



2019/20

**Third Quarter
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 third report for 2019/20.
- 1.2. The report summarises overall financial performance for 2019/20 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 Account by looking at variations in income and expenditure and the funding received by the Council.
 - **Alliance Environmental Services (Section 3)** – highlights the performance of the Council's Joint Venture Company providing Waste and Fleet services.
 - **Efficiency and Rationalisation Programme (Section 4)** – considers progress in achieving the efficiency and rationalisation savings forecast.
 - **Housing Revenue Account (Section 5)** – highlights the budgetary position in respect of the operation of the Council's housing stock.
 - **General Fund Capital Programme (Section 6)** – provides an update to Members on progress against the Council's General Fund capital plans.
 - **HRA Capital Programme (Section 7)** – provides an update to Members on progress against the Council's HRA capital plans.
 - **Treasury Management (Section 8)** – sets out the key statistics in terms of investments and borrowings.
 - **Revenue Collection (Section 9)** – 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 looking at variations in income and expenditure and funding received by the Council.

Service (with staff)	2019/20 Budget	Expected Outturn 2019/20	Variance	Contribution to / (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	58,290	49,490	(8,800)	-	(8,800)
Audit	10,240	8,240	(2,000)	-	(2,000)
ICT	581,980	566,980	(15,000)	-	(15,000)
Human Resources	72,480	53,480	(19,000)	-	(19,000)
Member Services	195,220	160,220	(35,000)	-	(35,000)
Property Services	39,250	225,550	186,300	(52,000)	134,300
Benefits	(198,470)	(150,670)	47,800	(55,300)	(7,500)
Planning Applications	(353,830)	(383,700)	(29,870)	38,970	9,100
Building Control	38,270	13,540	(24,730)	-	(24,730)
Customer Services	141,890	117,890	(24,000)	-	(24,000)
Legal Services	30,510	25,510	(5,000)	-	(5,000)
Electoral Services	81,470	161,470	80,000	(115,000)	(35,000)
Licensing and Land Charges	(317,480)	(303,070)	14,410	-	14,410
Regeneration	(4,540)	(64,400)	(59,860)	73,730	13,870
Communities and Cultural	283,030	304,010	20,980	(17,430)	3,550
Housing Strategy	67,930	112,920	44,990	(62,000)	(17,010)
Transformation	21,250	23,750	2,500	-	2,500
Community Safety and Enforcement	118,080	92,080	(26,000)	-	(26,000)
Finance Income & Procurement	(26,130)	(50,630)	(24,500)	-	(24,500)
Corporate Finance*	6,363,540	6,154,500	(209,040)	-	(209,040)
Waste Collection	2,148,480	2,120,090	(28,390)	(2,000)	(30,390)
Street Scene	(33,520)	22,660	56,180	(12,000)	44,180
Leisure Services	206,200	227,430	21,230	(3,700)	17,530
Horticulture	(809,750)	(785,270)	24,480	(840)	23,640
Environmental Health	(30,710)	(46,660)	(15,950)	-	(15,950)
Net Total of Services	8,683,680	8,655,410	(28,270)		(235,840)
Net Interest	1,569,370	1,513,730	(55,640)		(55,640)
	10,253,050	10,169,140	(83,910)	(207,570)	(291,480)
Funding:					
- external	(10,248,040)	(10,072,820)	175,220		175,220
- reserves contribution to/(from)					
general contingency	1,540	1,540	-		
earmarked	(6,550)	(207,570)	(201,020)	207,570	6,550
Projected (Surplus)/Deficit	-	(109,710)	(109,710)	-	(109,710)

* Staff budgets are currently budgeted within Corporate Finance (except for the staff budget of the Carelink service within Housing Strategy which for operational reasons are included within the Service).

** The Council's Housing management costs are charged to the Housing Revenue Account

- 2.2. A revenue budget of £10,253,050 was set for 2019/20. The table above shows how this budget has been allocated to services.
- 2.3. The Q3 projected outturn on the General Fund Revenue Account for 2019/20 is £10,143,340. This represents a projected surplus for the year of £109,710.
- 2.4. The above table shows where a service is utilising reserves that have been previously set aside to fund a specific purpose, or, where funds have been received in year, which will then be used to fund a specific purpose in the future, and so have been transferred to reserves. Details of these movements are provided in paragraph 2.9.
- 2.5. The explanations provided below are where the net variance against budget on a service area is greater than or less than £50,000:
- 2.6. There is one service area with a projected significant overspend;
- **Property (£134,300 overspend);** the running costs of the Council's buildings are expected to be some £207,000 above budget. This includes a £25,000 overspend on utility costs related to backdated charges following actual meter readings at a number of sites. Exceptional costs of £50,000 relate to remedial works undertaken at the leisure sites and Pavilion Gardens as part of the commencement of the new contracts with Parkwood Leisure. A combination of the Authority's liability for the business rates on vacant industrial properties, loss of income on Glossop Arcade units and industrial units is resulting in a forecast £30,000 overspend. On top of this a £70,000 overspend on general property maintenance is expected as a result of the interim Facilities Management arrangements currently in place. As set out in Section 2.9 below a £52,000 use of earmarked reserves has been identified as a further mitigation of the budget pressures on the Council's leisure sites. The Car Parks budget is forecast to be some £38,000 overspent owing to a reduction in income being generated by Buxton town centre car parks.
- 2.7. There is one service with a projected significant underspend.
- **Corporate Finance (£209,040 underspend);** savings arising out of the Efficiency and Rationalisation Programme, ahead of expectation, have given rise to an in-year underspend. This is discussed more fully in section 4 (below). These together with an underspend against the Council's staffing establishment is generating a £272,000 annual saving. A further £13,000 surplus is accruing across a number of other corporate budgets. There is however an £80,000 predicted shortfall in the income, budgeted to be received as a result of the Council's bottled water license, which is based on volumes extracted in the year.
- 2.8. The £55,640 underspend on net interest costs is detailed in section 8.

- 2.9. The level of funding anticipated for the year is currently forecast £25,800 above that budgeted due to the following:

External Funding (£175,220 reduction):

Business Rates Retention £175,220 net shortfall made up of:

- ***Additional retention*** of £201,000: After the 100% pilot ended, the 2019/20 budget included a conservative estimate of levy payment savings anticipated from the Council's membership of the Derbyshire business rates pool based on the previous pool arrangements – this is estimated to be exceeded.
- ***Offset by reduced retention*** of £376,220: Section 31 grants due to the authority are anticipated to be lower than at budget setting, this relates particularly to Retail discount which was estimated on the basis of government criteria for the relief at budget setting, but is lower in practice due to State Aid implications. The shortfall on the general fund from the reduced grant will be offset over time by a larger surplus on the collection fund from the reduced relief awarded, which will be distributed in future years.

Use of Reserves (£201,020 increase):

- The original budget for 2019/20 assumed a contribution of £1,540 into general fund contingency and a £6,550 use of earmarked reserves (Net use of £5,010 in the year)
- The £201,020 variance in reserve usage reported in table 2.1 reflects that instead of using the £6,550 in earmarked reserves the District is expecting to make a net drawdown of £207,570. This is summarised as follows:
 - **Property Services £52,000 use:** this represents the use of funds set aside to support remedial works on a number of the Council's leisure sites.
 - **Benefits £55,300 use:** this includes the use of £38,000 previously earmarked to address service budget pressures arising out of changes to the Benefits process. A £17,300 drawdown is also anticipated out of reserves, earmarked to address Homelessness issues, to fund initiatives taking place this year.
 - **Planning Applications £38,970 contribution:** There is a £1,030 use of S106 monies applied to support amenity sites in the Borough. However £40,000 received from Derbyshire County Council, to support a study into developing economic growth centred on the A57 at Glossop, is being placed into an earmarked reserve for future application.
 - **Electoral Services £115,000 use:** this is the drawdown to help cover the costs of the quadrennial election held in May. It is the mechanism that spreads the cost of the Borough's elections over the term of a Council.
 - **Regeneration £73,730 contribution:** The Council has received a £150,000 grant from Government's Future High Street Fund. £73,730 of this is being placed into reserve for future use.

- **Communities and Cultural £17,430 use:** New Burdens grant received in relation to assets of community value is to be applied to fund survey costs in relation to Victoria Hall.
- **Housing Strategy £62,000 use:** A drawdown is anticipated out of reserves, earmarked to address Homelessness issues, to fund initiatives taking place this year.
- **Waste Collection £2,000 use:** Application of a small historic reserve in support of the Council's recycling initiatives.
- **Street Scene £12,000 use:** Monies set aside last year to fund a Keep Britain Tidy campaign are to be utilised in 2019/20.
- **Leisure Services £3,700 use:** Potential small net movement out of reserves in relation to projects and activities that span financial years.
- **Horticulture £840 use:** This is the budgeted use of S106 monies applied to support amenity sites in the Borough.

3. Alliance Environmental Services

- 3.1. This section of the report considers the financial performance of Alliance Environmental Services Ltd (AES) (the company established to deliver the Council's waste, streets grounds and fleet services in partnership with Staffordshire Moorlands DC and Ansa).
- 3.2. Phase 1 of the transfer of services commenced on 7th August 2017 to deliver High Peak Borough Council waste collection services. This followed the end of the previous contract with Veolia Environmental 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

- 3.3. The AES business plan for all services delivered to both Councils included an anticipated operating profit of £127,185 in 2019/20. The draft outturn provided at the end of the second quarter shows that a profit of £81,628 is anticipated by the end of the year; resulting in a shortfall of £45,557 against the budget. The outturn includes the forecast risk items payable by the Councils (£441,815)

2019-2020	Budget	Draft outturn	Variance
	£	£	£
Turnover	(7,676,264)	(7,923,164)	(246,900)
Cost of sales	6,873,073	7,127,749	254,676
Gross profit	(803,191)	(795,415)	7,776
Administrative & Other Expenses	676,006	713,787	37,781
(Profit)/ Loss	(127,185)	(81,628)	45,557

Impact on the Council's budgets

- 3.4. This table shows in more detail the forecast outturn on the AES contract included in the General Fund Revenue Account and HRA:

2019-20	General Fund	HRA	Total
	£	£	£
AES Contract budget	2,828,140	106,510	2,934,650
Former vehicle contract hire budget	22,130	-	22,130
Available budget	2,850,270	106,510	2,956,780
Management fee (incl. vehicle premium)	2,824,373	109,804	2,934,177
Forecast in-year risk items	113,392	19,193	132,585
HSE notice of change	27,294	-	27,294
Total management fee payable	2,965,059	128,997	3,094,056
Allocation of Joint Operation Profit	(37,274)	(1,421)	(38,695)
Net total	2,927,785	127,576	3,055,361
Net Variance to budget	77,515	21,066	98,581
Other waste savings	(77,515)	-	(77,515)
Total variance to budget	0	21,066	21,066

- 3.5. 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 £22,130 have been utilised to support the forecast waste vehicle and other fleet 'risk items'.
- 3.6. Following the procurement of new waste vehicles, in year savings are being forecast relating to the cessation of lease financing costs of hire vehicles. A refund against the management fee is anticipated during the year of £55,000. The management fee shown in the table above includes this reduction.
- 3.7. The AES Business Plan also 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 current forecast anticipates that £132,585 (£113,392 general fund, £19,193 HRA) of these risk items will crystallise. £68,742 of these risk items relates to fleet costs including grounds maintenance equipment which falls under the 'Fleet' group. The remaining £63,843 relates to contract pressures forecast by AES on increasing costs of waste disposal and reducing income on recycle. These are currently forecast by AES on a prudent risk based approach, but the company is working to negotiate on prices or offset with savings in other areas.
- 3.8. A Health & Safety Executive (HSE) enforcement notice has required a change in the operational way in which AES collect bulky items. This was not anticipated at the time of budget setting, therefore has resulted in additional costs. These are forecast for the year at £27,294, made up of £9,747 for vehicle hire costs and £17,547 for agency costs. The company is establishing new ways of working in order to eradicate these additional costs from 2020/21 onwards.
- 3.9. 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. The Council's share of the forecast profit at the end of quarter 3 is £38,695 (£37,274 general fund, £1,421 HRA) and is offset against the management fee costs.

- 3.10. The remaining overspend resulting from crystallised risk items is further offset by savings anticipated in the wider waste service of £77,515 not related to AES, which relate largely to improved trade waste income.

Efficiencies

- 3.11 The AES related efficiency targets are being reprofiled as part of the Council's Medium Term Financial Plan, owing to the later than anticipated start of Phase 3 of the company. The revised efficiency programme anticipates £224,000 being generated in savings from both AES and Council operated budgets in 2019/20 – final progress against this will be reported in the Quarter Four report.

4. Efficiency and Rationalisation Programme

- 4.1. This section of the report considers the financial performance of the Council's Efficiency and Rationalisation Programme in 2019/20.
- 4.2. The Council's Medium-Term Financial Plan (approved in February 2018) included a new four-year (2017/18 – 2020/21) Efficiency and Rationalisation Strategy targeting savings of £2.1 million.
- 4.3. The Efficiency and Rationalisation Strategy has five areas of focus:-
 - Major Procurements including waste and leisure
 - Asset Management Plan
 - Growth
 - Income Generation
 - Rationalisation
- 4.4. The savings requirement for 2019/20 is £714,000. The major focus of the savings programme in 2019/20 being on growth, income generation and procurements.
- 4.5. At the end of Quarter Two, £900,000 has been taken against the overall efficiency programme, which includes sizeable savings arising out of the retendering of the Council's contract for insurance services; the AES joint arrangement; the changed Pavilion Gardens arrangements; and the procurement of a new leisure management contract. The saving from the last of these has been realised 12 months earlier than anticipated in the original Efficiency Programme (where it was expected to be realised in 2020/21). A further £144,000 of growth related savings were also delivered at budget-setting time, arising out of New Homes Bonus and Business Rates funding forecasts.
- 4.6. There still remains a savings target to achieve in 2020/21. It is therefore important that the remainder of this year is used to focus on some of the income-related savings, included in the early years of the Efficiency Programme, which have not been fully realised.
- 4.7. The Authority carries a longstanding reserve 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. The reserve currently stands at £200,000. It has not been necessary to draw on this reserve in previous years so it remains intact to underwrite performance against future savings targets in the Efficiency Programme.

5. Housing Revenue Account (HRA)

- 5.1. This section of the report considers the financial performance of the Council's Housing Revenue Account and highlights the budgetary position in respect of the operation of the Council's housing stock.
- 5.2. The 2019/20 Housing Revenue Account budget was originally set to produce a surplus of £261,660. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £150,000 in unused budgets from 2018/19 to facilitate delayed capital works to complete a major disabled adaptation (£50,000) and to replace the boiler at ALMA Square (£100,000). Additionally in August 2019, the Executive approved an increase to the rolling three year HRA kitchen programme resulting in a further £171,170 HRA contribution to Capital. This brought the 2019/20 budget to a deficit of £59,510.
- 5.3. Provisional outturn expenditure on the Housing Revenue Account at the third quarter stage is £13,085,190 with estimated income of £15,054,360. This represents a surplus for the year of £1,969,170 (i.e. £2,028,680 below budget).

Housing Revenue Account	2019-20 Approved Budget	Q3 Changes	2019-20 Revised Budget	2019-20 Expected Outturn	Variance
	£	£	£	£	£
INCOME					
Dwellings Rents	(14,325,340)	-	(14,325,340)	(14,331,240)	(5,900)
Non - Dwelling Rents Etc	(622,090)	-	(622,090)	(723,120)	(101,030)
Sub-total income	(14,947,430)	-	(14,947,430)	(15,054,360)	(106,930)
EXPENDITURE					
Repairs & Maintenance	4,390,990	-	4,390,990	4,438,990	48,000
Supervision & Management	2,628,750	-	2,628,750	2,500,590	(128,160)
Rents, rates, taxes Etc	113,030	-	113,030	123,030	10,000
Other Operating Expenditure	736,450	-	736,450	646,200	(90,250)
Depreciation & Impairment	2,099,030	-	2,099,030	2,099,030	-
Interest & Debt Management	2,783,310	-	2,783,310	2,735,570	(47,740)
Contribution to Capital	2,255,380	-	2,255,380	541,780	(1,713,600)
Sub-total expenditure	15,006,940	-	15,006,940	13,085,190	(1,921,750)
Surplus(-)/Deficit	59,510	-	59,510	(1,969,170)	(2,028,680)

- 5.4. The Council has a duty, in accordance with Part VI (Section 74) of the Local Government and Housing Act 1989, to maintain a "Housing Revenue Account" (HRA). By "ring -fencing" the Housing Revenue Account, the Council ensures that the management and maintenance of the Council's housing stock is funded from the income generated by rents and other related sources. The Council is required under Part VI (Section 76) to prevent a debit balance each year on the HRA by setting the appropriate budget and monitoring progress against that budget throughout the financial year. The surplus balance predicted by the Council at this second quarter stage will be transferred to reserves within the Housing Revenue Account.

- 5.5. There are no significant (>£50,000) overspends forecast on the HRA at the third quarter stage.
- 5.6. There are four significant (>£50,000) underspends to be noted at this stage;
- **Income - Non-Dwelling Rents (101,030)** – improvements to void turnarounds and increased income from service charges have been responsible for this positive variance.
 - **Supervision and Management (£128,160)** – there are numerous small underspends across a large number of budget areas contributing to this underspend including savings made following the recent insurance tender. However, the largest proportion of this variance relates to savings in salary costs from vacancies and staff turnover.
 - **Other Operating Expenditure (£90,250)** – this variance is due to the lower than expected contribution needed to the bad debts reserve.
 - **Contribution to Capital (£1,713,600)** – This underspend relates to delays in commencement and completion of a number of Capital Schemes and is reflective of the changes to the Capital programme detailed in Section 7 below.

6. General Fund Capital Programme

6.1. This section of the report provides an update to Members on the Council's General Fund Programme.

6.2. The table below shows a high level (service) summary of the General Fund Capital Programme position at 31st December 2019. Further detail on a scheme by scheme basis is contained in **Annex A**.

	2019/20 Approved Budget	Q3 Changes	2019/20 Revised Budget	Expected Outturn 2019/20	Expected Variance 2019/20
	£	£	£	£	£
Housing	597,000	-	597,000	27,000	(570,000)
Housing Standards	783,550	-	783,550	495,660	(287,890)
Property Services	2,728,750	-	2,728,750	1,656,500	(1,072,250)
ICT	255,800	-	255,800	135,000	(120,800)
Fleet Management	3,002,960	-	3,002,960	2,467,010	(535,950)
CCTV	50,000	-	50,000	-	(50,000)
Regeneration	382,780	-	382,780	352,140	(30,640)
Horticulture	193,000	-	193,000	195,210	2,210
	7,993,840	-	7,993,840	5,328,520	(2,665,320)
Planning Obligations	33,000	-	33,000	33,000	-
External Contributions	646,640	-	646,640	585,460	(61,180)
Capital Receipts	1,047,090	-	1,047,090	1,024,080	(23,010)
Capital Receipts(one for one)	27,000	-	27,000	27,000	-
Capital Reserves	500,000	-	500,000	500,000	-
Earmarked Reserves	64,450	-	64,450	14,450	(50,000)
Borrowing	5,675,660	-	5,675,660	3,144,530	(2,531,130)
	7,993,840	-	7,993,840	5,328,520	(2,665,320)

6.3. The 2019/20 General Fund Capital Budget as updated and approved by the Executive on 10th October was set at £7,993,840.

6.4 There are five significant capital programme variances to report:-

- **Housing (£570,000 underspend)** - The use of one for one housing capital receipts is restricted by time limits imposed on when the receipts have to be spent and also on rules regarding eligibility of projects. There is one payment expected in this year which meets the criteria which is retention owing of £27,000 against an affordable housing project at Thomas Field Brown Edge. The Council has funded the project in return for nomination rights.
- **Housing Standards (£287,890 underspend)** - the level of Disabled Facilities Grant (DFGs) approvals in 2019-20 is expected to be £226,710 lower than forecast. The payment of these mandatory grants is currently

met from funding the Council receives annually through the Better Care Fund; the above change brings the balance of unallocated funding to £376,929. Landlord Accreditation scheme; the forecasted underspend, £61,180 has been re-profiled into 2021

- **Property (£1,072,250 underspend)** - A number of projects have been re-profiled into future years following the on-going review and prioritisation of works contained within the Asset Management Plan.
- **ICT (£120,800 underspend)** – the anticipated underspend is due to a number of changes made to requirements for new and upgrades to existing ICT systems The variance will be carried forward into 2020/21 to meet commitments which primarily relate to the implementation of a new system to aid waste collection processes and migration of the cash receipting system.
- **Fleet Management (£535,950 underspend)** - following transfer of the waste collection service to Alliance Environmental Services (AES), new fleet management arrangements are in place, with vehicles now directly purchased by the Council. The underspend reflects the revised timing of acquisitions of fleet vehicles which will take place over the next four years
- **CCTV (£50,000 underspend);** Upgrade of CCTV Control Centre systems has been commissioned with work now expected to be completed in April 2020

6.6 The significant changes to the funding requirements are set out below:-

- External contributions of £61,180 & £50,000 Community Safety Earmarked reserves allocated to the Landlord Accreditation and CCTV schemes respectively, have been re-profiled into 2020/21 in line with the anticipated underspending stated above
- Overall capital funding which will be applied to the 2019/20 Capital Programme is lower than forecast, reflecting the revised timing of capital spend, hence a reduced **borrowing requirement** of £3,144,530 against the revised budget.

7. Housing Revenue Account Capital Programme

7.1. This section of the report provides an update to Members on the Council's HRA capital spending.

7.2. The table below shows a high level summary of the HRA Capital Programme at 31st December 2019. Further detail on a scheme by scheme basis is contained in **Annex B**.

Scheme	2019-20 Approved Budget	Q3 Changes	2019-20 Revised Budget	2019/20 Expected Outturn	2019/20 Variance
	£	£	£	£	£
Asset Management Works	3,777,910	-	3,777,910	2,351,910	(1,426,000)
Repairs Team Capital Works	295,000	-	295,000	249,900	(45,100)
Commissioning Fees	100,000	-	100,000	100,000	-
Vehicle Purchasing	242,500	-	242,500	-	(242,500)
	4,415,410	-	4,415,410	2,701,810	(1,713,600)
Funding:					
Major Repairs Reserve	2,099,030	-	2,099,030	2,099,030	-
Capital Receipts Applied	61,000	-	61,000	61,000	-
HRA Contribution	2,255,380	-	2,255,380	541,780	(1,713,600)
	4,415,410	-	4,415,410	2,701,810	(1,713,600)

7.3. The 2019/20 HRA Capital budget as updated and approved by the Executive on the 4th December 2019 was set at £4,415,410.

7.4. During the third quarter, £1,383,780 has been incurred on HRA Capital Schemes, principally on central heating boiler replacements, electrical works and aids and adaptation schemes.

7.5. There are seven significant capital variance to note at this stage:

- **Window Replacement (£598,000)** – The initial procurement exercise for this scheme attracted little interest. A second, more successful exercise has resulted in the appointment of a contractor who will commence on site soon. The spend profile for this scheme has shifted with much of the work now taking place in 2020/21 therefore any underspends this year will be re-profiled into 2020/21 and updated within the Medium Term Financial Plan.
- **Door Replacement (£221,000)** – This scheme was also part of the Window Replacement tender and has suffered the same delay. Underspends from this year will also be re-profiled into 2020/21 and updated within the Medium Term Financial Plan
- **Roofing and External Work (£220,000)** – The next phase of roofing works covering predominantly Glossop and New Mills was due to commence in late Autumn, however the procurement process has been put back until after the winter months. Although some roofing work may commence in the spring, weather permitting, the majority of spend has been re-profiled into 2020/21

and updated within the Medium Term Financial Plan.

- **Queens Court Roofing (£200,000)** – The commencement of this scheme has been delayed to allow for necessary surveys to take place. The spend has therefore been re-profiled into 2020/21 and updated within the Medium Term Financial Plan.
- **Lift Replacement (£90,000)** – Consultants have been appointed to review the condition of all lifts contained within sheltered blocks to enable a more informed approach to any necessary work required in the future. To this end, the majority of the budget has been re-profiled into 2020/21 and updated within the Medium Term Financial Plan.
- **Structural Works (£101,500)** – this underspend relates predominantly to works at Gladstone Street (£70,000) which is in the early procurement stages and is not expected to start until 2020/21 therefore the budget has been re-profiled into 2020/21 and updated in the Medium Term Financial Plan.
- **Vehicle Purchases (£242,500)** – This underspend relates to the provision of new vehicles for the Repairs Team and reflects the revised timing of acquisitions of fleet vehicles.

7.6. Capital funding expected to be applied during 2019/20 is lower than forecast due to the variances noted above.

8. Treasury Management

- 8.1. 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 Regulatory Committee receives detailed operational updates on Treasury Management.

Investments

- 8.2. Cash Investments held on the 31st December 2019 totalled £29.2million. The average level of funds available for investment up to the end of the quarter totalled £17.9million and £124,390 interest was earned.
- 8.3. The Council has budgeted to receive £225,260 in investment income in 2019/20. A shortfall of £35,000 is anticipated against this budget due to the continuation of internal borrowing which reduces the levels of funds available for investment and lower interest rates than forecast.
- 8.4. The loan to the Buxton Crescent Heritage Trust has now been fully drawn to the value of £250,000: drawdowns in quarter 1 were £60,000 on 25th April and £50,000 on 25th May. Interest is charged at 6% which amounts to £14,360 during 2019/20. This was not anticipated in the budget, therefore will partially offset the interest income shortfall above.

Borrowing

- 8.5. Outstanding borrowing at 31st December 2019 totalled £66.8 million. The Council's general fund and HRA budgeted to incur £1,794,630 and £1,783,310 respectively in interest charges and other financing costs in 2019/20. This was based on existing external debt and new external debt to fund the borrowing requirements arising from general fund capital programmes.
- 8.6. No 'new' borrowing or refinancing activity has occurred by the end of quarter 3, therefore the budget is forecast to be £124,020 underspent overall: split £76,280 to the general fund and £47,740 to the HRA.

9. Revenue Collection

9.1. The collection rate outturn for Quarter 3 2019/20 was as follows:

- Council Tax – 84.63% of Council Tax was collected by 31st December 2019, compared to 84.86% for the same period last year.
- Business Rates – 82.89% of Business Rates was collected by 31st December 2019, compared with 83.15% for the same period last year. 0.87% of this year-on-year comparison in performance is attributed to variations on payment plans of some large hereditaments which are not anticipated to create a shortfall by year end.
- Sundry Debts - The value of sundry debts over 60 days old at the end of Quarter 3 was £152,218 which compares with £171,072 at 31st Dec 2018.

General Fund Capital Programme Update 31st December 2019

Scheme	2019/20 Approved Budget	Q3 Changes	2019/20 Revised Budget	Expected Outturn 2019/20	Expected Variance 2019/20
	£	£	£	£	£
Housing & Housing Standards					
Affordable Housing Project	597,000	-	597,000	27,000	(570,000)
Disabled Facilities Grants	715,820	-	715,820	489,110	(226,710)
Landlord Accreditation Grant	67,730	-	67,730	6,550	(61,180)
	1,380,550	-	1,380,550	522,660	(857,890)
Property Services					
Asset Management Programme	2,728,750	-	2,728,750	1,656,500	(1,072,250)
	2,728,750	-	2,728,750	1,656,500	(1,072,250)
ICT	255,800	-	255,800	135,000	(120,800)
	255,800	-	255,800	135,000	(120,800)
Fleet Management/CCTV					
Vehicle Acquisition	3,002,960	-	3,002,960	2,467,010	(535,950)
CCTV	50,000	-	50,000	-	(50,000)
	3,052,960	-	3,052,960	2,467,010	(585,950)
Regeneration					
Heritage Regeneration Grants	45,000	-	45,000	-	(45,000)
Buxton Crescent & Spa	337,780	-	337,780	352,140	14,360
	382,780	-	382,780	352,140	(30,640)
Horticulture					
Play Facilities	193,000	-	193,000	195,210	2,210
	193,000	-	193,000	195,210	2,210
Total General Fund	7,993,840	-	7,993,840	5,328,520	(2,665,320)

Housing Revenue Account Capital Programme Update 31st December 2019

Scheme	Approved Budget 2019/20	Q3 Changes	2019/20 Revised Budget	2019/20 Expected Outturn	Over / (Under) Spend
ASSET MANAGEMENT WORKS:	£	£	£	£	£
Roofing & External Works	495,000	-	495,000	75,000	(420,000)
Kitchens	554,170	-	554,170	554,170	-
Bathrooms	266,000	-	266,000	266,000	-
Central Heating	276,500	-	276,500	276,500	-
Electrical Works	424,000	-	424,000	424,000	-
Aids & Adaptations	295,000	-	295,000	305,500	10,500
Aids & Adaptations (Sherwood Road)	50,000	-	50,000	50,000	-
Aids & Adaptations (Lyne Avenue)	36,240	-	36,240	36,240	-
Structural Works (Various)	266,000	-	266,000	164,500	(101,500)
Lift Replacements	100,000	-	100,000	10,000	(90,000)
ALMA Square – Boiler Replacement	100,000	-	100,000	94,000	(6,000)
Works to Communal Areas	34,000	-	34,000	34,000	-
Window Replacement Programme	660,000	-	660,000	62,000	(598,000)
Door Replacement Programme	221,000	-	221,000	-	(221,000)
	3,777,910	-	3,777,910	2,351,910	(1,426,000)
REPAIRS TEAM CAPITAL WORKS					
Void Rewires	70,000	-	70,000	41,000	(29,000)
Void Kitchens	155,000	-	155,000	115,500	(39,500)
Void Bathrooms	70,000	-	70,000	93,400	23,400
	295,000	-	295,000	249,900	(45,100)
STAFFING & PROFESSIONAL FEES					
Staffing Recharges/ Commissioning Costs	100,000	-	100,000	100,000	-
	100,000	-	100,000	100,000	-
VEHICLE PURCHASING					
Vehicle Purchases	242,500	-	242,500	-	(242,500)
	242,500	-	242,500	-	(242,500)
TOTAL SPEND	4,415,410	-	4,415,410	2,701,810	(1,713,600)