



**2021/22**

**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 2021/22.
- 1.2. The report summarises overall financial performance for 2021/22 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*)	2021/22 Budget	Provisional Outturn 2021/22	Variance	Contribution to / (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	468,310	440,258	(28,052)	-	(28,052)
Audit	98,110	93,759	(4,351)	-	(4,351)
ICT	573,210	578,431	5,221	-	5,221
Human Resources	69,480	64,148	(5,332)	-	(5,332)
Member Services	323,990	275,816	(48,174)	-	(48,174)
Property Services	333,320	455,643	122,323	(23,310)	99,013
Benefits	(95,130)	171,046	266,176	-	266,176
Planning Applications	161,960	426,684	264,724	(800)	263,924
Building Control	58,490	61,579	3,089	-	3,089
Customer Services	507,010	440,622	(66,388)	-	(66,388)
Legal Services	213,220	224,378	11,158	-	11,158
Electoral Services	59,470	42,245	(17,225)	3,000	(14,225)
Licensing and Land Charges	(317,750)	(285,834)	31,916	-	31,916
Regeneration	366,620	290,840	(75,780)	87,190	11,410
Communities and Cultural	429,040	450,899	21,859	(74,937)	(53,078)
Housing Strategy**	172,560	(83,871)	(256,431)	130,987	(125,444)
Transformation	207,130	205,725	(1,405)	-	(1,405)
Community Safety and Enforcement	99,540	71,516	(28,024)	-	(28,024)
Finance & Procurement	375,580	330,476	(45,104)	-	(45,104)
Revenues	194,920	218,543	23,623	-	23,623
Corporate Finance*	1,350,750	1,868,881	518,131	(1,156,561)	(638,430)
Waste Collection	2,258,620	1,676,490	(582,130)	-	(582,130)
Street Scene	449,480	476,687	27,207	(60)	27,147
Leisure Services	735,620	548,319	(187,301)	9,592	(177,709)
Horticulture	342,090	337,205	(4,885)	(780)	(5,665)
Environmental Health	449,120	322,278	(126,842)	-	(126,842)
<b>Net Total of Services</b>	<b>9,884,760</b>	<b>9,702,763</b>	<b>(181,997)</b>	<b>(1,025,679)</b>	<b>(1,207,676)</b>
Net Interest	1,786,050	1,708,069	(77,981)		(77,981)
	11,670,810	11,410,832	(259,978)	(1,025,679)	(1,285,657)
<b>Funding:</b>					
- external	(7,358,540)	(8,754,868)	(1,396,328)		(1,396,328)
- reserves contribution to/(from)					
general contingency	(901,880)	(901,880)	-	-	-
use of carry forward from 20/21	(26,510)	(26,510)	-	-	-
Earmarked – business rates	(3,390,240)	(2,805,302)	584,938		584,938
Earmarked - general	6,360	(1,025,679)	(1,032,039)	1,025,679	(6,360)
<b>Projected (Surplus)/Deficit</b>	<b>-</b>	<b>(2,103,407)</b>	<b>(2,103,407)</b>	<b>-</b>	<b>(2,103,407)</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 £11,644,300 was set for 2021/22. In accordance with Financial Procedure Rules, the roll forward of £26,510 in unused budgets from 2020/21 has been authorised:

**Communities (£20,000):** unspent budget regarding development of Victoria Hall.

**Member Services (£4,010):** in respect of Councillor Initiative grants not issued in 2020/21.

**Customer Services (£2,500):** unspent budget for staff uniforms pending re-opening of receptions..

This brings the 2021/22 budget to £11,670,810.

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 2021/22 is £9,567,403. This represents a surplus for the year of £2,103,407.

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

- **Customer Services (£66,388 underspend);** savings have been generated across several budget heads owing to the change in working practices brought on by Covid-19. For example, the adoption of IT solutions for communication within and without the Council has reduced the demand for stationery, printing and postage producing a saving of £27,000 against their cumulative budget. The service has also benefited from a £9,500 unbudgeted grant received from Derbyshire County Council.
- **Communities and Cultural (£53,078 underspend);** For technical accounting reasons, any revised designation of previously earmarked reserves has to be recorded in the transactions of the relevant service with a contra entry on the movement of reserves. During 2021/22 some £81,884 of previously designated earmarked reserve was reclassified as being rechargeable requiring such an adjustment over the face of the service.
- **Housing Strategy (£125,444 underspend);** The major source of the underspend has been generated by Carelink. Changes in service provision and their associated charges have generated a net £124,000 surplus after additional operational costs have been taken into account. Third party funding of the Homelessness service was above expectations generating an in year

operating surplus of some £130k which has been earmarked to support future years.

- **Corporate Finance (£638,430 underspend);** The payment by the Council of discretionary Covid support grants, to local businesses and residents, and the receipt of grant from Government to fund them were recorded as 'Corporate activities' in the year. The net impact of these activities generated a £1,106,561 overspend which has been funded out of the earmarked reserve set up in 2020/21. The Borough's water extraction franchise fell some £100,000 short of budgeted income levels in the year. However, these areas of overspend were offset to a degree by some areas of internal savings and unbudgeted external contributions. The Authority's net efficiency and inflation budgets generated a £440,000 saving while spend on the wage bill was £80,000 below budget. Corporate Finance has also been the recipient of Government funding to support the administration costs incurred by the Borough issuing Covid 19 grants on its behalf. The time and effort involved was spread across the Authority's workforce so the credits have been taken at the Corporate level, with £126,590 received in relation to Business Support Grants, £33,450 in regard to Self-Isolation and £18,600 for C19 post-payment assurance.
- **Waste Collection (£582,130 underspend);** The service received a £465,000 net credit rebate, against the AES management fee, in regard to recycling income arising out of an increase in value of the recyclate collected. Increased income of some £70k was generated from Domestic recycling and Trade waste activities while disposal costs were £67k less than budgeted.
- **Leisure Services (£177,709 underspend);** Provision was made in the 21/22 budget in anticipation of the contract providers requiring continuing support, as a result of the pandemic. The call on these funds was significantly lower than the budget available resulting in the reported underspend.
- **Environmental Health (£126,842 underspend);** The response to Covid-19 continued to significantly impact the nature and volume of work carried out in this service, as it was involved in both Track and Trace and Enforcement. It did, however, receive third party funding in 2021/22 totalling some £180k generating an underspend against existing budgets..

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

- **Property (£99,013 overspend);** 2021/22 saw Car Parking recover somewhat from the impact of Covid 19, performing £44,000 better than budgeted. However, additional cleaning costs resulted in Public Conveniences being £74,000 over budget. Further pressures across a number of budget headings contributed to the net overspend reported.
- **Benefits (£266,176 overspend);** As a result of the ongoing economic effects of the pandemic a £178,000 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 (£263,924 overspend);** Application fee income has failed to reach budgeted levels in the year. This is a product of the stage the Authority is in with regard to the Local Plan. The majority of large development applications tend to occur in the early years of the plan. These tend to drop off as the plan matures with consequent impacts on income.

2.7. The £77,981 underspend on net interest costs is detailed in section 8.

2.8. The level of funding for the year is £1,843,429 above that budgeted due to the following:

***Business Rates (£1,345,789):***

- The Council is to receive £1,721,630 in additional S31 grants in the year due to the continuation of Extended Retail Relief and Nursery Discount to respond to the covid-19 situation – at the time of budget setting, central government had not confirmed these reliefs. 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 Council's share of the business rates collection fund deficit to be distributed in 2022/23 is £555,338; this amount of the s31 funding will be put in to reserves at the end of this year to be drawn down in 2022/23 to smooth the effect between years.
- An increase of £268,794 on the net levy payable on growth to the Derbyshire Business Rates Pool is forecast compared to the budgeted amount though this is likely to change as it is dependent on the performance of all members of the pool and the audit of their accounts. The pool has now advised a revised draft final amount due for the previous year (subject to completion of external audits), this is £107,047 greater than the accrued amount – which will offset the surplus Business Rates Retention in the current year.

***Government Grants (£50,538):***

- The actual net level of funding received is greater than anticipated owing to budgetary rounding and the receipt of a £50,438 Covid support grant to compensate for lost income in the first quarter of the year.

***Net Movement in Reserves (£447,101 use of earmarked)***

- The original budget for 2021/22 assumed a £901,880 use of general fund contingency which was increased to £928,390 following approval to use £26,510 carried forward from 2020/21.
- The outturn reported in table 2.1 assumes that the £928,390 use of contingency reserves included in the 2021/22 budget was made. In practice, however, owing to

the general fund surplus generated in the year, there has been an actual contribution to reserves of £1,175,017 (£2,103,407 - £928,390) – see section 2.9.

- The budgeted contribution to earmarked reserves was £6,360 for service activities while £3,390,240 was expected to be used to support the Collection Fund income derived from Business Rates.
- As reported in table 2.1, there was an actual use of service earmarked reserve totalling £1,025,679 which represents a variance of £1,032,039 from the £6,360 contribution budgeted. In contrast, at £2,805,302 the use of earmarked reserves to support business rates income was £584,938 less than budgeted originally. Overall resulting in a net £447,101 use of the Authority's earmarked reserves during the year.

### *Earmarked*

- Property Services £23,310 use: monies used from the Climate Change reserve to fund energy audit of Borough properties.
- Planning Applications £800 use: Certain activities of the Arboriculture section have been part funded by drawing down on Section 106 monies received from Developers previously as part of their planning obligations.
- Electoral Services £3,000 contribution use: monies transferred to the Election Equalisation Reserve earmarked to meet costs of future elections.
- Regeneration £87,190 contribution: late in 2021/22 the Council received a £125,000 levelling-up grant to support applications to Central Government's national pot in 2022/23. The earmarking into reserve of this money was offset by application during 2021/22 of £37,810 from the Borough's Toddbrook earmarked reserve to support economic development projects.
- Communities and Cultural £74,937 use: For technical accounting reasons any revised designation of previously earmarked reserves must be recorded in the transactions of the relevant service with a contra entry on the movement of reserves. During 2021/22 some £81,884 of previously designated earmarked reserve was reclassified as being rechargeable requiring such an adjustment over the face of the service. There was also an actual net contribution of £6,547 into reserves supporting the Borough's sustainability agenda.
- Housing Strategy £130,987 contribution: Third party funds received in-year are being set aside to support homelessness initiatives that will run into future years, including £31,987 specifically earmarked in relation to Domestic Abuse.
- Corporate Finance £1,156,561 use: 2021/22 was the second year in which this service recorded the payment of discretionary support grants to local businesses and individuals. These payments were funded by Central Government grants both earmarked from 2020/21 and received in 2021/22. The net position at the end of 2021/22 being that £1,106,561 was taken out of reserves. During 2021/22 the Borough also applied £50,000 of its Covid Recovery reserve in support of the Buxton Festival.

- 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 £9,592 contribution: £18,650 has been drawn down from the Authority's Future Leisure reserve to fund the cost of consultations carried out in the year. Delays in several leisure initiatives during 2021/22 allowed £28,242 to be 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.

### *General Fund Revenue Reserves*

2.9 The provisional outturn for the year on the General Fund Revenue Account was a £2,103,407 surplus.

2.10 The surplus generated is calculated inclusive of the £928,390 use of general reserves budgeted for in 2021/22. Therefore, the Authority's contingency reserves have increased overall by £1,175,017.

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:

- £44,000 added to an earmarked reserve set aside to support with the costs associated with the Future Leisure Provision project.
- £142,000 added to an earmarked reserve set aside to support with the delivery of Climate change related projects.
- £225,000 added to an earmarked reserve set aside to support the digital strategy.
- £20,000 used to create a new reserve earmarked to support community organisations impacted by the pandemic.
- £250,000 used to create a new reserve earmarked to provide a buffer against increasing inflationary pressures.
- £3,000,000 to create a new Levelling-Up reserve to provide funds to help the Council meet the imminent potential commitments arising from the bidding process.



2.12 The effect of these changes results in a balance on general fund reserves as at 31<sup>st</sup> March 2022 of £1.576million – which is only £0.036million above minimum contingency level. This reflects the impact of creating the £3m Levelling-Up reserve required to support the potential substantial call on the Borough’s resources. However, this reduction in headroom above the Minimum Contingency is not considered significant as replacement funds are expected in the short to medium term (e.g. though the sale of existing leisure assets once the new facility is built and in applying for funding support from Sport England) to bring contingency reserve levels back in line with the Borough’s Medium Term Financial Plan.

2.13 The current Medium Term Financial Plan approved in February 2022 assumed a General Fund contingency balance of £4.147million at the end of 2021/22. The Council planned to use £66,560 of general contingency reserves over the next four years 2022/23 – 2025/26.

*Carry Forward Request:*

2.14 The following requests for carry forward have been received:

- **Planning Policy - (£10,000):** carry forward of unspent budget in respect of the costs of the Glossop Gateway project
- **Member Services – (£3,995):** carry forward of unspent budget in respect of initiatives to increase community engagement
- **Financial Services – (£7,830):** carry forward of unspent budget in respect of initiatives to manage risk.

### **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 the Council's budget is summarised below:

2021-22	General Fund	HRA	Total
	£	£	£
<b>AES Contract budget</b>	<b>4,393,990</b>	<b>207,140</b>	<b>4,601,130</b>
Management fee	4,514,130	211,794	4,725,924
Allocation of AES efficiency	(27,701)	(1,299)	(29,000)
Net additional claim/ (rebate)	(481,026)	2,154	(478,872)
Covid-19 costs	38,774	0	38,774
<b>Total management fee payable</b>	<b>4,044,177</b>	<b>212,649</b>	<b>4,256,826</b>
Allocation of Joint Operation Profit	(29,147)	(1,367)	(30,514)
<b>Net total</b>	<b>4,015,030</b>	<b>211,282</b>	<b>4,226,312</b>
<b>Variance to budget</b>	<b>(378,960)</b>	<b>4,142</b>	<b>(374,818)</b>

- 3.3. The AES business plan for all services being delivered to the Council during 2021/22 included a budgeted management fee of £4,725,924. The Council's £29,000 share of the total AES forecast efficiency for 2021/22 is repayable to the Council at the end of the year and is allocated against the management fee costs.
- 3.4. An additional pressure on the Pay Award compared to the budgeted amount is offset by a rebate on recycling contracts income following an improvement on the basket of goods rates resulting in a net benefit of £478,872.
- 3.5. There were additional costs of £38,774 during the year relating to the ongoing impact of Covid-19, such as additional cleaning products, PPE, and additional agency costs.
- 3.6. 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 £50,514 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 2021/22.
- 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 towards being self-financing. The strategy has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the strategy is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.
- 4.4. The 2021/22 budget was set in February 2021 with the assumption of £95,000 of savings in the year. Unachieved efficiencies of £6,560 were brought forward from 2020/21, an improvement on the £47,000 anticipated in the MTFP, making a revised target to be achieved in 2021/22 of £101,560.
- 4.5. At the end of 2021/22, all the required savings have been achieved, largely as a result of the removal of surplus leasing budgets.
- 4.6. 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 stands at £200,000 currently. As in previous years, it has not been necessary to draw on this reserve in 2021/22 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 2021/22 Housing Revenue Account budget was set to produce a deficit of £1,870,230 supported by reserves. Following various updates, approved by the Chief Finance Officer and then the Executive, it was revised and set at a deficit position of £2,133,230.
- 5.3. Provisional outturn expenditure on the Housing Revenue Account for 2021/22 is £16,791,662 with provisional outturn income of £15,261,908. This represents a deficit for the year of £1,439,948 (i.e. £693,282 below budget meaning less reserves are required to fund HRA activities in year)

5.4.

Housing Revenue Account	2021-22 Revised Budget £	2021-22 Provisional Outturn £	Variance £
<b>INCOME</b>			
Dwellings Rents	(14,483,110)	(14,485,526)	(2,416)
Non - Dwelling Rents Etc	(671,660)	(776,382)	(104,722)
<b>Sub-total income</b>	<b>(15,154,770)</b>	<b>(15,261,908)</b>	<b>(107,138)</b>
<b>EXPENDITURE</b>			
Repairs & Maintenance	4,409,480	4,588,469	178,989
Supervision & Management	2,739,230	2,537,276	(201,954)
Rents, rates, taxes Etc.	109,130	147,152	38,022
Other Operating Expenditure	782,430	657,463	(124,967)
Depreciation & Impairment	2,099,030	2,182,443	83,413
Interest & Debt Management	2,693,060	2,733,402	40,342
Contribution to Capital	4,455,640	3,855,651	(599,989)
<b>Sub-total expenditure</b>	<b>17,288,000</b>	<b>16,791,662</b>	<b>(586,144)</b>
<b>Surplus(-)/Deficit</b>	<b>2,133,230</b>	<b>1,439,948</b>	<b>(693,282)</b>
(Use of) / Contribution to Reserves	(2,133,230)	(1,439,948)	693,282
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

5.5. 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 maintained a credit balance on the Housing Revenue Account in 2021/22. The surplus balance will be transferred to reserves within the Housing Revenue Account.

5.6. There is one significant (>£50,000) overspend to be noted:

- Repairs and Maintenance (£178,989) - There are several compensating under and overspends resulting in this variance. The most significant increased cost is Sub contractors & Materials (£213,000)

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

- Income - Non-Dwelling Rents (£104,722) – Increased income from service charges has been responsible for most of this positive variance.
- Supervision and Management (£201,954) – there are numerous small underspends across many budget areas contributing to this underspend. However, a large proportion of this variance reflects savings in salary costs, transport costs and general employee related expenditure.
- Other Operating Expenditure (£124,967) – The majority of this variance

relates to a lower than anticipated contribution to the bad debts provision.

- Contribution to Capital (£599,989) –This underspend relates to delays in commencement and completion of several 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 2022 was set at £4,952,230.

6.2. The 2021/22 provisional outturn at 31<sup>st</sup> March 2022 is summarised in the table below, with further detail provided at Annex A:

Service	2021/22 Approved Budget £	Out-turn 21-22 £	Variance £
Housing	100,000	110,116	10,116
Housing Standards	519,110	316,163	(202,947)
Property Services	2,784,780	2,831,560	46,780
ICT	47,830	22,426	(25,404)
Fleet	499,470	510,305	10,835
CCTV	63,980	59,516	(4,464)
Leisure Services	60,000	58,500	(1,500)
Regeneration	792,060	448,895	(343,165)
Horticulture	85,000	84,777	(223)
<b>Total</b>	<b>4,952,230</b>	<b>4,442,258</b>	<b>(509,972)</b>
<b>Funding:-</b>			
External Contributions	3,470,220	2,473,465	(996,755)
S106 Planning Obligations	51,000	50,777	(223)
Capital Receipts	262,500	225,000	(37,500)
Capital Receipts (one for one)	374,000	44,046	(329,954)
Revenue Reserves	-	831,445	831,445
Earmarked Reserves	50,000	56,499	6,499
Borrowing	744,510	761,026	16,516
<b>Total</b>	<b>4,952,230</b>	<b>4,442,258</b>	<b>(509,972)</b>

6.3. The Council incurred capital expenditure of £4,442,258 during the year against a revised budget of £4,952,230 - this represents underspend of £509,972. 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:

- Housing Standards (£202,947 underspend) – this variance resulted from less spending in the year than forecast against disabled facilities and home repairs grants. Government funding for Disabled Facilities Grants is ring fenced therefore no carry forward is required, leaving a carry forward of £30,000 against home repairs grants.
- Regeneration (£343,165 underspend) - against Fairfield Roundabout and Future High Street Buxton Springs; both these significant projects are on-going and will be delivered over the next two years – the budgets have been re-profiled accordingly.

- 6.4. Consequently, capital funding applied to the 2021/22 Capital Programme is lower 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 2022/23 as shown in the table below:

Service	Variance £	Carry Forward to 2021/22 Over/(Under) Spend £	Over/(Under spend) Completed Projects £
Housing	10,116	-	10,116
Housing Standards	(202,947)	(30,000)	(172,947)
Property Services	46,780	54,541	(7,761)
ICT	(25,404)	(22,148)	(3,256)
Fleet /CCTV	6,371	10,835	(4,464)
Leisure Services	(1,500)	(1,500)	-
Regeneration	(343,165)	(345,336)	2,171
Horticulture	(223)	(223)	-
<b>Total</b>	<b>(509,972)</b>	<b>(333,831)</b>	<b>(176,141)</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 2022 was set at £6,395,660.
- 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	2021/22 Approved Budget £	Out-Turn 2021-22 £	Variance £
Asset Management Works	5,368,490	4,938,805	(429,685)
Repairs Team Capital Works	240,000	235,329	(4,671)
Commissioning Fees	100,000	120,922	20,922
Fleet/ Equipment	140,750	239,503	98,753
Dwelling Purchases	546,420	700,203	153,783
<b>Total</b>	<b>6,395,660</b>	<b>6,234,762</b>	<b>(160,898)</b>
<b>Funding:</b>			
Major Repairs Reserve	2,099,030	2,099,030	-
HRA Contribution	3,876,220	3,855,652	(20,568)
Capital Receipts	349,130	280,080	(69,050)
External Contributions	71,280	-	(71,280)
<b>Total</b>	<b>6,395,660</b>	<b>6,234,762</b>	<b>(160,898)</b>

7.4. The Council incurred capital expenditure of £6,234,762 during the year against a revised budget of £6,395,660; this represents an under spend of £160,898. The underspend reflects the net impact of Capital Programme projects which are either behind schedule or have progressed more quickly than expected with the most significant variances being:

- Asset management Works – (£429,685 underspend) variances across several projects including less spend than anticipated on; kitchen, fire alarm replacements, cladding and energy efficiency works.
- Fleet /Equipment - (£98,753 overspend) replacement of vehicles & ICT system replacement were ahead of schedule at the year end.
- Dwelling Purchases - (£153,783) four former Right To Buy Council Houses were repurchased during the year which was more than anticipated.

7.5. As a result of the variances detailed above, approval is sought to carry forward the net overall under-spend of £160,898.

## **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 31<sup>st</sup> March 2022 totalled £30.1million. The average level of funds available for investment during the year totalled £32.6million and £66,975 interest was earned.

8.3. The Council has budgeted to receive £40,290 in investment income in 2021/22. Interest rates improved during quarter 4 following the increases in the Bank of England base rate to 0.75% by March, resulting in a surplus of £26,685 against the budget.

8.4. As agreed, no interest has been charged in the year on the £250,000 loan to the Buxton Crescent Heritage Trust.

### *Borrowing*

8.5. Outstanding borrowing at 31<sup>st</sup> March 2022 totalled £66.8 million. No 'new' borrowing or refinancing activity has occurred during the year. £3.7m was repaid on a maturing PWLB (Public Works Loan Board) 10-year loan in March.

8.6. The Council's general fund and HRA budgeted to incur £1,824,340 and £1,693,060 respectively in interest charges and other financing costs in 2021/22. This was based on existing external debt funding previous capital purchases.

8.7. The general fund borrowing costs achieved a saving of £51,296 against the budget; £40,343 is due to a greater charge to the HRA under the one pool approach of borrowing, with the remaining £10,953 being largely due to a smaller MRP charge than budgeted.

## 9. Revenue Collection

9.1. The collection rate outturn for 2021/22 was as follows:

- **Council Tax** – 98.10% of Council Tax was collected, compared to 97.84% for the same period last year, and 98.41% the year before that.
- **Business Rates** – 98.70% of Business Rates was collected, compared with 98.12% for the same period last year, and 98.39% the year before that.
- **Sundry Debts** - The value of sundry debts over 60 days old at the end of Quarter 4 was £140,275 which compares with £182,978 at 31<sup>st</sup> March 2021.



General Fund Capital Programme Update 31<sup>st</sup> March 2022

Scheme	2021/22 Approved Budget	Out-turn 21-22	Variance	Carry Forward to 2021/22 Over/(Under) Spend	Over/(Under spend) Completed Projects
	£	£	£	£	£
<b>Housing &amp; Housing Standards</b>					
Affordable Housing Project	100,000	110,116	10,116	-	10,116
Disabled Facilities Grants	489,110	316,163	(172,947)	-	(172,947)
Private Sector Housing Renewal	30,000	-	(30,000)	(30,000)	-
	<b>619,110</b>	<b>426,279</b>	<b>(192,831)</b>	<b>(30,000)</b>	<b>(162,831)</b>
<b>Property Services</b>					
Asset Management Programme	2,784,780	2,831,560	46,780	54,541	(7,761)
	<b>2,784,780</b>	<b>2,831,560</b>	<b>46,780</b>	<b>54,541</b>	<b>(7,761)</b>
<b>ICT</b>	47,830	22,426	(25,404)	(22,148)	(3,256)
	<b>47,830</b>	<b>22,426</b>	<b>(25,404)</b>	<b>(22,148)</b>	<b>(3,256)</b>
<b>Fleet Management</b>					
Vehicle/Plant Acquisitions	499,470	510,305	10,835	10,835	-
CCTV	63,980	59,516	(4,464)	-	(4,464)
	<b>563,450</b>	<b>569,821</b>	<b>6,371</b>	<b>10,835</b>	<b>(4,464)</b>
<b>Leisure Services</b>					
Outdoor Sports Facilities Fund	60,000	58,500	(1,500)	(1,500)	-
	<b>60,000</b>	<b>58,500</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>-</b>
<b>Regeneration</b>					
Fairfield Roundabout & Buxton Regeneration	792,060	448,895	(343,165)	(345,336)	2,171
	<b>792,060</b>	<b>448,895</b>	<b>(343,165)</b>	<b>(345,336)</b>	<b>2,171</b>
<b>Horticulture</b>					
Park Play Area Improvements	85,000	84,777	(223)	(223)	-
	<b>85,000</b>	<b>84,777</b>	<b>(223)</b>	<b>(223)</b>	<b>-</b>
<b>Total General Fund</b>	<b>4,952,230</b>	<b>4,442,258</b>	<b>(509,972)</b>	<b>(333,831)</b>	<b>(176,141)</b>

Housing Revenue Account Capital Programme Update 31<sup>st</sup> March 2022

Scheme	Budget 2021/22	Actual 2021/22	Variance (over) under
	£	£	£
<b>Asset Management</b>			
Roofing Works	350,000	349,668	(332)
Queens Court Snowboards/Lighting Capital Spend	-	17,271	17,271
Gladstone St Walkways	230,000	242,593	12,593
Bathroom Programme	200,000	291,669	91,669
Kitchen Programme	999,300	793,735	(205,565)
Electrical Works	350,000	361,753	11,753
Aids & Adaptations	200,000	331,813	131,813
Windows & Doors Programme	1,529,790	1,509,568	(20,222)
Central Heating Works	89,590	110,801	21,211
Gamesley Cladding	450,000	325,549	(124,451)
Rendering	555,000	552,175	(2,825)
Sheltered Fire Alarm	140,000	-	(140,000)
Bakewell Garages	50,000	44,742	(5,258)
Hartington Gardens Footbridge	8,000		(8,000)
Energy Efficiency Works	216,810	7,468	(209,342)
	<b>5,368,490</b>	<b>4,938,805</b>	<b>(429,685)</b>
<b>Repairs Capital</b>			
Void Rewires	70,000	31,425	(38,575)
Void Kitchens	100,000	116,371	16,371
Void Bathrooms	70,000	87,533	17,533
	<b>240,000</b>	<b>235,329</b>	<b>(4,671)</b>
<b>Staffing</b>			
Staffing /Commissioning	100,000	120,922	20,922
	<b>100,000</b>	<b>120,922</b>	<b>20,922</b>
<b>Asset Purchases</b>			
<b>Vehicle Replacement</b>	140,750	221,477	80,727
<b>Re-Purchase Dwellings</b>	546,420	700,203	153,783
<b>ICT Housing System</b>	-	18,026	18,026
	<b>687,170</b>	<b>939,706</b>	<b>252,536</b>
<b>TOTAL SPEND</b>	<b>6,395,660</b>	<b>6,234,762</b>	<b>(160,898)</b>