155	(1,155)	275
Capital receipts General Fund	1,663	0	(14)	1,649
Capital receipts HRA	2,560	968	(294)	3,234
Capital receipts 1-4-1	3,780	1,666	(510)	4,935
Major Repairs Reserve	14,180	8,457	(9,240)	13,397
GENF DRF	141	4,158	(4,101)	198
HRA DRF	9,555	3,809	(3,802)	9,562
Total Capital Resources	32,154	32,814	(31,717)	33,250

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 March 2025

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	2024/25 Year End Reprofiling	2024/25 Revised Budget	2024/25 Actual Expenditure	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
<u>Housing and Investment</u>							
Housing Renewal Area Unallocated	0	0	0	0	0	0	0.00%
Housing and Investment Total	0	0	0	0	0	0	0.00%
<u>DCE - Health and Environmental Services</u>							
Better Care Fund (was Disabled Facilities Grant)	1,395,211	127,873	(421,526)	1,101,558	1,101,558	(293,653)	78.95%
Yarborough Leisure Centre - Energy Efficiency	380,000	0	(102,471)	277,529	277,529	(102,471)	73.03%
Yarborough Leisure Centre - Equipment	80,000	84	0	80,084	80,084	84	100.11%
DCE - Health and Environmental Services Total	1,855,211	127,957	(523,997)	1,459,171	1,459,171	(396,040)	78.65%
<u>DCE - Community Services</u>							
Traveller deterrent	6,200	0	(6,200)	0	0	(6,200)	0.00%
DCE - Community Services Total	6,200	0	(6,200)	0	0	(6,200)	0.00%
<u>DCE - Planning & City services</u>							
Car Parking Software	14,337	0	(5,225)	9,113	9,113	(5,224)	63.56%
Central Car Park - new payment system	100,000	0	(100,000)	0	0	(100,000)	0.00%
Windmill View	2,172	0	0	2,172	2,172	0	100.00%
DCE - Planning & City services Total	116,509	0	(105,225)	11,285	11,285	(105,224)	9.69%
<u>CX - Strategic Development & Transformation</u>							
IT - Agresso cloud migration	0	46,455	0	46,455	46,455	46,455	0.00%
CX – Strategic Development Total	0	46,455	0	46,455	46,455	46,455	0.00%
<u>CX - Chief Finance Officer</u>							
Planned Capitalised Works	0	(26,381)	26,381	0	0	0	0.00%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	2024/25 Year End Reprofiling	2024/25 Revised Budget	2024/25 Actual Expenditure	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
City Hall Level 2 Ceiling & lights	22,961	0	0	22,961	22,961	0	100.00%
City Hall Refurb level 3 toilets	39,930	0	(39,930)	0	0	(39,930)	0.00%
Sudbrooke Drive CC Shower refurb	34,700	11,278	(34,700)	11,278	11,278	(23,422)	32.50%
Victoria St Car Park Wall	99,260	0	(99,260)	0	0	(99,260)	0.00%
Yarborough LC mansafe system	12,000	0	(12,000)	0	0	(12,000)	0.00%
St Mary's Guildhall new heating	0	15,103	0	15,103	15,103	15,103	0.00%
Greyfriars - Phase 2 Delivery	974,244	0	(421,082)	553,162	553,162	(421,082)	56.78%
Michaelgate	75,000	0	(393)	74,607	74,607	(393)	99.48%
CX - Chief Finance Officer Total	1,258,095	0	(580,984)	677,111	677,111	(580,984)	53.82%
<u>Major Developments</u>							
The Terrace Heat Mitigation Works	0	0	28,566	28,566	28,566	28,566	0.00%
Central Markets (All Funding Streams)	285,583	0	(229,455)	56,128	56,128	(229,455)	19.65%
TD Sincil Bank Gateway & Greening Project	555,028	0	(486,055)	68,973	68,973	(486,055)	12.43%
TD Tentercroft Street	0	0	17,250	17,250	17,250	17,250	0.00%
Towns Deal Programme Management	75,970	10,591	0	86,561	86,561	10,591	113.94%
UKSPF Moorland Community Hub	70,000	35,273	0	105,273	105,273	35,273	150.39%
UKSPF Sudbrooke Drive Hub	230,288	112,270	0	342,558	342,558	112,270	148.75%
UKSPF Our Community Bakery	130,000	(97,500)	0	32,500	32,500	(97,500)	25.00%
Charterholme Housing Delivery	2,796,850	0	(968,765)	1,828,085	1,828,085	(968,765)	65.36%
Charterholme Shared Infrastructure	1,011,645	94,885	(318,939)	787,591	787,591	(224,054)	77.85%
Charterholme Phase 1b Bridges	10,052,140	0	770,711	10,822,852	10,822,852	770,712	107.67%
Charterholme Site Wide Costs	324,487	0	(15,167)	309,320	309,320	(15,167)	95.33%
Charterholme Wider 1b Site Costs	73,810	0	(60,382)	13,428	13,428	(60,382)	18.19%
Major Developments Total	15,605,801	155,519	(1,262,236)	14,499,085	14,499,085	(1,106,716)	92.91%
TOTAL ACTIVE SCHEMES	18,841,816	329,931	(2,478,642)	16,693,107	16,693,107	(2,148,709)	88.60%
<u>Schemes Currently Under Review</u>							
IT Reserve	74,334	(46,455)	(27,879)	0	0	(74,334)	0.00%
Schemes Currently Under Review Total	74,334	(46,455)	(27,879)	0	0	(74,334)	0.00%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	2024/25 Year End Reprofiling	2024/25 Revised Budget	2024/25 Actual Expenditure	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	18,916,150	283,476	(2,506,521)	16,693,107	16,693,107	(2,223,043)	88.25%
<u>Externally Delivered Town's Deal Schemes</u>							
TD Lincoln Connected	577,968	0	(37,585)	540,384	540,384	(37,584)	93.50%
Lincoln City FC & Foundation	250,960	0	(250,000)	960	960	(250,000)	0.38%
Hospitality Events & Tourism Institute (HEAT)	101,280	0	(100,400)	880	880	(100,400)	0.87%
Drill Hall Development	114,160	0	(113,200)	960	960	(113,200)	0.84%
TD Barbican Production & Maker Hub	1,848,960	0	(148,000)	1,700,960	1,700,960	(148,000)	92.00%
Store of Stories	214,480	0	(186,000)	28,480	28,480	(186,000)	13.28%
TD LSIP	0	0	0	0	0	0	0.00%
Externally Delivered Town's Deal Schemes Total	3,107,808	0	(835,185)	2,272,624	2,272,624	(835,184)	73.13%
Grand Total	22,023,958	283,476	(3,341,706)	18,965,731	18,965,731	(3,058,227)	86.11%

Housing Investment Programme – Summary of Expenditure as at 31st March 2025

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	2024/25 Revised Budget	2024/25 Total Spend	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
<u>Contingency Schemes</u>							
Contingency Reserve	0	0	0	0	0	0	0.00%
Contingency Schemes Total	0	0	0	0	0	0	0.00%
<u>Decent Homes</u>							
Bathrooms & WC's	500,000	12,784	0	512,784	512,784	12,784	102.56%
DH Central Heating Upgrades	2,016,960	64,626	0	2,081,586	2,081,586	64,626	103.20%
Door Replacement	834,000	(12,114)	0	821,886	821,886	(12,114)	98.55%
Fire Compartment works	50,000	(47,191)	0	2,809	2,809	(47,191)	5.62%
Fire Doors	200,000	(47,319)	0	152,681	152,681	(47,319)	76.34%
Kitchen Improvements	1,680,000	(154,003)	0	1,525,997	1,525,997	(154,003)	90.83%
Lincoln Standard Windows Replacement	1,183,000	475,824	0	1,658,824	1,658,824	475,824	140.22%
New services	75,000	(19,570)	0	55,430	55,430	(19,570)	73.91%
Re-roofing	100,000	28,976	0	128,976	128,976	28,976	128.98%
Rewiring	20,000	(10,919)	0	9,081	9,081	(10,919)	45.41%
Structural Defects	100,000	(61,596)	0	38,404	38,404	(61,596)	38.40%
Thermal Comfort Works	8,000	(8,000)	0	0	0	(8,000)	0.00%
Aids & Adaptations	50,000	(3,121)	0	46,879	46,879	(3,121)	93.76%
Void Capitalised Works	2,300,000	(88,444)	0	2,211,556	2,211,556	(88,444)	96.15%
Decent Homes Total	9,116,959	129,933	0	9,246,892	9,246,892	129,933	101.43%
<u>Health and Safety</u>							
Asbestos Removal	198,702	(22,588)	0	176,114	176,114	(22,588)	88.63%
Asbestos Surveys	133,763	(45,707)	0	88,057	88,057	(45,707)	65.83%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	2024/25 Revised Budget	2024/25 Total Spend	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
Fire Alarms	9,062	453	0	9,515	9,515	453	105.00%
Renew stair structure	0	0	0	0	0	0	0.00%
Replacement Door Entry Systems	238,846	(208,287)	0	30,560	30,560	(208,287)	12.79%
Health and Safety Total	580,373	(276,128)	0	304,245	304,245	(276,128)	52.42%
<u>IT/Infrastructure</u>							
Housing Support Services Computer Fund	306,441	0	(16,625)	289,816	289,816	(16,625)	94.57%
IT/Infrastructure Total	306,441	0	(16,625)	289,816	289,816	(16,625)	94.57%
<u>Lincoln Standard</u>							
Over bath showers (10 year programme)	36,450	(36,450)	0	0	0	(36,450)	0.00%
Lincoln Standard Total	36,450	(36,450)	0	0	0	(36,450)	0.00%
<u>Other Current Developments</u>							
Communal Electrics	152,000	(13,423)	0	138,577	138,577	(13,423)	91.17%
Communal TV Aerials	13,000	(2,086)	0	10,914	10,914	(2,086)	83.95%
Environmental works	300,000	0	(110,494)	189,506	189,506	(110,494)	63.17%
Garages	60,000	(8,160)	0	51,840	51,840	(8,160)	86.40%
Hiab and Mule	130,689	0	0	130,689	130,689	0	100.00%
HRA Buildings	0	0	0	0	0	0	0.00%
Landscaping & Boundaries	200,000	518	0	200,518	200,518	518	100.26%
Thurlby Crescent	0	(6,615)	0	(6,615)	(6,615)	(6,615)	0.00%
Other Current Developments Total	855,689	(29,766)	(110,494)	715,429	715,429	(140,260)	83.61%
HOUSING INVESTMENT TOTAL	10,895,912	(212,411)	(110,494)	10,556,382	10,556,382	(322,905)	96.88%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q3	Q4 Budget Increase / Decrease	Q4 Budget Reprofile	2024/25 Revised Budget	2024/25 Total Spend	Variance to Q3 Approved Budget	2024/25 % Spend to Q3 Revised Budget
<u>HOUSING STRATEGY AND INVESTMENT</u>							
<u>New Build Programme</u>							
Property Acquisitions	2,731,717	202,450	(566,629)	2,367,539	2,367,539	(364,179)	86.67%
Ermine Church Land	349,893	(9,736)	0	340,157	340,157	(9,736)	97.22%
New Build Capital Salaries	46,953	(30,683)	0	16,270	16,270	(30,683)	34.65%
Jasmin Green	50,000	0	(50,000)	0	0	(50,000)	0.00%
Victory Hotel Site Boultham Park Road	0	0	250,169	250,169	250,169	250,169	0.00%
Hermit Street	1,995,857	5,802	0	2,001,659	2,001,659	5,802	100.29%
Charterholme	1,340,941	(79,000)	(486,484)	775,457	775,457	(565,484)	57.83%
New Build Programme Total	6,515,361	88,834	(852,945)	5,751,250	5,751,250	(764,111)	88.27%
HOUSING STRATEGY AND INVESTMENT TOTAL	6,515,361	88,834	(852,945)	5,751,250	5,751,250	(764,111)	88.27%
TOTAL HOUSING INVESTMENT PROGRAMME	17,411,273	(123,577)	(980,063)	16,307,632	16,307,632	(1,103,641)	93.66%

TFS Phase7 programme: Provisional Outturn - 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 Q4 2024/25						
Major Developments	Maximise Towns Fund/Review of Workspaces	DMD	36	36	-	Complete for 24/25 - future business case required
City Solicitor	Review of Work-based Learning	CX	86	50	36	Complete for 24/25 - future business case required
TOTAL			122	86	36	