

## APPENDIX A

### 2023/24 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 2023/24.
- 1.2. The report summarises overall financial performance for 2023/24 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 Fund Account by considering 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 and the content of the new programme.
  - **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 and now forming a key component of the Revitalising Buxton regeneration project.
  - **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 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	2023/24 Budget	Provisional Outturn 2023/24	Variance	Contribution to (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	382,470	398,347	15,877	-	15,877
Audit	120,700	98,653	(22,047)	-	(22,047)
ICT	717,730	965,590	247,860	(93,280)	154,580
Human Resources	89,090	56,040	(33,050)	-	(33,050)
Member Services	492,510	570,214	77,704	-	77,704
Property Services	757,120	567,986	(189,134)	-	(189,134)
Benefits	(194,120)	29,752	223,872	-	223,872
Development Services	410,530	333,191	(77,339)	338,917	261,578
Building Control	54,500	64,093	9,593	-	9,593
Customer Services	620,520	623,747	3,227	-	3,227
Legal Services	308,690	224,179	(84,511)	-	(84,511)
Electoral Services	109,270	178,126	68,856	(150,000)	(81,144)
Licensing and Land Charges	(239,570)	(199,309)	40,261	-	40,261
Regeneration	299,210	(211,751)	(510,961)	513,716	2,755
Communities and Cultural	516,190	384,767	(131,423)	17,859	(113,564)
Housing Strategy**	214,100	166,052	(48,048)	(71,677)	(119,725)
Transformation	293,270	335,830	42,560	(44,614)	(2,054)
Community Safety and Enforcement	152,800	95,242	(57,558)	26,807	(30,751)
Finance & Procurement	448,950	461,605	12,655	-	12,655
Revenues	416,500	448,993	32,493	(21,658)	10,835
Corporate Finance	1,348,600	169,107	(1,179,493)	7,005	(1,172,488)
Waste Collection	2,908,580	3,241,369	332,789	-	332,789
Street Scene	535,010	542,871	7,861	(60)	7,801
Leisure Services	135,300	114,385	(20,915)	20,000	(915)
Horticulture	383,210	418,486	35,276	(380)	34,896
Environmental Health	549,010	608,948	59,938	-	59,938
<b>Net Total of Services</b>	<b>11,830,170</b>	<b>10,686,513</b>	<b>(1,143,657)</b>	<b>542,635</b>	<b>(601,022)</b>
Net interest	761,410	505,358	(256,052)		(256,052)
<b>Total including interest</b>	<b>12,591,580</b>	<b>11,191,871</b>	<b>(1,399,709)</b>	<b>542,635</b>	<b>(857,074)</b>
<b>Funding:</b>					
- external	(13,624,520)	(13,170,680)	453,840		453,840
- reserves contribution to/(from):					
<b>general contingency</b>	1,034,580	1,034,580	-		-
<b>Earmarked - Business Rates Reserve</b>	-	(298,430)	(298,430)		(298,430)
<b>Earmarked - general</b>	(1,640)	542,635	544,275	(542,635)	1,640
<b>Projected (Surplus)/Deficit</b>	<b>-</b>	<b>(700,024)</b>	<b>(700,024)</b>		<b>(700,024)</b>

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

2.2. A revenue budget of £12,492,970 was set for 2023/24. In accordance with Financial Procedure Rules, the roll forward of £98,610 in unused budgets from 2022/23 has been authorised:

- 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.

This brings the 2023/24 budget to £12,591,580. The table above shows how this budget has been allocated to services.

2.3. The quarter four provisional outturn for the General Fund Revenue Account for 2023/24 is £11,191,871. This represents a positive variance for the year of £1,399,709. £542,635 of this will contribute to the Council's earmarked reserves to contribute to future costs and mitigate financial risks, giving an overall position of a positive net variance of £857,074.

2.4. There are seven service areas with projected significant underspends (>£50,000):

- **Property services £189,134:** Car parking income up £221,150 this is mainly from tourist areas (Edale & Castleton), offset by increased costs due to the implementation of new system (£22,000); £232,550 net underspend after a rebate of £143,340 on the Alliance Norse Ltd (ANL) contract relating to surplus budget on cleaning and caretaking, which is to be reviewed in the next financial year to improve service provision, overspend on Agency (£50,000), loss of Income at Glossop Market (£90,000), and utility overspend (£64,000).
- **Development services £77,339:** £162,626 underspend on Local Plan to be carried forward in a reserve; £235,000 income shortfall from major planning applications; £191,200 other grants received in year which will be put in an earmarked reserve; overspend on risk reports for tree works is £29,000.
- **Legal services £84,511:** underspend on external legal fees, including an expected cost related to Taxal Lodge of £50,000.
- **Regeneration £510,961:** £106,000 loss of income for Glossop Indoor Market; a surplus trading position of £510,740 on The Springs trading account to be carried forward in a reserve; the remaining £110,000 is due to underspends on various projects.
- **Communities and cultural £131,423:** various underspends including Warmer streets (£31,000); Climate Change (£20,000); voluntary bodies

grant (£23,000); arts activities (£29,450) and £46,000 other grants received in year of which £17,859 will be put in an earmarked reserve.

- **Community safety and enforcement £57,558:** CCTV underspend on repairs & maintenance of equipment £35,000; Coronation underspend £20,000; £20,000 on Tourism strategy; £26,000 other grants received in year which will be put in an earmarked reserve; this is offset by an overspend on partnership operations of £35,000.
- **Corporate Finance £1,179,493:** The Authority's net efficiency and inflation budgets generated a £620,000 underspend as pressures are yet to crystallise in the service accounts; and spend on the wage bill was £580,000 below budget.

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

- **ICT £247,860:** inflation and contract increases on various IT systems are forecast at a total of £137,000. Consultancy spend is ongoing on the ICT strategy which is expected to be funded via a reserve of £93,000. £17,000 is forecast to be spend on the development of the intranet, this is a one-off which will yield savings in future years.
- **Member Services £77,704:** due to review of members' remuneration.
- **Benefits £223,872:** due to the element of housing benefits which cannot be claimed through the subsidy system related to supported living costs.
- **Electoral services £68,856:** due to Borough elections in May 2023, which was then funded by the Earmarked reserve set aside.
- **Waste Collection £332,789:** Waste is forecast to be overspent by £523,850, and Fleet by £52,800 – these pressures relating to Alliance Environmental Services Ltd (AES) are described in more detail in the 'Collaborative Arrangements' section of this report. These overspends are partially offset by £105,000 forecast surplus income from domestic and trade waste, £72,000 reduced spend on trade waste and £20,000 on de-minimus fleet sales.
- **Environmental health £59,938:** overspend on agency staff.

2.6. The net interest costs, as detailed in section 9, are in surplus by £256,052.

2.7. The provisional outturn on funding for the year is forecast to be £699,685 less than that budgeted made up of the following:

### **3. External Funding (£453,840 reduction)**

3.1. Business Rates Retention, £501,212 reduction in external funding:

- The net levy payable to the Derbyshire Business Rates Pool after Pool savings is estimated to be £258,415 more than anticipated due to improved 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 confirmed until the completion of the audit of accounts for all pool members.
  - S31 grants associated with Small Business Rate Relief and Retail Discount are £212,247 lower than forecast at budget setting due to fluctuations in awards following the introduction of the 2023 valuation list.
  - A net increase of £30,550 due to a tariff adjustment offset by a levy surplus distribution from central government.
- 3.2. Other external funding: a £47,372 increase in funding, made up of several small variances, compared to the provisional local government finance settlement included in the medium term financial plan.

#### Other movements in reserves

- 3.3. The budget for 2023/24 assumed a contribution of £1,034,580 to general fund contingency.
- 3.4. Use of Business Rates Reserve £298,430: use of the reserve allocated to smooth the impact of general fund movements in the prior year and distribution of collection fund deficit in the current year.
- 3.5. Other Earmarked Reserves (£542,635 net contribution): These reserves exist to match available funding with future projects and activities. It is not always 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 £544,275 more than nominally anticipated at the beginning of the year.

Service	Contribution to/ (use of) Earmarked Reserves
ICT	
use of IT strategy reserve to fund consultancy costs	(93,280)
Development Services	
Planning Service Grant received and allocated to Reserve for future use	91,200
S31 Nutrients Support Grant received and allocated to Reserve for future use	100,000
allocate the Local Plan underspend to earmarked reserve	162,626
HMLR transition Grant received and allocated to Reserve for future use	15,000
use of tree safety reserve for surveys and resulting works	(29,109)
use of S106 monies	(800)

Service	Contribution to/ (use of) Earmarked Reserves
Electoral Services	
use of NB Elections Act Grant	(17,381)
use of Elections equalisation reserve to fund Borough Election	(132,619)
Regeneration	
use of Levelling up grant to fund fees incurred	(37,027)
changing places grant received and allocated to Reserve for future use	40,000
allocating the financial position of The Springs to an earmarked reserve	510,743
Communities and Cultural	
Historic England Grant (Melandra Castle) received and allocated to Reserve for future use	17,859
Housing Strategy*	
DCLG Domestic Abuse Grant received and allocated to Reserve for future use	15,936
use of flexible homelessness support grant to fund costs incurred	(30,202)
use of homelessness reserve to fund costs incurred	(71,705)
SHIP Grant received and allocated to Reserve for future use	14,294
Transformation	
use of the organisational development reserve to support delivery of the strategy	(44,614)
Community Safety and Enforcement	
S31 Biodiversity Grant received and allocated to Reserve for future use	26,807
Revenues	
use of NB BR Reliefs Admin Grant to fund fees incurred	(21,658)
Corporate Finance	
use of Toddbrook Government Support Grant	(57,274)
Green P&M Grant received and allocated to Reserve for future use	32,249
use of Corporate Plan Reserve to fund	(14,000)
Covid 19 Grant balance into Reserve	46,030
Street Scene	
use of S106 monies	(60)
Leisure Services	
walk Derbyshire Grant received and allocated to Reserve for future use	20,000
Horticulture	
use of S106 monies	(380)
<b>Total</b>	<b>542,635</b>

3.6. The provisional outturn for the year on the General Fund Revenue Account is a £700,024 surplus.

3.7. The surplus generated is calculated inclusive of the £1,034,580 contribution to general reserves as budgeted for 2023/24. Therefore, the Council's contingency reserves have increased overall by £1,734,605.

3.8. The Council's calculated minimum for its contingency reserve is £1,576,800. A review of the Council'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: This includes the introduction of several new reserves.

ANL and AES: the Council's share of the balance sheet reserves held by the joint operation companies.

Supporting People: to support the Carelink service against external funding reductions.

	Balance at 31 March 2023	Transfers out 2023/24	Transfers in 2023/24	Balance at 31 March 2024	CFO Transfers out 2023/24	CFO Transfers in 2023/24	After CFO Review
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General fund contingency reserve</b>	<b>1,997</b>		1,734	<b>3,731</b>		(1,075)	<b>2,656</b>
Covid-19 support	3	0	48	51	(51)	0	0
ANL	0	0	0	0		90	90
AES	0	0	0	0		275	275
Capital investment	460	(460)	0	0			0
Levelling Up	3,000	0	0	3,000		383	3,383
Covid-19 recovery	250	0	0	250	(250)		0
Community	20	0	0	20		33	53
Efficiency and rationalisation	200	0	0	200		300	500
Localising council tax benefit	85	0	0	85	(62)		23
IT strategy & infrastructure	750	(93)	0	657		93	750
Revitalising Buxton	25	0	0	25		175	200
Supporting People	0	0	0	0		89	89
Other earmarked reserves	1,012	(236)	373	1,149			1,149
<b>Total</b>	<b>10,344</b>	<b>(789)</b>	<b>2,155</b>	<b>9,168</b>	<b>(363)</b>	<b>363</b>	<b>9,168</b>

#### 4. Efficiency and Rationalisation Programme

4.1. The 2023/24 to 2026/27 Medium Term Financial Plan (MTFP) was balanced with the inclusion of an efficiency requirement of £550,000:

£000	2023/24	2024/25	2025/26	2026/27	Total
HPBC Efficiency requirement	0	150	200	200	<b>550</b>
<b>Cumulative</b>	<b>0</b>	<b>150</b>	<b>350</b>	<b>550</b>	

4.2. The 2024/25 to 2027/28 MTFP, approved in February 2024, provides more detail on the development of the Efficiency and Rationalisation Programme which has been extended in to a fourth year (2027/28). Future quarterly reports will monitor the progress against the targets that are set. As there is no target for the programme in 2023/24, no variance is reported here.

## 5. Collaborative Arrangements

### Alliance Environmental Services Ltd

5.1. 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.

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

2023-24	General Fund	HRA	Total
	£	£	£
<b>AES contract budget</b>	<b>5,090,410</b>	<b>230,380</b>	<b>5,320,790</b>
AES base management fee	5,149,960	233,150	5,383,110
Allocation of Joint Operation profit	(13,070)	(560)	(13,630)
Contract pressures/ (savings):			
Pay award and Pension	200,950	9,080	210,030
Fuel savings	(234,060)	(4,630)	(238,690)
Vehicle parts and insurances	43,590	0	43,590
Recycling income reduction	502,360	0	502,360
Recycling contract rebate	(18,500)	0	(18,500)
Delivery of Cemeteries service	31,710	0	31,710
Other service variations	15,100	5,000	20,100
<b>Net contract cost</b>	<b>5,678,040</b>	<b>242,040</b>	<b>5,920,080</b>
<b>Variance</b>	<b>587,630</b>	<b>11,660</b>	<b>599,290</b>

5.3. The AES business plan for all services being delivered to the Council during 2023/24 includes a budgeted management fee of £5,383,110. Under accounting standards, AES's financial performance is incorporated into the Councils' single entity statements as a 'Joint Operation' as opposed to separate group accounts being reported. The profit or loss 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, or in addition to, the management fee costs. The company has reported a provisional outturn profit for the year, with £13,630 attributable to the Council's accounts.



- 5.4. The provisional outturn for the Council includes various contract pressures and savings:
- The pay award was estimated in line with the Council's expectations at budget setting, the provisional outturn included an additional cost of £176,410; the Derbyshire Pension Fund contribution has increased from 18.3% to 20.9% which resulted in an extra cost for the year of £33,620.
  - Fuel costs are anticipated to be £107,230 lower due to a reducing price per litre than was forecast in the budget; a £131,460 rebate is anticipated to be paid to the Council as HVO usage has ceased due to significant cost increases.
  - Significant inflation is noted on vehicle insurance and vehicle parts including external labour resulting in an additional cost of £43,590.
  - A shortfall on recycling income of £502,360 is reported due to the reduction in the value of recyclate in markets. A rebate of £18,500 on a former recycling contract has been agreed.
  - The administrative duties of the cemeteries services are being delivered through AES from 7th August 2023 – the cost of this for the remainder of the year is £31,710.

#### **Alliance Norse Limited**

- 5.5. ANL delivers housing repairs, capital investment and facilities management services across the Councils' property assets to both High Peak Borough Council and Staffordshire Moorlands District Council. The Councils are shareholders of the company along with Norse Commercial Services Limited, which is a trading arm of the Norse Group which is wholly owned by Norfolk County Council.
- 5.6. The 2023/24 budget has been rolled forward from 2022/23 levels with appropriate crystalised inflation applied for pay award, utilities, and material prices.
- 5.7. The Councils pay a core charge as agreed in the Business Plan for the revenue services delivered by Norse. Savings on cleaning and caretaking were reported during the year, therefore a rebate on the general fund core charge of £143,340 has been agreed. Significant cost pressures emerged on the HRA repairs services relating to ensuring compliance with current legislative standards, a higher demand for damp and mould repairs under national scrutiny, increased responsive repairs works and the significant inflationary impact in these areas. Therefore, it has been agreed that the Council funds an additional payment of £787,410.

- 5.8. At the end of the year, a discount is repayable to the Councils of one third of the actual trading profit. Under accounting standards, Norse's financial performance is consolidated into the Councils' single entity statements as a 'Joint Operation' as opposed to separate group accounts being reported. The remaining profit/ (loss) is therefore part of the outturn for the Councils.

2023/24	General Fund	HRA
	£	£
<b>Budget</b>	1,039,800	4,565,710
Core charge	1,087,590	4,837,530
Additional payment/ (rebate)	(143,340)	787,410
Discount	(14,110)	(88,980)
Allocation of Joint Operation (profit)/ loss	(21,170)	(133,470)
<b>Total cost</b>	<b>908,970</b>	<b>5,402,490</b>
<b>Variance</b>	(130,830)	836,780

## 6. The Springs

- 6.1. This 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. The income is based on receipts from tenants during the quarter. The baseline and actual both include VAT. The income figures stated below are net of the cap on service charge recovery.
- 6.2. A baseline is being established for a rent arrears KPI. At 31st March 2024 the rent arrears figure stood at £70,420. However, several longstanding rent reviews are underway currently, which will lead to refunds of previously paid rent for some tenants.
- 6.3. There is a potential need for a measure of performance in the collection of service charges. Consideration will be given to the development of an additional KPI to measure this performance.

Performance Indicator	Description	Baseline Q4 (2023/24)	Actual Q4 (2023/24)	Variance against Baseline
Net Income	Income from tenancies less costs	340,485	753,799	413,314

Performance Indicator	Description	Baseline Q4 (2023/24)	Actual Q4 (2023/24)	Variance against Baseline
Property Yield	Annualised income as a % of Target Costs (Total Commitment)	4.01%	11.7%	7.69%
Surplus Income (after Debt)	Net Income less interest charges	254,663	568,168	313,505
Yield on Equity	Net income as % of FHSF Grant (Equity)	2.29%	6.62%	4.33%
	<b>Voids</b>			
	sq ft	17,056	18,608	1,552
	%	17.60%	19.25%	1.65%
	No.of Units	7	8	1

## 7. Housing Revenue Account (HRA)

- 7.1. 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.
- 7.2. The 2023/24 HRA budget was originally set to produce a deficit of £1,628,170 supported by reserves. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £979,980 in unused budgets from 2022/23 to facilitate completion of capital component works. This brought the 2023/24 budget to a deficit of £2,608,150 and will be supported by reserves.
- 7.3. Provisional outturn expenditure on the HRA at the fourth quarter stage is £18,273,115 with estimated income of £16,206,785. This represents a deficit for the year of £2,066,330 (i.e. £541,820 under budget – meaning less reserves are required to fund HRA activities in year).

Housing Revenue Account	2023/24 Budget	Quarter 1 Changes	2023/24 Revised Budget	2023/24 Provisional Outturn	Variance
	£	£	£	£	£
Repairs & maintenance	5,245,690		5,245,690	6,363,160	1,117,470
Supervision & management	2,804,230		2,804,230	2,404,791	(399,439)
Rates, rents, taxes, other charges	109,130		109,130	90,886	(18,244)
Other operating expenditure	827,290		827,290	922,119	94,829
Depreciation & impairment charges	2,182,000		2,182,000	2,423,142	241,142
Interest & debt management charges	2,579,580		2,579,580	2,376,495	(203,085)
HRA contribution to capital programme	3,842,000	979,980	4,821,980	3,692,522	(1,129,458)
<b>Total expenditure</b>	<b>17,589,920</b>	<b>979,980</b>	<b>18,569,900</b>	<b>18,273,115</b>	<b>(296,785)</b>
Dwellings rents	(15,322,760)		(15,322,760)	(15,395,263)	(72,503)

Housing Revenue Account	2023/24 Budget	Quarter 1 Changes	2023/24 Revised Budget	2023/24 Provisional Outturn	Variance
	£	£	£	£	£
Non-dwelling rents & other income	(638,990)		(638,990)	(811,522)	(172,532)
<b>Total income</b>	<b>(15,961,750)</b>	<b>0</b>	<b>(15,961,750)</b>	<b>(16,206,785)</b>	<b>(245,035)</b>
(Surplus)/ deficit for year	<b>1,628,170</b>	<b>979,980</b>	<b>2,608,150</b>	<b>2,066,330</b>	<b>(541,820)</b>
Use of reserves	(1,628,170)	(979,980)	(2,608,150)	(2,066,330)	541,820
<b>In year (surplus)/ deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

7.4. 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 will be funded by a transfer from reserves within the Housing Revenue Account.

7.5. There are three significant (>£50,000) overspends to report.

- **Repairs and Maintenance (£1,117,470):** Forecast of additional costs of utilities (£373,000). An element of this will be offset in the following year through the recovery of service charges. Continued high demand in responsive repairs experienced by Alliance Norse has led to significant overspend in the service, this has been partly offset by other variances within HRA repairs and maintenance, giving a net overspend position of £681,000.
- **Other operating expenditure (£94,829):** increased cost of Buxton Town Hall related to our housing services recharged to the HRA.
- **Depreciation and impairment charges (£241,142):** This is a technical overspend in that more capital charges were made to the HRA during the year due to the higher year-end value of the assets. This increases the contribution to the Major repairs Reserve which in turn reduces the HRA revenue contribution necessary to fund the capital programme.

7.6. There are five significant (>£50,000) underspends to report.

- **Supervision & management (£399,439):** 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.
- **Interest & debt management charges (£203,085):** the HRA received a larger interest income credit than anticipated due to the larger relative share of average reserves compared to the general fund, than that anticipated at budget setting.
- **Contribution to HRA capital programme (£1,129,458):** as detailed in section 8 below.
- **Dwellings rents (£72,503):** increased income from dwelling rents
- **Non Dwelling rents & Other Income (£172,532):** Increased income from service charges has been responsible for most of this positive variance.

## 8. General Fund Capital Programme

8.1. The General Fund Capital Programme approved by Members in February 2024 was set at £11,437,050. Additional budget of £305,390 was added in Quarter 4, giving a revised overall budget of £11,742,440:

- Sustainable Warmth Energy Efficiency: £235,390 externally funded project following successful bid to Midlands Energy Hub – upgrade energy efficiency performance of owner occupied houses.
- Framework Housing Association: £70,000 grant award towards the acquisition of 4 units in Buxton funded from Section 106 Developer contributions.

8.2. The 2023/24 provisional outturn at 31 March 2024 is summarised in the table below, with further detail provided at Annex A:

	2023/24 Approved Budget	Out-Turn 2023-24	Variance
	£	£	£
Affordable Housing	574,000	304,877	(269,123)
Housing Standards	817,540	1,813,266	995,726
Property Services	6,675,070	4,049,241	(2,625,829)
ICT	50,000	7,672	(42,328)
Fleet	539,210	359,058	(180,152)
Leisure Services	2,265,050	2,398,260	133,210

	2023/24 Approved Budget	Out-Turn 2023-24	Variance
	£	£	£
Regeneration - Fairfield	121,570	21,233	(100,337)
Regeneration -Buxton	700,000	413,021	(286,979)
<b>Total</b>	<b>11,742,440</b>	<b>9,366,628</b>	<b>(2,375,812)</b>
<b>Funding:</b>			
External Contributions	2,696,470	3,591,194	894,724
S106 Planning Obligations	172,870	185,664	12,794
Capital Receipts (Land)	150,000	-	(150,000)
Capital Receipts (one for one)	504,000	234,877	(269,123)
Capital Receipts (vehicles)	79,500	-	(79,500)
Earmarked Reserves	-	459,848	459,848
Borrowing	8,139,600	4,895,045	(3,244,555)
<b>Total</b>	<b>11,742,440</b>	<b>9,366,628</b>	<b>(2,375,812)</b>

8.3. The Council incurred capital expenditure of £9,366,628 during the year against a revised budget of £11,742,440 this represents underspend of £2,375,812. 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 Strategy (Affordable Housing) (£269,123 underspend) 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 drawdown of Grant was lower in 2023/24 than anticipated.
- Housing (£995,726 overspend) the main project variance £1,012,379 was against Disabled Facilities Grants (DFGs). N-Able, the new service provider, completed more grant works in year than forecast. All works are funded from an annual allocation from the Better Care Fund. The funding is ring-fenced and the overspend in year was met from available reserves.
- Property Services (£2,625,829 underspend) resulting from several timing and reprioritising variances against projects within the Asset Management Plan, Buxton Town Hall, Glossop Market Hall, and Pavilion Gardens.
- Fleet (£180,152 underspend) replacement of vehicles and plant, the timetable has been re-evaluated in line with requirements and availability of vehicles.
- Leisure Services (£133,210 variance) Buxton Pool decarbonisation works were more advanced at the year-end than forecast. The project has seen

the successful installation of 131 solar panels on the roof of the leisure centre, along with a range of pipework installations around the centre to enable the connection of air source heat pumps – the works are scheduled for completion this year.

- Fairfield Roundabout (£100,337 underspend) the roundabout was operational from December 2022, some final outstanding landscaping and lighting works were 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 (£286,979 variance) as reported to The Executive 30 November 2023; Revitalising Buxton project works have been updated and spend re-profiled over 2023-24 to 2026-27, the in-year underspend will be carried forward to 2024-25.

8.4. Consequently, overall capital funding which is expected to be applied to the 2023/24 Capital Programme, is lower than forecast, reflecting the revised timing of capital spend, resulting in a reduced borrowing requirement of £3,244,555.

8.5. 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:

	Variance	Carry Forward to 2024/25 Over/ (Underspend)	Over/(Underspend) Completed Projects
	£	£	£
Affordable Housing	(269,123)	0	(269,123)
Housing Standards	995,726	(16,653)	1,012,379
Property Services	(2,625,829)	(2,100,829)	(525,000)
ICT	(42,328)	0	(42,328)
Fleet	(180,152)	(180,152)	0
Leisure Services	133,210	138,310	(5,100)
Regeneration - Fairfield	(100,337)	0	(100,337)
Regeneration -Buxton	(286,979)	(286,979)	0
<b>Total</b>	<b>(2,375,812)</b>	<b>(2,446,303)</b>	<b>70,491</b>

## 9. Housing Revenue Account Capital Programme

9.1. This section of the report provides an update to Members on the Council's HRA capital spending.

9.2. The HRA Capital Programme approved by members in February 2024 was set at £8,439,270.

9.3. The table below shows a high level summary of the HRA Capital Programme at 31st March 2024. Further detail on a scheme-by-scheme basis is contained in Annex A.

Scheme	2023-24 Approved Budget	Out-Turn 23-24	Variance over (under)
	£	£	£
Asset Management Works	6,722,520	5,947,366	(775,154)
Commissioning /De-carbonisation	100,000	184,638	84,638
Re-Purchase Dwellings	291,410	625,811	334,401
Housing Refugees	1,325,340	917,305	(408,035)
<b>Total Programme</b>	<b>8,439,270</b>	<b>7,675,120</b>	<b>(764,150)</b>
Major Repairs Reserve	2,289,000	2,439,483	150,483
HRA Contribution	4,533,520	3,692,522	(840,998)
Capital Receipts (1-4-1)	116,570	250,324	133,754
Capital Receipts (Other)	174,840	375,486	200,646
Capital Receipts (Other) Refugees	614,320	493,987	(120,333)
Local Authority Housing Fund	711,020	423,318	(287,702)
<b>Total Financing</b>	<b>8,439,270</b>	<b>7,675,120</b>	<b>(764,150)</b>

9.4. The Council incurred capital expenditure of £7,675,120 during the year against a revised budget of £8,439,270; this represents an under spend of £764,150. The underspend reflects the net impact of Capital Programme projects that are either behind schedule or have progressed more quickly than expected with the most significant variances being:

- **Asset management works** (£775,174 underspend) variances across all project areas (as detailed in Annex A) with roofing, windows & doors replacements, external walls insulation & rendering being the main projects ahead of anticipated spend.
- **Dwelling purchases** (£73,364 negative net variance) 10 Properties were added to the Housing Stock in year; these included 6 properties acquired using Local Authority Housing Fund grants (housing refugees programme).

8.5 As a result of the variances detailed above, approval is sought to carry forward the net underspend against Asset management & Commissioning Costs of £690,516.

## 10. Treasury Management



10.1. 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**

10.2. Cash Investments held on the 31 March 2024 totalled £13.8million. The average level of funds available for investment in the year totalled £21.5million and £1,036,120 interest was earned.

10.3. The Council budgeted to receive £699,260 in investment income in 2023/24 under the expectation that the Bank of England base rate would peak at 4.50% and return to 4.00% by Spring 2024. However, the base rate increased to 5.25% and remained at this level for the rest of the year; investment income opportunities followed this same trend. Therefore, a provisional surplus of £351,175 is reported against the budget.

### **Borrowing**

10.4. Outstanding borrowing at 31 March 2024 totalled £63.8million. The Council's general fund and HRA budgeted to incur £1,460,670 and £1,944,580 respectively in interest charges and other financing costs in 2023/24. This was based on existing external debt and new borrowing of £5million mid-year to fund the general fund capital programme.

10.5. Maturing loan repayments took place in the first quarter: a £1million LOBO (Lender Option Borrower Option) and a £2million local authority loan. New short term borrowing of £5million for 11 months from a local authority took place in May at an interest rate of 4.40%.

10.6. The general fund provisional outturn is £95,123 overspent due to a smaller capital borrowing requirement in 2022/23, the impact of which is a smaller Minimum Revenue Provision (MRP) charge than anticipated of £65,366, allocation of borrowing costs to The Springs of £103,226, offset by a larger net credit to the HRA of £257,175 for interest earned on the HRA reserves balances.

## **11. Revenue Collection**

11.1. The collection rate outturn for the third quarter in 2023/24 was as follows:

- Council Tax – 98.28% of Council Tax was collected by the end of the year during 2023/24, compared to 97.87% in 2022/23, and 98.10% in 2021/22.

- Business Rates – 98.68% of Business Rates was collected by the end of the year during 2023/24, compared to 98.80% in 2022/23, and 98.70% in 2021/22.
- Sundry Debts - The value of sundry debts over 60 days old at 31 March 2024 was £68,217 which compares with £79,087 at 31 March 2023.

## Annex A

## Housing Revenue Account Capital Programme Update 31 March 2024

Scheme	2023-24 Approved Budget	Out-Turn 23- 24	Variance over (under)
	£	£	£
<b>Asset Management</b>			
Roofing Works	198,720	276,998	78,278
Lift Replacements	755,930	479,319	(276,611)
Bathroom Programme	674,880	627,055	(47,825)
Kitchen Programme	251,810	249,676	(2,134)
Electrical Works (complete rewire)	496,760	27,819	(468,941)
Aids & Adaptations	295,000	560,643	265,643
Windows & Doors Programme	778,150	1,260,445	482,295
External Walls Insulation & Rendering	600,000	686,236	86,236
Gas Heating & Distribution (Radiators)	627,800	561,304	(66,496)
Communal Boiler Replacements	450,000	48,696	(401,304)
Communal Areas	200,000	33,351	(166,649)
Fire Alarm -Communal Blocks	250,000	260,358	10,358
CCTV & Aerials	45,000	16,684	(28,316)
Major Void Retrofit to decarbonise	100,000		(100,000)
Decarbonisation	50,000	15,403	(34,597)
Gamesley Carpark/Externals	300,000	351,014	51,014
Void Rewires	25,000	65,710	40,710
Void Kitchens	25,000	176,173	151,173
Void Bathrooms	25,000	162,144	137,144
Insulation (Lofts & Walls)	100,000	58,025	(41,975)
External Works	150,000	4,803	(145,197)
Other Capital sums for Fire action	50,000	-	(50,000)
Radon Fans	50,000	-	(50,000)
Shop/Office Works		11,159	11,159
Work In Progress		14,351	14,351
Unallocated/ Contingency	223,470	-	(223,470)
<b>Asset Management Works</b>	<b>6,722,520</b>	<b>5,947,366</b>	<b>(775,154)</b>
Staffing /Commissioning	100,000	184,638	84,638
<b>Commissioning / Decarbonisation</b>	<b>100,000</b>	<b>184,638</b>	<b>84,638</b>
Re-Purchase Dwellings	291,410	625,811	334,401
Housing Refugees	1,325,340	917,305	(408,035)
<b>Asset Purchases</b>	<b>1,616,750</b>	<b>1,543,116</b>	<b>(73,634)</b>
<b>Total Spend</b>	<b>8,439,270</b>	<b>7,675,120</b>	<b>(764,150)</b>

## General Fund Capital Programme Update 31 March 2024

Scheme	2023/24 Approved Budget	Out-Turn 2023-24	Variance	Carry Forward to 2024/25 Over/ (Underspend)	Over/(Underspend) Completed Projects
	£	£	£	£	£
<b>Housing</b>					
Affordable	574,000	304,877	(269,123)	0	(269,123)
Disabled Facilities Grants	555,000	1,567,379	1,012,379	0	1,012,379
Energy Efficiency Grants	262,540	245,887	(16,653)	(16,653)	0
	<b>1,391,540</b>	<b>2,118,143</b>	<b>726,603</b>	<b>(16,653)</b>	<b>743,256</b>
<b>Property Services</b>					
Asset Management Programme	6,675,070	4,049,241	(2,625,829)	(2,100,829)	(525,000)
	<b>6,675,070</b>	<b>4,049,241</b>	<b>(2,625,829)</b>	<b>(2,100,829)</b>	<b>(525,000)</b>
<b>ICT</b>	50,000	7,672	(42,328)	0	(42,328)
	<b>50,000</b>	<b>7,672</b>	<b>(42,328)</b>	<b>0</b>	<b>(42,328)</b>
<b>Fleet Management</b>					
Vehicle/Plant Acquisitions	539,210	359,058	(180,152)	(180,152)	0
	<b>539,210</b>	<b>359,058</b>	<b>(180,152)</b>	<b>(180,152)</b>	<b>0</b>
<b>Leisure Services</b>					
Move More Grants Fund	27,000	27,000	0	0	0
Cemetery Road Glossop	438,870	438,867	(3)	0	(3)
Buxton Pool Energy Efficiency	1,457,000	1,599,308	142,308	142,308	0
New Mills Leisure Centre	240,180	236,182	(3,998)	(3,998)	0
Play Facilities	102,000	96,903	(5,097)	0	(5,097)
	<b>2,265,050</b>	<b>2,398,260</b>	<b>133,210</b>	<b>138,310</b>	<b>(5,100)</b>
<b>Regeneration</b>					
Fairfield Roundabout	121,570	21,233	(100,337)	0	(100,337)
Buxton Town Centre	700,000	413,021	(286,979)	(286,979)	0
	<b>821,570</b>	<b>434,254</b>	<b>(387,316)</b>	<b>(286,979)</b>	<b>(100,337)</b>
<b>Total General Fund</b>	<b>11,742,440</b>	<b>9,366,628</b>	<b>(2,375,812)</b>	<b>(2,446,303)</b>	<b>70,491</b>