

To: Chair & Members of the Budget
Scrutiny Committee

The Arc
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Clowne
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Wednesday, 22 July 2020

Dear Councillor

BUDGET SCRUTINY COMMITTEE

You are hereby summoned to attend a meeting of the Budget Scrutiny Committee of the Bolsover District Council to be held as a Virtual Meeting and Live Stream on Thursday, 30th July, 2020 at 10:00 hours.

Members will be sent the details on how to access the Virtual Meeting by email.

Virtual Attendance and Hybrid Meetings

I have provided the Leader and Deputy Leader with advice on the holding of “hybrid” meetings outlining the risks including to employees dealing with the Chamber and to Members. Hybrid meetings are those where some attendance is in person in the Council Chamber and some is virtual.

I would encourage you all to attend virtually.

Accordingly if you attend in person you will be deemed to have accepted the following disclaimer (overleaf) as applying.



We speak your language
Polish **Mówimy Twoim językiem**
Slovak **Rozprávame Vaším jazykom**
Chinese **我们会说你的语言**

**If you require this agenda in large print
or another format please call us on 01246 217753**

If you require an adjustment to enable you to participate in or access the meeting please contact the Governance Team at least 72 hours before the meeting starts.

Risk Assessment Disclaimer

When attending this meeting in person, I confirm that I have read and understood the contents of each of the following risk assessments and agree to act in line with its content.

- Covid-19 ARC RTW RA001
- Working in Offices At The Arc During Covid-19 Pandemic Guidance – ARC – SSW001

Both documents have been emailed to Members and are available on the Modern.Gov App library.

The same advice is given to officers who are also encouraged to participate in the meeting remotely.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised from page 3 onwards.

Yours faithfully

A handwritten signature in black ink that reads "Sarah Steuberg". The signature is written in a cursive, flowing style.

Solicitor to the Council & Monitoring Officer

**BUDGET SCRUTINY COMMITTEE
AGENDA**

Thursday, 30 July 2020 at 10:00 hours taking place as a Virtual Meeting and Live Stream

Item No.	PART 1 – OPEN ITEMS	Page No.(s)
1.	Apologies For Absence	
2.	Minutes	4 - 9
	To consider the minutes of the last meeting held on Thursday 30 th January 2020.	
3.	Urgent Items of Business	
	To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
4.	Declarations of Interest	
	Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:	
	a) any business on the agenda	
	b) any urgent additional items to be considered	
	c) any matters arising out of those items	
	and if appropriate, withdraw from the meeting at the relevant time.	
5.	Budget Monitoring Report - Quarter 1 - April to June 2020	10 - 33
6.	Annual Corporate Debt Monitoring Performance Report 2019/20	34 - 39
7.	Budget Scrutiny Committee Work Programme 2019/20	40 - 44
8.	Update from Scrutiny Chairs	Verbal Report

Agenda Item 2

BUDGET SCRUTINY COMMITTEE

Minutes of a meeting of the Budget Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Thursday, 30 January 2020 at 10:00 hours.

PRESENT:-

Members:-

Councillor Jen Wilson in the Chair

Councillors Derek Adams, Rose Bowler, Jane Bryson, Anne Clarke, Tricia Clough, David Dixon, Maxine Dixon, David Downes, Ray Heffer, Natalie Hoy, Andrew Joesbury, Tom Kirkham, Tom Munro, Evonne Parkin, Graham Parkin, Janet Tait and Rita Turner.

Also in attendance at the meeting was Councillor Clive Moesby, Portfolio Holder for Finance & Resources.

Officers:- Theresa Fletcher (Head of Finance & Resources and Section 151 Officer), Joanne Wilson (Scrutiny & Elections Officer) and Alison Bluff (Governance Officer).

489 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Tracy Cannon, Jim Clifton and Chris Kane.

490 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

491 DECLARATIONS OF INTEREST

There were no declarations of interest made.

492 MINUTES - 28TH NOVEMBER 2019

Moved by Councillor Rose Bowler and seconded by Councillor Tom Munro

RESOLVED that subject to the inclusion of Councillor Graham Parkin's name in Members present at the meeting, the Minutes of a Budget Scrutiny Committee held on 28th November 2019 be approved as a correct record.

493 PROPOSED BUDGETS - MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2023/24

Committee considered a report in relation to the Council's proposed budget for 2020/21 for the General Fund, Housing Revenue Account and Capital Programme, as part of the Council's Medium Term Financial Plan covering the years 2020/21 to 2023/24. Any comments expressed by Budget Scrutiny Committee regarding the proposed budgets

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would be reported verbally to the Executive.

To accompany the reports, the Head of Finance & Resources provided a slide presentation to the meeting which highlighted the following;

- 1) Revenue and Capital expenditure
- 2) General Fund (GF) expenditure and income
- 3) Housing Revenue Account (HRA) expenditure and income
- 4) Council Tax implications
- 5) Proposed HRA dwelling rents
- 6) Capital Programme
- 7) Government Funding
- 8) NNDR Growth Protection Reserve

In response to a Member's question regarding the monetary impact on a Council tenant due to the proposed increase in Council housing rent and Council Tax Band D, the Portfolio Holder for Finance & Resources suggested that would be around £2 per week. However, the Head of Finance & Resources could provide more accurate figures to Members if requested.

In response to a Member's question regarding the figure under IT Schemes, the Head of Finance & Resources replied that this was in relation to a new Housing Rents IT system that would be purchased.

A Member queried the increase in figures for Leisure Schemes and Vehicle and Plant. The Head of Finance & Resources replied that the increase for Leisure was the 5 year replacement of gym equipment and Vehicle and Plant was the 7 year replacement of refuse lorries.

In response to a Member's question, the Head of Finance & Resources advised the meeting that the increase in Council Tax on Band A to Band C properties was dependent on the increase on a Band D property. In terms of money, the 25% reduction in Council Tax for single people would be dependent on the Band of the property they lived in.

Moved by Councillor Ray Heffer and seconded by Councillor Tom Munro

RESOLVED that the report be noted.

494 TREASURY STRATEGY REPORTS 2020/21 - 2023/24

Committee considered a report in relation to the Council's Treasury Strategy Reports 2020/21 - 2023/24. Any comments expressed by Budget Scrutiny Committee regarding the reports would be reported verbally to the Executive.

The Chartered Institute of Public Finance and Accountancy Code (CIPFA) required the Authority to approve a treasury management strategy before the start of each financial year, and from 2019/20, the CIPFA Code also required that a Capital Strategy be produced alongside the Treasury Management Strategy. In addition, the 2018 Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG), required local authorities to produce a Corporate Investment Strategy. Thus from 2019/20, there had been a requirement to produce 3 separate treasury strategies. These strategies provided an approved framework within which officers undertook the day to day capital and treasury activities.

To accompany the reports, the Head of Finance & Resources provided a slide presentation to the meeting which highlighted the following;

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495 TREASURY MANAGEMENT STRATEGY

a) Treasury Management Strategy

The Treasury Management Strategy provided the framework for managing the Authority's cash flows, borrowing and investments for the period.

- The Authority was exposed to financial risks due to its investments and borrowing.
- The identification, monitoring and control of financial risk were central to the Authority's prudent financial management.

495a CAPITAL STRATEGY

b) Capital Strategy

The Capital Strategy was intended to provide a high level, concise overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of the Authority's services.

- Introduced by 2017 edition of the Prudential Code.
- Capital expenditure was where the Council spent money on assets, such as property or vehicles that would be used for more than one year.
- Assets below £10,000 were not capitalised.

Capital Financing

All capital expenditure must be financed either from:-

- External sources such as government grants and other contributions.
- The Council's own resources (revenue, reserves and capital receipts) or
- Debt, which is borrowing and leasing.

When Capital is Financed by Debt

- Debt is only a temporary source of finance, since loans must be repaid.
- Therefore it was replaced over time by other financing, usually from revenue, which was known as minimum revenue provision (MRP).
- Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace the debt.
- The Council's cumulative outstanding amount of debt finance was measured by the capital financing requirement (CFR).
- This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

The Capital Strategy contained:

- Capital expenditure plans – summary.
- Capital expenditure plans – detail.
- How the capital expenditure would be financed – summary.
- The revenue implications of capital debt.

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- Estimated capital financing requirements.
- The minimum revenue provision statement.

495b CORPORATE INVESTMENT STRATEGY

c) Corporate Investment Strategy

Introduced by the 2018 edition of the Government's Guidance on Local Government Investments, the Corporate Investment Strategy focused on investments made for service purposes and commercial reasons rather than those made for treasury management.

The Investment Strategy contained:-

- Loans and shares for service.
- Property held for investment purposes.
- Loan commitments and financial guarantees.
- Investment indicators.

The Council's Commercial Investments were:-

- Property - the Council invested in local, commercial and residential property with the intention of making a profit that would be spent on local public services.

(The Ministry for Housing Communities and Local Government, defines property to be an investment if it is held primarily or partially to generate a profit).

Service Investments:-

- Loans - the Council lent money to support local public services and to stimulate local economic growth.
- Shares - the Council invested in the shares of Dragonfly Development Limited.

In response to a Member's query regarding support recharges, the Head of Finance & Resources advised that these were in relation to back office staff such as Finance, Payroll and Human Resources. The cost of these services were charged to all other departments based on how many staff those departments had.

The Portfolio Holder for Finance & Resources added that monies in the Transformation Reserve had been used to fund capital projects rather than borrowing money at additional cost to the Council.

Members thanked the Head of Finance & Resources for her presentation.

Moved by Councillor Tom Munro and seconded by Councillor David Downes
RESOLVED that the report be noted.

The Head of Finance & Resources and Section 151 Officer left the meeting.

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496 BUDGET SCRUTINY COMMITTEE WORK PROGRAMME 2019/20

Committee considered their Work Programme 2019/20.

A new area for consideration in the 2020/21 Budget Scrutiny Work Programme would be 'grant funding to the voluntary community sector'. The Scrutiny & Elections Officer had been working with the Deputy Leader on this who wished to raise its profile at Budget Scrutiny Committee.

An annual debt monitoring report would also be included in future Budget Scrutiny Work Programmes and presented to Committee at the first meeting in each new municipal year.

Moved by Councillor Ray Heffer and seconded by Councillor Andrew Joesbury
RESOLVED that the Work Programme 2019/20 be noted.

497 UPDATE FROM SCRUTINY CHAIRS

Healthy Safe Clean and Green Scrutiny Committee

The Chair of Healthy Safe Clean and Green Scrutiny Committee reported that the Committee was currently preparing for their annual review of the Community Safety Partnership. This was a statutory function of the Committee. If any Member was aware of any particular issues regarding community safety they feel should be addressed, they could speak to the Chair in advance of the meeting on 6th March 2020.

The Committee was also looking forward to assisting in shaping the new performance framework which would sit under the Leaders Ambition for the Council.

At the last meeting, Committee received the final monitoring report from the previous Review of Environment Enforcement. Due to the current service review being undertaken in Environmental Health, the presentation to all Members at Council had now been delayed until the summer.

Customer Service and Transformation Scrutiny Committee

The Chair of Customer Service and Transformation Scrutiny Committee reported that both Reviews being undertaken by the Committee were progressing well with the Review on Re-letting of Council Properties being at final report stage. The Committee was also looking forward to assisting in shaping the new performance framework which would sit under the Leaders Ambition for the Council.

Post Scrutiny monitoring of 2 previous reviews was currently due – these were the Operational Review of Standards Committee and the Review of Environmental Health and Licensing.

Growth Scrutiny Committee

The Chair of Growth Scrutiny Committee reported that the Committee's Review of Current and Future External Funding was at final report stage and outline

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recommendations had been made.

An extraordinary meeting of the Committee had been held on 22nd January to complete additional work in relation to the Review of the Private Rented Sector. This was an additional mini review for the Committee and a range of actions would be put forward with the help of the new Assistant Director of Development.

The Committee was also looking forward to assisting in shaping the new performance framework which would sit under the Leaders Ambition for the Council.

Moved by Councillor Ray Heffer and seconded by Councillor Tom Munro
RESOLVED that the updates be noted.

The meeting concluded at 1042 hours.

Bolsover District Council

Budget Scrutiny Committee

30th July 2020

<p>Budget Monitoring Report Quarter 1 – April to June 2020</p>
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Report of Head of Finance + Resources

This report is public

Purpose of the Report

- To update Budget Scrutiny Committee on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

1 Report Details

- 1.1 This report provides the current financial position following the 2020/21 quarter one monitoring exercise. It does not yet include any of the grant received from Government to help mitigate expenditure incurred and/or income lost due to the Coronavirus pandemic. This will be included when the revised budgets are produced in November when a clearer idea of the financial support to be received is known.

General Fund Revenue Account

- 1.2 The General Fund Revenue Account summary is shown in **Appendix 1**. The original budget for 2020/21 showed a funding deficit of £0.290m. The current budget shows this has reduced to £0.171m deficit after the Council tax increase and other small movements are included. As savings are identified and secured they are moved into the relevant cost centres within the main General Fund Directorates. **Appendix 2** details the net cost of each cost centre within the Directorates.
- 1.3 Salary budgets for 2020/21 were last reviewed by officers in October 2019 as part of preparing the 2020/21 MTFP. During quarter 1 the salary budgets have been reviewed for changes since October and £0.168m can now be removed from budgets. This is due to a combination of vacant posts taking longer to fill, maternity leave and changes due to restructuring.
- 1.4 This is the first budget monitoring report to be presented in the new three Directorate format. As such there are some transition lines within the top half of **Appendix 1**.
- 1.5 Within the Directorates there is the following to report:

- The Corporate Resources Directorate shows a favourable variance of £0.217m. This relates mainly to :
 1. Under spends due to invoices not yet paid and vacancies at the end of the quarter (£0.288m) – favourable.
 2. Income received in advance of any expenditure (£0.549m) – favourable
 3. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.279m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.083m) – adverse.
 5. Over spends against quarter 1 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.278m) – adverse

- The Development Directorate shows an adverse variance of £0.132m. This relates mainly to:
 1. Under spends due to invoices not yet paid and vacancies at the end of the quarter (£0.071m) – favourable.
 2. Income received in advance of any expenditure (£0.177m) – favourable.
 3. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.175m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (zero) – adverse.
 5. Over spends against quarter 1 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.238m) – adverse.

- The Environment and Enforcement Directorate shows a favourable variance of £0.138m. This relates mainly to:
 1. Under spends due to invoices not yet being paid and vacancies at the end of the quarter (£0.022m) – favourable.
 2. Income received in advance of any expenditure (£0.339m) – favourable.
 3. Annual invoices were paid in quarter 1 which makes the profiled budget look overspent (£0.043m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.014m) – adverse.
 5. Over spends against quarter 1 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.128m) – adverse.

1.6 In order to improve the monitoring and control of Section 106 monies received by the Council, the sums due to be utilised in a financial year are now recorded within the General Fund directorate budgets with the expenditure recorded against these sums. The amount budgeted to be spent in 2020/21 is £1.189m. Of this £0.044m has to be spent by 14th January 2021 or the funding will be lost. Officers are working to ensure that this spend is undertaken in line with the S106 legal requirements.

- 1.7 The overall position at the end of quarter 1 shows that there is a favourable variance of £0.223m. However, this includes the S106 under spent expenditure, the position without these is £0.069m under achieved. As has been reported in the Leader's updates, in April, May and June we lost Leisure income totalling £0.412m which we will not recover in 2020/21. Planning income is also under achieved at this time.
- 1.8 During quarter 2 we will discover how much other income we have lost due to sundry debtor invoices not being paid for such as trade waste, commercial property rent, housing benefit overpayments and other miscellaneous income. We will also have a better idea of the losses to the collection fund due to increased arrears which we will share with the preceptors for business rates and council tax. Officers will continue to monitor the position during the next quarter.
- 1.9 The table below shows the latest position of all years in the current MTFP as reported in the February Council report. It should be remembered that for all years from 2021/22 there is a transfer into the general fund from the NNDR Growth Protection Reserve to replace the losses caused by changes in Government funding. As a Council we made it our strategy to save extra income earned in years when we received more than we estimated, to be able to use it in future years when income was reduced. These transfers are £1.027m 2021/22, £1.033m 2022/23 and £1.246m in 2023/24. Any surplus made since February 2020 will be returned to the reserve to extend the use of the reserve for as long as possible.
- 1.10 This reserve is not a sustainable source of income for the general fund. This is where we look to the new directorate for development to generate income and replace the funding we've lost before we run out of the NNDR Growth Protection Reserve.

<u>Table 1</u>	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000
Budget Shortfall – MTFP Feb 2020	290	441	594	682
Efficiencies identified to date (removed from budget)	(119)	(131)	(141)	(151)
Current Budget Shortfall	171	310	453	531
Efficiencies identified <u>not yet realised</u>	(168)	(250)	(402)	(552)
Pension costs to be funded by GF balance	(79)	(81)	(82)	(19)
Target Budget Shortfall/(Surplus)	(76)	(21)	(31)	(40)

- 1.11 Officers will begin working with budget managers during the next quarter to compile a revised budget for 2020/21. This will amend the current budgets to capture additional budget savings and losses and reduce spending where it is anticipated

that there will be a minimal impact upon service delivery. Where possible the budget in future years will be amended to reflect savings identified to assist with projected budget shortfalls. The revised budget position will be presented to Executive in November.

Delays to Government Reviews

- 1.12 MHCLG has confirmed that the Fair Funding Review and reform of the business rates system will be delayed for a year in the wake of the Coronavirus pandemic. The changes were planned for 2021/22 but it is believed the Government will not be in a position to implement them. There has also been talk, although no official announcement, of the Spending Review 2020 and reform to New Homes Bonus also being postponed. We can only wait for the official announcement to see how this will affect our finances as there is too much uncertainty regarding the financial impact of the pandemic to make predictions.

Housing Revenue Account (HRA)

- 1.13 The Housing Revenue Account summary for the first quarter of 2020/21 is set out in **Appendix 3** to this report. At the end of quarter 1 the HRA is showing a net deficit of £0.027m.

Income

- 1.14 The quarter 1 income figures show an adverse variance of £0.552m. This is mainly due to the timing of the rent free week falling into the first quarter. The annual budget is profiled to receive 12 weeks in the first quarter when actually only 11 weeks were billed. An estimate of the weekly rent debit is £0.427m. The large adverse variance on Supporting People Wardens is due to the quarter 1 invoice to DCC for the Provision of Independent Living Service not yet being raised - £0.070m.

Expenditure

- 1.15 Expenditure shows an overall favourable variance of £0.534m. The main areas to highlight are listed below:
1. Repair and Maintenance at £0.849m is £0.376m lower than forecast which is due to a combination of the following:
 - Vacancies are £0.030m under spent. Following DD approval posts are to be advertised shortly.
 - Subcontractor payments and stores issues through Travis Perkins are both £0.150m under spent. This is mainly related to delays caused by Coronavirus and will be looked at as part of revised budgets.
 2. Rent, Rates, Taxes and Other Charges expenditure at £0.012m is £0.044m under spent due to the Council Tax liability on void properties not paid as yet.
 3. Special Services expenditure is £0.047m under spent because the invoice for quarter 1 has not yet been paid.

HRA – Overall Summary

- 1.16 In light of the above and the expenditure patterns to date, there are no significant issues to report regarding the overall position for the HRA at the end of the first quarter. As discussed in 1.8, in quarter 2 we should have a better idea how much rent arrears have been affected by the financial impact of Coronavirus on our tenants.

Capital Programme

Capital Expenditure

- 1.17 The capital programme summary for the first quarter of 2020/21 is provided in **Appendix 4** to this report.
- 1.18 In headline terms, the capital programme profiled budget for quarter 1 is £3.179m and the actual spend and known commitments total £2.483m, which is £0.696m behind the planned spend position. The main areas to highlight are listed below:
1. Both the General Fund Asset Management Plan/Assets and the New Bolsover Scheme, have spent more in the first quarter than the profiled budget for the quarter. This is not a problem but it makes the schemes look over spent against the profiled budgets at £0.153m and £0.602m for the quarter.
 2. General Fund Vehicle Replacements appear under spent at £0.125m but the scheme can't really be quarterly profiled.
 3. Dragonfly loan and acquisition of share capital are showing as £0.531m under spent which is due to a delay to the start of the next phase of the scheme.
 4. The new build HRA properties are together £0.259m under spent for the quarter due to the phasing of the individual schemes.
 5. The Public Sector Housing schemes on our own properties are currently £0.450m under spent at the end of the first quarter.
- 1.19 Whilst there are no significant financial issues to report regarding capital expenditure at the end of the first quarter, it must be noted that the delivery of the approved capital programme is behind the profiled position as at quarter 1, in part due to Coronavirus related delays. This was anticipated and caused concern regarding the spending of the 1-4-1 capital receipts that had a deadline to be spent by 30/9/20 or they had to be returned.
- 1.20 Officers highlighted this as a problem to MHCLG in March and have since received notification of an extension to the deadline to 31/12/20. It is felt this may still cause a problem and MHCLG have been informed of this and are being kept updated on the spend position of the 1-4-1 receipts on a quarterly basis. Officers will continue to closely monitor the delivery of the Programme.

Capital Resources

- 1.21 HRA – The Council has sufficient capital resources in place to finance the HRA actual expenditure and commitments at the end of the first quarter.

General Fund – The financing of the General Fund part of the capital programme is in line with the approved financing arrangements.

Treasury Management

- 1.22 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash balances and the management of its long term debt. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.
- 1.23 The Council approved the 2020/21 Treasury Management Strategy at its meeting in February 2020. **Appendix 5 and 6** identifies the Treasury Management activity undertaken during the first quarter of 2020/21 and demonstrates that this is in line with the plans agreed as part of the strategy. The income received from investments is currently higher than budgeted although interest rates being received on investments is generally lower than estimated.
- 1.24 We have been able to fix a number of investments for longer than 3 months to take advantage of slightly higher rates because we don't have an immediate need to use the cash. Careful monitoring of our cash balances is being undertaken on a daily basis to ensure this can be maintained for as long as possible. A full assessment of this will be done during the next quarter in preparation of revised budgets.

2 Conclusions and Reasons for Recommendation

- 2.1 The report summarises the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

3 Consultation and Equality Impact

- 3.1 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The Budget Monitoring report for 2020/21 is primarily a factual report which details progress against previously approved budgets. Accordingly there are no alternative options to consider.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Financial implications are covered throughout this report.
- 5.1.2 The issue of Financial Risks is covered throughout the report. In addition, however, it should be noted that the risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that there may be pressures on all of the Council's main budgets as these have been or are being reduced to minimum levels. These will need to be managed carefully during the course of this financial year if we are to protect the existing levels of financial balances.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report

6 Recommendations

- 6.1 That Budget Scrutiny Committee notes the monitoring position of the General Fund at the end of the first quarter as detailed on Appendix 1 (A net favourable variance of £0.223m against the profiled budget) and the key issues highlighted within this report.
- 6.2 That Budget Scrutiny Committee notes the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter (Appendices 3, 4, 5 and 6).

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>No</p>
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	<p>Yes</p>
<p>Has the relevant Portfolio Holder been informed?</p>	<p>Yes</p>
<p>District Wards Affected</p>	<p>All</p>
<p>Links to Corporate Plan priorities or Policy Framework</p>	<p>Providing Excellent customer focussed services. Continually improving our organisation</p>

8 Document Information

Appendix No	Title
1	General Fund Summary
2	General Fund Detail
3	HRA Summary
4	Capital Programme
5	Treasury Management Update
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Head of Finance and Resources	2458

Report Reference –

GENERAL FUND SUMMARY - 2020/21

	Per Exec 10/2/20	Per FMS			
	Original Budget £	Current Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
People (including recharge to HRA)	6,654,668	0	0	0	0
Place	3,218,301	0	0	0	0
Corporate Resources	0	3,812,626	953,157	843,052	(110,105)
Development	0	1,870,398	467,600	599,702	132,103
Environment and Enforcement	0	5,061,086	1,265,272	1,312,410	47,139
<u>S106 due in year</u>					
People	188,663	0	0	0	0
Place	113,390	0	0	0	0
Corporate Resources	0	445,577	111,394	4,740	(106,654)
Environment and Enforcement	0	743,306	185,827	319	(185,508)
Net Cost of Services	10,175,022	11,932,993	2,983,248	2,760,223	(223,025)
Debt Charges	844,473	844,473	211,118	211,118	0
Investment Interest	(303,739)	(303,739)	(75,935)	(75,935)	0
Contributions to Reserves	1,693,667	2,821,904	705,476	705,476	0
Contributions from Earmarked Reserves	(391,697)	(739,962)	(184,991)	(184,991)	0
Contribution (from)/to S106 Holding A/cs, Grant A/cs and Miscellaneous Holding A/cs	(700,631)	(2,117,703)	(529,426)	(529,426)	0
Parish Precepts	2,901,779	3,241,198	810,300	810,300	0
Total Spending Requirement	14,218,874	15,679,164	3,919,791	3,696,766	(223,025)
Revenue Support Grant	(1,190,000)	(1,190,000)	(297,500)	(297,500)	0
Business Rate Retention	(4,982,049)	(4,982,049)	(1,245,512)	(1,245,512)	0
NNDR Collection Fund surplus	0	(1,128,237)	(282,059)	(282,059)	0
New Homes Bonus Grant	(947,182)	(947,182)	(236,796)	(236,796)	0
BDC Council Tax Requirement	(3,908,279)	(4,019,068)	(1,004,767)	(1,004,767)	0
Parish Council Council Tax Requirement	(2,901,779)	(3,241,198)	(810,300)	(810,300)	0
Funding Requirement	(13,929,289)	(15,507,734)	(3,876,934)	(3,876,934)	0
Funding gap/(surplus)	289,585	171,430	42,858	(180,168)	(223,025)

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G001	Audit Services	119,350	29,838	119,350	89,513	Budget committed for the full year (call-off order)
G002	I.C.T.	812,821	203,205	291,845	88,640	Maintenance & Business Software contracts paid for the full year.
G003	Communications, Marketing + Design	265,545	66,386	67,661	1,275	
G005	Chief Executive Officer - 50% People	40,158	10,040	0	(10,040)	
G006	Partnership, Strategy & Policy	558,116	139,529	92,866	(46,663)	Includes holding a/c & Reserve funding - cannot 1/4ly profile spend
G011	Head of Leader's Executive Team	0	0	16,119	16,119	
G014	Customer Contact Service	788,298	197,075	168,945	(28,129)	Salary savings of £24k in Q1 due to vacancies & staffing changes
G015	Customer Service + Improvement	122,968	30,742	33,016	2,274	
G038	Concessionary Fares & TV Licenses	(10,097)	(2,524)	(68)	2,456	
G040	Corporate Management	147,819	36,955	21,905	(15,050)	
G041	Non Distributed Costs	684,582	171,146	40,980	(130,166)	June superann payment £80k not due until July. Added years commitment for Q1 not yet on - £50k
G044	Financial Services	309,681	77,420	59,925	(17,495)	
G052	Human Resources	219,569	54,892	47,924	(6,968)	
G054	Electoral Registration	180,466	45,117	41,612	(3,505)	
G055	Democratic Representation & Management	514,939	128,735	138,699	9,964	
G056	Land Charges	(2,928)	(732)	7,640	8,372	
G057	District Council Elections	5,000	1,250	0	(1,250)	

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G058	Democratic Services	214,074	53,519	49,305	(4,213)	
G060	Legal Services	226,772	56,693	51,799	(4,894)	
G061	Bolsover Wellness Programme	73,680	18,420	1,101	(17,319)	
G062	Extreme Wheels	(4,066)	(1,017)	7,857	8,874	
G064	Bolsover Sport	139,360	34,840	35,688	848	
G065	Parks, Playgrounds & Open Spaces	44,643	11,161	11,301	140	
G069	Arts Projects	48,386	12,097	9,224	(2,873)	
G070	Outdoor Sports & Recreation Facilities	19,436	4,859	4,803	(56)	
G072	Leisure Services Mgmt & Admin	263,170	65,793	44,958	(20,834)	Contributions to other authorities under spent -cannot be profiled
G084	Head of Partnerships and Transformation	36,957	9,239	8,803	(436)	
G086	Alliance	7,250	1,813	3,250	1,438	
G094	Director of Corporate Resources	54,068	13,517	12,973	(544)	
G100	Benefits	515,819	128,955	(53,563)	(182,518)	£118k additional grant funding received in Q1 for new burdens etc. Local Council tax support grant received in advance for the year £102k. Software maintenance paid for the year showing £44k over spent for the qtr. Salaries savings of £11k under spent due to vacancies.
G103	Council Tax / NNDR	390,428	97,607	195,647	98,040	Salary savings of £15k for the qtr due to vacancies & staffing changes. Income not posted until year end, showing £60k down on income for the quarter. Software invoices paid for full year, showing £38k over for the quarter. Enforcement fees committed for the year, showing £19k over budget for the quarter.

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G111	Shared Procurement	47,803	11,951	11,316	(634)	
G117	Payroll	75,318	18,830	18,456	(373)	
G125	S106 Percent for Art	43,250	10,813	0	(10,813)	
G126	S106 Formal and Informal Recreation	109,632	27,408	4,740	(22,668)	Can't be 1/4ly profiled. Earliest deadline 06/02/22 - reported to S106 group 26/06/20.
G129	Bolsover Apprenticeship Programme	(3,012)	(753)	1,242	1,995	
G130	Parliamentary Elections	0	0	770	770	
G146	Pleasley Vale Outdoor Activity Centre	56,541	14,135	16,007	1,872	
G155	Customer Services	30,693	7,673	7,472	(201)	
G157	Controlling Migration Fund	173,555	43,389	66,702	23,313	Holding a/c funding - cannot 1/4ly profile spend
G158	Police Commissioners Election	0	0	(5,396)	(5,396)	
G161	Rent Rebates	(26,532)	(6,633)	(6,633)	0	Transfer payments
G162	Rent Allowances	(12,985)	(3,246)	(3,246)	0	Transfer payments
G164	Support Recharges	(3,905,014)	(976,254)	(983,753)	(7,500)	
G168	Multifunctional Printers	39,900	9,975	26,836	16,861	
G170	S106 Outdoor Sports	292,695	73,174	0	(73,174)	Can't be 1/4ly profiled. Earliest deadline 14/01/21 - reported to S106 group 26/06/20.
G179	School Sports Programme	511	128	15,109	14,981	
G186	PL4S Satellite Programme	0	0	44	44	
G192	Scrutiny	22,125	5,531	5,087	(445)	
G195	Head of Governance + Monitoring	38,460	9,615	9,299	(316)	

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G197	Head of Finance + Resources	68,171	17,043	16,507	(536)	
G205	Innovation	550	138	90	(48)	
G207	Cycling	54	14	721	707	
G216	Raising Aspirations	51,250	12,813	(84,750)	(97,563)	Expenditure not yet incurred. Can't be 1/4ly profiled.
G218	I-Venture/Namibia Bound	15,605	3,901	3,121	(780)	
G220	Locality Funding	26,495	6,624	(71,227)	(77,851)	Expenditure not yet incurred. Can't be 1/4ly profiled.
G228	Go Active Clowne Leisure Centre	13,278	3,320	222,107	218,787	Income £278k under achieved & expenditure £60k under spent, both as a result of the closure of the facility since March due to the Coronavirus pandemic.
G238	HR Health + Safety	106,371	26,593	12,816	(13,777)	
G244	Bolsover Business Growth Fund	207,225	51,806	32,794	(19,012)	
	Total for Corporate Resources Directorate	4,258,203	1,064,551	847,792	(216,759)	
G080	Engineering Services (ESRM)	99,949	24,987	14,712	(10,276)	
G082	Tourism Promotion + Development	46,876	11,719	13,992	2,273	
G083	Building Control Consortium	55,000	13,750	9,083	(4,667)	
G085	Economic Development	29,425	7,356	5,798	(1,558)	
G088	Derbyshire Economic Partnership	15,000	3,750	0	(3,750)	
G089	Premises Development	(71,520)	(17,880)	(19,472)	(1,592)	
G090	Pleasley Vale Mills	(169,835)	(42,459)	73,755	116,214	Hired & Contract budget committed for the year
G091	CISWO Duke St Building	0	0	(10,096)	(10,096)	
G092	Pleasley Vale Electricity Trading	(37,212)	(9,303)	7,505	16,808	

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G095	Estates + Property	672,263	168,066	146,178	(21,888)	Salary savings in Q1 of £23k due to vacancies and maternity leave.
G096	Building Cleaning (General)	99,168	24,792	22,302	(2,490)	
G099	Catering	500	125	0	(125)	
G109	Director of Development	101,376	25,344	24,001	(1,343)	
G110	Assistant Director of Development	69,129	17,282	16,438	(844)	
G114	Strategic Investment Fund	413,054	103,264	13,839	(89,425)	Expenditure not yet incurred. Can't be 1/4ly profiled.
G123	Riverside Depot	164,006	41,002	42,235	1,234	
G124	Street Servs Mgmt & Admin	75,314	18,829	11,123	(7,706)	
G133	The Tangent Business Hub	(66,687)	(16,672)	42,070	58,742	Hired & Contract budget committed for the year
G138	Bolsover TC Regeneration Scheme	24,245	6,061	3,000	(3,061)	
G148	Commercial Waste	(124,600)	(31,150)	(168,472)	(137,322)	Income over achieved by £88k as sundry debtor invoices have been raised for Mth 1-6 in April. Waste disposal cost £48k under spent.
G149	Recycling	136,843	34,211	271,779	237,569	Income accrual outstanding for Q4 Recycling credits plus Q1 not raised yet.
G151	Street Lighting	31,442	7,861	9,530	1,670	
G156	The Arc	110,034	27,509	20,319	(7,189)	
G167	Facilities Management	10,338	2,585	9,370	6,786	
G169	Closed Churchyards	10,000	2,500	2,388	(112)	
G188	Cotton Street Contact Centre	18,713	4,678	1,803	(2,875)	
G193	Economic Development Management + Admin	126,302	31,576	32,671	1,095	

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G237	Joint Venture (LLP)	31,275	7,819	3,850	(3,969)	
	Total for Development Directorate	1,870,398	467,600	599,702	132,103	
G004	Chief Executive Officer - 50% Place	40,161	10,040	0	(10,040)	
G007	Community Safety - Crime Reduction	58,140	14,535	(79)	(14,614)	
G008	Community Safety Grant	0	0	4,305	4,305	
G010	Neighbourhood Management	91,911	22,978	22,978	0	
G013	Community Action Network	319,283	79,821	71,497	(8,323)	
G017	Private Sector Housing Renewal	64,308	16,077	12,838	(3,239)	
G020	Public Health	(70,000)	(17,500)	70,000	87,500	£70k income accrual still outstanding from CBC. Usually paid in July
G021	Pollution Reduction	167,116	41,779	44,674	2,895	
G023	Pest Control	34,893	8,723	9,299	576	
G024	Street Cleansing	322,185	80,546	82,366	1,820	
G025	Food, Health & Safety	120,845	30,211	30,211	0	
G026	Animal Welfare	83,648	20,912	25,606	4,694	
G027	Emergency Planning	44,163	11,041	25,130	14,089	
G028	Domestic Waste Collection	936,305	234,076	197,578	(36,498)	Trade waste sundry debtor invoices raised in advance (Mth 1-6)
G032	Grounds Maintenance	673,410	168,353	200,279	31,927	Salaries showing £10k over spent for the qtr due to seasonal staffing. Agency income from DCC showing under achieved by £17k for the qtr but is not due until later in the year

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G033	Vehicle Fleet	780,058	195,015	231,904	36,890	Diesel purchase £22k under spent for the qtr. Lodge tyre committed for the year, showing £33k over spent. £17k fuel recharge to NE for Q1 was done in July. MOT income under achieved by £9k due to coronavirus pandemic.
G036	Environmental Health Mgmt & Admin	188,246	47,062	47,067	6	
G043	Director of Environmental + Enforcement	54,643	13,661	13,661	0	
G046	Homelessness	200,050	50,013	(32,375)	(82,388)	Additional grant funding received . Cannot profile 1/4ly
G048	Town Centre Housing	(10,600)	(2,650)	0	2,650	
G053	Licensing	2,068	517	11,203	10,686	
^N G073	Planning Policy	318,975	79,744	58,720	(21,023)	Planning Development reserve budget under spent. Cannot profile 1/4ly
G074	Planning Development Control	24,952	6,238	21,067	14,829	
G076	Planning Enforcement	118,758	29,690	27,957	(1,733)	
G079	Senior Urban Design Officer	22,137	5,534	13,106	7,572	
G097	Groundwork & Drainage Operations	67,527	16,882	16,693	(189)	
G106	Housing Anti Social Behaviour	106,414	26,604	25,610	(994)	
G113	Parenting Practitioner	36,093	9,023	8,396	(627)	
G132	Planning Conservation	34,169	8,542	18,341	9,799	
G135	Domestic Violence Worker	43,099	10,775	10,536	(239)	
G142	Community Safety - CCTV	7,577	1,894	0	(1,894)	
G143	Housing Strategy	43,251	10,813	10,057	(756)	

General Fund Detail

APPENDIX 2

List of net budgets per cost centre per directorate		Full Years	3 months	3 months	3 months	
		Budget	Budget	Actuals	Variance	
		£	£	£	£	
G144	Enabling (Housing)	26,109	6,527	6,527	0	
G153	Housing Advice	13,276	3,319	3,234	(85)	
G171	S106 Education	18,196	4,549	18,195	13,646	
G176	Affordable Warmth	20,922	5,231	5,231	0	
G196	Head of Planning	38,121	9,530	9,530	0	
G198	Head of Housing (GF)	357	89	30	(60)	
G199	Head of Street Scene	37,516	9,379	9,379	0	
² G226	S106 - Highways	581,588	145,397	(17,876)	(163,273)	Can't be 1/4ly profiled. Deadline for spend is 5 years after completion, not yet completed. Reported to S106 group 26/06/20.
G227	S106 - Public Health	143,522	35,881	0	(35,881)	Can't be 1/4ly profiled. Earliest deadline 01/08/22 - reported to S106 group 26/06/20.
G229	Housing Standards	0	0	(46)	(46)	
G239	Housing + Comm Safety Fixed Penalty Acc	1,000	250	(100)	(350)	
	Total for Environment + Enforcement Directorate	5,804,392	1,451,098	1,312,729	(138,369)	
	Total Net Cost of Services	11,932,993	2,983,248	2,760,223	(223,025)	

Appendix 3

Housing Revenue Account

	Full Years Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
Expenditure				
Repairs and Maintenance	4,899,491	1,224,873	849,054	(375,819)
Supervision and Management	5,484,587	1,371,147	1,344,979	(26,168)
Rents, Rates, Taxes + Other Charges	223,576	55,894	12,144	(43,750)
Special Services	500,030	125,008	77,648	(47,360)
Supporting People - Wardens	602,324	150,581	142,808	(7,773)
Supporting People - Central Control	268,830	67,208	42,098	(25,110)
Tenants Participation	68,090	17,023	14,732	(2,291)
New Bolsover Project	27,842	6,961	179	(6,782)
Debt Management Expenses	8,938	2,235	3,344	1,110
Total Expenditure	12,083,708	3,020,927	2,486,986	(533,941)
Income				
Dwelling Rents	(20,510,920)	(5,127,730)	(4,674,444)	453,286
Non-dwelling Rents	(151,234)	(37,809)	(58,680)	(20,872)
Leasehold Flats and Shops Income	(26,980)	(6,745)	(2,439)	4,306
Repairs and Maintenance	(20,700)	(5,175)	31,005	36,180
Supervision and Management	(300)	(75)	(1,015)	(940)
Special Services	(72,673)	(18,168)	(11,897)	6,271
Supporting People - Wardens	(416,431)	(104,108)	(30,429)	73,679
Supporting People - Central Control	(342,051)	(85,513)	(92,765)	(7,252)
New Bolsover Project	(27,842)	(6,961)	-	6,961
Total Income	(21,569,131)	(5,392,283)	(4,840,664)	551,619
Net Cost of Services	(9,485,423)	(2,371,356)	(2,353,678)	17,678
Appropriations				
Provision for Doubtful Debts	180,000	45,000	45,000	-
Interest Costs	3,559,789	889,947	889,947	-
Investment Interest Income	(26,400)	(6,600)	(6,600)	-
Depreciation	3,800,000	950,000	950,000	-
Transfer to Major Repairs Reserve	308,249	77,062	77,062	-
Contribution to HRA Reserves	1,846,367	461,592	461,592	-
Use of HRA Earmarked Reserves	(143,886)	(35,972)	(35,972)	-
Net Operating (Surplus) / Deficit	38,696	9,674	27,352	17,678

CAPITAL PROGRAMME SUMMARY

	Full Years Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
General Fund				
Asset Management Plan				
Investment Properties	23,169	5,792	234	(5,558)
Leisure Buildings	61,314	15,329	49,036	33,707
Pleasley Vale Business Park	107,155	26,789	44,248	17,459
Riverside Depot	74,304	18,576	41,289	22,713
The Arc	87,794	21,949	69,126	47,178
The Tangent	10,000	2,500	0	(2,500)
Asset Management Plan not yet allocated to an individual scheme	80,245	20,061	0	(20,061)
Assets				
Car Parking at Clowne	47,581	11,895	34,165	22,270
LED Lighting Upgrade	68,875	17,219	68,875	51,656
Pleasley Vale Mill - Dam Wall	106,682	26,671		(26,671)
Pleasley Vale Man safe System	22,463	5,616	22,430	16,814
Pleasley Vale Rock Face Stabilisation Work	3,412	853	285	(568)
Shirebrook Contact Centre	15,000	3,750	285	(3,465)
	707,994	176,999	329,974	152,975
ICT Schemes				
E-Store lite & PCI Pal Midcall solution	28,000	7,000	27,840	20,840
ICT infrastructure	129,718	32,430	2,356	(30,073)
Modern.Gov Software	2,100	525	2,100	1,575
	159,818	39,955	32,296	(7,658)
Leisure Schemes				
Go-Active Astro Pitch Replacement	50,000	12,500	0	(12,500)
Go Active Equipment	6,202	1,551	0	(1,551)
	56,202	14,051	0	(14,051)
Private Sector Schemes				
Disabled Facility Grants	900,000	225,000	191,420	(33,580)
	900,000	225,000	191,420	(33,580)
Joint Venture				
Dragonfly Joint Venture Shares	369,150	92,288	0	(92,288)
Dragonfly Joint Venture Loan	1,753,202	438,301	0	(438,301)
	2,122,352	530,588	0	(530,588)
Vehicles and Plant				
Vehicle Fleet Management System	3,260	815	0	(815)
Vehicle MOT testing Equipment	18,000	4,500	0	(4,500)
Vehicle Replacements	461,523	115,381	771	(114,610)
Vehicle Wash Area	4,845	1,211	0	(1,211)
CAN Rangers Equipment	14,231	3,558	0	(3,558)
	501,859	125,465	771	(124,694)
Total General Fund	4,448,225	1,112,056	554,461	(557,595)

CAPITAL PROGRAMME SUMMARY

	Full Years Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
General Fund				
Housing Revenue Account				
New Build Properties				
Keepmoat Properties at Bolsover	622,000	155,500	0	(155,500)
Recreation Road Clowne	12,200	3,050	0	(3,050)
The Paddock Bolsover	1,431,565	357,891	257,325	(100,566)
	2,065,765	516,441	257,325	(259,116)
Vehicle Replacements				
	63,500	15,875	0	(15,875)
	63,500	15,875	0	(15,875)
Public Sector Housing				
Bramley Vale	124,313	31,078	11,261	(19,818)
Electrical Upgrades	130,268	32,567	8,410	(24,157)
Environmental Works	26,846	6,712	11,184	4,472
External Door Replacements	152,347	38,087	0	(38,087)
Flat Roofing	25,000	6,250	14,966	8,716
House Fire Damage	38,881	9,720	160	(9,560)
Kitchen Replacements	200,000	50,000	10,299	(39,701)
Re Roofing	537,607	134,402	44,290	(90,112)
Regeneration Mgmt & Admin	69,320	17,330	17,330	0
Safe & Warm	3,380,684	845,171	608,668	(236,503)
Soffit and Facia	38,415	9,604	6,588	(3,016)
Unforeseen Reactive Capital Works	120,000	30,000	0	(30,000)
Welfare Adaptations	376,354	94,089	122,131	28,043
	5,220,035	1,305,009	855,286	(449,723)
ICT Schemes				
	69,494	17,374	1,950	(15,424)
	69,494	17,374	1,950	(15,424)
New Bolsover Scheme (inc HLF)				
New Bolsover-Regeneration Scheme	848,750	212,188	814,146	601,958
	848,750	212,188	814,146	601,958
Total HRA	8,267,544	2,066,886	1,928,707	(138,179)
TOTAL CAPITAL EXPENDITURE	12,715,769	3,178,942	2,483,168	(695,774)
Capital Financing				
General Fund				
Better Care Fund	900,000	225,000	191,420	(33,580)
Reserves	3,155,524	788,881	62,393	(726,488)
Capital Receipts	96,875	24,219	96,715	72,496
External Funding	295,826	73,957	203,934	129,977
	4,448,225	1,112,056	554,461	(557,595)
HRA				
Major Repairs Allowance	6,111,598	1,527,900	1,671,222	143,323
Prudential Borrowing	1,437,496	359,374	180,127	(179,247)
Vehicle Reserve	63,500	15,875	0	(15,875)
Capital Receipts	616,069	154,017	77,198	(76,819)
External Funding	38,881	9,720	160	(9,560)

CAPITAL PROGRAMME SUMMARY

	Full Years Budget £	3 months Budget £	3 months Actuals £	3 months Variance £
General Fund	8,267,544	2,066,886	1,928,707	(138,179)
TOTAL CAPITAL FINANCING	12,715,769	3,178,942	2,483,168	(695,774)

Treasury Management Update - Quarter 1 2020/21

Part 1

The Council's main current account is held with Lloyds Bank and the current contract is due to expire on 30th April 2022.

PWLB Borrowing

The Council has not taken any new loans from the PWLB during the first three months.

As at 1 April 2020 the Authority's total outstanding PWLB debt amounted to £99,100,000. The profile of the outstanding debt is analysed as follows: -

PWLB Borrowing Term	Maturity Profile 30-Jun-20 £
12 Months	2,000,000
1-2 years	3,700,000
2-5 years	14,600,000
5-10 years	20,800,000
10-15 years	23,000,000
over 15 years	35,000,000
Total PWLB Debt	99,100,000

At 30 June 2020 nothing has been repaid to the PWLB as no repayments were due.

PWLB Interest

The total interest cost to the Council of the PWLB debt for 2020/21 is estimated at £3,474,355. This cost is split between the HRA and General Fund based on the level of debt outstanding. Interest paid to the PWLB in the three months was £246,313.

Temporary Borrowing

Cash flow monitoring and management identifies the need for short term borrowing to cover delays in the receipt of income during the year. Minimal interest charges were incurred during the first three months on overdrawn bank balances (<£10). At 30 June 2020 the only temporary borrowing undertaken by the Council was £639,080 which is the investment balances held on behalf of Parish Councils.

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual to Date 2020/21	Approved Limits 2020/21
Authorised Limit (Total Council external borrowing limit)	£121,041,944	£126,688,000
Operational Boundary	£121,041,944	£121,688,000

Treasury Management Update - Quarter 1 2020/21

Temporary Investments

Interest Received

The performance of the Council's investments is as follows:

	3 months Actual	3 months Budget	3 months Variance
Interest generated (£)	(75,054)	(52,479)	(22,575)
Average rate of interest	0.58%	0.68%	-
Bank of England base rate	0.10%	0.75%	-

The investments have been made in accordance with the Council's Treasury Management Strategy.

The Bank of England base rate is currently 0.10%, the above actual figure is the 3 month average rate. The base rate was cut from 0.75% to 0.25% on 11th March and then from 0.25% to 0.10% on 19th March, both reductions were in light of the expected economic downturn due to the Coronavirus.

Interest rates offered by most institutions remain low.

The following tables show the investments and interest earned to 30 June 2020:

Investments on call

Counterparty	Balance at 1/4/20	Deposits	Withdrawals	Interest received	Balance at 30/06/20
	£	£	£	£	£
Aberdeen (MMF)	0	5,000,000	(4,272)	4,272	5,000,000
Federated (MMF)	3,500,000	6,000,000	(5,002,614)	2,614	4,500,000
Invesco (MMF)	0	14,000,000	(9,001,934)	1,934	5,000,000
SSGA (MMF)	0	4,000,000	(4,000,429)	429	0
CCLA (MMF)	5,000,000	0	(4,286)	4,286	5,000,000
	8,500,000	29,000,000	(18,013,535)	13,535	19,500,000

Treasury Management Update - Quarter 1 2020/21 Part 2

Fixed-term investments

Counterparty	Term of Loan	Balance at 1/4/20	Deposits	Withdrawals	Interest received at three months	No of Days Interest at three months	Balance at 30/06/20
		£	£	£	£		£
Local Authorities							
Thurrock Council (Unitary)	1 year	5,000,000		(5,008,815)	8,815	65	0
Conwy County Borough Council	9 months	2,500,000		(2,502,752)	2,752	49	0
West Dunbartonshire Council	1 year	5,000,000			10,721	91	5,010,721
3 Kingston Upon Hull	9 months	5,000,000		(5,009,863)	9,863	90	0
Monmouthshire County Council	8 months	5,000,000			10,845	91	5,010,845
Shirebrook Town Council	3 months	453,888		(454,027)	139	14	0
Flintshire County Council	9 months	5,000,000			14,959	91	5,014,959
Shirebrook Town Council	6 months	0	454,813		576	77	455,389
Thurrock Council (Unitary)	1 year	0	5,000,000		2,849	26	5,002,849
		27,953,888	5,454,813	(12,975,457)	61,519		20,494,763

Bolsover District Council

Budget Scrutiny Committee

30 July 2020

Corporate Debt – 2019/20

Report of The Head of Finance and Resources

This report is public

Purpose of the Report

- The purpose of this report is to present to Budget Scrutiny Committee a summary of the corporate debt position at 31 March 2020.

1 Report Details

- 1.1 To update Members of Budget Scrutiny Committee on the position regarding corporate debt.
- 1.2 The main sources of income for the Council's General Fund are business rates, council tax, a small number of government grants and service related income. The main source of income for the Council's Housing Revenue Account is dwelling rent, often referred to as 'housing rents'. Government grants are paid over to us on agreed dates direct into our bank account so there is no need to include them on any of our debtor systems. For most other sources of income we have to request the income due to us.
- 1.3 We request the income due to us on the relevant system by raising bills for business rates, council tax and housing rents. There is legislation in place for each of these sources which determines the rules of collecting this income.
- 1.4 For service related income, invoices are raised on the sundry debtor system which is a module of our Civica Financial Management System. Examples of types of income include: housing benefit overpayment, trade refuse, industrial unit rent, garage site rent, wardens service and alarms and leisure hire of facilities. This income is reported in two amounts with housing benefit overpayments identified from the rest.
- 1.5 The following table shows the sources of income for Bolsover District Council as at 31 March 2020 and 2019 for comparison:

Table 1 - Sources of Income

	2018/19	2019/20	
position at end of	Q4	Q4	variance
	£'000	£'000	£'000
NNDR	(27,795)	(28,218)	(423) *
Council tax	(39,463)	(41,995)	(2,532) **
Housing Rents	(20,067)	(19,948)	119
Overpaid housing benefits	(764)	(617)	147
Sundry Debtors	(6,116)	(6,573)	(457)
	<hr/>	<hr/>	
	(94,205)	(97,351)	(3,146)
* This is 100%, our share of this is 50% 18/19 + 40% 19/20			
** This is 100%, our share of this is 16.02% 18/19 + 16.53% 19/20			

- 1.6 (* and **) these debts are part of the collection fund and are shared with major preceptors including the County, police and fire. Only a percentage of these debts belong to Bolsover District Council. Dwelling rents for 2019/20 were still set at a 1% reduction on the previous year in line with Government policy, hence the adverse variance. The reduction in income from overpaid housing benefits is actually a good thing. These debts are notoriously difficult to collect and this means benefits have not been over claimed as much, for whatever reason.
- 1.7 Debtors of a Local Authority are very sensitive to change. If a tenant/tax payer's circumstances change it can become difficult for them to keep paying their rent or council tax. Informing us of a change in personal circumstances late can mean more benefit is paid than they are entitled to which can mean they become benefit overpayment debtors.
- 1.8 Circumstances can change quickly and mean debtors fall into arrears. It is very common for Local Authority's to have arrears balances due to the vulnerable nature of some of its debtors. Debt management is how the Council manages its arrears and debtors.

The following table shows the level of arrears for Bolsover District Council at 31 March for the last two financial years. This information is published in the Council's Statement of Accounts document each year.

Table 2 - Level of Arrears

	2018/19	2019/20	
position at end of	Q4	Q4	variance
	£	£	£
NNDR	322,617	422,562	99,945 *
Council tax	2,320,680	2,543,341	222,662 **
Housing Rents	1,167,932	1,131,486	(36,446)
Overpaid housing benefits	1,853,148	1,766,212	(86,936)
Sundry Debtors	587,698	800,567	212,869
	<hr/>	<hr/>	
	6,252,075	6,664,169	412,094

- 1.9 It is felt unlikely that the increases in the arrears levels are related to the Coronavirus pandemic and more that they are a consequence of the higher income figures. Both business rates and council tax arrears remain in line with the 2018/19 levels, at below 1.5% and 6% respectively. Sundry debtor processing has moved to finance during 2019/20. The focus throughout March was to encourage departments to raise invoices due for 2019/20 before the end of March to avoid manual accruals. This is a change to previous years but also means the arrears are less than 30 days old and therefore not overdue.
- 1.10 Part of managing the debt is assessing the likelihood of future non-collection. At each year end, an estimate of non-collection is made based on historic payment information for the same class of debt. An amount equal to the non-collection is charged against our revenue account and saved in a provision for future use. The provision is often referred to as the bad debt provision. It is considered prudent to not include all the income in the revenue accounts in a year when there is a chance it won't all be collected.
- 1.11 As part of year end work the provision balance for each class of debt is reviewed, compared against latest arrears balances to ensure it still covers the amount of non-collection in case we have to write-off debts, and either increased or decreased, whichever is appropriate.
- 1.12 While we don't think 2019/20 was affected by the Coronavirus pandemic, 2020/21 will almost certainly be. Therefore, while assessing the provision levels for final account

purposes we considered it prudent and sensible to increase the provisions to more than we would normally in anticipation of the financial effect of the pandemic on businesses and individuals. This means if we do have higher than usual amounts of debt not paid to us, we have already set-a-side the cash on the balance sheet to finance some of the write-offs. If the provisions are not needed we can release the amounts back into the revenue accounts next March.

The following table shows the bad debt provision for each class of debtor at 31 March for the last two financial years:

Table 3 - Bad Debt Provisions

	2018/19	2019/20	
position at end of	Q4	Q4	variance
	£	£	£
NNDR	(196,045)	(286,317)	(90,272) *
Council tax	(1,326,923)	(1,517,431)	(190,508) **
Housing Rents	(617,308)	(607,220)	10,088
Overpaid housing benefits	(1,346,475)	(1,406,455)	(59,980)
Sundry Debtors	(42,341)	(80,783)	(38,442)
	<hr/>	<hr/>	
	(3,529,092)	(3,898,206)	(369,114)

- 1.13 As previously mentioned there is legislation that governs the collection of business rates, council tax and housing rents. As a Local Authority it is necessary to have a debt collection process that adheres to legislation but ensures the maximum amount of income is collected.
- 1.14 Indicators for debt collection are monitored through the 'Perform' system and reported at the quarterly performance meetings where any areas of concern are raised. Targets for collecting income and reducing arrears for each class of debt are set and monitored.
- 1.15 The performance data on debt collection is also reported quarterly to Executive for information where any areas of concern are raised/discussed.
- 1.16 The following table shows for 2019/20 the movement since last financial year in the value of each source of income, the amount that is outstanding as arrears and the bad debt provision which relates to that source of income.

- 1.17 Over all in 2019/20 we have raised on our systems £3.1m more in income, our arrears have increased by £0.412m and we have increased the bad debt provisions by £0.369m, partly in anticipation of the financial effect of Coronavirus.

Table 4 – Summary for 2019/20

	Income	Arrears	Provision	
	£	£	£	
NNDR	(423,000)	99,945	(90,272)	*
Council tax	(2,532,000)	222,662	(190,508)	**
Housing Rents	119,000	(36,446)	10,088	
Overpaid housing benefits	147,000	(86,936)	(59,980)	
Sundry Debtors	(457,000)	212,869	(38,442)	
Totals	(3,146,000)	412,094	(369,114)	

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that Budget Scrutiny Committee are informed of the latest position concerning the Council's debt.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is for information only.

5 Implications

5.1 Finance and Risk Implications

The current position regarding corporate debt is given throughout the report. Failure to collect this debt would have a detrimental impact on the Council's financial position if sufficient bad debt provisions were not in place.

5.2 Legal Implications including Data Protection

These are none arising directly from this report.

5.3 Human Resources Implications

There are none arising directly from this report.

6 **Recommendations**

- 6.1 That Budget Scrutiny Committee note the report concerning the Council's Corporate Debt as at 31 March 2020.

7 **Decision Information**

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly.
Links to Corporate Plan priorities or Policy Framework	All

8 **Document Information**

Appendix No	Title
N/A	
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Theresa Fletcher – Head of Finance and Resources	01246 242458

Bolsover District Council

Budget Scrutiny Committee

30th July 2020

Budget Scrutiny Committee Work Programme 2020/21

Report of the Scrutiny & Elections Officer

This report is public

Purpose of the Report

- To provide members of the Scrutiny Committee with an overview of the meeting programme of the Committee for 2020/21.

1 Report Details

- 1.1 The main purpose of the report is to inform members of the meeting programme for the year 2020/21 and planned agenda items (Appendix 1).
- 1.2 This programme may be subject to change should additional reports/presentations be required, or if items need to be re-arranged for alternative dates.
- 1.3 Members may raise queries about the programme at the meeting or at any time with the Head of Finance & Resources or the Scrutiny & Elections Officer should they have any queries regarding future meetings.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets the formal Committee Work Programme for 2020/21 and the items identified for review.
- 2.2 The Scrutiny Programme enables challenge to service delivery both internally and externally across all the Corporate Plan Ambitions.
- 2.3 The Scrutiny functions outlined in Part 3.6(8) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

3 Consultation and Equality Impact

- 3.1 All Scrutiny Committees are committed to equality and diversity in undertaking their statutory responsibilities and ensure equalities are considered as part of all Reviews. The selection criteria when submitting a topic, specifically asks members to identify where the topic suggested affects particular population groups or geographies.

3.2 The Council has a statutory duty under s.149 Equality Act 2010 to have due regard to the need to advance equality of opportunity and to eliminate discrimination.

3.3 As part of the scoping of Reviews, consideration is given to any consultation that could support the evidence gathering process.

4 Alternative Options and Reasons for Rejection

4.1 There is no option to reject the report as the Scrutiny functions outlined in Part 3.6(8) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

5 Implications

5.1 Finance and Risk Implications

5.1.1 None from this report.

5.2 Legal Implications including Data Protection

5.2.1 In carrying out scrutiny reviews the Council is exercising its scrutiny powers as laid out in s.21 of the Local Government Act 2000 and subsequent legislation which added to/amended these powers e.g. the Local Government and Public Involvement in Health Act 2007.

5.3 Human Resources Implications

5.3.1 None from this report.

6 Recommendations

6.1 That Members note this report and the Programme attached at Appendix 1. All Members are advised to contact the Scrutiny & Elections Officer should they have any queries regarding future meetings.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000 <input type="checkbox"/></i> <i>Capital - £150,000 <input type="checkbox"/></i></p> <p><i>NEDDC: Revenue - £100,000 <input type="checkbox"/></i> <i>Capital - £250,000 <input type="checkbox"/></i></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	N/A
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1.	Work Programme 2020/21
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
<p>Previous versions of the Committee Work Programme.</p>	
Report Author	Contact Number
Joanne Wilson, Scrutiny & Elections Officer	2385

Report Reference –

Budget Scrutiny Committee

Work Programme 2020/21

Formal Items – Report Key

Treasury Management	Capital	Borrowing & Investment	Budget Monitoring	Update from Scrutiny Chairs

Date of Meeting	Items for Agenda	Lead Officer
Circulation via email – 11th June 2020	<ul style="list-style-type: none"> Budget Monitoring Report – Financial Outturn 2019/20 	Head of Finance & Resources/ S151 Officer
30th July 2020 43	<ul style="list-style-type: none"> Annual Corporate Debt Monitoring Performance Report 2019/20 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Budget Monitoring Report – Quarter 1 – April to June 2020 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Budget Scrutiny Committee Work Programme 2020/21 	Scrutiny & Elections Officer
	<ul style="list-style-type: none"> Update from Scrutiny Chairs (Verbal report) 	Scrutiny & Elections Officer
26th November 2020	<ul style="list-style-type: none"> CIPFA/CFPS Guidance on Finance Scrutiny 	Head of Finance & Resources/ S151 Officer and Scrutiny Officer
	<ul style="list-style-type: none"> Budget Monitoring Report – Quarter 2 – July to September 2020 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Revised Budgets 2020/21 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Setting of Council Tax 2021/22 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Budget Scrutiny Committee Work Programme 2020/21 	Scrutiny & Elections Officer
	<ul style="list-style-type: none"> Update from Scrutiny Chairs (Verbal report) 	Scrutiny & Elections Officer

Date of Meeting	Items for Agenda	Lead Officer
27 th January 2021	<ul style="list-style-type: none"> Treasury Management Briefing 	Head of Finance & Resources/ S151 Officer and Arlingclose
	<ul style="list-style-type: none"> Proposed Budget – Medium Term Financial Plan 2021/22 to 2024/25 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Treasury Management Strategy 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Capital Strategy 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Corporate Investment Strategy 	Head of Finance & Resources/ S151 Officer
	<ul style="list-style-type: none"> Budget Scrutiny Committee Work Programme 2020/21 	Scrutiny & Elections Officer
	<ul style="list-style-type: none"> Update from Scrutiny Chairs (Verbal report) 	Scrutiny & Elections Officer