



2020/21

**First 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 first such report for 2020/21.

1.2. The report summarises overall financial performance for 2020/21 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*)	2020/21 Budget	Expected Outturn 2020/21	Variance	Contribution to / (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	58,290	49,810	(8,480)	-	(8,480)
Audit	10,240	5,240	(5,000)	-	(5,000)
ICT	614,210	566,980	(47,230)	-	(47,230)
Human Resources	69,480	51,480	(18,000)	-	(18,000)
Member Services	195,220	159,220	(36,000)	-	(36,000)
Property Services	146,780	615,920	469,140	(5,000)	464,140
Benefits	(178,470)	(158,470)	20,000	(14,700)	5,300
Planning Applications	(370,830)	(349,360)	61,320	(800)	60,520
Building Control	38,270	17,570	(20,700)	-	(20,700)
Customer Services	144,390	96,350	(48,040)	-	(48,040)
Legal Services	30,510	30,510	-	-	-
Electoral Services	59,470	41,770	(17,700)	-	(17,700)
Licensing and Land Charges	(317,480)	(234,060)	83,420	-	83,420
Regeneration	209,630	346,180	96,700	(64,000)	32,700
Communities and Cultural	293,030	292,550	(480)	-	(480)
Housing Strategy**	67,930	44,930	(23,000)	-	(23,000)
Transformation	21,250	13,600	(7,650)	-	(7,650)
Community Safety and Enforcement	118,080	107,810	(10,270)	-	(10,270)
Finance Income & Procurement	(174,130)	40,040	214,170	-	214,170
Corporate Finance*	5,345,490	5,682,490	337,000	-	337,000
Waste Collection	2,015,120	2,193,740	178,620	-	178,620
Street Scene	400,890	394,530	(6,360)	(60)	(6,420)
Leisure Services	146,770	808,500	661,730	500	662,230
Horticulture	333,100	320,300	(12,800)	(780)	(13,580)
Environmental Health	(30,710)	(35,030)	(4,320)	-	(4,320)
Net Total of Services	9,246,530	11,102,600	1,856,070	-	1,771,230
Net Interest	1,679,940	1,741,220	61,280		61,280
	10,926,470	12,843,820	1,917,350	(84,840)	1,832,510
Funding:					
- external	(10,951,820)	(14,228,150)	(3,276,330)	3,360,640	84,310
- reserves contribution to/(from)					
general contingency	138,290	138,290	-	-	-
use of carry forward from 19/20	(24,000)	(24,000)	-	-	-
earmarked	(88,940)	(84,840)	4,100	84,840	88,940
- covid 19 support		(1,546,180)	(1,546,180)		(1,546,180)
Projected (Surplus)/Deficit	-	(2,901,060)	(2,901,060)	3,360,640	459,580

* 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 £10,902,470 was set for 2020/21. In accordance with Financial Procedure Rules, the roll forward of £24,000 in unused budgets from 2019/20 has been authorised.

Corporate Finance (£6,000): relating to completion of risk management work around the safeguarding of the Buxton Spring Water source.

Assets (£18,000): in respect of works to Whaley Bridge War Memorial.

This brings the 2020/21 budget to £10,926,470.

- 2.3. The table above shows how this budget has been allocated to services.
- 2.4. The Q1 projected outturn on the General Fund Revenue Account for 2020/21 is £11,386,050. This represents a projected deficit for the year of £459,580.
- 2.5. No service areas with a projected significant underspend (>£50,000):
- 2.6. There are seven service areas with projected significant overspends (>£50,000).
- **Property (£464,140 overspend);** Covid-19 has impacted this service significantly in two areas. Car parking where a £406,000 reduction in income is forecast (based on latest actual income received up to September and projecting forward) and Public Conveniences with additional cleaning costs resulting in a £19,000 overspend. The protracted negotiation of a replacement contract for property maintenance is further adding to budgetary pressures.
 - **Planning (£60,520 overspend);** underspends across a number of budget heads are partially offsetting a predicted £90,000 shortfall in income from planning applications.
 - **Licensing and Land Charges (£83,420 overspend);** Covid-19 has reduced demand for both land searches and activity licensing adding a further £60,000 to an underlying £20,000 shortfall in anticipated income based on historic demand.
 - **Finance Income and Procurement (£214,170 overspend);** Covid-19 has significantly impacted the Recovery service with income generated from summons activity predicted to be some £165,000 below original expectations. Further budget pressure in the region of £60,000 is predicted in Revenues from the level of spending on external services to support billing processes. This has been exacerbated to a degree by the heavy involvement of staff in administering the payment of Covid 19 business grants – which Government funding has contributed towards.

- **Corporate Finance (£327,000 overspend);** Covid-19 has significantly impacted the level of savings achievable in the current year Efficiency Programme, especially those savings premised on growing fees and charges, and realising additional income streams. The assumption at this stage is that none of these savings will be achieved. There is also heightened risk surrounding the savings taken in 2019/20 arising out of the council's Leisure Management contract. The combined impact of these and other costs associated with delivering the Efficiency Programme is estimated to be in the region of £320,000. This situation will be kept under review over the coming months. An additional, if indirect, Covid-19 impact is a predicted £100,000 shortfall in income from the Borough's bottled water franchise. These extra costs have been partially offset by a £103,000 in-year credit resulting from an over accrual of costs against the Business Rates Pool in 2019/20.
- **Waste (£178,620 overspend);** Covid 19 has had both negative and positive effects on service performance. Lockdown actually increased the amount of recycling collected giving rise to a predicted £60,000 increase in income generated. This however was more than offset by some £187,000 in additional staff and operating costs necessitated by requirements for social distancing and hygiene measures. The income from trade waste contracts, reflecting the pandemic's suppression of demand, is predicted to fall £44,000 short of budget.
- **Leisure (£662,230 overspend);** The pandemic has seen the closure and curtailment of leisure facilities and activities significantly impacting the councils leisure contractor. At present subject to the success of the recovery phase, the additional cost consequence to the Borough is initially anticipated in the region of £660,000.

2.7. The £61,280 overspend on net interest costs is detailed in section 8.

2.8. The level of funding anticipated for the year is currently forecast £4,818,410 above that budgeted due to the following:

Business Rates (£3,276,330):

- The Council expects to receive £3,360,640 in additional S31 grants in the year following the announcement and award of Extended Retail Relief of 100% (33% was forecast in the budget based on the best knowledge at the time); and Nursery Discount (which was not anticipated in the budget). Both of these increases to relief were announced by the government in response to the Covid-19 situation. Accounting practice dictates that these grants are treated as general fund revenue in the year. However, the extended reliefs impact the Collection Fund by increasing the deficit in the year, which will need to be distributed in future years, therefore this additional funding needs to be earmarked to accommodate this and cannot be used to support other services.

- This increase in Business Rates Funding is forecast to be offset in part by an increase in net levy payable on growth to the Derbyshire Business Rates Pool of £84,310 compared to the budgeted amount. After taking into account the additional reliefs awarded, the remaining Business Rates income forecast for the end of the year is improved compared to budget setting due to smaller than anticipated amount to be provided for future appeals against rateable values. This is calculated on a percentage basis of Business Rates income therefore the resulting provision required is smaller due to additional reliefs awarded during the year. As a result the growth calculation is improved and a greater is levy payable.

Use of Reserves £4,100:

At this time a £4,100 reduced net movement out of earmarked reserves is predicted.

Covid 19 funding (£1,546,180)

In response to the financial strain placed on local authorities by the pandemic the Government is providing financial support in the form of grants towards exceptional costs and compensation for loss of income. It is anticipated that this support will amount to £1,546,180.

Exceptional Costs Support: (£1,266,350)

- General Support (£1,086,350 funding):
The Council has received these monies to support its general activities as impacted by the pandemic.
- Discretionary Grants Administration (£170,000 funding):
This additional grant relates to the costs incurred administering the allocation of discretionary grants to Covid impacted businesses in the District.

Compensation for loss of income: (£279,830)

- Loss of Income (£279,830 funding):
Councils have been promised the facility to claim for up to 75% of net losses against budget for income streams that satisfy set criteria. There is debate as to how the criteria will be interpreted and to date no claims have been submitted. The authority, based on a prudent interpretation of the guidance available, anticipates £281,740 could be received.

3. Alliance Environmental Services

- 3.1. Alliance Environmental Services Ltd (AES) is a company created with a vision to deliver waste, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands areas. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District 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 2020/21.
- 3.2. Phase 1 of the transfer of services commenced on 7th August 2017 to deliver High Peak Borough Council Waste 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; and Phase 3 began on 1st April 2020 to deliver street cleansing and grounds maintenance services to the Alliance.

Alliance Environmental Service's financial performance & Impact on the Council's Budgets

- 3.3. The AES business plan for all services delivered to the Council during 2020/21 includes an anticipated operating profit of £89,477 (£85,825 general fund, £3,652 HRA). No variance to this is included in the first quarter forecast outturn, however additional costs are anticipated as a result of the Covid-19 outbreak of £201,579 (£200,830 general fund, £749 HRA).
- 3.4. This table shows in more detail the forecast outturn on the AES contract included in the General Fund Revenue Account and HRA:

2020-21	General Fund	HRA	Total
	£	£	£
AES Contract budget	4,155,714	200,802	4,356,516
Management fee	4,357,159	209,374	4,566,533
Allocation of AES efficiency	(115,620)	(4,920)	(120,540)
Covid-19 costs	200,830	749	201,579
Total management fee payable	4,442,369	205,203	4,647,572
Allocation of Joint Operation Profit	(85,825)	(3,652)	(89,477)
Net total	4,356,544	201,551	4,558,095
<i>Variance to budget</i>	<i>200,830</i>	<i>749</i>	<i>201,579</i>

- 3.5. The Council's share of the total AES revised efficiency target for 2020/21 is £120,540 (£115,620 general fund, £4,920 HRA). This is repayable to the Council and is allocated against the management fee costs.

- 3.6. Additional costs of £201,579 (£200,830 general fund, £749 HRA) are anticipated by the company as a result of the Covid-19 outbreak. These are included in the forecast outturn and relate to provision of cleaning products, PPE and additional agency costs.
- 3.7. 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 1 is £89,477 (£85,825 general fund, £3,652HRA) and is offset against the management fee costs.

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 2020/21.
- 4.2. The Council's Medium-Term Financial Plan (approved in February 2017) included the four-year (2017/18 – 2020/21) Efficiency and Rationalisation Strategy targeting savings of £2.1 million. .
- 4.3. 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 Corporate Plan.
- 4.4. The 2020/21 budget was set in February 2020 with the assumption of £410,000 of savings in the year. This figure comprised £810,000 from the original strategy reduced by £305,000 in re-profiled savings and £95,000 income generation savings deferred into 2021/22. A further £153,000 of savings were realised in quarter 4 of 2019/20 (after the MTFP was presented), reducing the amount to be achieved in 2020/21 to £257,000. The major focus of the savings programme in 2020/21 being on growth and income generation.
- 4.5. At the end of Quarter One, no savings have been taken against the 20/21 efficiency target, largely as a result of the disruption to services caused by the Covid19 outbreak.
- 4.6. The current situation, regarding the on-going effect of the Covid-19 pandemic, places into doubt some of the savings taken out of the budget during 2019/20; particularly those relating to the Leisure Services contract. There is also a significant risk that the current year savings will not be achieved, particularly those relating to growing fees and charges and income generation. At this stage it is assumed that no savings will be achieved in these areas during the year. This will continue to be monitored over the next few months as the situation develops.

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 2020/21 Housing Revenue Account budget was originally set to produce a deficit of £814,870 supported by reserves. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £120,000 in unused budgets from 2019/20 to facilitate completion of capital component works (bathrooms; kitchens; electrical works and wet rooms) halted during the Covid 19 pandemic lockdown period in March 20. This brought the 2020/21 budget to a deficit of £934,870.

5.3. Provisional outturn expenditure on the Housing Revenue Account at the first quarter stage is £15,279,997 with estimated income of £15,094,155. This represents a deficit for the year of £185,842 (i.e. £749,028 below budget – therefore less reserves are required to fund HRA activities in year).

Housing Revenue Account	2020-21 Approved Budget £	Q1 Changes £	2020-21 Revised Budget £	2020-21 Expected Outturn £	Variance £
INCOME					
Dwellings Rents	(14,370,910)	-	(14,370,910)	(14,356,420)	14,490
Non - Dwelling Rents Etc	(624,440)	-	(624,440)	(737,740)	(113,300)
Sub-total income	(14,995,350)	-	(14,995,350)	(15,094,160)	(98,810)
EXPENDITURE					
Repairs & Maintenance	4,299,300	-	4,299,300	4,502,230	202,930
Supervision & Management	2,613,150	-	2,613,150	2,530,790	(82,360)
Rents, rates, taxes Etc.	113,030	-	113,030	113,030	-
Other Operating Expenditure	761,310	-	761,310	759,160	(2,150)
Depreciation & Impairment	2,099,030	-	2,099,030	2,099,030	-
Interest & Debt Management	2,746,340	-	2,746,340	2,742,850	(3,490)
Contribution to Capital	3,178,060	120,000	3,298,060	2,532,910	(765,150)
Sub-total expenditure	15,810,220	120,000	15,930,220	15,280,000	(650,220)
Surplus(-)/Deficit	814,870	120,000	934,870	185,840	(749,030)
Use of Reserves	(814,870)	(120,000)	(934,870)	(185,840)	749,030
Balance	-	-	-	-	-

- 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 deficit balance predicted by the Council at this first quarter stage will be funded by a transfer from reserves within the Housing Revenue Account.
- 5.5. There is just one significant (>£50,000) overspend on the HRA:
- Repairs and Maintenance (£202,930) – There are a number of variances contributing to this overspend; the first most significant relates to the use of sub-contractors and agency staff (£148,000); and the second relates to the increased costs associated with the provision of materials (£49,000).
- 5.6. There are three significant (>£50,000) underspends to be noted at this stage.
- Income - Non-Dwelling Rents (£113,300) – increased income from service charges has been responsible for the majority of this positive variance.
 - Supervision and Management (£82,360) – there are numerous small underspends across a large number of budget areas contributing to this underspend however, a large proportion of this variance (£25,000) reflects savings in salary costs, transport costs and general employee related expenditure.
 - Contribution to Capital (£765,150) – 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 30th June 2020. Further detail on a scheme by scheme basis is contained in Annex A.

	2020/21 Approved Budget £	Q1 Changes £	2020/21 Revised Budget £	Expected Outturn 2020/21 £	Expected Variance 2020/21 £
Housing	667,000	-	667,000	667,000	-
Housing Standards	550,290	-	550,290	519,110	(31,180)
Property Services	2,520,300	18,570	2,538,870	1,668,340	(870,530)
ICT	87,050	48,160	135,210	118,160	(17,050)
Fleet /CCTV	741,500	241,260	982,760	50,000	(932,760)
Leisure Services	50,000	10,000	60,000	10,000	(50,000)
Regeneration	25,570	(12,320)	13,250	63,250	50,000
Horticulture	9,040	90,000	99,040	90,000	(9,040)
Total	4,650,750	395,670	5,046,420	3,185,860	(1,860,560)
Funding:-					
External Contributions	550,290	-	550,290	519,110	(31,180)
Planning Obligations	-	43,000	43,000	43,000	-
Capital Receipts(Land)	725,000	-	725,000	-	(725,000)
Capital Receipts(one for one)	667,000	-	667,000	667,000	-
Capital Receipts(vehicles)	32,500	-	32,500	-	(32,500)
Capital Reserves	-	100,000	100,000	100,000	-
Earmarked Reserves	50,000	14,450	64,450	64,450	-
Borrowing	2,625,960	238,220	2,864,180	1,792,300	(1,071,880)
Total	4,650,750	395,670	5,046,420	3,185,860	(1,860,560)

- 6.3. The 2020/21 General Fund Capital Budget was approved by Members in February as part of the Medium Term Financial Plan £4,650,750. An increase to the programme of £385,670 was then approved by Executive in July as part of the Provisional Outturn report and reflected the carry forward of budget from 2019/20. A new project budget of £10,000 has also been added during Quarter 1. The overall approved budget now stands at £5,046,420.
- 6.4. The changes made to the capital programme since approval in February are as follows:-
- (£385,670 increase) The carry forward of 2019/20 capital budget variances as a result of projects which were either behind schedule or had progressed quicker than expected in the year.
 - (£10,000 increase) Individual Executive Decision 27th June 2017 approved the use of Section 106 planning obligation funds towards a contribution to support the planned project to develop Cemetery Road Football Club and Community Hub in Glossop.

6.5 The General fund capital programme is currently forecast to record an overall net underspend position of £1,860,560 made up of the following variances:-

- (£1,910,560 underspend) - The Covid-19 out-break has contributed to delays in delivery of the Capital Programme. Slippage against a number of projects has been re-profiled in the latest Medium Term Financial Plan Review to reflect a more realistic timing of when capital expenditure will be incurred in the current circumstances.
- (£50,000 overspend) - Buxton Crescent Hotel & Spa - Following the Government announcement made on Monday 23rd March 2020 that required people to stay at home, the Hotel was forced to put its opening programme on hold. Additional professional fees including project management costs are included in the anticipated overspend up until the revised opening date of October this year.

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

- Capital Receipts – £725,000 land sales originally forecast are not now anticipated to be completed by the end of this financial year
- Overall capital funding which will be applied to the 2020/21 Capital Programme is lower than forecast, reflecting the revised timing of capital spend, hence a reduced borrowing requirement of £1,071,880 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 30th June 2020. Further detail on a scheme by scheme basis is contained in Annex B.

Scheme	2020-21 Approved Budget	Q1 Changes	2020-21 Revised Budget	2020-21 Expected Outturn	2020-21 Variance
	£	£	£	£	£
Asset Management Works	4,639,590	120,000	4,759,590	4,171,940	(587,650)
Repairs Team Capital Works	295,000	-	295,000	270,000	(25,000)
Commissioning Fees	100,000	-	100,000	100,000	-
Vehicle Purchasing	242,500	-	242,500	90,000	(152,500)
Total	5,277,090	120,000	5,397,090	4,631,940	(765,150)
Funding:					
Major Repairs Reserve	2,099,030	-	2,099,030	2,099,030	-
HRA Contribution	3,178,060	120,000	3,298,060	2,532,910	(765,150)
	5,277,090	120,000	5,397,090	4,631,940	(765,150)

- 7.3. The 2020/21 HRA Capital budget of £5,277,090 was approved by members in February 2020 as part of the MTFP.
- 7.4. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £120,000 in unused budgets from 2019/20 to facilitate completion of capital component works (bathrooms; kitchens; electrical works and wet rooms) halted during the Covid 19 pandemic lockdown period in March 20. This brings the total HRA Capital Programme to £5,397,090.
- 7.5. During the first quarter, £165,033 has been incurred on HRA Capital Schemes principally on kitchen replacements and roofing works. This is much lower than expected and reflects the affect of lockdown due to the coronavirus.
- 7.6. Much of the HRA spend has been re-profiled to commence either in late autumn or delayed until 21/22 due to continued access issues to the majority of sites. This has resulted in an anticipated underspend of £765,150 mainly in the following project areas:
- Boiler Replacement – Queens Court (£200,000) - Due to the inability to access all areas of this sheltered block during the early part of the year, this scheme has been put on hold until 21/22.
 - Radiator Replacements – Milton Court & Eccles Fold (£130,000) – The lack of access to individual flats during the early part of the year has resulted in this scheme also being put on hold until 21/22.
 - Lift Replacement Scheme – (£180,000) – Problems with access have resulted in necessary engineer and survey reports being delayed, therefore some spend (approximately £20,000) is expected to take place towards the end of the financial year however the majority of spend will take place in 21/22.
 - Component Replacements – Kitchens; Bathrooms; Windows and Doors – (£170,650) – Following lockdown and the inability to access properties, spend in these areas has been slow. Although there may be some capacity to increase delivery of these in the coming months, it is expected that there will be some slippage into 21/22.
 - Vehicle Replacement programme – (£152,500) – Procurement for the replacement of existing repairs vehicles is due to commence in September, thereby delaying anticipated fleet costs of £242,500 until early 21/22. Offsetting this, there is anticipated spend to provide four additional new vehicles for an electrician and estate caretaker posts.
- 7.7. Following the results of recent Health and Safety Inspections, it has become necessary to enhance existing fire safety alarm systems within a number of sheltered accommodation blocks. This project is to run across three financial years with the anticipated cost of each alarm system expected to be in the region of £35,000. Year 1 will be in 20/21 with the replacement of three systems at an expected cost of £105,000. This project has been added to the current HRA Capital Programme and will utilise some of the under spend noted above.
- 7.8. Capital funding expected to be applied during 2020/21 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 30th June 2020 totalled £27.4million. The average level of funds available for investment up to the end of the quarter totalled £32.4million and £40,340 interest was earned.
- 8.3. The Council has budgeted to receive £160,000 in investment income in 2020/21. A shortfall of £61,280 is anticipated against this budget due to falling interest rates following the reduction of the Bank of England base rate to 0.10% in March 2020.

Borrowing

- 8.4. Outstanding borrowing at 30th June 2020 totalled £66.8 million. The Council's general fund and HRA budgeted to incur £1,835,260 and £1,742,850 respectively in interest charges and other financing costs in 2020/21. This was based on existing external debt and new external debt to be taken during quarter 4 to fund the borrowing requirements arising from general fund capital programmes.
- 8.5. No 'new' borrowing or refinancing activity has occurred during quarter 1, therefore no variance to the budget is forecast at this stage.

9. Revenue Collection

- 9.1. The collection rate outturn for Quarter 1 2020/21 was as follows:
- **Council Tax** – 28.47% of Council Tax was collected by 30th June 2020, compared to 29.64% for the same period last year.
 - The effects of Covid-19 on collection rates are being monitored. The variance in the collection of Council Tax appears to be largely due to the delay in the commencement of recovery action and/ or inability to pay as opposed to deferred payment plans;
 - **Business Rates** – 22.51% of Business Rates was collected by 30th June 2020, compared with 30.01% for the same period last year.
 - An analysis of the 15 NNDR accounts with the highest Rateable Values indicates that deferred payment plans account for majority of the variance in collection rates and this will unwind over the year assuming businesses can maintain their deferred plans when they commence.
 - **Sundry Debts** - The value of sundry debts over 60 days old at the end of Quarter 1 was £270,240 which compares with £178,520 at 30th June 2019. The level of arrears has been impacted by a delay in recovery action following onset of the pandemic.

General Fund Capital Programme Update 30th June 2020

Scheme	2020/21 Approved Budget	Q1 Changes	2020/21 Revised Budget	Expected Outturn 2020/21	Expected Variance 2020/21
	£	£	£	£	£
Housing & Housing Standards					
Affordable Housing Project	667,000	-	667,000	667,000	-
Disabled Facilities Grants	489,110	-	489,110	489,110	-
Landlord Accreditation	61,180	-	61,180	30,000	(31,180)
	1,217,290	-	1,217,290	1,186,110	(31,180)
Property Services					
Asset Management Programme	2,520,300	18,570	2,538,870	1,668,340	(870,530)
	2,520,300	18,570	2,538,870	1,668,340	(870,530)
ICT	87,050	48,160	135,210	118,160	(17,050)
	87,050	48,160	135,210	118,160	(17,050)
Fleet Management					
Vehicle/Plant Acquisitions	691,500	241,260	932,760	-	(932,760)
CCTV	50,000	-	50,000	50,000	-
	741,500	241,260	982,760	50,000	(932,760)
Leisure Services					
Outdoor Sports Facilities Fund	50,000	-	50,000	-	(50,000)
Football Development	-	10,000	10,000	10,000	-
	50,000	10,000	60,000	10,000	(50,000)
Regeneration					
Buxton Crescent & Spa	25,570	(12,320)	13,250	63,250	50,000
	25,570	(12,320)	13,250	63,250	50,000
Horticulture					
Play Facilities	9,040	90,000	99,040	90,000	(9,040)
	9,040	90,000	99,040	90,000	(9,040)
Total General Fund	4,650,750	395,670	5,046,420	3,185,860	(1,860,560)

Housing Revenue Account Capital Programme Update 30th June 2020

Scheme	Approved Budget 2020/21	Q1 Changes	2020/21 Revised Budget	2020/21 Expected Outturn	Over / (Under) Spend
ASSET MANAGEMENT WORKS:	£	£	£	£	
Roofing & External Works	460,000	-	460,000	514,000	54,000
Gamesley Cladding Works	200,000	-	200,000	125,000	(75,000)
Bathroom Programme	400,000	20,000	420,000	420,000	-
Kitchen Programme	954,170	20,000	974,170	903,520	(70,650)
Electrical Works	409,430	20,000	429,430	429,430	-
Central Heating Works	224,630	-	224,630	94,630	(130,000)
Queens Court Boiler Replacement	200,000	-	200,000	-	(200,000)
Windows and Doors Programme	1,193,360	-	1,193,360	1,093,360	(100,000)
Aids & Adaptations	295,000	50,000	345,000	345,000	-
Structural Works (Various)	93,000	-	93,000	93,000	-
Lift Replacements	190,000	10,000	200,000	20,000	(180,000)
Queens Court Lightning Protection	20,000	-	20,000	29,000	9,000
Sheltered Fire Alarm Upgrades	-	-	-	105,000	105,000
	4,639,590	120,000	4,759,590	4,171,940	(587,650)
REPAIRS TEAM CAPITAL WORKS					
Void Rewires	70,000	-	70,000	64,000	(6,000)
Void Kitchens	155,000	-	155,000	142,000	(13,000)
Void Bathrooms	70,000	-	70,000	64,000	(6,000)
	295,000	-	295,000	270,000	(25,000)
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	90,000	(152,500)
	242,500	-	242,500	90,000	(152,500)
TOTAL SPEND	5,277,090	120,000	5,397,090	4,631,940	(765,150)