



2016/17

**Fourth Quarter
Financial
Review**

- 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 final report for 2016/17 and details the provisional (subject to external audit) outturn.
- 1.2 The report summarises overall financial performance for 2016/17 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.
 - **Pavilion Gardens (Section 3)** – highlights the financial performance of this key Council trading activity.
 - **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)	2016/17 Budget	Provisional Outturn 2016/17	Variance	Applied (Use) of Earmarked Reserves
	£	£	£	
Chief Executive	27,670	23,021	(4,649)	-
Executive Directors	409,900	392,458	(17,442)	-
Audit	95,290	90,432	(4,858)	-
ICT	609,790	637,229	27,439	-
Human Resources	116,170	71,561	(44,609)	-
Member Services	202,650	173,563	(29,087)	-
Property Services	1,492,360	1,472,461	(19,899)	23,159
Benefits	162,680	53,782	(108,898)	-
Planning Applications	19,860	(15,069)	(34,929)	77,500
Building Control	(129,810)	(36,195)	93,615	-
Customer Services	608,550	590,446	(18,104)	-
Legal Services	29,310	84,792	55,482	-
Electoral Services	263,220	174,077	(89,143)	(36,644)
Licensing and Land Charges	(333,530)	(341,044)	(7,514)	9,181
Regeneration	445,320	302,833	(142,487)	(29,337)
Communities and Cultural	442,130	430,334	(11,796)	16,975
Housing Strategy	137,550	107,528	(30,022)	21,630
Transformation	208,930	225,624	16,694	-
Community Safety and Enforcement	137,360	117,902	(19,458)	-
Finance and Procurement	301,430	279,767	(21,663)	-
Corporate Finance	753,650	1,003,064	249,414	-
Waste Collection	2,281,260	2,130,573	(150,687)	-
Street Scene	284,830	231,531	(53,299)	500
Leisure Services	472,930	304,546	(168,384)	(18,774)
Horticulture	314,130	291,478	(22,652)	6,015
Visitor Services	(939,710)	(935,888)	3,822	-
Environmental Health	420,080	401,172	(18,908)	-
Net Total of Services	8,834,000	8,261,978	(572,022)	70,206
Net Interest	1,417,310	1,374,292	(43,018)	
	10,251,310	9,636,270	(615,040)	
Funding - external	(9,490,040)	(9,570,065)	(80,025)	
Funding - reserves contribution to/(from)	(761,270)	(763,226)	(1,956)	
		-		
Projected (Surplus)/Deficit	-	(697,021)	(697,021)	

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

** Staff costs were considered a corporate resource in 2016/17 and therefore budgeted and recorded in Finance & Procurement (except for Pavilion Gardens' staff which for operational reasons were included within Visitor Services). This was to maintain a strict level of control throughout the service review process. From 2017/18 the responsibility for all staff budgets will be returned to individual service managers. Therefore, the Quarter Four provisional outturn position includes actual costs (and matching budgets) shown at the service level.

2.2 The 2016/17 Revenue Account budget was originally set at £10,185,940. The Chief Financial Officer, in accordance with Financial Procedure Rules, authorised the roll forward of £65,370 in unused budgets from 2015/16:-

- Property Services: £25,000 to repair a collapsed section of wall at Whaley Bridge.
- Street Scene: £14,200 to enable 2015/16's gully emptying schedule to be completed.
- Regeneration: £14,110 to complete the remaining 50% of the Chapel Master Plan.
- Finance: £12,060 towards risk reduction measures including extension of the Environment Agency water protection zone around the Crescent in Buxton.

This brought the 2016/17 budget to £10,251,310 including a £761,270 net use of reserves.

2.3 The provisional outturn on the General Fund Revenue Account for 2016/17 is £9,554,288. This represents a surplus for the year of £697,021

2.4 There were three significant **overspends** on the General Fund Revenue Account:

- Finance and Procurement (£249,414) – there is an in-year shortfall of £419,210 in the savings arising out of the efficiency programme. This is largely as a result of slippage in some of the projects planned to deliver these savings (section 4). There have also been a number of one-off in year costs incurred from the implementation of efficiency projects. The overspend has reduced from the Quarter 3 stage as a result of savings from in-year salary costs confirmed after the salary budget exercise (post service review implementation) was undertaken in Quarter 4. A review will be undertaken in 2017/18 to establish what proportion are one off in-year savings and what proportion can be realised against the new efficiency and rationalisation plan.
- Building Control (£93,615) - a reduction in Building Control staff has impacted on income receipts. This has also necessitated the Council providing alternative service delivery by utilising a third party on an interim basis. Future delivery options are currently being explored. There is a saving on staff costs held centrally in Corporate Finance which offsets some of this overspend on the service.
- Legal (£55,482) - the overspend arises from costs suffered as a result of a number of planning appeals offset by a saving on other external legal fees

2.5 There were seven significant **underspends** on the General Fund Revenue Account:

- Leisure Services (£168,384) - a £144,000 profit share distribution from the Leisure Centre contractor and £30,000 reduced contractor pension contributions, offset by a number of small overspends elsewhere have resulted in an overall saving
- Waste Collection (£150,687) - The majority of the underspend relates to a net saving of £111,000 on trade waste disposal costs, plus additional recycling credits and underspend on the domestic waste contract
- Regeneration (£142,487) - The surplus has generated from underspends against the Local Plan budget and a number of other service projects.

- Benefits (£108,898) – additional subsidy grant and new burdens grant has been received during the year to cover additional costs of administering welfare reform and universal credit in addition to other budgetary savings.
- Electoral Services (£89,143) - The service budgets to make an annual contribution in to an earmarked reserve in order to smooth the costs of the council's elections over the term of the administration. The budgeted surplus to fund this contribution for 2016/17 was £40,000. The service has also underspent owing to a budget of £30,000 anticipated to cover the increased postage costs of individual elector registration not being required as the costs were covered by a direct grant received from Central Government. A further £18,000 contribution to the service's running costs arose from the administration of the Police and Crime Commissioner election and the EU Referendum.
- Street Scene (£53,299) – The underspend relates to savings on gully emptying and additional street naming and amenity maintenance income
- Human Resources (£44,609) - A £20,000 underspend on training, £10,000 underspend on communications and £15,000 relating to disturbance mileage (offsetting overspends on services) has resulted in an overall underspend.

2.6 The actual level of funding achieved in the year was £81,981 above the original estimate owing to variances across the following income streams;

External Funding (£80,025):

- Transitional Support Grant (£31,201) - Government have awarded additional funding to ease the pace of reductions during the most difficult first two years of the four year settlement for those councils with the sharpest reductions in Revenue Support Grant.
- New Homes Bonus (£4,987) - the authority received slightly more in the way of bonus that originally anticipated
- Business Rates Retention (£43,837) – additional Business Rates retained in the year compared to the budget. This is made up of the net of:
 - A shortfall of £96,000 owing to smaller doubtful debts and appeals allowances than anticipated in the budget, which increases the Business Rate income in the year and results in a larger levy being payable on growth from the General Fund. The larger collectable amount improves the Collection Fund Surplus/ Deficit position at the year end.
 - This shortfall is offset in part by a £28,700 increase in S31 grants receivable following the awards of Small Business Rate Relief; and
 - The shortfall is further offset by a larger distribution from the Derbyshire Business Rates Pool than anticipated: £311,100 compared to the budget of £200,000, therefore an additional £111,100 distribution as a member of the Pool.

Use of Reserves (net £1,956):

- There was a £693,020 use of reserves included in the 2016/17 budget (£627,650 use of reserves, and a £65,370 drawdown to account for the approved carry forward requests from 2015/16)
- In addition, £68,250 was budgeted to be drawn from earmarked reserves – the actual amount drawn from earmarked reserves in 2016/17 was £70,210 (as shown in the table in 2.1) accounting for the £1,956 additional use of reserves:
 - Property Services (use of reserves £23,159) – the cost of resolving urgent health and safety works at the Council's properties is covered by this reserve

- Planning Appeal Costs Earmarked Reserve (use of reserves £77,500) – Legal costs awarded against the Council on the appeal of planning application decisions are being offset by this reserve.
- Electoral Services (contribution to reserves £36,644) - annual budgeted surplus of £40,000 to be transferred to the equalisation to smooth the costs of the Council's election over the term of the administration, offset by the use of 3,356 towards the costs of Individual Elector Registration.
- Land Charges Earmarked Reserve (use of reserves £9,181) – Personal searches litigation costs to be met out of reserve.
- Regeneration (contribution to reserves £29,337) - grant funding (Custom Build grant and Brownfield Regulations Grant) received to fund future year expenditure.
- Communities and Cultural (net £16,975 use of reserves) – £33,849 in contributions previously received towards public health and community schemes have been applied in year, offset by £16,874 of public health funding to be added to reserves to cover future year expenditure.
- Housing Strategy (£21,630 use of reserves) – relating to homelessness prevention funding applied to match expenditure in year.
- Street Scene / Horticulture (£6,515 use of reserves) - £500 drawdown from S106 reserve to fund cleansing costs at Hockerley Woods, and £6,015 drawdown from S106 reserve to fund parks maintenance at various sites.
- Leisure Services (£18,774 contribution to reserves) – a number of grants and contributions received during 2016/17 for specific sport and leisure related projects will be used to fund future year expenditure

General Fund Revenue Reserves

- 2.7 The provisional outturn for the year on the General Fund Revenue Account was a £697,021 surplus.
- 2.8 As the 2016/17 budget was to be supported by use of reserves of £693,020, it is proposed that the £697,022 surplus be fully allocated to the General Fund Contingency reserve to fund future years revenue expenditure (as planned to do in the latest version of the MTFP) – consequently an overall net increase in General Fund Contingency reserve of £4,000.
- 2.9 Additionally, the balance of £96,000 on the Land Charges reserve to fund personal search litigation costs - which is no longer required - has been allocated to an earmarked reserve to cover the cost of implementing the IT Strategy and Infrastructure upgrade

3. Pavilion Gardens

3.1 This section of the report details the financial performance of the trading activity at Pavilion Gardens. The Pavilion Gardens trading results are included in the General Fund Revenue Account.

3.2 In the Medium Term Financial Plan, the 2016/17 Budget for Pavilion Gardens was increased by £164,000 (reflecting the closure of the Octagon) to stand at a net cost of £353,750. At the end of 2016/17, the outturn on the Pavilion Gardens Trading Statement is a net cost of £355,209 – providing a small loss against budget of £1,459 (impact of no Easter in 2016/17, the train being non-operational for half the year plus associated repair costs, offset by opening hour changes and property related savings).

3.3 The table below summarises the financial performance of the six separate trading activities – Pavilion Café, Coffee Area, Tourist Information Centre (TIC) & Retail Area, Events, Outside Areas and Functions – in the Pavilion Garden

Description	Outturn 2016/17						Outturn	2016/17 Budget	Variance
	Pavilion Café	Coffee Area	TIC & Retail	Events	Outside	Function			
Income	(595,610)	(216,585)	(163,064)	(207,151)	(38,481)	(139,234)	(1,360,125)	(1,290,550)	(69,575)
Expenditure	681,336	296,802	239,676	287,422	70,412	139,686	1,715,334	1,644,300	71,034
Net Cost / (Contribution)	85,726	80,217	76,612	80,271	31,931	452	355,209	353,750	1,459

Description	Outturn 2015/16						Outturn	2015/16 Budget	Variance
	Pavilion Café	Coffee Area	TIC & Retail	Events	Outside	Function			
Income	(683,924)	(242,119)	(186,189)	(256,552)	(63,548)	(139,213)	(1,571,545)	(1,696,885)	125,340
Expenditure	744,269	294,941	257,029	305,169	95,411	150,580	1,847,399	1,843,995	3,404
Net Cost / (Contribution)	60,345	52,822	70,840	48,617	31,863	11,367	275,854	147,110	128,744

3.4 The following should be noted:

- Pavilion Café – Trading activity derives from the Café during the normal opening hours of the business between 9.30am and 5pm (and later during the Festival Season in July and August)
- Coffee Area – Trading Activity driven from the Coffee Bar.
- Tourist Information Centre (TIC) and Retail Area – Trading activity driven from the Retail area (including gallery Rental and artists' commission) and the Tourist Information Centre)
- Events – Trading activity driven from room hire bookings in-house events and fairs
- Outside - Trading activity driven from the miniature train and Lakeside Kiosk.
- Functions – Trading activity in respect of food and drink driven from private bookings.

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 2016/17.
- 4.2 The Council's Medium Term Financial Plan (MTFP) includes a three-year (2014/15 – 2016/17) Efficiency and Rationalisation Strategy targeting savings of £2.5m against General Fund activities and £0.3m against HRA activities.
- 4.3 The 2016/17 budget provides for the achievement of £659,910 of such savings in the year. In addition, there is a requirement to realise £995,780 in savings, which were unachieved in 2014/15 and 2015/16 and consequently rolled forward into 2016/17.
- 4.4 In Quarter 4, staff budgets have been reduced in line with service review outcomes, with £485,000 general fund targeted savings being achieved (with additional savings within the HRA). Additionally, £408,000 in Procurement related savings (reduced spend as a result of procurement activity/expenditure being challenged/increased on contract spend etc) were identified as part of the 2016/17 budget setting process. These savings have been taken to the benefit of the Efficiency Plan.
- 4.5 Focus subsequently turned to other efficiency projects; for example income generation, asset management and further sharing of services; to deliver the remaining savings. However, at year end, there is a £419,210 shortfall in the delivery of the Efficiency Plan savings in-year (£431,200 shortfall estimated at the time of presenting the MTFP in February 2017). This is due to slippage in some of the remaining projects and the payment of some short-term/one-off costs emerging out of the implementation of the Efficiency Programme (e.g. staff related costs and IT system costs etc.)
- 4.6 This shortfall is offset in 2016/17 by in-year underspends – some one-off, but others will be reviewed to ascertain if they are sustainable.
- 4.7 As part of the 2017/18 budget setting process a new Efficiency and Rationalisation Plan has been created taking into account the saving requirements for the next four years and a revised profile of savings outstanding from the existing Efficiency Programme. This was approved as part of the Medium term Financial Plan in February 2017.
- 4.8 The Authority carries a reserve of £100,000 earmarked to support the Efficiency Programme, however as there is an in-year underspend against the revenue budget, this reserve remains in place.

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 2016/17 Housing Revenue Account budget was originally set to break even. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £89,000 in unused budgets from 2015/16 to facilitate delayed electrical testing in council housing.
- 5.3 Provisional outturn expenditure on the Housing Revenue Account for 2016/17 is £13,014,068 with provisional outturn income at £15,372,157. This represents a surplus for the year of (£2,358,089) which is (£2,447,089) below budget.

HOUSING REVENUE ACCOUNT	2016-17 Estimate	2016-17 Provisional Outturn	2016-17 Variance
	£	£	£
INCOME			
Dwellings Rents	(14,642,120)	(14,727,481)	(85,361)
Non - Dwelling Rents & Other Income	(614,870)	(644,676)	(29,806)
	(15,256,990)	(15,372,157)	(115,167)
EXPENDITURE			
Repairs and Maintenance	3,944,040	3,398,204	(545,836)
Supervision and Management	2,649,650	2,360,456	(289,194)
Rents, rates, taxes and other charges	171,040	76,774	(94,266)
Other Operating Expenditure	1,435,860	874,434	(561,426)
Depreciation & Impairment Charges	1,432,000	1,947,009	515,009
Interest & Debt Management Charges	3,416,430	3,447,484	31,054
HRA Contribution to Capital Programme	2,296,970	909,707	(1,387,263)
	15,345,990	13,014,068	(2,331,922)
Surplus (-) / Deficit for year	89,000	(2,358,089)	(2,447,089)

- 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 2016/17.

- 5.5 There are six significant **underspends** on the Housing Revenue Account at this stage to note;

- Dwelling Rents (£85,361) – The majority of this underspend is driven by a reduction in anticipated void losses from 1.75% to 1% of rent collected.
- Repairs and Maintenance (£545,836) – There are a large number of items contributing to this underspend. The most prominent items relate to savings in salary costs of £150,000 following service reviews and lower than expected cost in a number of areas including electrical inspections

(£89,000); radon tests (£120,000); professional fees (£50,000); subcontractor costs (£50,000); fire risk works (£35,000); damp proof surveys (£22,000) and the replacement of double glazed window units (£40,000).

- Supervision and Management (£289,194) – The majority of this underspend relates to savings in salary costs following service reviews – this will be reviewed during 2017/18 to ensure it is sustainable and future year budgets will be reduced accordingly.
- Rents and other charges (£94,266) – The closure of Furness Vale Business Unit and Fairfield neighbourhood Office have contributed to the majority of this underspend.
- Other Operating Expenditure (£561,426) – There are two factors contributing to this underspend. A reduction in the provision for bad debts from 1.5% to 1.0% of rent collected has created a saving of £195,000; the remainder is due mainly to a reduction in recharges from the general fund (as salary costs are now charged direct to the HRA).
- HRA Contribution to Capital Programme (£1,387,263) – This underspend is made up of a number of items; firstly funding from the Major Repairs Reserve has increased by £602,000 thereby reducing the direct HRA contribution required; secondly, £100,000 of the Capital programme originally allocated for general external void repairs has been removed from the programme and set aside into a specific reserve; thirdly the largest variance £685,000, relates to delays and slippage of a number of schemes in the capital programme which are detailed in section 7 below.

5.6 There is just one significant **overspend** on the Housing Revenue Account at this stage to note:

- Depreciation and Impairment Charges (£515,009) – An increase in depreciation charge to the HRA has occurred following a change to the nationally imposed social housing factor applied to dwelling valuations from 34% in 2015/16 to 42% in 2016/17 thereby producing higher asset valuations.

HRA Reserves

5.7 The surplus of £2,447,089 will be transferred to the HRA working balance reserves. This will increase the reserve to £11.27 million to be used to support future capital and revenue costs associated with the provision of the housing stock.

6. General Fund Capital Programme

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

6.2 The General Fund Capital Programme approved in February 2017 (MTFP) was set at £2,034,630

6.3 The 2016/17 provisional outturn at 31st March 2017 is summarised in the table below, with further detail provided at Annex A.

Service	2016-17 Estimate	2016-17 Provisional Outturn	2016-17 Variance
	£	£	£
Expenditure			
Housing	241,960	241,956	(4)
Housing Standards	463,140	422,602	(40,538)
Property Services	580,300	391,252	(189,048)
ICT	318,000	366,651	48,651
Operational	-	18,260	18,260
Regeneration	215,710	156,904	(58,806)
Horticulture	215,520	206,672	(8,848)
	2,034,630	1,804,297	(230,333)
Funding			
Planning Obligations	308,080	308,080	-
External Contributions	569,180	507,161	(62,019)
Earmarked Reserves	-	23,161	23,161
Borrowing	1,157,370	965,895	(191,475)
Total	2,034,630	1,804,297	(230,333)

6.4 The Council incurred capital expenditure of £1,804,297 during the year against a revised budget of £2,034,630 - this represents an underspend of £230,333. The underspend reflects the net impact of projects which are either behind schedule or have progressed quicker than expected with the most significant variances being:

- Property Services (£189,048 underspend) - The variance relates to a number of in progress projects where expenditure in the year was below or higher than forecast. These variances will be carried forward into 2017/18.
- ICT (£48,651 overspend) - Following a financial assessment, ICT license renewals were capitalised and purchased outright. The licenses cover the Windows Server operating systems, backup and management of the servers and the ability to access server desktops and applications from terminals and PC's. The licenses are owned outright and are expected to have a useful lifespan of between 6 and 9 years. The cost is being met from within the capital programme and the overspend deducted from the 2017/18 ICT capital provision
- Regeneration (£58,806 underspend) - Expenditure on the Council's costs towards the Buxton Crescent & Spa project was £45,200 lower than forecast; the project continues to progress and the underspend has been carried forward to support ongoing commitments. Also, the release of Heritage

Regeneration Grants were £13,806 lower than anticipated, the payment of these grants is conditional on satisfactory completion of property improvements; funding is to be carried forward to fund ongoing works.

- 6.5 The funding applied to the 2016/17 Capital Programme is lower than forecast, reflecting the incidence and timing of capital spend.
- 6.6 The net underspend on the Capital Programme is explained principally by the timing of capital spend. As a result of the variances detailed above, approval is sought to increase / (reduce) the capital budgets for 2017/18 as shown in the table below.

Service	Variance	Carry Forward to 2017/18 Over/(Under) Spend	Over/ (Under)spend Completed Projects
	£	£	£
Housing	(40,542)	(40,538)	4
Property Services	(189,048)	(189,048)	-
ICT	48,651	48,651	-
Operational	18,260	-	18,260
Regeneration	(58,806)	(58,806)	-
Horticulture	(8,848)	(18,921)	10,073
Total	(230,333)	(258,662)	28,329

- 6.7 The net overspend on schemes completed in 2016/17 totalled £28,329. None of the completed schemes breached pre-set tolerance levels (i.e. none of the schemes overspent by either 10% or £10,000, whichever is the lower).

7. Housing Revenue Account Capital Programme

- 7.1 This section of the report provides an update on the Council's HRA capital spending.
- 7.2 The revised Housing Revenue Account Capital Programme approved in February 2017 (MTFP) was £4,137,970
- 7.3 The table below shows a high level summary of the HRA Capital Programme position at 31st March 2017. Further detail on a scheme by scheme basis is contained in Annex B.

Scheme	2016/17 Revised Budget	2016/17 Provisional Outturn	2016/17 Variance Over/(Under) spend
	£	£	£
Expenditure			
Asset Management Works	3,343,970	2,937,637	(406,333)
Repairs Team Capital Works	445,000	218,347	(226,653)
Professional /Commissioning Fees	155,000	102,930	(52,070)
New Build	194,000	28,540	(165,460)
	4,137,970	3,287,454	(850,516)
Funding			
Major Repairs Reserve	1,550,000	2,034,207	484,207
Capital Receipts Applied	509,000	343,540	(165,460)
HRA Contribution	1,580,970	193,707	(1,387,263)
Other Capital Funds	498,000	716,000	218,000
	4,137,970	3,287,454	(850,516)

- 7.4 The Council incurred capital expenditure of £3,287,454 during the year against a revised budget of £4,137,970 this represents under spend of £850,516. Approval is sought to carry forward in 2017/18 two of the HRA capital projects and associated professional fees, on the basis that the procurement has now been completed. These are the Commercial Boiler Renewal (£178,000) and Alma Square Wall Reinstatement (£33,200). The remaining 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 (£406,333). - of this underspend, £211,200 is proposed for carry forward into 2017/18, the remainder relates mainly to projects that have been delayed including External Works at Gladstone Street (£70,000); Lightning Protection (£73,000); Fairfield View Mullions (£40,000) and Corbar Road Roofing (£40,000)
- Repairs Team (£226,653) - this underspend relates to a reduction in the number of void kitchen replacements required throughout the year.
- Professional & Commissioning Fees (£52,070) - this represents a reduction in the commissioning costs charged by staff following the service reviews.
- New Build (£165,460) - this budget utilises the growing one for one right to buy receipts set aside for new build projects and is reliant upon the uptake of prospective housing providers. During the year, just one scheme met the criteria and received grant funding thereby creating this underspend.

7.5 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. Apart from the HRA contribution, the largest variance relates to the Major Repairs Fund which is considerably higher than expected reflecting the impact of the increase in dwelling asset valuations following the nationally imposed change to the social housing factor from 34% to 42%.

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 summary as the Audit and Regulatory Committee receives detailed operational updates on treasury management.

Investments

- 8.2 Cash investments held on the 31st March 2017 totalled £12.6 million. £119,330 interest was earned on these investments during the year. The average level of funds available for investment during this period totalled £23.3 million.
- 8.3 The Council has budgeted to receive £130,660 in investment income in 2016/17. The interest which could be earned on investments during the year was adversely affected by the reduction in the base rate at the Bank of England to 0.25% on 4th August. Therefore there is a shortfall of £11,330 on this budget at the end of the year.

Borrowing

- 8.4 Outstanding borrowing at 31st March 2017 totalled £72.2 million, including £411,000 which relates to finance lease facilities.
- 8.5 The Council has budgeted to incur £1,547,970 in interest charges and other financing costs in 2016/17. A £54,340 underspend has been achieved against this budget as the maturing loans of £9.7m in August, February and March were not refinanced during the year as anticipated.

9. Revenue Collection

9.1 This section of the report details progress to date in collecting the Council Tax, Business Rates and Sundry Debt.

9.2 The collection rate outturn for 2016/17 was as follows:

- Council Tax – 98.41% of Council Tax was collected by 31st March 2017, compared to 98.68% for the same period last year.
- Business Rates – 98.51% of Business Rates was collected by 31st March 2017, compared with 98.44% for the same period last year.
- Sundry Debts - The value of sundry debts over 60 days old at the end of Quarter Three was £252,905 which compares with £239,073 at 31st March 2016. Total arrears outstanding has increased compared to 2015/16, however, an extra £1.4million in invoices were raised in 2016/17 compared to 2015/16 (£9.7m 2016/17, £8.2m 2015/16). A review of historic debt is currently taking place with service areas to ensure appropriate action is taken.

General Fund Capital Programme Update - 31st March 2017

Scheme	2016/17 Approved Budget	Outturn 2016/17	Variance	C/Fwd to 2017/2018	Over/(Und er) Spend
	£	£	£	£	£
Housing & Housing Standards					
Affordable Housing Project	241,960	241,956	(4)	-	(4)
Disabled Facilities Grants	439,140	400,630	(38,510)	(38,510)	-
Landlord Accreditation	24,000	21,972	(2,028)	(2,028)	-
	705,100	664,558	(40,542)	(40,538)	(4)
Property Services					
Asset Management Programme	580,300	391,252	(189,048)	(189,048)	-
	580,300	391,252	(189,048)	(189,048)	-
ICT	318,000	366,651	48,651	48,651	-
	318,000	366,651	48,651	48,651	-
Operational Services					
Vehicles Plant & Equipment	-	18,260	18,260	-	18,260
	-	18,260	18,260	-	18,260
Regeneration					
Heritage Grants	54,650	41,044	(13,606)	(13,606)	-
Buxton Crescent & Spa	161,060	115,860	(45,200)	(45,200)	-
	215,710	156,904	(58,806)	(58,806)	-
Horticulture					
Memorial Park	64,450	45,529	(18,921)	(18,921)	-
Allotments	36,100	44,619	8,519	-	8,519
Play Areas	114,970	116,524	1,554	-	1,554
	215,520	206,672	(8,848)	(18,921)	10,073
Total General Fund	2,034,630	1,804,297	(230,333)	(258,662)	28,329

Housing Revenue Account Capital Programme Update – 31st March 2017

Scheme	2016/17 Approved Budget	2016/17 Provisional Outturn	2016/17 Variance	C/Fwd to 2017/18	Over / (under) Spend
ASSET MANAGEMENT WORKS:	£	£	£	£	£
Roofing & External Works	672,280	621,623	(50,657)	-	(50,657)
Kitchens	233,670	234,903	1,233	-	1,233
Bathrooms	77,240	65,548	(11,692)	-	(11,692)
Central Heating	1,112,180	986,979	(125,201)	178,000	52,799
Rewires	489,110	534,985	45,875	-	45,875
Health & Safety	-	-	-	-	-
Aids & Adaptations	435,670	391,478	(44,192)	-	(44,192)
Sheltered Schemes Lightning Protection	72,500	-	(72,500)	-	(72,500)
HRA Shop Works	76,000	49,216	(26,784)	-	(26,784)
Mullion Works	40,000	-	(40,000)	-	(40,000)
Fire Risk Works (Including Upland Doors)	45,320	52,905	7,585	-	7,585
Retaining Wall at ALMA	20,000	-	(20,000)	33,200	13,200
Gladstone Street External Repairs	70,000	-	(70,000)	-	(70,000)
	3,343,970	2,937,637	(406,333)	211,200	(195,133)
REPAIRS TEAM CAPITAL WORKS					
Void Rewires	35,000	45,715	10,715	-	10,715
Void Kitchens	350,000	147,487	(202,513)	-	(202,513)
Void Bathrooms	60,000	25,145	(34,855)	-	(34,855)
	445,000	218,347	(226,653)	-	(226,653)
PROFESSIONAL FEES					
Staffing Recharges/ Commissioning Costs	155,000	102,930	(52,070)	-	(52,070)
	155,000	102,930	(52,070)	-	(52,070)
NEW BUILD					
New Build - Housing	194,000	28,540	(165,460)	-	(165,460)
	194,000	28,540	(165,460)	-	(165,460)
TOTAL SPEND	4,137,970	3,287,454	(850,516)	211,200	(639,316)