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Crawley Borough Council



Cabinet

Supplementary Agenda

Wednesday, 1 February 2023

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Chief Executive

	Pages
7 2023-2024 Budget and Council Tax	3 - 4
<i>The Leader's Portfolio</i>	
To consider report supplement FIN/606a of the Chief Executive and Chief Accountant (s151 officer) which includes is a proposed additional recommendation to the 2023/2024 Budget and Council Tax	
9 Treasury Management Strategy 2023-2024	5 - 8
<i>The Leader's Portfolio</i>	
To consider supplement report FIN/608a of the Chief Executive and Chief Accountant (s151 officer) which includes a proposed amendment to the Treasury Management Strategy to take account for the proposed additional recommendation to the 2023/2024 Budget and Council Tax report.	

NOTE: The Leader of the Council has agreed that, although this report and information was not available for at least five clear days before the meeting, there are special circumstances justifying its urgent consideration.

The Chair of the Overview and Scrutiny Commission was also informed of the supplementary agenda to the Cabinet and supported that there was an urgent need (less than 5 clear days) for the reports being put before the Cabinet via the Commission.



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Crawley Borough Council

Report to Overview and Scrutiny Commission 30 January 2023

Report to Cabinet 1 February 2023

2023/2024 Budget and Council Tax

Report of the Chief Executive and Chief Accountant (s151 officer), **FIN/606A**

1. Purpose

- 1.1. To amend FIN/606 2023/2024 Budget and Council Tax report in respect of capital investment.

2. Recommendations

- 2.1. To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet.

- 2.2. To the Cabinet

The Cabinet is recommended to add the following recommendation to the 2023/2024 Budget and Council Tax (FIN/606) before consideration of the report:

2.2(j) to agree to increase the capital budget for Temporary Accommodation by £1,150,000, funded from grant funding of £474,000 and borrowing of 676,000.

2.2(k) to agree to increase the capital budget for Acquisitions of Land and Dwellings by £10,000,000 funded from 1-4-1 receipts £4,000,000 and borrowing of £6,000,000.

3. Reasons for the Recommendations

- 3.1. Increasing the capital programme for temporary accommodation by £1,150,000 to £9,548,258. This will be used to secure quick-win opportunities to address the growth in numbers of people requiring temporary accommodation. At present there are 396 homeless households in temporary accommodation, with 206 of these being housed in very expensive nightly-paid accommodation.
- 3.2. Increasing budget for Acquisitions of Land and Dwellings by £10,000,000 will enable Officers to respond to opportunity acquisitions that become available in the market and strengthen the Council's negotiation position to compete with greater certainty. This is also in reaction to the limited supply of affordable housing completions being

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forecast over the next two-year period, primarily as a result of the delays caused by water neutrality. Acquisitions can play a significant role in addressing the increasing pressures on the Council's Housing Register.

4. Revision to Table 14

Adjusted figures highlighted in Table 14 below:

Table 14

	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	Future years £'000s	Tota £'000
TOTAL Agrees with Q3 FIN/607 and Table13 above	36,503	60,665	48,757	31,732	3,700	181,357
Crawley Homes Retrofit	0	400	500	0	0	900
Transfer to Heat Network Phase 2 from Town Centre Capital programme	0	-55	0	0	0	-55
Increased Heat Network budget	0	55	0	0	0	55
Heat Network Phase 2 (net additional cost funded from grant)	43	87	0	0	0	130
Unsupervised Play inflation	0	19	0	0	0	19
Temporary Accommodation	0	1,150	0	0	0	1,150
Acquisition Of Land and Dwellings	0	10,000	0	0	0	10,000
Total Capital Programme for approval	36,546	72,321	49,257	31,732	3,700	193,556

Funded by -						
Capital Receipts	7,616	6,174	5,415	781	1,164	21,150
Capital Reserve	0	727	314	0	586	1627
1-4-1 Receipts	3,076	11,010	8,852	5,345	780	29,063
HRA revenue contribution	11,430	27,872	26,346	21,867	1,170	88,685
Section 106 contributions	332	1,102	897	65	0	2,396
External funding	3,047	10,148	7,094	3,374	0	23,663
Revenue incl. replacement fund	1,772	2,278	339	300	0	4,689
Borrowing	8,698	11,676	0	0	0	20,374
Better care fund (formally DFG's)	575	1,334	0	0	0	1,909
TOTAL	36,546	72,321	49,257	31,732	3,700	193,556

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Crawley Borough Council

Report to Overview and Scrutiny Commission 30 January 2023

Report to Cabinet 1 February 2023

Treasury Management Strategy 2023/2024

Report of the Chief Executive and Chief Accountant (s151 officer) – FIN/608A

1. Purpose

- 1.1. To amend FIN/608 Treasury Management Strategy 2023/2024.

2. Recommendations

- 2.1. To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet.

- 2.2. To the Cabinet

The Cabinet is recommended to amend the prudential indicators in the Treasury Management Strategy 2023/2024 (FIN/608) as set out in Section 4 of this report before considering the recommendations contain within it.

3. Reasons for the Recommendations

- 3.1. The recommended amendment to the Budget and Council Tax Report (FIN/606A) would impact on the capital programme and prudential indicators in the Treasury Management Strategy. The recommendations in this report enable the financing of the revised capital programme.

4. Amendments to the Treasury Management Strategy

- 4.1. Following the additional recommendation in the Budget report 2.2(j) to increase the budget for Temporary Accommodation by £1,150,000, and 2.2(k) to increase the budget for Acquisition of Land and Dwellings by £10,000,000, the prudential indicators below are recommended to be updated in the Treasury Management Strategy 2023/2024 (FIN/608).

5.1.2 Capital expenditure

Capital Expenditure £'000	2021/22 Actual	2022/23 Estimate *	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
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Joint responsibility inc. New Town Hall	21,336	6,373	1,171	100	0
Cabinet	181	311	450	339	300
Environment Services & Sustainability	432	594	257	25	0
Housing General Fund	3134	2,401	9,503	4,338	0
Planning & Economic Development	5176	1,475	13,220	10,984	4,220
Resources	216	329	1,965	0	0
Wellbeing	941	1,084	873	0	0
General Fund	31,416	12,567	27,439	15,786	4,520
HRA	13,927	23,979	44,882	33,471	27,212
Non-treasury investments **	0	0	0	0	0
Total	45,343	36,546	72,321	49,257	31,732

5.1.3 Financing of Capital Expenditure

Financing of Capital Expenditure £'000	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Capital receipts	17,628	7,616	6,174	5,415	781
Capital reserves	152	0	727	314	0
1-4-1 receipts	3,659	3,076	11,010	8,852	5,345
Revenue	408	1,772	2,278	339	300
Capital grants	11,069	3,954	12,584	7,991	3,439
Major Repairs Reserve	12,427	11,430	27,872	26,346	21,867
Net financing need for the year	0	8,698	11,676	0	0

5.2.3 CFR projections

£'000	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Capital Financing Requirement					
CFR – General Fund	18,778	18,031	22,917	21,849	20,780
CFR - HRA	240,625	249,323	243,323	240,323	242,323
CFR – Non-financial investments	0	0	0	0	0
Total CFR	259,403	267,354	266,240	262,172	263,103
Movement in CFR	(922)	7,951	(1,114)	(4,068)	931

Movement in CFR represented by					
Net financing need for the year (above)	0	8,698	11,676	10,000	15,000
IFRS16 Leases		44			
Less MRP/VRP and other financing movements - GF	(922)	(791)	(790)	(1,068)	(1,069)
Less MRP/VRP and other financing movements - HRA			(12,000)	(13,000)	(13,000)
Movement in CFR	(922)	7,951	(1,114)	(4,068)	931

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5.3.1 Year End Resources

Year End Resources £'000	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Total CFR	259,403	267,354	266,240	262,172	263,103
Less: External borrowing*	(260,325)	(249,356)	(237,375)	(241,064)	(243,070)
Under/over borrowing	(922)	17,998	28,865	21,108	20,033
Less: Usable reserves	(75,549)	(82,244)	(49,918)	(31,823)	(32,653)
Less: Working Capital**	(52,474)	(25,000)	(20,000)	(20,000)	(20,000)
Expected investments	(128,945)	(89,246)	(41,053)	(30,715)	(32,620)

5.3.3 Liability Benchmark

£'000	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Total CFR	259,403	267,354	266,240	262,172	263,103
Less: Usable reserves	(75,549)	(82,244)	(49,918)	(31,823)	(32,653)
Less: Working Capital	(52,474)	(25,000)	(20,000)	(20,000)	(20,000)
Net loans requirement	131,380	160,110	196,322	210,349	210,450
Plus: Liquidity allowance	10,000	10,000	10,000	10,000	10,000
Liability benchmark	141,380	170,110	206,322	220,349	220,450

6.2.1 Current portfolio position

£'000	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
External Debt					
Debt at 1 April	260,325	260,325	249,356	237,375	241,064
Expected change in Debt	0	(11,000)	(12,000)	3,676	2,000
Other long-term liabilities (OLTL)	0	0	31	19	13
Expected change in OLTL	0	31	(12)	(6)	(7)
Actual gross debt at 31 March	260,325	249,356	237,375	241,064	243,070
The Capital Financing Requirement	259,403	267,354	266,240	262,172	263,103
(Under) / over borrowing	(922)	17,998	28,865	21,108	20,033

6.3.1 Affordable borrowing limit

Operational boundary £'000	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	260,325	249,356	241,051	243,064
Other long term liabilities	44	31	19	13
Total	260,369	249,387	241,070	243,077

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6.3.2 Authorised Limit

Authorised limit £'000	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	280,325	269,356	261,051	263,064
Other long term liabilities	44	31	19	13
Total	280,369	269,387	261,070	263,077

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