



**2020/21**

**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 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	Provisional Outturn 2020/21	Variance	Contribution to / (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	379,720	356,727	(22,993)	-	(22,993)
Audit	98,920	94,970	(3,950)	-	(3,950)
ICT	565,210	605,958	40,748	(25,000)	15,748
Human Resources	69,480	46,623	(22,857)	-	(22,857)
Member Services	195,220	148,490	(46,730)	-	(46,730)
Property Services	379,680	897,288	517,608	-	517,608
Benefits	201,950	421,169	219,219	(39,057)	180,162
Planning Applications	118,950	217,829	98,879	(800)	98,079
Building Control	56,140	5,931	(50,209)	-	(50,209)
Customer Services	501,040	424,461	(76,579)	-	(76,579)
Legal Services	203,870	201,097	(2,773)	-	(2,773)
Electoral Services	59,470	49,189	(10,281)	(8,793)	(19,074)
Licensing and Land Charges	(317,480)	(273,335)	44,145	-	44,145
Regeneration	474,400	612,216	137,816	(121,840)	15,976
Communities and Cultural	481,610	364,419	(117,191)	81,109	(38,082)
Housing Strategy**	67,930	(46,567)	(114,497)	23,842	(90,655)
Transformation	195,620	187,363	(8,257)	-	(8,257)
Community Safety and Enforcement	109,580	58,326	(51,254)	-	(51,254)
Finance Income & Procurement	382,330	397,879	15,549	-	15,549
Corporate Finance*	1,625,420	547,631	(1,077,789)	-	(1,077,789)
Waste Collection	2,048,060	2,006,504	(41,556)	48,428	6,872
Street Scene	409,850	429,413	19,563	(60)	19,503
Leisure Services	146,770	1,170,259	1,023,489	2,352	1,025,841
Horticulture	334,420	293,516	(50,904)	(780)	(51,684)
Environmental Health	448,370	373,361	(75,009)	-	(75,009)
<b>Net Total of Services</b>	<b>9,248,530</b>	<b>9,590,717</b>	<b>344,187</b>	<b>-</b>	<b>303,588</b>
Net Interest	1,679,940	1,647,634	(32,306)		(32,306)
<b>Funding:</b>	10,926,470	11,238,351	311,881	(40,599)	271,282
- external	(10,951,820)	(14,507,719)	(3,555,899)	3,360,640	(195,259)
- reserves contribution to/(from)					
general contingency	138,290	138,290	-	-	-
use of carry forward from 19/20	(24,000)	(24,000)	-	-	-
earmarked	(88,940)	(40,599)	48,341	40,599	88,940
- covid 19 support		(1,725,665)	(1,725,665)		(1,725,665)
<b>Projected (Surplus)/Deficit</b>	<b>-</b>	<b>(4,921,342)</b>	<b>(4,921,342)</b>	<b>3,360,640</b>	<b>(1,560,702)</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 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 brought 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 Q4 provisional outturn on the General Fund Revenue Account for 2020/21 is £6,005,128. This represents a surplus for the year of £4,921,342.

2.5. There are seven service areas of significant underspend (>£50,000):

- **Building Control (£50,209 underspend);** service was overbudgeted for the existing delivery model and level of activity.
- **Customer Services (£76,579 underspend);** Changes in working practices brought on by the pandemic built on existing initiatives to reduce spend across a number of budget heads including post and print.
- **Housing Strategy (£90,655 underspend);** Carelink has contributed £73,000 to this underspend as a result of increased income including that arising from the first full year of its CCTV monitoring service. Third party funding of the Homelessness service was above expectations generating an in year operating surplus of £41,000 allowing £24,000 to be earmarked to support future years.
- **Community Safety & Enforcement (£51,254 underspend);** Income accruing to the Clean & Green Team, in relation to abandoned vehicles, brought that service in £15,000 underspent. The CCTV service achieved a £35,000 saving against its repair budget as a consequence of capital investment in new equipment.
- **Corporate Finance (£1,077,789 underspend);** Corporate Finance has been the recipient of Government funding to support the administration costs incurred by the Borough issuing Covid 19 grants on their behalf. The time and effort involved was spread across the Authority's workforce so the credits have been taken at the Corporate level, with £413,300 received in relation to Business Support Grants and £24,762 in regard to Self-Isolation. Changes in the Authority's capital funding requirements have led to the £298,810 Minimum Revenue Provision budget being showing as underspent. Performance against centrally held budgets for staff, inflation and efficiencies generated the remaining underspend. One further item of note within this service is the Buxton Water income shortfall (£120,000) arising out of the detrimental effects of the pandemic on bottled water sales during the year.

- **Horticulture (£51,684 underspend);** Service income levels have been higher than anticipated.
- **Environmental Health (£75,009 underspend);** The response to Covid-19 has significantly impacted the nature and volume of work carried out in this service, as it was involved in both Track and Trace and Enforcement. It did receive third party funding in 2020/21 totalling some £99,818. However much of the work and costs have occurred in 2021/22 generating a £60,000 in-year surplus. A further £15,000 surplus was generated within the Housing Strategy function as a result of a Disabled Facilities Grant being repaid.

2.6. There are four service areas of significant overspends (>£50,000).

- **Property (£517,608 overspend);** Covid-19 has impacted this service significantly in two areas. Car parking where a £487,000 reduction in net income has resulted and Public Conveniences with additional cleaning costs causing a £95,000 overspend.
- **Benefits (£180,162 overspend);** As a result of the pandemic a £122,000 bad debt provision was charged to the service in relation to the higher likelihood that historically overpaid benefits would not be recovered. The remaining overspend reflects the levels of subsidy accruing against the benefits paid in the year.
- **Planning (£98,079 overspend);** Underspends across a number of budget heads partially offset a £144,000 shortfall in income from planning applications.
- **Leisure (£1,025,841 overspend);** The pandemic has seen the closure and curtailment of leisure facilities and activities significantly impacting the council's leisure contractor. The additional in-year cost consequence to the authority of providing financial support to the contractor was £601,000 for leisure centre provision and £427,000 in regard to Pavilion Gardens.

2.7. The £32,306 underspend on net interest costs is detailed in section 8.

2.8. The level of funding for the year is £5,233,223 above that budgeted due to the following:

***Business Rates (£3,555,899):***

- The Council received £3,360,640 in additional S31 grants in the year to compensate for the 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.

- The Business Rates Retention funding in the year also benefits by £99,330 from an over accrued commitment of levy payable to the Derbyshire Business Rates Pool for 2019/20 which was based on best estimates available at the time.
- The levy payable to the Derbyshire Business Rates Pool for 2020/21 is currently forecast £95,929 lower than the budgeted amount, further increasing the business rates funding for the year. It should be noted that this is only based on estimates as the amount due is calculated on the performance of all members of the Pool and the necessary information is not yet available to produce a final figure because of national delays and extensions to the Business Rates reporting requirements. Any variance to the actual figure will therefore be included in future year's business rates funding outturn.

#### Use of Reserves (£48,341)

- The original budget for 2020/21 assumed a contribution of £114,290 into general fund contingency and a £88,940 use of earmarked reserves
- The outturn reported in table 2.1 assumes that the £114,290 contribution to contingency reserves included in the 2020/21 budget was made. In practice however owing to the general fund surplus generated in the year the actual contribution to reserves was £5,035,632.
- The £40,599 contribution to reserve reported in table 2.1 reflects that the Borough's net use of earmarked reserves was £48,341 less than the £88,940 budgeted.

#### *Earmarked*

- ICT £25,000 use: monies drawn from reserve earmarked for IT infrastructure to cover costs of homeworking IT equipment.
- Benefits £39,057 use: monies previously earmarked to address service budget pressures arising out of Housing Benefits reform have been used.
- Planning Applications £800 use: Certain activities of the Arboriculture section have been part funded by drawing down on Section 106 monies previously received from Developers as part of their planning obligations.
- Electoral Services £8,793 use: this includes the application in year of the £11,792 balance of grant previously received to fund the transition to Individual

Electoral Registration. There has also been a £3,000 contribution to the Election Equalisation Reserve earmarked to meet costs of future elections.

- Regeneration £121,840 use: 2020/21 saw the application of a number of the Borough's earmarked reserves to support economic development projects. They included £26,900 from the Future High Streets pot, £49,900 of monies set aside in regard to Toddbrook and £45,000 from a Custom Build reserve.
- Communities and Cultural £81,109 contribution: Grant received from Derbyshire County Council has been set aside for application in future years in accordance with the terms of the Local Strategic Partnership.
- Housing Strategy £23,842 contribution: Third party funds received in-year are being set aside to support homelessness initiatives that will run into future years.
- Waste Collection £48,428 contribution: The service saw an in year reduction against budgeted vehicle maintenance costs of £48,428 as it benefitted from having a younger fleet. In the knowledge that these costs would increase as the fleet aged this money has been earmarked towards future year maintenance costs.
- Street Scene £60 use: Certain activities have been part funded by drawing down on Section 106 monies previously received from Developers as part of their planning obligations.
- Leisure Services £2,352 contribution: £20,000 has been drawn down from the Authority's Future Leisure reserve to fund the cost of consultations carried out in the year. Owing to Covid 19 restricting a number of leisure initiatives during 2020/21 £22,352 has been placed into the Sport Active reserve for application in future years.
- Horticulture £780 use: maintenance of certain sites across the Borough has been part funded by drawing down on Section 106 monies previously received from Developers as part of their planning obligations.

### ***Covid 19 funding (£2,263,545)***

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. This support amounted to £2,263,545 made up of the amounts below.

*Service Specific Costs Support: (£537,880)*

*These grants were credited direct to Services and are included in their outturns for 2020/21 as reported in Table 2.1*

- Business Grants Administration (£413,300 funding):  
This additional grant, credited to Corporate Finance, relates to the costs incurred administering the allocation of grants to Covid impacted businesses in the Borough.
- Isolation Grants Administration (£24,762 funding):  
This funding, credited to Corporate Finance, relates to the costs incurred administering the allocation of Isolation grants to Covid impacted individuals in the Borough.
- Enforcement Grant (£38,818 funding):  
This funding, credited to Environmental Health, relates to the costs incurred enforcing lock down requirements in the Borough.
- Track and Trace (£61,000 funding):  
This funding from the County Council, credited to Environmental Health, is towards the Council's responsibilities for local track and trace.

*General Costs Support: (£1,725,665)*

*This represents funding provided to support all the Authorities activities and is shown as Covid Funding in Table 2.1.*

- General Support (£1,256,991 funding):  
The Council has received these monies to support its general activities as impacted by the pandemic.
- Loss of Income (£465,750 funding):  
Councils were granted the facility to claim for up to 75% of net losses against budget for income streams that satisfy set criteria. Based on a prudent interpretation of the guidance.
- Council Tax Losses Support (£2,924 funding):  
Government made an in-year contribution against anticipated losses in Council Tax receipts.

### *General Fund Revenue Reserves*

2.9 The provisional outturn for the year on the General Fund Revenue Account was a £4,921,342 surplus.

2.10 The surplus generated is calculated inclusive of the £114,290 contribution into general reserves budgeted for in 2020/21. Therefore, the Authority's contingency reserves have increased overall by £5,035,632.



Of this a new Business Rates earmarked reserve of £3,360,640 is to be created to match S31 grant income received to the future needs of the Collection Fund in 2021/22. (see section 2.8)

2.11 The Authority's calculated minimum for its contingency reserve is £1,540,000. 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;

- £100,000 added to an earmarked reserve to fund future costs of the Covid-19 recovery programme
- £100,000 added to an earmarked reserve set aside to support with the costs associated with the Future Leisure Provision project
- £100,000 added to an earmarked reserve set aside to support with the delivery of Climate change related projects.
- £75,000 used to create a new reserve earmarked to support partner organisations in short term financial difficulty.
- £100,000 used to create a new reserve earmarked to support with the costs of maintaining and revising the Local Plan
- £150,000 added to an earmarked reserve set aside to support the digital strategy.
- £50,000 used to create a new reserve earmarked to support development costs in connection with the Parks Strategy.
- £50,000 used to create a new reserve earmarked to support costs associated with organisational development and the HR process.
- £950,000 balance of the underspend has been added to Contingency

2.12 In addition a balance of £220,000 has been moved from the obsolete Pensions Reserve to Contingency in line with the 2021/22 Medium Term Financial Plan.

2.13 The effect of these changes results in a balance on general fund reserves as at 31<sup>st</sup> March 2021 of £4.1million – which is £2.6million above minimum contingency level. The current Medium Term Financial Plan approved in February 2021 assumed a General Fund contingency balance of £3.82m at the end of 2020/21. The Council expects to use £1,082,070 of general contingency reserves over the next four years

2021/22 – 2024/25 as a result of the pressures being felt by the Council in the current Covid-19 situation.

*Carry Forward Request:-*

2.14 The following requests for carry forward have been received:

- **Communities (£24,010):** carry forward of underspent budget in respect of Victoria Hall (£20,000) to be spent in early 2021/22 and underspend (£4,010) in the Councillor Initiative fund to be added to the 2021/22 allocation.
- **Customer Services (£2,500):** carry forward of underspent uniforms budget arising out of the effects of the pandemic. This will be required to meet increased expenditure in 2021/22 when the receptions reopen.

### 3. Alliance Environmental Services

3.1. Alliance Environmental Services Ltd (AES) delivers waste, fleet, street cleansing and grounds maintenance services to both High Peak Borough and Staffordshire Moorlands District Councils. The Councils are shareholders of the company along with Ansa, which is a wholly owned subsidiary of Cheshire East Council.

3.2. AES's financial performance and impact on this Council's budget is summarised below:

2020-21	General Fund	HRA	Total
	£	£	£
<b>AES Contract budget</b>	<b>4,155,710</b>	<b>200,800</b>	<b>4,356,510</b>
Management fee	4,356,442	210,094	4,566,536
Additional Fee	37,547	1,448	38,995
Covid-19 costs	109,361	813	110,174
Fleet maintenance fund	(48,428)	(35,117)	(83,545)
<b>Total management fee payable</b>	<b>4,454,922</b>	<b>177,238</b>	<b>4,632,160</b>
Allocation of Joint Operation Profit	(128,654)	(6,205)	(134,859)
<b>Net total</b>	<b>4,326,268</b>	<b>171,033</b>	<b>4,497,301</b>
<b>Variance to budget</b>	<b>170,558</b>	<b>(29,767)</b>	<b>140,791</b>

3.3. The AES business plan for all services delivered to the Council during 2020/21 included a budgeted management fee of £4,566,536. The £38,995 additional fee relates to the increased pay award where 2.75% was settled but only 2% budgeted at the time; and costs relating to the closure of the Melandra depot. Additional costs of £110,174 were incurred as a result of the Covid-19 outbreak; these relate to provision of cleaning products, PPE and additional agency costs.

- 3.4. It is acknowledged that new vehicles require less maintenance expenditure in the early years, but these costs will increase with a vehicle's age, therefore AES has reimbursed the Council with the underspend on this budget of £83,545 to be held specifically in an earmarked reserve to be drawn down in future years when the burden becomes greater than the budgeted amount.
- 3.5. Under accounting standards, AES's financial performance is consolidated 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 budgeted resources from each department. The Council's share of the profit based on the draft outturn is £134,859 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 2020/21, £210,000 savings have been taken against the 20/21 efficiency target.
- 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. This is being kept under review as the impact of the pandemic become clearer. The £47,000 shortfall in current year savings is as forecast in Quarter 3. In line with the current MTFP the unmet savings requirement will be carried forward into 2021/22.

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. Following various updates, approved by the Chief Finance Officer and then the Executive in August 2020, it was revised and set at a deficit position of £934,870.

5.3. Provisional outturn expenditure on the Housing Revenue Account for 2020/21 is £13,839,767 with provisional outturn income of £15,145,391. This represents a surplus for the year of £1,305,624 (i.e. £2,240,494 below budget – therefore no reserves are required to fund HRA activities in year).

Housing Revenue Account	2020-21 Revised Budget £	2020-21 Provisional Outturn £	Variance £
<b>INCOME</b>			
Dwellings Rents	(14,370,910)	(14,383,462)	(12,552)
Non - Dwelling Rents Etc	(671,660)	(761,929)	(90,269)
<b>Sub-total income</b>	<b>(15,042,570)</b>	<b>(15,145,391)</b>	<b>(102,821)</b>
<b>EXPENDITURE</b>			
Repairs & Maintenance	4,341,520	4,283,707	(57,813)
Supervision & Management	2,618,150	2,333,642	(284,508)
Rents, rates, taxes Etc.	113,030	102,216	(10,814)
Other Operating Expenditure	761,310	619,301	(142,009)
Depreciation & Impairment	2,099,030	2,130,437	31,407
Interest & Debt Management	2,746,340	2,738,356	(7,984)
Contribution to Capital	3,298,060	1,632,108	(1,665,952)
<b>Sub-total expenditure</b>	<b>15,977,440</b>	<b>13,839,767</b>	<b>(2,137,673)</b>
<b>Surplus(-)/Deficit</b>	<b>934,870</b>	<b>(1,305,624)</b>	<b>(2,240,494)</b>
(Use of) / Contribution to Reserves	(934,870)	1,305,624	2,240,494
<b>Balance</b>	-	-	-

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 Council comfortably maintained a credit balance on the Housing Revenue Account in 2020/21. The surplus balance will be transferred to reserves within the Housing Revenue Account.

5.5. There are no significant (>£50,000) overspend on the HRA.

5.6. There are five significant (>£50,000) underspends to be noted:

- Income - Non-Dwelling Rents (£90,269) – Increased income from service charges has been responsible for the majority of this positive variance.
- Repairs and Maintenance (£57,813) – There are a number of compensating under and overspends resulting in this variance. The most significant are additional costs in agency staff (£27,000); additional costs in materials and Covid related PPE (£103,000) offset by underspends in the installation of radon fans (£136,000) and maintenance and compliance costs (£53,000).
- Supervision and Management (£284,508) – Almost half of this variance relates to underspends in employee costs; predominantly salary and travel costs. The remainder of the variance is due to numerous underspends across a number of budget areas including tenant participation (£38,000); decorating allowances (£17,000); printing, stationary and corporate support costs (£40,000).
- Other Operating Expenditure £142,009 – The majority of this variance relates to a lower than anticipated contribution to the bad debts provision.
- Contribution to Capital (£1,665,952) – The HRA capital programme was revised during the MTFP process in February 2021, lowering the expected contribution by £1,425,160 to just £1,872,900 and represents the largest proportion of this variance. 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. The General Fund Capital Programme approved by members in February 2021 was set at £2,701,210.
- 6.2. The 2020/21 provisional outturn at 31<sup>st</sup> March 2021 is summarised in the table below, with further detail provided at Annex A

	2020/21 Approved Budget £	Out- Turn 2020/21 £	Variance £
<b>Housing</b>	170,000	190,319	20,319
<b>Housing Standards</b>	330,000	354,541	24,541
<b>Property Services</b>	1,557,060	1,396,936	(160,124)
<b>ICT</b>	198,360	186,100	(12,260)
<b>Fleet /CCTV</b>	222,540	165,747	(56,793)
<b>Leisure Services</b>	70,000	10,000	(60,000)
<b>Regeneration</b>	63,250	424,005	360,755
<b>Horticulture</b>	90,000	90,000	-
<b>Total</b>	<b>2,701,210</b>	<b>2,817,647</b>	<b>116,437</b>
<b>Funding:-</b>			
<b>External Contributions</b>	523,070	1,045,727	522,657
<b>Planning Obligations</b>	43,000	43,000	-
<b>Capital Receipts(Land)</b>	57,180	27,730	(29,450)
<b>Capital Receipts(one for one)</b>	170,000	190,319	20,319
<b>Capital Reserves</b>	100,000	100,000	-
<b>Earmarked Reserves</b>	64,450	-	(64,450)
<b>Borrowing</b>	1,743,510	1,410,871	(332,639)
<b>Total</b>	<b>2,701,210</b>	<b>2,817,647</b>	<b>116,437</b>

- 6.3. The Council incurred capital expenditure of £2,817,647 during the year against a revised budget of £2,701,210 - this represents overspend of £116,437. The underspend reflects the net impact of Capital Programme projects which are either behind schedule or have progressed quicker than expected with the most significant variances being:

- Property (£160,124 underspend) – various under and over spends on Asset Management Plan projects, including £99,376 underspend against the roofing works at Glossop Market Hall
- CCTV (£59,790 underspend) upgrade of CCTV Control Centre has been delayed due to the prioritisation of emergency repairs by the supplier during the pandemic. It is anticipated that the works will now go ahead during this year. The necessary carry forward of budget will be made

- Leisure Services – (£60,000 underspend) Sports Facilities Fund – Allocation available to support requests for funding of improvements to small outdoor sports facilities, no grants were released in 2020/21 the budget is being carried forward to support sports clubs in 2021/22
- Regeneration – (£355,874 overspend) Fairfield roundabout and link roads, more pre construction expenditure was incurred against the project in 2020/21 than anticipated – the balance of the remaining budget has been reprofiled accordingly

6.4. Consequently, capital funding applied to the 2020/21 Capital Programme is higher than forecast, reflecting the incidence and timing of capital spend.

6.5. As a result of the variances detailed above, approval is sought to increase / decrease the Capital budgets for 2021/22 as shown in the table below:-

Service	Variance £	Carry Forward to 2021/22 Over/(Under) Spend £	Over/(Under spend) Completed Projects £
Housing	20,319	-	20,319
Housing Standards	24,541	(30,000)	54,541
Property Services	(160,124)	(160,124)	-
ICT	(12,260)	(12,260)	-
Fleet /CCTV	(56,793)	(56,793)	-
Leisure Services	(60,000)	(60,000)	-
Regeneration	360,755	360,755	-
<b>Total</b>	<b>116,437</b>	<b>41,578</b>	<b>74,859</b>

## 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 HRA Capital Programme approved by members in February 2021 was set at £3,971,930

7.3. The table below shows a high level summary of the HRA Capital Programme provisional outturn at 31<sup>st</sup> March 2021. Further detail on a scheme by scheme basis is contained in Annex B.

Scheme	2020-21 Revised Budget £	2020-21 Provisional Outturn £	2020-21 Variance £	Carry Forward 2021-22 £	2020-21 Over / (Under) Spend £
Asset Management Works	3,577,090	3,397,597	(179,493)	185,000	5,507
Repairs Team Capital Works	204,840	209,999	5,159	-	5,159

Commissioning Fees	100,000	111,144	11,144	-	11,144
Vehicle Purchasing	90,000	-	(90,000)	90,000	-
HRA IT Projects	-	12,398	12,398	(12,000)	398
<b>Total</b>	<b>3,971,930</b>	<b>3,731,138</b>	<b>(240,792)</b>	<b>263,000</b>	<b>22,208</b>
<b>Funding:</b>					
Major Repairs Reserve	2,099,030	2,099,030	-	-	-
HRA Contribution	1,872,900	1,632,108	(240,792)	263,000	22,208
	<b>3,971,930</b>	<b>3,731,138</b>	<b>(240,792)</b>	<b>263,000</b>	<b>22,208</b>

7.4. The Council incurred capital expenditure of £3,731,138 during the year against a revised budget of £3,971,930; this represents an under spend of £240,792. The underspend reflects the net impact of Capital Programme projects which are either behind schedule or have progressed quicker than expected with the most significant variances being:

- Asset management Works - £179,493 underspend. The majority of this relates to the replacement of components such as kitchens; bathrooms and windows and doors and reflects the impact of Covid 19 restrictions during the year.
- Vehicle Purchasing - £90,000 underspend. This relates to specific purchases of new vehicles for new staff however it has been delayed to coincide with the full fleet management replacement programme in 21/22.

7.5. As a result of the variances detailed above, approval is sought to increase / (decrease) the Capital budgets for 2021/22 for the following schemes:

- Disabled Adaptations – wet room conversions – £50,000.
- Component Replacements – kitchens; bathrooms; windows and doors £280,000
- Lift Replacement Programme - survey works – £18,000
- External Works – Gladstone Street – £85,000
- Fleet Management – Additional Vehicles – £90,000
- Gamesley Cladding – (£248,000)
- Housing IT System – Civica Pay – (£12,000)

7.6. The HRA Capital programme outturn is lower than anticipated and this is reflected in the reduced funding direct from the HRA and associated capital reserves, however there will be a requirement for the use of additional reserves in 2021-22 to accommodate the requested carry forwards.

## 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 at the end of the year totalled £28.4million. The average level of funds available for investment during the year was £32.4million and £83,384 interest was earned.
- 8.3. At the end of July the Council received an unexpected 16<sup>th</sup> dividend payment from the former Icelandic investment with Heritable Bank of £10,518.59. This is treated as windfall in the year towards investment income.
- 8.4. £15,000 interest was earned on the loan to Buxton Crescent Heritage Trust. There was also £169 earned on another local loan.
- 8.5. Overall there was a shortfall of £50,928 on investment income against a budget of £160,000 due to falling interest rates following the reduction of the Bank of England base rate to 0.10% in March 2020.

### *Borrowing*

- 8.6. Outstanding borrowing at the end of the year totalled £66.8 million. The Council's general fund and HRA budgeted to incur £1,837,940 and £1,746,340 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.
- 8.7. No 'new' borrowing or refinancing activity occurred during the year. In addition the Minimum Revenue Provision (MRP) charge for the year was smaller than anticipated relating to the smaller borrowing requirement on the 2019-20 capital programme. Therefore there was an underspend of £83,234 on overall borrowing costs.

## **9. Revenue Collection**

- 9.1. The collection rate outturn for 2020/21 was as follows:
  - **Council Tax** – 97.83% of Council Tax was collected, compared to 98.41% for the same period last year.
    - By the end of quarter 1 of the following financial year 2021/22, the collection rate for the year had improved to 98.43%
  - **Business Rates** – 98.11% of Business Rates was collected, compared with 98.39% for the same period last year.
    - By the end of quarter 1 of the following financial year 2021/22, the collection rate for the year had improved to 98.61%.
  - **Sundry Debts** - The value of sundry debts over 60 days old at the end of Quarter 4 was £182,978 which compares with £162,980 at 31<sup>st</sup> March 2020. The level of arrears has been impacted by a delay in recovery action following onset of the pandemic.



General Fund Capital Programme Update 31<sup>st</sup> March 2021

Scheme	2020/21 Approved Budget	Out- Turn 2020/21	Variance	Carry Forward to 2021/22 Over/(Under) Spend	Over/(Under spend) Completed Projects
	£	£	£	£	£
<b>Housing &amp; Housing Standards</b>					
Affordable Housing Project	170,000	190,319	20,319	-	20,319
Disabled Facilities Grants	300,000	354,541	54,541	-	54,541
Landlord Accreditation	30,000	-	(30,000)	(30,000)	-
	<b>500,000</b>	<b>544,859</b>	<b>44,859</b>	<b>(30,000)</b>	<b>74,859</b>
<b>Property Services</b>					
Asset Management Programme	1,557,060	1,396,936	(160,124)	(160,124)	-
	<b>1,557,060</b>	<b>1,396,936</b>	<b>(160,124)</b>	<b>(160,124)</b>	<b>-</b>
<b>ICT</b>	198,360	186,100	(12,260)	(12,260)	-
	<b>198,360</b>	<b>186,100</b>	<b>(12,260)</b>	<b>(12,260)</b>	<b>-</b>
<b>Fleet Management</b>					
Vehicle/Plant Acquisitions	162,750	165,747	2,997	2,997	-
CCTV	59,790	-	(59,790)	(59,790)	-
	<b>222,540</b>	<b>165,747</b>	<b>(56,793)</b>	<b>(56,793)</b>	<b>-</b>
<b>Leisure Services</b>					
Outdoor Sports Facilities Fund	60,000	-	(60,000)	(60,000)	-
Football Development	10,000	10,000	-	-	-
	<b>70,000</b>	<b>10,000</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>
<b>Regeneration</b>					
Fairfield Roundabout	-	355,874	355,874	355,874	-
Buxton Crescent & Spa	63,250	68,131	4,881	4,881	-
	<b>63,250</b>	<b>424,005</b>	<b>360,755</b>	<b>360,755</b>	<b>-</b>
<b>Horticulture</b>					
Play Facilities	90,000	90,000	-	-	-
	90,000	90,000	-	-	-
<b>Total General Fund</b>	<b>2,701,210</b>	<b>2,817,647</b>	<b>116,437</b>	<b>41,578</b>	<b>74,859</b>

Housing Revenue Account Capital Programme Update 31<sup>st</sup> March 2021

Scheme	2020-21 Revised Budget	2020-21 Provisional Outturn	2020-21 Variance	Carry Forward 2021-22	2020-21 Over / (Under) Spend
<b>ASSET MANAGEMENT WORKS:</b>	£	£	£	£	£
Roofing & External Works	536,000	534,217	(1,783)	-	(1,783)
Gamesley Cladding Works	125,000	373,702	248,702	(248,000)	702
Bathroom Programme	200,000	100,376	(99,624)	100,000	376
Kitchen Programme	1,074,170	899,930	(174,240)	170,000	(4,240)
Electrical Works	169,430	193,810	24,380	-	24,380
Central Heating Works	-	-	-	-	-
Queens Court Boiler Replacement	-	-	-	-	-
Windows and Doors Programme	1,126,930	1,116,198	(10,732)	10,000	(732)
Aids & Adaptations	162,000	103,548	(58,452)	50,000	(8,452)
Structural Works (Various)	136,470	46,720	(89,750)	85,000	(4,750)
Lift Replacements	18,000	-	(18,000)	18,000	-
Queens Court Lightning Protection	29,090	29,096	6	-	6
	<b>3,577,090</b>	<b>3,397,597</b>	<b>(179,493)</b>	<b>185,000</b>	<b>5,507</b>
<b>REPAIRS TEAM CAPITAL WORKS</b>					
Void Rewires	48,890	44,814	(4,076)	-	(4,076)
Void Kitchens	96,450	96,402	(48)	-	(48)
Void Bathrooms	59,500	68,783	9,283	-	9,283
	<b>204,840</b>	<b>209,999</b>	<b>5,159</b>	<b>-</b>	<b>5,159</b>
<b>STAFFING &amp; PROFESSIONAL FEES</b>					
Staffing Recharges/ Commissioning Costs	100,000	111,144	11,144	-	11,144
	<b>100,000</b>	<b>111,144</b>	<b>11,144</b>	<b>-</b>	<b>11,144</b>
<b>VEHICLE PURCHASING</b>					
Vehicle Purchases	90,000	-	(90,000)	90,000	-
	<b>90,000</b>	<b>-</b>	<b>(90,000)</b>	<b>90,000</b>	<b>-</b>
<b>HOUSING IT SYSYEMS</b>					
Housing Civica Pay	-	12,398	12,398	(12,000)	398
	<b>-</b>	<b>12,398</b>	<b>12,398</b>	<b>(12,000)</b>	<b>398</b>
<b>TOTAL SPEND</b>	<b>3,971,930</b>	<b>3,731,138</b>	<b>(240,792)</b>	<b>263,000</b>	<b>22,208</b>