



**2018/19**

**Fourth Quarter  
(Provisional Outturn)  
Financial  
Review**

## 1. Background and Introduction

- 1.1. In accordance with the Council's Financial Procedure Rules and recommended good practice, a quarterly financial report is presented to members. This is the fourth and final report for 2018/19.
- 1.2. The report summarises overall financial performance for 2018/19 with particular emphasis on the key sources of financial risk to the Council. Specific considerations are as follows:
  - **General Fund Revenue Account (Section 2)** – considers budgetary performance on the General Revenue Account by looking at variations in income and expenditure and the funding received by the Council.
  - **Efficiency and Rationalisation Programme (Section 3)** – considers progress in achieving the efficiency and rationalisation savings forecast for 2018/19.
  - **Alliance Environmental Services (Section 4)** – highlights the performance of the Council's Joint Venture Company providing Waste and Fleet services.
  - **Capital Programme (Section 5)** – provides an update to Members on progress against the Council's capital plan
  - **Treasury Management (Section 6)** – sets out the key statistics in terms of investments and borrowings;
  - **Revenue Collection (Section 7)** – considers progress-to-date in collecting the Council Tax, Business Rates and Sundry Debts.

## 2. General Fund Revenue Account

2.1. This section of the report considers the financial performance of the General Fund Revenue Account against budget by setting out variations in income and expenditure and funding received by the Council.

Service (with staff)	2018/19 Budget	Provisional Outturn 2018/19	Variance	Use of / (contribution to) Earmarked Reserves
	£	£	£	
Alliance Leadership Team	535,880	515,122	(20,758)	
Audit	94,680	92,038	(2,642)	
ICT	670,360	650,675	(19,685)	147
Human Resources	49,230	53,747	4,517	
Member Services	308,800	272,152	(36,648)	
Property Services+	617,770	817,830	200,060	
Benefits	76,710	(122,436)	(199,146)	(5,725)
Planning Applications	(96,300)	(30,814)	65,486	
Building Control	16,210	11,203	(5,007)	
Customer Services	572,950	530,882	(42,068)	
Legal Services	224,010	167,030	(56,980)	
Electoral Services	84,470	44,756	(39,714)	(26,680)
Licensing and Land Charges	(221,710)	(206,247)	15,463	
Regeneration+	471,530	456,584	(14,946)	(33,687)
Communities and Cultural	457,030	441,503	(15,527)	5,455
Housing Strategy	43,110	(53,087)	(96,197)	(92,533)
Transformation	198,850	207,151	8,301	
Community Safety and Enforcement	178,300	159,483	(18,817)	964
Finance Income & Procurement	381,870	442,380	60,510	
Corporate Finance	1,423,340	1,101,609	(321,731)	(17,484)
Waste Collection	2,277,570	2,360,653	83,083	
Street Scene	336,700	294,149	(42,551)	
Leisure Services	667,730	654,869	(12,861)	
Horticulture	573,180	477,381	(95,799)	8,165
Environmental Health	417,060	394,000	(23,060)	
<b>Net Total of Services</b>	<b>10,359,330</b>	<b>9,732,613</b>	<b>(626,717)</b>	<b>(161,378)</b>
<b>Net Interest</b>	<b>(347,520)</b>	<b>(407,371)</b>	<b>(59,851)</b>	
	10,011,810	9,325,242	(686,568)	
<b>Funding - external</b>	<b>(9,210,760)</b>	<b>(9,471,236)</b>	<b>(260,476)</b>	
<b>Funding - reserves contribution to/(from)</b>	<b>(801,050)</b>	<b>(631,493)</b>	<b>169,557</b>	
<b>Projected (Surplus)/Deficit</b>	<b>-</b>	<b>(777,487)</b>	<b>(777,487)</b>	

\* In previous quarters Staff costs were budgeted and recorded in Finance & Procurement. They were considered a corporate resource to be the main source of savings realised by the Authority's Efficiency and Rationalisation Programme, However to show the true use of resources by individual services it is necessary to include the actual staff costs incurred. Therefore the Quarter Four provisional outturn position includes the actual staff costs (and matching budgets) at the service level.

+The Visitor Services function has now been split between two service areas: 'Car Parks' with Property Services and 'Tourism and Markets' within Regeneration

2.1 A revenue budget of £10,011,810 was set for 2018/19. The table above shows how this budget has been allocated to services.

2.2 The provisional outturn on the General Fund Revenue Account for the year is £9,234,323. This represents a projected surplus for the year of £777,487.

2.3 There are five areas of significant underspend (>£50,000):

- **Benefits (£199,146 underspend);** Where overpaid benefits can not be reclaimed from on-going payments, the recipients are invoiced individually. The income is credited to the service in the year that the invoice is raised irrespective of when the cash is actually received. In acknowledgement that not all invoices will be paid the service is charged a bad debts provision. In 2018/19 a substantial amount of historic overpayments were identified and pursued by raising invoices. These resulted in some £244,000 being credited to the service though this was partially offset by a £67,000 bad debts provision. The remaining underspend was as a result of grant funding received in year to support administrative initiatives exceeding the actual direct cost impact on the service.
- **Legal (£56,980 underspend);** The underspend arises from the awarding of costs to the council for an historic planning appeal.
- **Housing Strategy (£96,197 underspend);** The housing needs function of this service area can benefit from third party funding of varying but sometimes substantial amounts to be targeted at Homelessness initiatives in the District. The unpredictable nature of these grants and the extended timeframe of the various initiatives often require the use of earmarked reserves to match funding to costs. Therefore, some £92,033 of the underspend has been earmarked to move into reserves.
- **Corporate Finance (£321,734 underspend);** There are a number of factors that contribute to this underspend:
  - A substantial £600,000 underspend is reported against the corporate contract hire budget reflecting an in-year change in the way the authority's operational fleet requirements are satisfied. As part of the business plan for Alliance Environmental Services, the practice of hiring sweepers and refuse vehicles etc. has been replaced by purchase and in-house maintenance. This in effect moved the financing element from contract hire to within the overall costs of treasury management (borrowing costs). The change has caused initial cost pressures on the revenue budgets of the Waste and Street Scene services as more expensive spot hire arrangements are utilised during the transition period. Therefore as reported in section 4.5 £168,350 of this saving has been transferred to the Waste budget to support the crystallised waste vehicle and other fleet risk items.
  - Following a technical consultation by the Ministry of Housing, Communities and Local Government (MHCLG), the methodology for calculating compensation due to local authorities for Small Business Rates Relief

threshold changes has been refined. This has generated a windfall for the Council of £27,528 which been credited to corporate finance as it relates to previous years.

- MHCLG announced as part of the local government finance settlement 2019 to 2020 that authorities would benefit from increased growth in business rates income which has generated a surplus in the government's business rates levy account since the introduction of the retention scheme; £39,588 has been received by the Council in 2018-19 from this distribution.
  - At a meeting of the Pool Board for the Staffordshire and Stoke on Trent Business Rates Pool on 13th March 2019, it was agreed that there would be redistribution of the current contingency balance held by the Pool lead, Staffordshire County Council. The Council's share of this is £149,514.
  - These underspends have been partially offset by a £422,970 shortfall against the in-year efficiency target which is detailed in section 3 below.
- **Horticulture (£95,799);** Cemeteries reported a £30,000 surplus arising from grounds maintenance costs being £20,000 less than budgeted while income was £10,000 above expectations. Spend on tree works across a number of service cost centres was lower than budgeted to the value of £26,000. The remaining service underspend arose across a range of locations, projects and activities.

#### 2.4 There are four areas of significant overspend (>£50,000):

- **Property (£200,060 overspend);** The temporary arrangements put in place while the Alliance's property management contract is being procured have been extended. This is to allow detailed negotiations to take place that ensure the long term viability and economy of the contract. As a result the in-year maintenance budget has been exceeded. However, as a result of cumulative underspends which have generated over previous years of the contract, the contract payment in 2019/20 has been reduced accordingly which should remove this budget pressure in 2019/20.
- **Planning Applications (£65,486 overspend);** Income failed to reach the levels achieved in 2017/18 which had been used to set the budget for fees and charges in 2018/19. This will be monitored during 2019/20.
- **Finance, Income and Procurement (£60,510 overspend);** As reported at Section 7.2, the authority continues to achieve good collection rates for its council tax and business rates. This is being achieved without generating the levels of summons income that have been seen in previous years (following a review of recovery fees charges). In addition, external resource has been utilised throughout to year to support with Council Tax processing.
- **Waste Collection (£83,083 overspend);** While trade waste activities are generating a £35,000 surplus, this is offset by operating overspends of £45,000 on general refuse and £97,000 on recycling. The former resulted from the costs of spot hiring vehicles while the overspend on recycling reflects pressures on volumes and the values received for recycled waste.

- 2.5 The £59,851 underspend on net interest costs is detailed in section 6.
- 2.6 The level of funding anticipated for the year is £90,919 above that budgeted due to the following:

*External Funding: (£260,476)*

- Business Rates Retention (£242,124):
  - Following on from the decision of the Shadow Pool Board for the Staffordshire & Stoke-on-Trent Business Rates Pool to distribute the Contingency balance held by the Pool Lead, Staffordshire County Council, the members of the pool are not required to pay the contingency contribution in 2018/19, these leads to additional retention of £117,155.
  - The contribution payable to the Pool for the Central Investment Fund is lower than the budget by £46,105 owing to the reduction in growth on NNDR income at the end of the year following the inclusion in the NDR appeals provision of potential refunds for the backdated reduction of RVs on ATM hereditaments which is currently being considered nationally.
  - S31 grants for business rates are £78,864 greater than the budget owing to the increase of Small Business Rate relief awarded and the government's recalculation of the method of compensation for this relief.
- Rural Services Delivery Grant (£23,132)

It was originally anticipated, based on previous years, that this grant which is paid to authorities that are rural in nature would be at a level of £37,320. Government however raised the amount available nationally increasing the Council's share to £60,452.

*Use of Reserves (£169,557)*

- The original budget for 2018/19 assumed the use of £792,870 in general fund contingency and £8,180 in earmarked reserves
- The outturn reported in table 2.1 assumes that the £792,870 drawdown of contingency reserves included in the 2018/19 budget was used. In practice however owing to the general fund surplus generated in the year the actual use of these reserves was only £15,383.
- The £169,557 variance in reserve usage reported in table 2.1 reflects that instead of using the £8,180 in earmarked reserves the Council was actually able to contribute £161,378 in to them.

*Earmarked;*

- Electoral Services £26,680 contribution: this is a budgeted annual contribution in to a reserve earmarked to spread the cost of the district's elections over the term of a Council.
- Housing Strategy £92,533 contribution: Third party funds received in-year are being set aside to support homelessness initiatives that will run into future years.

- Regeneration Services £33,687 contribution: New Burdens (NB) grants have been received in year to support the Council with the impact of Government initiatives to promote house building. These have been transferred to reserves to support initiatives in future years.
- Horticulture £8,165 use: Works on Recreation Grounds and Open Spaces are part funded each year by drawing down on Section 106 monies previously received from Developers as part of their planning obligations.
- ICT £147 use: monies previously set aside for homelessness reduction initiatives have been used to offset the costs of an associated IT system.
- Benefits £5,725 contribution; New Burdens (NB) grant, received in the year to support the impact on the Council of Government initiatives to reform the Benefits system, that was not applied in year has been earmarked for future use.
- Communities & Cultural £5,455 use; Use was made of three earmarked reserves to support a number of service initiatives.
- Community Safety & Enforcement; £964 use; The small balance on a historic reserve was applied to support the service in year.
- Corporate Finance £17,484 contribution; All similar sized councils received a Government grant of £17,484 towards Local Authority costs associated with exiting the European Union. These monies have been set to one side to meet such future liabilities should they arise.

#### *General Fund Revenue Reserves*

- 2.7 The provisional outturn for the year on the General Fund Revenue Account was a £777,487 surplus.
- 2.8 The surplus generated is calculated inclusive of the £792,870 use of general reserves budgeted for 2018/19. Therefore, the Authority's contingency reserves have decreased overall by £15,383.
- 2.9 The Authority's calculated minimum for its contingency reserve is £1,052,000. A review of the Authority's reserves has been performed to identify areas where earmarking for future projects was considered prudent while maintaining a satisfactory level for contingency. As a result the following moves into earmarked reserves are proposed;
- £834,000 added to an earmarked reserve set aside to fund capital expenditure and reduce the overall cost of borrowing. It is anticipated that this will be applied to acquiring vehicles and equipment for Alliance Environmental Services Limited.
  - £360,000 used to create a reserve to cover the potential costs associated with the review of the Ascent Housing LLP in partnership with Your Housing
  - £12,000 set aside to provide funds to support the 'Keep Britain Tidy' campaign

- £15,000 added to a reserve established to fund a review of the condition of the Council's buildings to inform capital expenditure requirements (previously a property 'Health and Safety' reserve)
- 2.10 In addition, a balance of £135,000 has been returned to Contingency. This is made up of reduction to the pension reserve and ICT reserve (there still remains £525,000 in the pensions reserve and £150,000 in the ICT reserve which is considered sufficient) and the closure of the staff conference reserve as any future costs can be covered from existing budgets.
- 2.11 The effect of these changes results in a balance on general fund reserves as at 31st March 2019 of £2 million – which is £1 million above minimum contingency. The current Medium Term Financial Plan expects to contribute a net £0.33million to general contingency reserves over the next four years 2019/20 – 2022/23. This is however dependent on the realisation of the Efficiency Plan.



### 3 Efficiency and Rationalisation Programme

- 3.1 This section of the report considers the financial performance of the Council's Efficiency and Rationalisation Programme in 2018/19.
- 3.2 The Council's Medium-Term Financial Plan (approved in February 2018) included the four-year (2017/18 – 2020/21) Efficiency and Rationalisation Strategy targeting savings of £3.14 million. This was required to balance the forecast budget deficit position of £2.7m and also the carry forward of unachieved efficiencies from 2016/17 of £0.4m.
- 3.3 The Efficiency and Rationalisation Strategy is premised on the need to both reduce expenditure and increase income. The need to grow income is now more of a priority as the Council moves more towards being self-financing. The strategy has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the strategy is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.
- 3.4 The Strategy has five main areas of focus:-
- **Major Procurements** - There is the opportunity to focus attention on a number of large service functions which are currently provided by an external contractor / supplier. A number of significant contracts are coming to an end. This will also allow a fundamental review of these services with proper consideration of the current financial constraints. The contract commitments have sometimes restricted the opportunity to align services across the alliance with High Peak. The individual projects will focus on Waste Collection & Environment Services, Leisure Management and Facilities Management
  - **Asset Management Plan** – continuation of the existing priority of rationalising the Council's asset base with a focus around priorities in order to allow for the necessary capital investment
  - **Growth** – development of a clear focus upon housing and economic growth based upon the established Local Plan.
  - **Income Generation** – focus on increasing the yield from existing sources on income and a drive towards identifying new sources of income
  - **Rationalisation** – a commitment to reducing expenditure on non-priority areas of spend e.g. management arrangements, channel shift, non-statutory services
- 3.5 The 2018/19 budget provided for the achievement of £830,000 of such savings in year – with a significant focus on growth, income generation and major procurements, particularly the waste collection joint arrangement involving Alliance Environmental Services (AES).
- 3.6 At the end of Quarter Four, £315,027 has been taken against the overall Efficiency Programme. A further £92,000 of income related savings were also delivered at budget-setting time, including income arising out of revised New Homes Bonus funding forecasts.

- 3.7 This leaves a £422,973 shortfall against target due to slippage in the profile of savings. The efficiency shortfall is being partially offset by one-off vacancy savings in the establishment as well as other corporate in year savings. Whilst this plugs the in-year savings gap; it does not necessarily provide for on-going budget savings. Consequently, any shortfall in efficiency savings at year-end will need to be rolled forward to be achieved in future years.
- 3.8 An exercise was undertaken as part of the 2019/20 budget setting process to review and re-profile the Efficiency & Rationalisation Plan – which anticipated a shortfall against target in 2018/19. Consequently the programme was extended by one year to account for the forecast timing of savings.
- 3.9 The Authority carries a reserve of £493,000 earmarked to support the Efficiency Strategy, which can be drawn on to offset one-off costs of delivering the efficiency programme, such as redundancy costs. It has not been necessary to draw on this reserve in 2018/19 so it remains intact to underwrite performance against future savings targets in the Efficiency Programme.

## 4 Alliance Environmental Services

- 4.1 Alliance Environmental Services Ltd (AES) is a company created with a vision to deliver waste, street cleansing and grounds maintenance services in the Staffordshire Moorlands and High Peak areas. The company has three shareholders: Staffordshire Moorlands District Council, High Peak Borough Council and ANSA, which is a wholly owned subsidiary of Cheshire East Council. This section of the report considers the financial performance of the company and contribution to the Council's Efficiency and Rationalisation Programme in 2018/19.
- 4.2 Phase 1 of the transfer of services commenced on 7th August 2017 to deliver High Peak Borough Council Waste services. Phase 2 began on 1st July 2018 to deliver waste services to Staffordshire Moorlands District Council and fleet management services to the Alliance as a whole.

### *Alliance Environmental Service's financial performance*

- 4.3 The AES business plan for all services delivered to both Councils included an anticipated operating profit of £111,830. The draft outturn provided at 31st March 2019 shows that a profit of £109,160 was achieved during the year; showing a small shortfall of £2,670 against the budget. The outturn includes both the crystallised risk items payable by the Councils (£363,340); and the reimbursement of the planned efficiency target payable by (AES £169,730).

2018-19	Budget	Draft outturn	Variance
	£	£	£
Turnover	(6,495,840)	(6,073,480)	422,360
Cost of sales	5,789,890	5,417,080	(372,810)
<b>Gross profit</b>	<b>(705,950)</b>	<b>(656,400)</b>	<b>49,550</b>
Administrative & Other Expenses	594,120	547,240	(46,880)
<b>(Profit)/ Loss</b>	<b>(111,830)</b>	<b>(109,160)</b>	<b>2,670</b>

### *Impact on the Council's budgets*

- 4.4 This table shows in more detail the outturn on the AES contract included in the General Fund Revenue Account:

2018-19	£
Contract budget	2,335,250
Transfer of contract hire budget	168,350
<b>Net budget</b>	<b>2,503,600</b>
Management fee	2,327,630
Crystallised in-year risk items	271,010
Allocation of AES efficiency	(76,220)
<b>Net management fee payable</b>	<b>2,522,420</b>
Allocation of Joint Operation Profit	(82,620)
<b>Net total payable</b>	<b>2,439,800</b>
<b>Variance to Budget</b>	<b>(63,800)</b>

- 4.5 In addition to the service budgets for the management fee (contract budget), it has been recognised that savings on former contract hire vehicle budgets have been achieved as a direct result of the change in vehicle provision upon cessation of the SFS contract (the Council's former provider of contract hire vehicles). Therefore, savings of £168,350 have been transferred to support the crystallised waste vehicle and other fleet risk items.
- 4.6 The AES Business Plan includes forecast expenditure recognised initially as 'risk items' which may or may not crystallise into actual costs/ payments or may be absorbed into the existing management fee paid on account. The draft outturn shows that £271,010 of these risk items have crystallised, the majority of which relate to waste vehicle and other fleet costs. The contract states that any profits realised in excess of the budget would be used to offset this amount. This did not occur in 2018/19 as there was no excess profit achieved.
- 4.7 The Council's share of the total AES efficiency achieved is £76,220. This is repayable to the Council and is allocated against the management fee costs.
- 4.8 Under accounting standards, AES's financial performance is incorporated in to the Councils' single entity statements as a 'Joint Operation' as opposed to separate group accounts being reported. The profit is therefore apportioned between the two Councils and the respective services in line with the input of original budgeted resources from each department. £82,620 is offset against the management fee costs.

#### *Efficiencies*

- 4.9 The total 2018/19 efficiency target relating to AES services is £242,850. This is made up of the £169,370 allocated to AES and £73,480 to be achieved from the retained budgets of both Councils. This has been achieved during the year.

#### *Pensions*

- 4.10 During the year AES became an admitted body in the Staffordshire Pension Fund (SPF). This involved 'pooling' the staff transferred to AES, with the remaining Council employees in the Staffordshire Moorlands portion of the SPF. This effectively removed pension risk from the company, whilst at the same time offering greater budget certainty and putting the Council in the same risk position that it would have been if services had continued to be delivered in-house.

## 5 Capital Programme

- 5.1 This section of the report provides an update on the Council's Capital Programme.
- 5.2 The revised General Fund Capital Programme for 2018/19, as updated and approved in February, was set at £3,591,700.
- 5.3 The 2018/19 provisional outturn at March 2019 is summarised in the table below, with further detail provided at Annex A.

Service	2018/19 Approved Budget Feb 19	Outturn 2018/19	Variance
	£	£	£
Housing Standards	1,161,650	822,783	(338,867)
Property Services	483,750	404,470	(79,280)
Fleet Management	1,346,300	573,436	(772,864)
Regeneration	30,000	21,183	(8,817)
Horticulture	570,000	405,462	(164,538)
	<b>3,591,700</b>	<b>2,227,334</b>	<b>(1,364,366)</b>
Funding:			
Grants External Contributions	1,211,000	872,783	(338,217)
Capital Reserve	1,346,300	573,436	(772,864)
Planning obligations	135,690	135,684	(6)
Borrowing	898,710	645,431	(253,279)
	<b>3,591,700</b>	<b>2,227,334</b>	<b>(1,364,366)</b>

- 5.4 The Council incurred Capital Expenditure of £2,227,334 during the year against the revised budget of £3,591,700. This represents an underspend of £1,364,366. The majority of the underspend reflects the impact of projects which are either behind schedule or have progressed quicker than expected with the most significant variances being:

- **Housing Standards (£338,867 underspend)** - the actual value of Disabled Facilities Grants (DFG's) works completed in 2018/19 was lower than anticipated, this was the first year of new home improvement agency arrangements. The current service provider has indicated there has been a slight up turn in demand for mandatory DFGs in the Moorlands in the first months of 2019/20 and it is hoped through positive promotion that activity will continue to improve. The Council will also seek to drive the release of funding of discretionary grants to reach a wider group of residents who do not meet the mandatory criteria but nonetheless still need support towards adaptations to their homes. In the last three years the Council has not spent up to the increased levels of Government support received for DFGs, as a consequence this underspend will not be carried forward at this stage. DFG funding is ring-fenced and the surplus can be drawn down in the year if necessary.

- **Property Services (£79,280 underspend)** - caused primarily by a number of in progress Asset Management Projects where expenditure in the year was below or ahead of forecast. These variances will be carried forward into 2019/20 to fund those projects.
- **Fleet Management Vehicle & Plant Acquisitions (£772,864 underspend)** - following transfer of the waste collection service to Alliance Environmental Services (AES), new fleet management arrangements have been agreed. Existing contract hire agreements have been terminated and vehicles have been directly purchased. The underspend reflects the revised timing of acquisitions of further fleet vehicles which will now take place in 2019/20
- Horticulture (£164,538 underspend) - installation of new skate parks at Brough Park and Tean road recreation ground were completed in the year; works to provide floodlighting to the Brough Park site and refurbishment of office and car park at Tean road will now be completed in 2019/20.

5.5 Consequently, capital funding applied to the 2018/19 Capital Programme is lower than forecast, reflecting the incidence of timing of capital spend.

5.6 As a result of the variances detailed above, approval is sought to increase the capital budgets for 2019/20 as shown in the table below:

<b>Capital Programme 'Carry Forwards' (2018/19 to 2019/20)</b>			
<b>Service</b>	<b>Variance</b>	<b>Carry Forward 2019/20 Over/(Under) Spend</b>	<b>Over/ (Under)spend Completed Projects</b>
	£	£	£
Housing	(338,867)	(650)	(338,217)
Property Services	(79,280)	(78,675)	(605)
Fleet Management	(772,864)	(772,864)	-
Regeneration	(8,817)	(380)	(8,437)
Horticulture	(164,538)	(164,538)	-
	<b>(1,364,366)</b>	<b>(1,017,107)</b>	<b>(347,259)</b>

## **6 Treasury Management**

- 6.1 This section of the report sets out the key treasury management statistics in relation to the Council's investments and borrowings. This report comprises a high level treasury management summary. The Audit and Accounts Committee receives detailed operational updates on treasury management.

### *Investments*

- 6.2 Cash Investments held on the 31st March 2019 totalled £7.6 million. Interest earned on these investments during the year totalled £56,710 and the average level of funds available for investment was £8.8 million.
- 6.3 The Council budgeted to receive £73,590 in investment income in 2018/19. The shortfall of £16,880 against this budget is due to increased internal borrowing during the year which reduces the level of funds available for investment.

### *Ascent Joint Venture*

- 6.4 Ascent (the joint venture company set up to deliver affordable housing across the district) had drawn the full £5 million Debenture facility by the end of 2014/15. Interest is charged at 2%, and the full budgeted interest income for the year of £100,000 was achieved.
- 6.5 The balance on the £20 million loan facility to Ascent remained at £14million. There have been no further drawdowns of the loan since the 2015/16 year. Interest charged is based on the 5 year PWLB rate on the date of the drawdown plus a 1.25% risk premium. The refinanced tranche 1 of £7 million matured in October 2018 and was rolled again for a short period pending the outcome of the Ascent LLP business plan review at a rate of 3.05% (previously 2.61%). Therefore a small shortfall of £6,500 is reported against the income budget of £446,690.

### *Borrowing*

- 6.6 Total debt outstanding as at 31st March 2019 totalled £11 million; this funds the Ascent Loan. £5million loans which matured in October and November 2018, were refinanced with £4million total new loans: £1 million with Vale of Glamorgan Council at 0.95% (for 6 months), £2 million with Lincolnshire County Council at 1.10% (for 1 year); and £1 million with Western Isles Council at 1.00% (for 9 months).
- 6.7 The Council budgeted to incur £272,760 in interest charges in 2018/19. This was based on externally funding the full existing Ascent loan balance of £14 million and a £2.2 million general fund borrowing requirement in the current year capital programme. £7 million of the Ascent loan was internally funded at the end of quarter 3, then £3million during quarter 4; and there was no borrowing undertaken for the general fund. Therefore, a saving of £83,230 has been achieved against the budget.

## **7 Revenue Collection**

- 7.1 This section of the report details progress to date in collecting the Council Tax, Business Rates and Sundry Debt.
- 7.2 The Q4 collection rate outturn for the year 2018/19 was as follows:
- Council Tax – 98.66% of Council Tax was collected by 31<sup>st</sup> March 2019, compared to 98.60% for the same period last year.
  - Business Rates – 99.13% of Business Rates was collected by 31<sup>st</sup> March 2019, compared with 98.54% for the same period last year.
- 7.3 At the end of Quarter Four the value of sundry debt that was over 60 days old was £70,434 which compares with £110,423 at 31<sup>st</sup> March 2018.



**Capital Programme Update 31st March 2019**

Capital Programme Outturn 2018-2019					
Capital Schemes	2018/19 Approved Budget Feb 19	Outturn 2018/19	Variance	C/Fwd to 2019/20	Over/(Under spend) Completed Projects
	£	£	£	£	£
<b><u>Housing Standards</u></b>					
Private Sector Grants	1,161,650	822,783	(338,867)	(650)	(338,217)
<b>Total Environmental Health</b>	<b>1,161,650</b>	<b>822,783</b>	<b>(338,867)</b>	<b>(650)</b>	<b>(338,217)</b>
<b><u>Property Services</u></b>					
Asset Management Plan	483,750	404,470	(79,280)	(78,675)	(605)
<b>Total Property</b>	<b>483,750</b>	<b>404,470</b>	<b>(79,280)</b>	<b>(78,675)</b>	<b>(605)</b>
<b><u>Fleet Management</u></b>					
Vehicle & Plant Purchases	1,346,300	573,436	(772,864)	(772,864)	-
<b>Total Fleet Management</b>	<b>1,346,300</b>	<b>573,436</b>	<b>(772,864)</b>	<b>(772,864)</b>	<b>-</b>
<b><u>Regeneration</u></b>					
Moorlands Partnership Grants	30,000	21,183	(8,817)	(380)	(8,437)
<b>Total Regeneration</b>	<b>30,000</b>	<b>21,183</b>	<b>(8,817)</b>	<b>(380)</b>	<b>(8,437)</b>
<b><u>Horticulture</u></b>					
Play - Projects	570,000	405,462	(164,538)	(164,538)	-
<b>Total Horticulture</b>	<b>570,000</b>	<b>405,462</b>	<b>(164,538)</b>	<b>(164,538)</b>	<b>-</b>
<b>Total Programme</b>	<b>3,591,700</b>	<b>2,227,334</b>	<b>(1,364,366)</b>	<b>(1,017,107)</b>	<b>(347,259)</b>