

APPENDIX A

2024/25 Second Quarter 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 second report for 2024/25.

1.2. The report summarises overall financial performance for 2024/25 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 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, Alliance Norse Ltd and Alliance Leisure 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 considering variations in income and expenditure and funding received by the Council.

Service	2024/25 Budget	Provisional Outturn 2024/25	Variance	Contribution to (Use of) Earmarked Reserves	Net Variance
	£	£	£	£	£
Alliance Leadership Team	387,640	357,100	(30,540)	-	(30,540)
Audit	115,310	117,220	1,910	-	1,910
ICT	873,350	1,100,700	227,350	(191,850)	35,500
Human Resources	67,020	91,560	24,540	-	24,540
Member Services	611,640	635,030	23,390	-	23,390
Property Services	705,130	746,580	41,450	-	41,450
Benefits	(194,120)	(194,120)	-	-	-
Development Services	493,090	690,300	197,210	(28,610)	168,600
Building Control	54,500	38,800	(15,700)	-	(15,700)
Customer Services	756,070	752,930	(3,140)	-	(3,140)
Legal Services	293,830	291,410	(2,420)	-	(2,420)
Electoral Services	141,270	97,150	(44,120)	-	(44,120)
Licensing and Land Charges	(239,570)	(198,840)	40,730	-	40,730
Regeneration	380,610	416,200	35,590	(40,000)	(4,410)
Communities and Cultural	533,700	543,650	9,950	-	9,950
Housing Strategy*	342,980	302,750	(40,230)	44,210	3,980
Transformation	388,810	395,500	6,690	(6,140)	550
Community Safety and Enforcement	112,800	124,050	11,250	-	11,250
Finance & Procurement	485,910	493,480	7,570	-	7,570
Revenues	437,440	424,000	(13,440)	-	(13,440)
Corporate Finance	1,045,050	324,770	(720,280)	-	(720,280)
Waste Collection	3,759,480	3,566,990	(192,490)	-	(192,490)
Street Scene	553,540	562,650	9,110	(60)	9,050
Leisure Services	298,330	285,750	(12,580)	-	(12,580)
Horticulture	476,830	481,510	4,680	-	4,680
Environmental Health	639,430	653,200	13,770	(11,880)	1,890
Net Total of Services	13,520,070	13,100,320	(419,750)	(234,330)	(654,080)
Net Interest	363,700	957,260	593,560		593,560
Total including interest	13,883,770	14,057,580	173,810	(234,330)	(60,520)
Funding:					
- external	(13,680,620)	(13,893,630)	(213,010)		(213,010)
- reserves contribution to/(from):					
general contingency	(201,510)	(201,510)	-		-
earmarked - general	(1,640)	(234,330)	(232,690)	234,330	1,640
Projected (Surplus)/Deficit	-	(271,890)	(271,890)		(271,890)

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

2.2. A revenue budget of £13,883,770 was set for 2024/25. The table above shows how this budget has been allocated to services.

2.3. The second quarter projected outturn for the General Fund Revenue Account for 2024/25 is £14,057,580, which is an overspend against the budget of £173,810. It is anticipated that £234,330 of earmarked reserves will be applied to this overspend, creating an overall forecast surplus against the budget of £60,520.

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

- **Corporate Finance £720,280:** Estimates show that allocation of the Council's inflation budgets will be c.£450,000 less than the available total amount. This is very much subject to change at the mid point of the year as it depends on the outcomes of the pay award, crystallising inflation and achievement against the efficiency programme. Water income is showing an increased trend, and is forecast to generate a surplus of c.£100,000. There has also been a VAT windfall of £155,000
- **Waste Collection £192,490:** Emerging information from recycling markets indicates that there will be an increase to the anticipated recycling income, therefore a rebate of £220,000 is anticipated from the AES contract. This is partially offset by the anticipated pay award being in excess of the budgeted amount.

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

- **ICT £227,350:** inflation and modernising IT equipment are forecast at a total overspend of £111,000. Consultancy spend of £116,000 is forecast related development and delivery of the ICT strategy. It is anticipated that £191,850 will be drawn from the earmarked reserve to offset some of these costs, reducing the overspend to £35,500.
- **Development Services £197,210,** reduced to £168,600 after application of and contribution to reserves:
Planning applications: £77,000 projected overspend on planning appeal costs, £66,000 income shortfall, and £91,000 of costs which are funded by a grant held in an earmarked reserve.
Planning Policy: £95,000 underspend arising out of slippage against the profile of spend forecast. Any underspend against this budget at year-end will be put into the Local Plan earmarked reserve for use in the following year.
Arboriculture £33,000 overspend to be funded by the reserve set aside for additional works required following surveys.

2.6. The net interest costs, as detailed in section 9, are overspent by £593,560.

2.7. The provisional outturn on funding for the year is forecast to be £508,320 more than budgeted, made up of the following:

External Funding (£213,010 increase):

- **Business Rates Retention**, £107,620 reduction in external funding:
 - The net levy payable to the Derbyshire Business Rates Pool after Pool savings is estimated to be £56,380 more than anticipated. 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 forecast to be £113,590 more compared to budget setting due to fluctuations in awards over time. This is a general fund grant, so in the event that the collection fund is in deficit at year end, this will be put into an earmarked reserve to fund future year deficit distribution.
 - A decrease of £50,410 is expected on the tariff payable following reconciliation of previous years by central government.
- **Other external funding:** a £105,390 increase in funding from central government grants compared to the provisional local government finance settlement included in the medium term financial plan.

Other movements in reserves (£232,690 increase):

- **Contingency reserves:** The budget for 2024/25 assumed a use of £201,510 to general fund contingency. At this early stage in the year, this remains in the forecast, to be reviewed if the forecast surplus position continues.
- **Other Earmarked Reserves:** 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. A net use of £234,330 is anticipated compared to the £1,640 included at budget setting.

3. Efficiency Programme

3.1. The 2024/25 to 2027/28 Medium Term Financial Plan (MTFP) was balanced with the inclusion of an efficiency requirement of £750,000. Themed areas to achieve this programme include: Asset Management Plan, Income and

Charges, Project Management, Recruitment and Retention, and Council Controlled Companies.

3.2. Work to identify the detail of where these savings can be achieved continues in all areas and there is a Head of Service lead for each stream, with update presentations being made to members. Plans are in place to overachieve the efficiency targets in order to provide an in built contingency to any challenging areas, this is shown below as a headroom to the MTFP target.

Plan	2024/25	2025/26	2026/27	2027/28	Total	Achieved 2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Efficiency targets in MTFP</i>	(150,000)	(200,000)	(200,000)	(200,000)	(750,000)	(150,000)
Asset Management Plan	(24,000)	(79,000)	(165,000)		(268,000)	-
Council Controlled Companies	(28,000)	(86,000)	(211,000)		(325,000)	(24,500)
Income & Charges	(83,000)	(40,000)	(40,000)		(163,000)	(83,000)
Project Management	(15,000)	(15,000)	(15,000)		(45,000)	
Recruitment & Retention	-	-	-		-	
Total	(150,000)	(220,000)	(431,000)	-	(801,000)	(107,500)
<i>Total (headroom)/ shortfall against MTFP</i>	-	(20,000)	(231,000)	200,000	(51,000)	42,500

3.3. Presentations to date show that the Asset Management Plan savings will be derived predominantly Buxton Town Hall and the Revitalising Buxton project, thus timings are subject to change. On the Council Controlled Companies theme initial small savings have been found within AES expenditure as well as additional income totalling approximately £24,500. On the Income & Charges theme; Car Park surpluses have been identified. The actual budget savings for 2024/25 are expected to exceed the target required for the year. The performance against target will continue to be monitored through to year-end and any additional savings achieved will be rolled forward to help meet future programme saving requirements.

3.4. A long standing earmarked reserve of £200,000 was increased to £500,000 in the closure of accounts for 2023/24 – this is available to support the implementation of the Efficiency Programme.

4. Collaborative Arrangements

Alliance Environmental Services Ltd (AES)

4.1. 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.

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

2024-25	General Fund	HRA	Total
	£	£	£
AES contract budget	6,130,000	246,170	6,376,170
AES base management fee	6,168,950	247,930	6,416,880
Allocation of Joint Operation profit	(43,260)	(1,740)	(45,000)
			-
Contract pressures/ (savings):			-
Pay award and Pension	85,560	3,440	89,000
Fuel price savings	(56,000)	-	(56,000)
Vehicle parts and insurances	39,000	-	39,000
Recycling income improvement	(220,000)	-	(220,000)
	7,430	1,650	9,080
Net contract cost	5,981,680	251,280	6,232,960
Variance	(148,320)	5,110	(143,210)

4.3. The AES business plan for all services being delivered to the Council during 2024/25 includes a budgeted management fee of £6,416,880. 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 anticipates a provisional outturn profit for the year, with £45,000 attributable to the Council's accounts.

4.4. 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 includes an additional cost of

£89,000 as the company anticipates the pay award will be greater than the budgeted amount.

- Fuel costs are anticipated to be £56,000 lower due to a reducing price per litre than was forecast in the budget.
- Further inflation pressure of £39,000 is anticipated on vehicle parts.
- A rebate of £220,000 is anticipated due to improvements in income in recycling markets – though at this early stage in the year, this is subject to change in the volatile environment.

Alliance Norse Limited (ANL)

4.5. 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.

4.6. The 2024/25 budget has been rolled forward from 2023/24 levels with appropriate crystalised inflation applied for pay award, utilities, and material prices. These are shown below for the three revenue areas along with the forecast outturn and variance to budget. As no variance to the management fee has been presented to the ANL boards, the outturn is presented to budget.

2024/25	Cleaning & Caretaking	GF Repairs	HRA Repairs
	£	£	£
Budget	796,250	485,440	5,389,310
Forecast outturn management fee	796,250	485,440	5,389,310
Variance	0	0	0

4.7. The Councils pay a core charge as agreed in the Business Plan for the revenue services delivered by Norse. 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. The forecast of this discount and profit allocation, where applicable, will be included in subsequent quarterly reports as the forecasts firm up.

Alliance Leisure Limited (ALL)

4.8. ALL delivers Leisure Centre and Wellbeing services to both High Peak Borough Council and Staffordshire Moorlands District Council. The company is a private company limited by guarantee with no shareholders, thus any surplus, income and property wherever derived shall be applied solely in promoting the Company's objects. The Councils' have equal joint significant control of the company. ALL acts as an Agent of the Councils, as Principals in the arrangement, thus collects income and makes expenditure on the Councils' behalf. The company is operating under the brand 'My Active'.

4.9. The company commenced trading on 1 October 2024. The third quarter report will include financial performance information.

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. 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.

5.2. A baseline is being established for a rent arrears KPI. At 30 September 2024 the rent arrears figure stood at £38,811. However, several longstanding rent reviews are underway currently, which will lead to refunds of previously paid rent for some tenants.

5.3. 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 Q2 (2024/25)	Actual Q2 (2024/25)	Variance against Baseline
Net Income	Income from tenancies less costs	184,875	241,856	56,981
Property Yield	Annualised income as a % of Target Costs (Total Commitment)	3.70%	11.27%	7.57%
Surplus Income (after Debt)	Net Income less interest charges	61,122	165,629	104,507
Yield on Equity	Net income as % of FHSF Grant (Equity)	2.85%	7.72%	4.87%

Performance Indicator	Description	Baseline Q2 (2024/25)	Actual Q2 (2024/25)	Variance against Baseline
Voids	sq ft	17,056	18,608	1,552
	%	17.60%	19.25%	1.65%
	No.of Units	7	8	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 2024/25 HRA budget was originally set to produce a deficit of £1,121,050 supported by reserves. The Chief Financial Officer has, in accordance with Financial Procedure Rules, authorised the roll forward of £690,520 in unused budgets from 2023/24 to facilitate completion of capital component works. This brought the 2024/25 budget to a deficit of £1,811,570 and will be supported by reserves.

6.3. Provisional outturn expenditure on the HRA at the second quarter stage is £19,358,810 with estimated income of £17,427,820. This represents a deficit for the year of £1,930,990 (i.e. £71,610 over budget – meaning more reserves are required to fund HRA activities in year).

Housing Revenue Account	2024/25 Budget	Quarter 2 Changes	2024/25 Revised Budget	2024/25 Provisional Outturn	Variance
	£	£	£	£	£
Repairs & maintenance	6,230,930		6,230,930	6,371,600	140,670
Supervision & management	2,848,230		2,848,230	2,883,320	35,090
Rates, rents, taxes, other charges	109,130		109,130	141,960	32,830
Other operating expenditure	868,470		868,470	868,470	0
Depreciation & impairment charges	2,289,000		2,289,000	2,289,000	0
Interest & debt management charges	2,622,520		2,622,520	2,416,240	(206,280)
HRA contribution to capital programme	3,489,060	738,330	4,227,390	4,388,220	160,830
Total expenditure	18,457,340	738,330	19,195,670	19,358,810	163,140
Dwellings rents	(16,687,660)		(16,687,660)	(16,747,030)	(59,370)
Non-dwelling rents & other income	(648,630)		(648,630)	(680,790)	(32,160)
Total income	(17,336,290)	0	(17,336,290)	(17,427,820)	(91,530)
(Surplus)/ deficit for year	1,121,050	738,330	1,859,380	1,930,990	71,610

Housing Revenue Account	2024/25 Budget	Quarter 2 Changes	2024/25 Revised Budget	2024/25 Provisional Outturn	Variance
	£	£	£	£	£
Use of reserves	(1,121,050)	(738,330)	(1,859,380)	(1,930,990)	(71,610)
In year (surplus)/ deficit	0	0	0	0	0

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

6.5. There are two significant (>£50,000) overspends to report.

- **Supervision & Management (£140,670):** Increased costs arising from utilities, IT software and £45,000 increased cost on subscriptions.
- **HRA contribution (£160,830) :** as detailed in section 8 below

6.6. There are two significant (>£50,000) underspends to report.

- **Dwellings rents (£59,370):** increased income from dwelling rents
- **Interest & debt management charges (£206,280 reduction in net cost):** the HRA is forecast to receive a larger interest income credit than anticipated at budget setting based on the forecast reserves positions of the general fund and HRA.

7. General Fund Capital Programme

7.1. This section of the report provides an update to members on the Council’s General Fund Capital Programme.

7.2. The table below shows a high level summary of the General Fund Capital Programme position at Quarter 2; further detail provided at Annex B:

	2024/25 Approved Budget	Quarter 2 Changes	2024/25 Revised Budget	Expected Outturn 2024/25	Expected Variance 2024/25
	£	£	£	£	£
Housing	321,860	194,740	516,600	516,600	-
Housing Standards	571,660	-	571,660	571,660	-
Property Services	6,535,940	344,440	6,880,380	4,580,810	(2,299,570)
ICT	72,800	-	72,800	72,800	-
Fleet	1,606,830	-	1,606,830	1,382,970	(223,860)
Leisure Services	3,275,400	865,230	4,140,630	4,190,630	50,000
Regeneration -Buxton Town Centre	986,980	-	986,980	986,980	-
Total	13,371,470	1,404,410	14,775,880	12,302,450	(2,473,430)
Funding:-					
External Contributions	699,750		699,750	699,750	-
S106 Planning Obligations	82,110	-	82,110	82,110	-
Capital Receipts(Land)	1,000,000	-	1,000,000	1,000,000	-
Capital Receipts(one for one)	321,860	194,740	516,600	321,860	(194,740)
Capital Receipts(vehicles)	25,750	-	25,750	25,750	-
Borrowing	11,242,000	1,209,670	12,451,670	10,172,980	(2,278,690)
Total	13,371,470	1,404,410	14,775,880	12,302,450	(2,473,430)

7.3. The 2024/25 General Fund Capital Budget approved by Members on 10th October 2024 as part of the Quarter 1 report, was set at £13,371,470. additional budget of £1,404,410 has been added in Quarter 2. The overall approved budget now stands at £14,775,880

7.4. The changes made to the capital programme in this quarter are:-

- Affordable Housing –(**£194,740 increase**) the Council is grant funding from Right to Buy 1-4-1 capital receipts, delivery of 17 affordable rented homes in Buxton Road Chinley, the final drawdown of grant is now expected in 2024/25
- Asset Management – (**£344,440 increase**) several changes have been made to project budgets the most significant, £376,790 is for

additional cost estimated for Pavilion Gardens heating replacement, approved by Members on 4th October 2024

- New Mills Leisure Centre – **(£670,230 – New project)** Sport England through their Swimming Pool Support Fund are grant funding energy efficiency works including upgrades to the centres air handling unit. The grant award is £587,880, the Council’s contribution to the project has been transferred from within the Asset Management £81,950.
- High Peak Play Investment Plan –**(£195,000 – New Play Projects)** as part of the revised plan Members approved on 1st October 24 four new play improvement projects will be delivered in this financial year at; Pavilion Gardens, Manor Park, Newsham Lane Recreation Ground and Ashwood Park.

7.5 There are three significant variances currently forecast

- **Property Services (£2.299,570 underspend)** resulting from a number of timing and reprioritising of works within the Asset Management Plan
- **Fleet (£223,860 underspend)** replacement of vehicles and plant, the timetable has been re-evaluated in line with requirements and availability of vehicles
- **Lesiure Services (£50,000 overspend)** – increased costs of energy efficiency works at Buxton Pool

7.6 Consequently, overall capital funding which is expected to be applied to the 2024/25 programme, is lower than revised budget approval, resulting in a reduced borrowing requirement of £2,278,690

8. Housing Revenue Account Capital Programme

8.1. This section of the report provides an update to Members on the Council’s HRA Capital Programme.

8.2. The table below shows a high level summary of the HRA Capital Programme at 30 September 2024. Further detail on a scheme-by-scheme basis is contained in Annex A.

Scheme	Budget 24/25	Budget Changes Q2	Revised 24-25 Budget	Expected Out-turn 24-25	Variance
	£	£	£	£	£
Asset Management Works	8,129,470	-	8,129,470	8,129,470	-

Commissioning /De-carbonisation	683,000	47,810	730,810	730,810	-
Vehicle Replacement	51,110	-	51,110	211,940	160,830
Re-Purchase Dwellings	200,000	-	200,000	200,000	-
ICT Housing System	188,000	-	188,000	188,000	-
Housing Refugees	1,188,490	-	1,188,490	1,188,490	-
Total Programme	10,440,070	47,810	10,487,880	10,648,710	160,830
Major Repairs Reserve	2,289,000	-	2,289,000	2,289,000	-
HRA Contribution	4,179,580	47,810	4,227,390	4,388,220	160,830
Capital Receipts (1-4-1)	80,000	-	80,000	80,000	-
Capital Receipts (Other)	120,000	-	120,000	120,000	-
Capital Receipts (Other) Refugees	666,490	-	666,490	666,490	-
Local Authority Housing Fund	522,000	-	522,000	522,000	-
Mayoral Devolution Fund (Decarb)	583,000	-	583,000	583,000	-
Borrowing	2,000,000	-	2,000,000	2,000,000	-
Total Financing	10,440,070	47,810	10,487,880	10,648,710	160,830

8.3. The 2024/25 HRA Fund Capital Budget approved by Members on 10th October 2024 as part of the Quarter 1 report, was set at £10,440,070. There has been one change made in the current quarter, additional budget of £47,810 has been added, giving a revised overall budget of £10,487,880.

8.4. Change made to HRA capital Programme:-

- **Decarbonisation (£47,810 increase)** the Council has been awarded a grant of £583,500 from the East Midlands Domestic Retrofit Scheme. The project is to retrofit up to 43 properties with energy efficiency upgrades for the benefit of tenants. The budget increase is the council's contribution to cover costs of design and post works certification. (approved by members 16th July 2024)

8.5 The only variance to note is following an update on the fleet replacement programme, more HRA vehicles are now expected to be acquired in 2024-25. The Asset Management housing capital projects are undertaken by Alliance Norse, they have not reported any expected variance against their programme of works to date.

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 at the end of quarter two totalled £23.9million. The average level of funds available for investment in the period totalled £20.3million and £521,740 interest was earned.
- 9.3. The Council had budgeted to receive £1,121,170 in investment income in 2024/25 based on the improved investment return opportunities while the Bank of England base rate remains high. A shortfall of £100,410 is forecast against this budget as the average portfolio size is smaller than anticipated partly due to continued internally borrowing as well as other cash flow fluctuations.

Borrowing

- 9.4. Outstanding borrowing at the end of the first quarter totalled £69.3million. The Council's general fund and HRA are budgeted to incur £1,484,870 and £2,064,600 respectively in interest charges and other financing costs in 2024/25. This was based on existing external debt, refinancing of maturing loans, and new borrowing of £9million mid-year to fund the general fund capital programme.
- 9.5. Movements on local authority loans have taken place: £5,000,000 of short-term borrowing at 4.40% was repaid in April, replaced by £5,000,000 on the same day with a term of 9 months at 5.35%, a new loan of £3,000,000 for one year at 5.35% also started in April, and a new 3 month loan of £2,500,000 at 5.30% commenced in May, which was refinanced in August at 4.85%.
- 9.6. The general fund is forecast to be £493,150 overspent due to a larger capital borrowing requirement in 2023/24, the impact of which is a £74,000 larger Minimum Revenue Provision (MRP) charge than anticipated, a larger borrowing cost of £156,000 from the earlier borrowing, and a larger credit to the HRA of £258,000 from an increase in the investment income apportionment based on the forecast reserves positions of the general fund and HRA.

10. Revenue Collection

- 10.1. The collection rate outturn for the second quarter in 2024/25 was as follows:

- Council Tax – 55.36% was collected by the end of the quarter, compared to 55.66% in 2023/24, and 55.11% in 2022/23.
- Business Rates – 58.55% was collected by the end of the quarter, compared to 57.70% in 2023/24, and 59.69% in 2022/23.
- Sundry Debts - The value of sundry debts over 60 days old at the end of the quarter was £36,637, compared to £26,183 at the same point during 2023/24.

ANNEX A

Housing Revenue Account Capital Programme

High Peak Housing Planned Works	Budget 24/25	Budget Changes Q2	Revised 24-25 Budget	Expected Out-turn 24-25	Variance
Asset Management					
Structural Works	99,900	-	99,900	99,900	-
Heat Pumps	74,250	-	74,250	74,250	-
Winster Mews	436,720	-	436,720	436,720	-
Roofing Works	436,720	-	436,720	436,720	-
Bathroom Programme	396,780	-	396,780	396,780	-
Kitchen Programme	819,640	-	819,640	819,640	-
Electrical Works(complete rewire)	109,180	-	109,180	109,180	-
Aids & Adaptations	294,710	-	294,710	294,710	-
Windows & Doors Programme	1,030,070	-	1,030,070	1,030,070	-
Ext.Walls Insulation & Rendering	499,500	-	499,500	499,500	-
Gas Heating	730,060	-	730,060	730,060	-
Communal Areas Externals	199,800	-	199,800	199,800	-
Fire Compartmentation Works	272,950	-	272,950	272,950	-
Fire Doors - Replace all	1,364,750	-	1,364,750	1,364,750	-
Major Void Retrofit to decarbonise	43,680	-	43,680	43,680	-
Gamesley Carpark/Externals	382,130	-	382,130	382,130	-
Void Rewires	25,120	-	25,120	25,120	-
Void Kitchens	25,120	-	25,120	25,120	-
Void Bathrooms	25,120	-	25,120	25,120	-
External (Walls/Paths/Outbuildings)	149,850	-	149,850	149,850	-
Radon Fans	49,950	-	49,950	49,950	-
Communal Heating - Milton Court	272,950	-	272,950	272,950	-
Communal Heating -Queens Court	320,000	-	320,000	320,000	-
Emergency Contingency	70,520	-	70,520	70,520	-
Asset Management Works	8,129,470	-	8,129,470	8,129,470	-
Decarbonisation	583,000	47,810	630,810	630,810	-
Staffing /Commissioning	100,000	-	100,000	100,000	-
	683,000	47,810	730,810	730,810	-
Asset Purchases					
Vehicle Replacement	51,110	-	51,110	211,940	160,830
Re-Purchase Dwellings	200,000	-	200,000	200,000	-
ICT Housing System	188,000	-	188,000	188,000	-
Housing Refugees	1,188,490	-	1,188,490	1,188,490	-
	1,627,600	-	1,627,600	1,788,430	160,830
TOTAL	10,440,070	47,810	10,487,880	10,648,710	160,830

ANNEX B

General Fund Capital Programme

Scheme	2024/25 Approved Budget	Quarter 2 Changes	2024/25 Revised Budget	Expected Outturn 2024/25	Expected Variance 2024/25
	£	£	£	£	£
Housing & Housing Standards					
Affordable Housing Project	321,860	194,740	516,600	516,600	-
Disabled Facilities Grants	555,000	-	555,000	555,000	-
Private Sector Housing Renewal	16,660	-	16,660	16,660	-
	893,520	194,740	1,088,260	1,088,260	-
Property Services					
Asset Management Programme	6,535,940	344,440	6,880,380	4,580,810	(2,299,570)
	6,535,940	344,440	6,880,380	4,580,810	(2,299,570)
ICT					
	72,800	-	72,800	72,800	-
	72,800	-	72,800	72,800	-
Fleet Management					
Vehicle/Plant Acquisitions	1,606,830	-	1,606,830	1,382,970	(223,860)
	1,606,830	-	1,606,830	1,382,970	(223,860)
Leisure Services					
Sports Club Grants	139,100	-	139,100	139,100	-
Buxton Pool Energy Efficiency	257,690	-	257,690	307,690	50,000
New Mills Leisure Centre Refurbishment	2,471,610	-	2,471,610	2,471,610	-
New Mills Leisure Centre -SPSF	-	670,230	670,230	670,230	-
Play Facilities	407,000	195,000	602,000	602,000	-
	3,275,400	865,230	4,140,630	4,190,630	50,000
Regeneration					
Buxton Town Centre	986,980	-	986,980	986,980	-
	986,980	-	986,980	986,980	-
Total General Fund	13,371,470	1,404,410	14,775,880	12,302,450	(2,473,430)