



**2022/23**

**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 2022/23.
- 1.2. The report summarises overall financial performance for 2022/23 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.
  - **Efficiency and Rationalisation Programme (Section 3)** – considers progress in achieving the efficiency and rationalisation savings forecast.
  - **Collaborative arrangements (Section 4)** – highlights the performance of the Council's Joint Venture companies: Alliance Environmental Services Ltd and Alliance Norse Ltd.
  - **The Springs (Section 5)** – highlights the performance of The Springs shopping centre in Buxton, purchased as part of the Future High Street Fund project in December 2022.
  - **Housing Revenue Account (Section 6)** – highlights the budgetary position in respect of the operation of the Council's housing stock.
  - **General Fund Capital Programme (Section 7)** – provides an update to Members on progress against the Council's General Fund capital plans.
  - **HRA Capital Programme (Section 8)** – provides an update to Members on progress against the Council's HRA capital plans.
  - **Treasury Management (Section 9)** – sets out the key statistics in terms of investments and borrowings.
  - **Revenue Collection (Section 10)** – 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)	2022/23 Budget	Provisional Outturn 2022/23	Variance	Contribution to (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	405,700	366,642	(39,058)	-	(39,058)
Audit	94,900	92,020	(2,880)	-	(2,880)
ICT	584,210	633,593	49,383	(8,074)	41,309
Human Resources	69,480	49,868	(19,612)	-	(19,612)
Member Services	339,430	269,833	(69,597)	-	(69,597)
Property Services	709,960	1,024,829	314,869	-	314,869
Benefits	(102,380)	290,894	393,274	(50,539)	342,735
Planning Applications	321,330	447,815	126,485	22,460	148,945
Building Control	56,140	53,258	(2,882)	-	(2,882)
Customer Services	506,710	477,750	(28,960)	-	(28,960)
Legal Services	222,310	203,780	(18,530)	-	(18,530)
Electoral Services	59,470	32,878	(26,592)	14,431	(12,161)
Licensing and Land Charges	(317,750)	(297,981)	19,769	24,000	43,769
Regeneration	425,110	309,221	(115,889)	5,168	(110,721)
Communities and Cultural	420,930	304,091	(116,839)	19,807	(97,032)
Housing Strategy	189,260	142,178	(47,082)	(85,335)	(132,417)
Transformation	216,410	274,081	57,671	(49,248)	8,423
Community Safety and Enforcement	119,620	105,243	(14,377)	-	(14,377)
Finance & Procurement	390,720	357,470	(33,250)	-	(33,250)
Revenues	191,710	72,945	(118,765)	139,292	20,527
Corporate Finance	1,405,640	564,898	(840,742)	(148,862)	(989,604)
Waste Collection	2,410,810	2,044,119	(366,691)	-	(366,691)
Street Scene	469,940	491,577	21,637	(60)	21,577
Leisure Services	162,760	169,352	6,592	(6,529)	63
Horticulture	374,630	328,263	(46,367)	(380)	(46,747)
Environmental Health	521,630	528,806	7,176	11,710	18,886
<b>Net Total of Services</b>	<b>10,248,680</b>	<b>9,337,423</b>	<b>(911,257)</b>		<b>(1,023,417)</b>
Net Interest	1,608,280	967,525	(640,755)		(640,755)
<b>Funding:</b>					
- external	(11,396,310)	(11,703,006)	(306,696)	-	(306,696)
- reserves contribution to/(from)					
general contingency	118,160	118,160	-		
use of carry forward from 20/21	(21,830)	(21,830)	-		
Earmarked - business rates	(555,340)	(256,910)	298,430		298,430
earmarked	(1,640)	(112,160)	(110,520)	112,160	1,640
<b>Projected (Surplus)/Deficit</b>	<b>-</b>	<b>(1,670,798)</b>	<b>(1,670,798)</b>	<b>-</b>	<b>(1,670,798)</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 £11,835,130 was set for 2022/23. In accordance with Financial Procedure Rules, the roll forward of £21,830 in unused budgets from 2021/22 has been authorised:

- **Planning Policy (£10,000):** unspent budget in regard to Glossop Gateway project.
- **Member Services (£4,000):** in respect of Initiatives to increase community engagement.
- **Financial Services (£7,830):** unspent budget in regard to initiatives to manage risk.

This brings the 2022/23 budget to £11,856,960.

2.3. The table above shows how this budget has been allocated to services.

2.4. The quarter four provisional outturn on the General Fund Revenue Account for 2022/23 is £10,186,162. This represents a surplus for the year of £1,670,798

2.5. There are six service areas with projected significant underspend (>£50,000):

- **Member Services (£69,597 underspend)** – major variances include underspend arising from member allowances, travel and subsistence £35,000, and other reduced costs £23,000.
- **Communities & Cultural (£116,839 underspend)** – various underspends including Warmer streets £30,000; underspend on Victoria Hall £30,000; £40,000 other grants received in year which will be put in an earmarked reserve.
- **Regeneration (£115,889 underspend)** – £87,000 spend on LUF bid funded by a draw on reserves; a surplus trading position of £93,000 on the Springs trading account to be carried forward in a reserve; the remaining £110,000 is due underspend on various projects.
- **Revenues (£118,765 underspend)** – due to receiving a New Burdens Grant received in year, part of which has been put into an earmarked reserve to be drawn as costs emerge.
- **Corporate Finance (£840,752 underspend)**- The Authority's net efficiency and inflation budgets generated a £440,000 underspend as pressures are yet to crystallise in the service accounts; additional unanticipated grants of £250,000 were received; and spend on the wage bill was £150,000 below budget.
- **Waste Collection (£366,691 underspend)** – £118,000 due to Trade Waste reduced disposal costs and increased income; £47,000 increased income on domestic waste collection and recycling; £165,000 net underspend on AES waste due to a rebate on the recycling contract offset by additional costs on pay award and fuel inflation; and a net surplus of £37,000 from de minimus fleet sales.

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

- **Property Services (£314,869 overspend)** – major variances include the impact of Glossop Market Arcade being closed (£45,000); impact of the first Quarter of cleaning & caretaking being taken over by Norse before the contract start date of 4<sup>th</sup> July (£136,000) overspend on repairs with the previous contract with DCC ending on the 4<sup>th</sup> July (£120,000) offset in part by some improved income from car parks £30,000.
- **Benefits (£393,274 overspend)** – £300,000 attributable to the increase in the provision for bad debt against overpaid benefits to bring this to prudent levels. These aged debts are to be reviewed in the coming financial year. The remainder of the overspend is due to the increasing cost of benefits outside the subsidy.
- **Planning Applications (£126,485 overspend)** – a shortfall on planning fee income (£142,000), an increase of costs relating to planning appeals (£64,000). However, this has been offset by the Local Plan being deferred until 23/24 (£79,000).
- **Transformation (£57,671 overspend)** – relates to increase in professional fees, however this is mainly offset by the use of a earmark reserve set aside for this spend in 2021/22.

2.7. The net interest costs, as detailed in section 9, are forecast to be in surplus by £640,755.

2.8. The provision outturn of funding for the year is £118,786 greater than that budgeted due to the following:

***External Funding: (£8,266)***

- Business Rates Retention (£304,208 in funding):
  - The draft outturn on the net levy payable to the Derbyshire Business Rates Pool after Pool savings is £92,849 less than anticipated due to decreased NNDR income in comparison to the budgeted figure. However, this is subject to change as the levy savings are partially dependent on the performance of the Pool as a whole which will not be finalised until each member's accounts have been produced and audited.
  - The estimated levy payable to the Pool from the 2021/22 outturn has been updated during the audit processes of all members of the Pool and is now estimated to be £106,928 more, still subject to final audits.
  - A levy surplus distribution of £19,857 has been received from central government.
  - £298,430 additional s31 grants are receivable to compensate for the cost of additional reliefs awarded to businesses during the year as instructed by Central Government.
- The £298,430 additional Business Rates s31 grants will be put aside in reserves to partially fund the Council's share of the overall deficit on the Business Rates Collection Fund forecast at the end of 2022-23.

- Other government grants (£2,488).

**Movement of Reserves:**

- The original budget for 2022/23 assumed a contribution of £118,160 to general fund contingency which was reduced to £96,330 following approval to use £21,830 carried forward from 2022/23.
- Other Earmarked Reserves (£110,520 additional usage): These reserves exist to match available funding with future projects and activities. Often it is not possible to anticipate when eligible spend will occur and so, as the year progresses, services will identify projects and schemes where earmarked reserves may need to be applied. Provisionally, net usage of these reserves amounts to £112,160 more than nominally anticipated at the beginning of the year.

	<b>Contribution to (Use of) Earmarked Reserves</b>
	£
<b>ICT</b>	
- Use of IT Strategy Reserve to fund Consultancy costs	(8,074)
<b>Benefits</b>	
- Use of Benefit Reform reserve to fund overspend	(50,539)
<b>Planning</b>	
-S31 Nutrient Grant received and allocated to Reserve for future use	23,260
- Use of Section 106 Monies	(800)
<b>Electoral Services</b>	
- Use of Elections Reserve for Elections cost Cote Heath	(2,951)
- Electoral Integrity Programme Grant received and allocated to Reserve for future use	17,382
<b>Licensing &amp; Licensing</b>	
- HMLR Transition Grant received and allocated to Reserve for future use	24,000
<b>Regeneration</b>	
- Allocating the financial position on the Springs to a Earmarked Reserve	93,141
- Use of Levelling up Grant to fund consultancy work	(87,973)
<b>Communities &amp; Cultural</b>	
- Use of Climate Control Reserve to fund overspend on Costs associated to project	(22,000)
- Warmer Street Grant received and allocated to Reserve for future use	15,000
- S31 Biodiversity Grant received and allocated to Reserve for future use	26,807
<b>Housing Strategy</b>	
- Use of Homelessness Support Grant to fund overspend on Costs associated to project	(132,238)
- Supported Housing Improvement Programme (SHIP) Grant received and allocated to Reserve for future use	19,231
- Domestic Abuse Grant received and allocated to Reserve for future use	27,672

	Contribution to (Use of) Earmarked Reserves
<b>Transformation</b>	
- Use of OD Earmark Reserve to fund Consultancy costs	(49,248)
<b>Revenues</b>	
- NB Council Tax rebate Grant received and allocated to Reserve for future use	117,634
- NB Business Rates Relief Grant received and allocated to Reserve for future use	21,658
<b>Finance</b>	
- Use of Covid 19 Grant reserve to fund energy rebate	(148,862)
<b>Street Scene &amp; Horticulture</b>	
- Use of Section 106 Monies	(440)
<b>Leisure</b>	
- Use of Sport Active Grant	(6,529)
<b>Environmental Health</b>	
- NB Air Quality Grant received and allocated to Reserve for future use	11,710
<b>Total</b>	<b>(112,160)</b>

- 2.9. The provisional outturn for the year on the General Fund Revenue Account was a £1,670,798 surplus.
- 2.10. The surplus generated is calculated inclusive of the £96,330 contribution to general reserves budgeted for in 2022/23. Therefore, the Authority's contingency reserves have increased overall by £1,767,128.
- 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, various moves into earmarked reserves will be considered during the closure of accounts process including: Future Leisure Provision, IT Strategy, Organisational Development Strategy, Inflation, Tree Safety, and Capital Funding. These will be reported for consideration in the next quarterly finance report.

*Carry Forward Request:*

- 2.12. The following request for carry forward has been received:
- **Human Resources - (£19,610):** carry forward of unspent training budgets to be utilised as the Organisational Development strategy is implemented.
  - **Planning - (£79,000):** carry forward of unspent budget due to delays in the refresh of the local plan.

**3. Efficiency and Rationalisation Programme**

- 3.1. This section of the report considers the financial performance of the Council's Efficiency and Rationalisation Programme in 2022/23.
- 3.2. The current Efficiency and Rationalisation Strategy was approved by Members in February 2017 and finished in 2021/22. As such, there were no specific targets for 2022/23. The strategy had the effect of both reducing expenditure and increasing income. The need to grow income is now more of a priority as the Council moves towards being self-financing (that is, not reliant on direct government funding such as revenue support grant).
- 3.3. The strategy was 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. It focused primarily on major procurements, the asset management plan, growth, income generation and rationalisation.
- 3.4. In conjunction with stakeholders, the outputs of an 'Ideas Lab' exercise undertaken during the Autumn of 2022 continue to be developed and expectations of the outputs of this to produce a new strategy were incorporated into the MTFP approved in February 2023. A total of £550,000 was included in the plan, profiled across: 2023/24 £0, 2024/25 £150,000, 2025/26 £200,000 and 2026/27 £200,000.
- 3.5. 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. 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.

#### 4. Collaborative Arrangements

##### Alliance Environmental Services

- 4.1. 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.
- 4.2. AES's management fee and impact on this Council's budget is summarised below:

2022-23	General Fund £	HRA £	Total £
<b>AES contract budget</b>	<b>4,593,900</b>	<b>213,470</b>	<b>4,807,370</b>
<b>AES base management fee</b>	<b>4,536,603</b>	<b>217,314</b>	<b>4,753,917</b>
Efficiency Rebate	(23,880)	(1,120)	(25,000)



2022-23	General Fund £	HRA £	Total £
Allocation of Joint Operation profit	(28,790)	(1,334)	(30,124)
Contract pressures/ (savings):			
- Pay award	161,085	7,465	168,550
- Fuel inflation	79,903	3,386	83,289
- Other (fleet and bins equipment)	52,431	441	52,872
- Recycling Rebate	(363,425)	-	(363,425)
<b>Net contract cost</b>	<b>4,413,927</b>	<b>226,152</b>	<b>4,640,079</b>
<b>Variance</b>	<b>(179,973)</b>	<b>12,682</b>	<b>(167,291)</b>

- 4.3. The AES business plan for all services being delivered to the Council during 2022/23 includes a budgeted management fee of £4,753,917. The Council also has a share of the total AES forecast efficiency target which is repayable to the Council at the end of the year and is allocated against the management fee costs.
- 4.4. 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 original budgeted resources from each department and is offset against the management fee costs.
- 4.5. The draft outturn now includes various contract pressures and savings: the pay award was estimated in line with the Council's expectations at budget setting, this has now been updated to an additional cost; the impact of inflation on fuel and red diesel; plus other increases related to fleet and bin provision; these are offset by a rebate for improved recycling income due to an increased basket of goods rate in the market.

#### **Alliance Norse Limited**

- 4.6. A Joint Venture has been created between Norse Commercial Services Limited (a trading arm of the Norse Group which is owned by Norfolk County Council) (75% ownership), High Peak Borough Council (12.5% ownership) and Staffordshire Moorlands District Council (12.5% ownership) to deliver housing repairs, capital investment and facilities management services across the Councils' property assets. Phase 1 of the project to deliver corporate cleaning and caretaking service went live on 1st April 2022; and phase 2 for the delivery of the remainder of the services on 4th July 2022.
- 4.7. The Councils pay on account for the revenue services delivered by Norse. At the end of the year a discount is repayable to the Councils of 1% of the trading profit/loss. Under accounting standards, Alliance Norse'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/ (loss) is therefore offset against the payment on account.

2022-23	General Fund	HRA	Total
	£	£	£
<b>Nurse Payment on Account</b>	<b>1,171,415</b>	<b>3,415,482</b>	<b>4,586,897</b>
Contract profit/ loss discount	(58,017)	16,231	(41,786)
Allocation of Joint Operation (profit)/ loss	(61,729)	24,826	(36,903)
<b>Net contract cost</b>	<b>1,051,669</b>	<b>3,456,539</b>	<b>4,508,208</b>

## 5. The Springs

- 5.1. The Springs shopping centre in Buxton was acquired in December 2022 as part of the Future High Street Fund (FHSF) project. Performance is measured against agreed Key Performance Indicator (KPI) measures developed as part of the business case to assess the viability of purchasing the centre and to meet the operating and financing costs throughout the period it is held by the Council. These KPIs will be updated at the next quarterly report upon receipt of the outstanding information.

Measure	Description	Q4 Baseline	Q4 Outturn	Variance	Note
Net income	Income from tenancies less costs	£86,212	£	£	Awaiting confirmation of breakdown of actual rent receipts from the management company
Property yield	Annualised income as % of total cost (total commitment)	3.92%	%	%	
Surplus income (after debt)	Net income less interest charges	£26,621	£	£	
Yield on equity	Net income as % of FHSF grant (equity)	2.12%	%	%	
Rent arrears	Proportion of rent outstanding of total rent due	tbc	tbc	tbc	
<b>Voids</b>					
Sq ft		17,056	15,029	2,027	
%		17.60%	15.55%	2.05%	
No. of units		7	6	1	

## 6. Housing Revenue Account (HRA)

- 6.1. 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.
- 6.2. The 2022/23 Housing Revenue Account budget was originally set to produce a deficit of £1,894,070 supported by reserves. The Chief Financial Officer has, in

accordance with Financial Procedure Rules, authorised the roll forward of £160,900 in unused budgets from 2021/22 to facilitate completion of capital component works. This brought the 2022/23 budget to a deficit of £2,054,970 and will be supported by reserves.

- 6.3. Provisional outturn expenditure on the Housing Revenue Account is £17,047,303 with income of £15,439,721. This represents a deficit for the year of £1,607,583 (i.e. £447,387 under budget – meaning less reserves are required to fund HRA activities in year).

Housing Revenue Account	2022/23 Revised Budget	2022/23 Provisional Outturn	Variance
Repairs & Maintenance	4,664,260	5,940,948	1,276,688
Supervision & Management	2,804,230	2,436,763	(367,467)
Rates, Rents, Taxes, Other Charges	109,130	141,451	32,321
Other Operating Expenditure	806,290	677,186	(129,104)
Depreciation & Impairment Charges	2,099,030	2,186,702	87,672
Interest & Debt Management Charges	2,264,210	2,374,103	109,893
HRA Contribution to Capital Programme	4,704,690	3,290,151	(1,414,539)
<b>Total Expenditure</b>	<b>17,451,840</b>	<b>17,047,303</b>	<b>(404,537)</b>
Dwellings Rents	(14,714,840)	(14,675,340)	39,500
Non - Dwelling Rents & Other Income	(682,030)	(764,381)	(82,351)
<b>Total Income</b>	<b>(15,396,870)</b>	<b>(15,439,721)</b>	<b>(42,851)</b>
(Surplus) / Deficit for year	<b>2,054,970</b>	<b>1,607,583</b>	<b>(447,387)</b>
Use of Reserves	(2,054,970)	(1,607,583)	447,387
<b>In Year Deficit (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

- 6.5. There are three significant (>£50,000) overspends to report at this stage.

- **Repairs and Maintenance (£1,276,688)** – overspend on the repairs budgets prior to the transfer to Alliance Norse on 4<sup>th</sup> July amounted to £550,000 due to inflationary pressures in materials and sub-contractor costs. These pressures have continued throughout the remaining nine months of the year under the Alliance Norse arrangement. The strategic objectives of the company are to maximise budgets in line with the Council’s MTFP.
- **Depreciation Charge (£83,970)**
- **Interest & Debt Management Charges (£109,893)** - additional income receivable by the HRA from increased interest rates is offset by a larger share of the interest payable per the current share of the pool, following the reduction in Voluntary Revenue Provision.

6.6. There are four significant (>£50,000) underspends to be reported at this stage.

- **Income - Non-Dwelling Rents (£82,351)** – Increased income from service charges has been responsible for most of this positive variance.
- **Supervision and Management (£367,467)** – 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 (£129,104)** – The majority of this variance relates to a lower than anticipated contribution to the bad debts provision.
- **Contribution to HRA Capital Programme (£388,850)** – as detailed in Section 8 below.

## 7. General Fund Capital Programme

7.1. The General Fund Capital Programme approved by members in February 2023 was set at £17,088,260.

7.2. The 2022/23 provisional outturn at 31<sup>st</sup> March 2023 is summarised in the table below, with further detail provided at Annex A:

Service	2022/23 Approved Budget	Out-Turn 2022-23	Variance
	£	£	£
Housing	374,000	591,161	217,161
Housing Standards	519,110	514,592	(4,518)
Property Services	4,136,530	2,245,815	(1,890,715)
ICT	73,940	59,449	(14,491)
Fleet	925,960	827,442	(98,518)
Leisure Services	118,220	25,937	(92,283)
Regeneration -Fairfield Roundabout	3,158,780	3,037,210	(121,570)
Regeneration -Buxton Town Centre	7,781,720	8,469,231	687,511
<b>Total</b>	<b>17,088,260</b>	<b>15,770,837</b>	<b>(1,317,423)</b>
<b>Funding:-</b>			
External Contributions	9,706,590	9,581,642	(124,948)
S106 Planning Obligations	15,000	537	(14,463)

Capital Receipts(Land)	45,000	45,000	-
Capital Receipts(one for one)	374,000	591,161	217,161
Capital Receipts(vehicles)	90,750	-	(90,750)
Borrowing	6,856,920	5,552,497	(1,304,423)
<b>Total</b>	<b>17,088,260</b>	<b>15,770,837</b>	<b>(1,317,423)</b>

7.3. The Council incurred capital expenditure of £15,770,837 during the year against a revised budget of £17,088,260 this represents an underspend of £1,317,423. 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 (£217,161 – overspend)** the Council is grant funding from Right to Buy 1-4-1 capital receipts, delivery of 17 affordable rented homes at Buxton Road, Chinley. The project is ahead of forecasts, consequently, grant drawdown is higher in 2022-23 than anticipated.
- **Property Services (£1,890,715 – underspend)** resulting from several variances in cost and timing of projects within the Asset Plan. Glossop Market Hall refurbishment project has been subject to design delays; the main construction works are underway with a completion date of December 2023, £1,171,472 has been reprofiled into 23-24.
- **Fleet (£98,518 – underspend)** – replacement of vehicles and plant, the timetable has been re-evaluated in line with requirements and availability of vehicles.
- **Leisure Services (£92,283 – underspend)** play projects including Simmondley & Derby road Play Areas are now expected to be delivered in 2023-24.
- **Fairfield Roundabout (£121,570 underspend)** – the roundabout was operational from December 2022, there are some outstanding landscaping and lighting works to be carried out in 2023-24 – following the £1.5million successful Devolution Capital Fund award, all project costs have been met from external third party funding.
- **Future High Street Fund, Buxton – (£687,511 variance):**
  - The project cost in the year for the regeneration of Buxton town centre was £787,511 higher than that forecast in the original bid submission, on which the capital budget was set. The variance was due to a combination of the result of changes in the purchase price of the Springs shopping centre following due diligence and subsequent negotiations with the vendor; variances to other acquisition costs including legal fees consultancy and valuations.
  - The acquisition of The Springs is part funded by the Future High Street Fund grant in the 2022/23 accounts, with the remaining underlying borrowing costs being charged against the project offset by rental income.
  - In agreement with the Department for Levelling Up, Housing and Communities, the Future High Street Fund grant has been reprofiled to fully fund the acquisition of The Springs.
  - The acquisition variance is offset by the £100,000 budget allocated

for physical infrastructure works which have not yet been undertaken. Work is underway to quantify how much the wider scheme will cost as a result of high inflation conditions – the outcome of this will feed into the budget update.

- 7.4. Consequently, overall capital funding which is expected to be applied to the 2022-23 Capital Programme, is lower than forecast, reflecting the revised timing of capital spend, resulting in a reduced borrowing requirement of £1,304,423.
- 7.5. As a result of the variances detailed above, approval is sought to increase/decrease the Capital budgets for 2023/24 as shown in the table below:

Service	Variance £	Carry Forward to 2023/24 Over/(Underspend) £	Over/(Underspend) Completed Projects £
Housing	217,161	-	217,161
Housing Standards	(4,518)	(27,150)	22,632
Property Services	(1,890,715)	(1,890,715)	-
ICT	(14,491)	(10,020)	(4,471)
Fleet	(98,518)	(98,518)	-
Leisure Services	(92,283)	(92,600)	317
Regeneration -Fairfield Roundabout	(121,570)	(121,570)	-
Regeneration -Buxton Town Centre	687,511	687,511	-
<b>Total</b>	<b>(1,317,423)</b>	<b>(1,553,062)</b>	<b>235,639</b>

## 8. Housing Revenue Account Capital Programme

- 8.1. This section of the report provides an update to Members on the Council's HRA capital spending.
- 8.2. The HRA Capital Programme approved by members in February 2023 was set at £6,796,600.
- 8.3. The table below shows a high level summary of the HRA Capital Programme at 31st March 2023. Further detail on a scheme-by-scheme basis is contained in Annex A.

Scheme	2022-23 Approved Budget £	Out-Turn 22-23 £	Variance over (under) £
Asset Management works	5,680,730	4,605,983	(1,074,747)
Repairs Team Capital works	65,980	65,881	(99)
Commissioning Costs	100,000	53,020	(46,980)
Vehicle Replacements	706,860	690,768	(16,092)
Repurchase Dwellings	243,030	400,964	157,934
<b>Total Programme</b>	<b>6,796,600</b>	<b>5,816,615</b>	<b>(979,985)</b>
Major Repairs Reserve	2,268,000	2,268,000	-

HRA Contribution	4,200,680	3,290,151	(910,529)
External Funding ( Energy Works)	84,890	98,078	13,188
Capital Receipts 1-4-1	243,030	160,385	(82,645)
Capital Receipts Other	-	240,578	240,578
<b>Total Financing</b>	<b>6,796,600</b>	<b>5,816,615</b>	<b>(979,985)</b>

8.4. The Council incurred capital expenditure of £5,816,615 during the year against a revised budget of £6,796,600; this represents an under spend of £979,985. 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 – (£1,074,747 underspend)** variances across all project areas (as detailed in Annex A) with kitchen & bathroom replacements the only projects ahead of anticipated spend.
- **Dwelling Purchases – (£154,934)** three former Right To Buy Council Houses were repurchased during the year which was more than anticipated

8.5. As a result of the variances detailed above, approval is sought to carry forward the net overall under-spend of £979,985.

## 9. Treasury Management

9.1. 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*

9.2. Cash Investments held on the 31<sup>st</sup> March 2023 totalled £16.5million. The average level of funds available for investment during the year was £29.1million and £549,685 interest was earned.

9.3. The Council has budgeted to receive £103,670 in investment income in 2022/23 under the expectation that the Bank of England base rate would only reach 0.75% by the end of the financial year. However, the base rate has increased during the year from 0.75% to 4.25%. As interest rates on investment opportunities followed this same path, a surplus of £446,015 is reported against the budget.

### *Borrowing*

9.4. Outstanding borrowing at 31<sup>st</sup> March 2023 totalled £61.2million. The Council's general fund and HRA budgeted to incur £1,711,950 and £1,629,210 respectively in interest charges and other financing costs in 2022/23. This was based on existing external debt and new borrowing of £6.8million mid-year to fund the general fund capital programme.

9.5. A £3,300,000 loan was repaid in January 2023 – this was an extinguishment of a loan with an original maturity date in 2065. A premium of £897,461 was paid

which is written back under regulations with an equal charge amortised over the remaining life of the loan, split between the general fund and the HRA. The reduced interest cost weighed against the annual premium charge is a net discounted benefit to the Council.

- 9.6. £2,000,000 new short term external borrowing was taken in March 2023 to manage cashflow needs. The total borrowing costs achieved an provisional outturn saving of £194,740 against the budget; £97,358 is due to a greater estimated net charge to the HRA under the one pool approach of borrowing, with the remaining £97,382 being due less new external borrowing than anticipated.

## 10. Revenue Collection

10.1. The collection rate outturn for 2022/23 was as follows:

- **Council Tax** – 97.9% of Council Tax was collected during 2022/23, compared to 98.1% in 2021/22, and 97.8% in 2020/21.
- **Business Rates** – 98.8% of Business Rates was collected during 2022/23, compared with 98.7% in 2021/22, and 98.12% in 2020/21.
- **Sundry Debts** - The value of sundry debts over 60 days old at 31<sup>st</sup> March 2023 was £79,087 which compares with £140,275 at 31<sup>st</sup> March 2022.



Housing Revenue Account Capital Programme Update 31<sup>st</sup> March 2023

Scheme	2022-23 Approved Budget	Out-Turn 22-23	Variance over (under)
	£		
<b>Asset Management</b>			
Roofing	274,020	320,193	46,173
Gladstone St Walkways	25,860	13,722	(12,138)
Lift Replacements	419,000	238,072	(180,928)
Bathroom Programme	123,570	324,680	201,110
Kitchen Programme	789,400	1,080,221	290,821
Electrical Works	514,410	258,521	(255,889)
Aids & Adaptations	457,000	447,511	(9,489)
Windows & Doors Programme	900,000	755,215	(144,785)
Central Heating Works	230,000	115,426	(114,574)
Queens Court Boiler	200,000	10,527	(189,473)
Gamesley Car Park/Hardstanding	299,420	155,194	(144,226)
Watford Lodge Refit	71,740	1,735	(70,005)
CCTV & Aerials	100,000	5,469	(94,531)
Structural & Rendering	626,550	599,803	(26,747)
Fairfield View	20,000	-	(20,000)
Major Void Retrofit Decarbonisation	100,000	-	(100,000)
Sheltered Fire Alarm	208,500	158,441	(50,059)
Hartington Gardens Footbridge	200,000	-	(200,000)
Energy Efficiency Works	121,260	121,252	(8)
	<b>5,680,730</b>	<b>4,605,983</b>	<b>(1,074,747)</b>
<b>Repairs Capital</b>			
Void Rewires	12,920	12,920	-
Void Kitchens	31,550	31,449	(101)
Void Bathrooms	21,510	21,512	2
	<b>65,980</b>	<b>65,881</b>	<b>(99)</b>
<b>Staffing</b>			
Staffing /Commissioning	100,000	53,020	(46,980)
	<b>100,000</b>	<b>53,020</b>	<b>(46,980)</b>
<b>Asset Purchases</b>			
<b>Vehicle Replacement</b>	706,860	690,768	(16,092)
<b>Re-Purchase Dwellings</b>	243,030	400,964	157,934
	<b>949,890</b>	<b>1,091,731</b>	<b>141,841</b>
<b>Total</b>	<b>6,796,600</b>	<b>5,816,615</b>	<b>(979,985)</b>

## ANNEX B

General Fund Capital Programme Update 31<sup>st</sup> March 2023

Scheme	2022/23 Approved Budget	Out-Turn 2022-23	Variance	C/fwd to 2023/24 Over/ (Underspend)	Over/ (Underspend) Completed Projects
	£	£	£	£	£
<b>Housing</b>					
Affordable Housing	374,000	591,161	217,161	-	217,161
Disabled Facilities Grants	489,110	511,742	22,632	-	22,632
Home Repairs	30,000	2,850	(27,150)	(27,150)	-
	<b>893,110</b>	<b>1,105,753</b>	<b>212,643</b>	<b>(27,150)</b>	<b>239,793</b>
<b>Property Services</b>					
Asset Management Plan	4,136,530	2,245,815	(1,890,715)	(1,890,715)	-
	<b>4,136,530</b>	<b>2,245,815</b>	<b>(1,890,715)</b>	<b>(1,890,715)</b>	<b>-</b>
<b>ICT</b>	73,940	59,449	(14,491)	(10,020)	(4,471)
	<b>73,940</b>	<b>59,449</b>	<b>(14,491)</b>	<b>(10,020)</b>	<b>(4,471)</b>
<b>Fleet Management</b>					
Vehicle/Plant Acquisitions	925,960	827,442	(98,518)	(98,518)	-
	<b>925,960</b>	<b>827,442</b>	<b>(98,518)</b>	<b>(98,518)</b>	<b>-</b>
<b>Leisure Services</b>					
Sports Club Grants	30,000	25,400	(4,600)	(4,600)	-
Play Facilities	88,220	537	(87,683)	(88,000)	317
	<b>118,220</b>	<b>25,937</b>	<b>(92,283)</b>	<b>(92,600)</b>	<b>317</b>
<b>Regeneration</b>					
Fairfield Roundabout	3,158,780	3,037,210	(121,570)	(121,570)	-
Buxton Town Centre	7,781,720	8,469,231	687,511	687,511	-
	<b>10,940,500</b>	<b>11,506,441</b>	<b>565,941</b>	<b>565,941</b>	<b>-</b>
<b>Total General Fund</b>	<b>17,088,260</b>	<b>15,770,837</b>	<b>(1,317,423)</b>	<b>(1,553,062)</b>	<b>235,639</b>