

Crawley Borough Council

Report to Overview and Scrutiny Commission 3rd October 2022

Report to Cabinet 5th October 2022

2022/2023 Budget Monitoring - Quarter 1

Report of the Head of Corporate Finance - **FIN/586**

1. Purpose

- 1.1 The report sets out a summary of the Council's actual revenue and capital spending for the first Quarter to June 2022. It identifies the main variations from the approved spending levels and any potential impact on future budgets.

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:

- a) **Agree to note the projected outturn for the year 2022/2023 as summarised in this report.**
- b) **Add £40,000 to the capital programme, funded from the Tilgate Park Investment Reserve, for a replacement tractor flail as outlined in section 8.7 of this report.**

3. Reasons for the Recommendations

- 3.1 To report to Members on the projected outturn for the year compared to the approved budget.

4. Background

- 4.1 As part of the Budget Strategy, the Council has in place robust budget monitoring systems to ensure that unapproved overspends are avoided. The Council also manages and analyses underspending to identify potential savings that could help meet current and future years' priorities.

- 4.2 Budget monitoring is undertaken on a monthly basis with budget holders. There are quarterly budget monitoring reports to Cabinet with the Corporate Management Team receiving monthly update reports on key areas and any other areas of concern. The Overview and Scrutiny Commission also has the opportunity to scrutinise expenditure. Quarterly monitoring information is also included in the Councillors' Information Bulletin.
- 4.3 This report outlines the projected outturn for 2022/2023 as at the end of June 2022.
- 4.4 As discussed in the budget report and Budget Strategy, due to the pandemic it is very difficult to accurately forecast our financial position for the year.

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the projected variances in the relevant Portfolio at Quarter 1.

[F indicates that the variation is favourable, U that it is unfavourable]

	Variance Projected at Quarter 1	
	£'000's	
Cabinet	580	U
Public Protection & Community Engagement	(16)	F
Environmental Services & Sustainability	12	U
Housing	895	U
Wellbeing	(334)	F
Planning & Economic Development	(72)	F
Resources	(13)	F
TOTAL (SURPLUS)/DEFICIT	1,052	U
Investment Interest	(457)	F
Lower Tier Services Grant	76	U
ADJUSTED (SURPLUS)/DEFICIT	671	U
Budgeted transfer from reserves	452	
Total transfer from reserves	1,123	

Further details of these projected variances are provided in Appendix 1(i & ii) attached to this report.

Significant Quarter 1 variances over £20,000

5.1.1 Cabinet

A pay award offer of £1,925 per spinal point has been made to unions on behalf of the main local government NJC workforce. This equates to a 10.5% pay award for those on scale 1, with all NJC employees receiving at least a 4.04% increase. The budget for 2022/23 had an allowance for 2%, the projected overspend is therefore £800,000.

An underspend of £215,000 in Investment and Operational Properties includes £95,000 savings identified as part of the Challenge of Budgets reported in the Budget Strategy. The remaining underspend of £120,000 relates to additional income arising from rent renewals.

5.1.2 Public Protection & Community Engagement

There are no significant variations to report this quarter.

5.1.3 Environmental Services & Sustainability Services

New legislation was approved during 2021/22 which provides 100% business rates relief for public conveniences, resulting in a saving of £20,000. This has been built into future budget plans.

As a result of covid there has been no income from Gatwick Airport for imported food fees in previous years. Although this has started to improve, the number of consignments coming through the airport is still lower than pre-covid years so an income shortfall of £39,000 is expected.

Due to a lack of vacancies in the Environmental Health team, there is an unmet vacancy provision of £24,000.

5.1.4 Housing Services

The Homelessness team continue to see sustained pressure with 361 households currently in all forms of temporary accommodation. Due to demand, placements by other local housing authorities, and commercial hotels being unable (due to refugee bridging) or unwilling to take local authority placements, there continues to be reducing supply alongside increasing demand which has driven up costs. 75 households are currently being accommodated outside of the borough.

5.1.5 Wellbeing

There are currently three vacancies in the Play team which are not expected to be filled until later in the year. This is to allow the service manager to review the staff structure to be able to provide the best service to residents. The projected underspend is £43,000.

Hire for community centres is increasing to near pre-covid levels, with adult social care hire also having returned in March 2022. There is therefore a projected underspend of £30,000 due to additional income.

K2 Crawley continues to move back to pre-pandemic usage. The budget allowed for £100,000 income from the management fee, and projections at Quarter 1 are for an additional income of £273,000.

5.1.6 Planning & Economic Development

There is a projected underspend of £80,000 in the Property-Built Environment team. This includes £39,450 of operational savings identified as part of the Challenge of Budgets reported in the Budget Strategy. The remaining underspend is due to vacancies within the team.

5.1.7 Resources

Due to a lack of vacancies in the Contact Centre, there is an unmet vacancy provision of £33,000.

Following feedback from last year's election there has been a reduction in the number of staff required at polling stations. This, coupled with operational savings including postage, has led to a projected underspend of £36,000.

5.1.8 Investment Income

Interest rates have increased sharply due to the Bank of England reacting to inflationary pressures and they are expected to rise further. Current projections are for additional investment income of £457,000 for the year.

5.1.9 Lower Tier Services Grant

The provisional settlement received by Government included £272,299 for this grant. The final settlement, which came through after the budget was set in February, saw this reduced to £195,567: an in-year shortfall of £76,732.

6. Virements

6.1 Virements up to £50,000 can be approved by Heads of Service under delegated powers and reported to Cabinet for information. There have been no virements in this quarter.

7. Council Housing (Crawley Homes) – Revenue

7.1 The table below provides details of the 2022/2023 HRA variances.

HOUSING REVENUE ACCOUNT

	Q1 Projected Variation £000's	
<u>Income</u>		
Rental Income	0	
Other Income	(5)	F
Interest Received on balances	(170)	F
	(175)	F
<u>Expenditure</u>		
Employees	295	U
Repairs & Maintenance	1	U
Other running costs	53	U
Support services	0	

	349	U
Net (Surplus) / Deficit	174	U
Transfer to the Housing Investment Reserve	(174)	

Further details of these projected variances are provided in Appendix 1(iii & iv).

7.2 Interest

Interest rates have increased sharply due to the Bank of England reacting to inflationary pressures and they are expected to rise further. Current projections are for additional investment income of £170,000 for the year.

7.3 Employees

The pay award for Local Government is now anticipated to be a minimum of £1,925 per spinal point. This equates to a 10.5% pay award for those on scale 1, with all NJC employees receiving at least a 4.04% increase. The budget for 2022/23 had an allowance for 2%. The additional cost of this is projected to be £225,000 for the HRA.

There is an unmet vacancy provision of £77,000 overall within the service.

7.4 Other Running Costs

The service's subscription fee to the Housing Ombudsman has more than doubled when compared to 2021/22 causing an overspend of £31,000. This is largely as a result of The Housing White Paper requiring the Ombudsman to recruit additional resource to deal with increase workloads.

8. Capital

8.1 The table below shows the 2022/23 projected capital outturn and proposed carry forward into 2023/24. Further details on the Capital Programme are provided in Appendix 2 to this report.

	Latest Budget 2022/23	Spend to Q1 2022/23	Estimated Outturn 2022/23	Under/ (over) spend	Re-profiled to/(from) future years
	£000's	£000's	£000's	£000's	£000's
Joint Responsibility	6,240	4,716	6,240	0	0
Cabinet	511	46	511	0	0
Environmental Services & Sustainability	824	33	543	65	216

Housing Services	5,385	879	2,896	0	2,489
Planning & Economic Development	8,323	180	2,246	0	6,077
Resources	2,279	8	459	(2)	1,822
Wellbeing	1,569	171	1,287	0	282
Total General Fund	25,131	6,033	14,182	63	10,886
Council Housing	23,927	8,884	23,850	0	77
Total Capital	49,058	14,917	38,032	63	10,963

8.2 It has not been possible to deliver the cycle path at Crawters /Manor Royal due to being unable to resolve issues with individual landowners of the desired route, giving an underspend of £65,665. The scheme partly was funded through S106 receipts and will be redistributed in 2022/23.

8.3 Tilgate Lake Bank Erosion is in the design and review stage with the main works requiring low water levels with the window of opportunity to commence works before this winter has passed giving a slippage into 2023/24 of £120,000.

8.4 The Temporary Accommodation Acquisitions general fund capital budget has slipped £2,488,658 into 2023/24, due to the purchase of a property at Ifield Road falling through. The service is proactively looking for suitable temporary accommodation to purchase. If a suitable property becomes available, the budget will be brought forward into the current financial year.

8.5 The Crawley Growth Programme is slipping £4,077,330 into 2023/24 the Crawley Growth Programme Board is holding a series of meetings over the autumn to agree a revised programme which will give more certainty.

8.6 The Gigabit project has slipped £1,350,000 into 2023/24 as payment is only due when 90% of the CityFibre rollout is complete.

8.7 The current tractor flail needs replacement to ensure that the Council is compliant with Zoo Licencing requirements around the perimeter of the zoo at Tilgate. The flail will also help to maintain other large cutting jobs across the Town including high speed roads. It is recommended that this is added to the capital programme with a budget of £40,000 and to be funded from the Tilgate Park Investment Reserve.

8.8 Housing (Crawley Homes HRA)

Acquisition of Land or Dwellings

Acquisitions of Land or Dwellings has been slipped £1,701,750 forward into 2022/23 due to the opportunity to purchase additional properties at Forge Wood, with work ongoing to identify additional suitable properties

Forge Wood Phase 4b

Forge Wood Phase 4b has slipped £194,234 into 2023/24 due to the planning permission being caught up in water neutrality. Crawley has been working with all the authorities involved with water neutrality to find a way forward.

Breezehurst Phase 2

Breezehurst Phase 2 has slipped £689,456 into 2023/24 due to the planning permissions being caught up in water neutrality. Breezehurst has now been granted to permit at the Planning Committee on Tuesday 30th August but it is estimated that it will take at least six months before any work is started on site as there are various other planning obligations to be completed and updated discussions with contractor on financial costs. A revised programme will be presented to the Strategic Housing Board in September.

Fairlawn House

Fairlawn House project is to deliver three new sheltered flats but the team that will deliver this project is currently working on Milton Mount and will move to the Fairlawn project once Milton Mount is finished therefore slipping £207,134 into 2023/24.

- 8.9 From the 1st April 2021 the reporting of the use of Right to Buy 1-4-1 receipts to the Ministry of Housing, Communities and Local Government (MHCLG) has moved to an annual return. Other changes are that these receipts now need to be used within 5 years of receipt instead of 3 years and can be used to fund up to 40% of new affordable homes including shared ownership dwellings. This was as a result to responses to [Government consultation](#) on Right to Buy receipts.
- 8.10 Within the first quarter of 2022/23 **Eighteen** Council Houses with a sale value of £3,212,100 compared to fifteen in the first quarter of last year. Of these receipts a proportion will be paid over to the Government with the remainder being retained by the Council being set aside as 1-4-1 receipts and general capital receipts. The values of each will be calculated within the annual return. [The 1-4-1 arrangement is one where the Council retains a larger proportion of right to buy receipts than they otherwise would, in return for a commitment to spend the addition receipts on building or acquiring properties.]

9. Treasury Management

- 9.1 The Head of Corporate Finance reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance is demonstrated in Appendix 3 below.

10. Background Papers

Budget Strategy 2023/24 – 2027/28 FIN/583

[2022/2023 Budget and Council Tax FIN/549](#)

[Treasury Management Strategy 2022/23 FIN/557](#)

[Financial Outturn 2021/2022: Budget Monitoring – Quarter 4 FIN/572](#)

[Treasury Management Outturn for 2021/22 FIN/575](#)

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Appendix 1 (i)

REVENUE MONITORING SUMMARY 2022/23
GENERAL FUND

	Latest Budget £000's	Projected Outturn £000's	Variance £000's
Cabinet	(4,287)	(3,707)	580
Public Protection & Community Engagement	1,306	1,290	(16)
Environmental Services & Sustainability	4,771	4,783	12
Housing	2,743	3,638	895
Wellbeing	10,127	9,793	(334)
Planning & Economic Development	1,870	1,798	(72)
Resources	378	365	(13)
	16,908	17,960	1,052
Depreciation	(3,226)	(3,226)	0
Renewals Fund	750	750	0
NET COST OF SERVICES	14,432	15,484	1,052
Investment Interest	(398)	(401)	(3)
MRP	942	942	0
Council Tax	(7,891)	(7,891)	0
RSG	(63)	(63)	0
NNDR	(5,236)	(5,236)	0
New Homes Bonus	(606)	(606)	0
Service Grant	(251)	(251)	0
Lower Tier Services Grant	(272)	(196)	76
Net contribution from / (-to) Reserves	452	1,123	671

Main Variations identified for 2022/23 - General Fund Appendix 1 (ii)

	Q1 Total Variation
	£'000s
<u>Cabinet</u>	
Pay Award (£1,925 per banding)	800
Investment & Operational Properties Agreed Back-Rent	(215)
Minor Variations	(5)
	580
<u>Public Protection & Community Engagement</u>	
Minor Variations	(16)
	(16)
<u>Environmental Services & Sustainability</u>	
Public Conveniences Business Rates	(20)
Port Health Income	39
Environmental Health Vacancy Provision	24
Minor Variations	(31)
	12
<u>Housing</u>	
Homelessness Pressures	872
Minor Variations	12
	895
<u>Wellbeing</u>	
Play Vacancies	(43)
Community Centres Reduction in Expected Shortfall	(30)
K2 Crawley Reduction in Expected Shortfall	(273)
Minor Variations	12
	(334)
<u>Planning & Economic Development</u>	
Property Built Environment Vacancies and Operational Savings	(80)
Minor Variations	8
	(72)
<u>Resources</u>	
Contact Centre Vacancy Provision	33
Elections Reduced Staffing Requirement	(36)
Minor Variations	(3)
	(13)

TOTAL GENERAL FUND VARIANCES

1,577
76 (457)
271

Lower Tier Services Grant
Investment Interest

TOTAL VARIANCES

QUARTER 1

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate £'000s	Projected Outturn £'000s	Variation £'000s
Income			
Rental Income	(48,002)	(48,002)	0
Other Income	(2,685)	(2,690)	(5)
Interest received on balances	(305)	(475)	(170)
Total income	(50,992)	(51,167)	(175)
Expenditure			
Employees	4,165	4,460	295
Repairs & Maintenance	13,467	13,468	1
Other running costs	2,111	2,164	53
Support services	3,096	3,096	0
	22,839	23,188	349
Net (Surplus) / Deficit	(28,153)	(27,979)	174
Use of Reserves:			
Debt Interest Payments	8,309	8,309	0
Depreciation, Revaluation & Impairment	6,216	6,216	0
Transfer to/(from) Housing Reserve	12,649	12,475	(174)
Total	28,153	27,979	(174)

Main Variations Identified - Housing Revenue Account

	Q1 Variation £'000s
Income	
Interest	(170)
Minor Variations	(5)
	(175)
Employees	
Pay award	225
Unmet Vacancy Provision	77
Minor Variations	(7)
	295
Repairs & Maintenance	
Minor Variations	1
	1
Other Running Costs	
Housing Ombudsman Subscription	31
Minor Variations	22
	53
TOTAL VARIANCES	174

2022/23 Qtr. 1 Capital

Note – Slippage is moving budgets between years. If the figure is not in brackets then we are moving the budget to future years, if it is in brackets we are bringing it forward from later years.

Scheme Description	Budget 2022/23	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
New Town Hall Redevelopment - Joint responsibility	6,140,470	4,639,258	6,140,470	0	0
Town Centre Fund					
Project Jupiter	100,000	76,560	100,000		
Joint responsibility	6,240,470	4,715,818	6,240,470	0	0

Budget 2023/24	Budget 2024/25	Budget 2025/26	Future Years
£	£	£	£
0	0	0	0
410,000			
744,163			
1,154,163	0	0	0

Garages	510,571	46,020	510,571		
Cabinet	510,571	46,020	510,571	0	0

200,000	338,897		
200,000	338,897	0	0

Environmental Services and Sustainability					
New Cemetery	2,530		2,530		
Muslim Burial Ground Cemetery	319,850	5,772	289,309		30,541
Cycle Paths	25,300				25,300
Crawters / Manor Royal Cycle Path	65,665			65,665	
District Heat Network Phase 2	94,950		94,950		
Flooding Emergency Works	73,357		33,357		40,000
Telemetry Measuring Equipment	4,605		4,605		
Leat Stream Ifield Flood Alleviation	7,289		7,289		
Tilgate Lake Bank Erosion	150,000		30,000		120,000
Water Course Work	80,925	27,550	80,925		
Solar PV CBC Operational Buildings					60,000
TOTAL ENVIRONMENTAL SERVICES & SUSTAINABILITY PORTFOLIO	824,471	33,322	542,965	65,665	215,841

30,541			
	25,300		
96,804			
120,000			
60,000			
307,345	25,300	0	0

Housing Enabling (General Fund)					
Temp Accommodation Acquisitions	4,298,258	611,050	1,809,600		2,488,658
Affordable Housing Town Hall					
Longley House	70,000		70,000		
Disabled Facilities Grants	1,000,000	268,766	1,000,000		
Improvement/Repair Loans	16,704		16,704		
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	5,384,962	879,816	2,896,304	0	2,488,658

6,588,658			
	3,238,250		
345,000	1,200,000		1,700,000
909,537			
15,000			
7,858,195	4,438,250	0	1,700,000

Planning and Economic Development					
Manor Royal Business Group					
Crawley Fusion Innovation Centre	2,629,114	73,999	629,114		2,000,000
<u>Crawley Growth Programme</u>					
Queensway	116,083	1,590	7,590		108,493
Town Centre Signage and Wayfinding	11,487	1,955	11,487		
Town Centre General					
Manor Royal Cycle Improvements	360,632				360,632
Town Centre Western Boulevard (cycle improvements)	960,307	30,645	692,898		267,409
Manor Royal Super Hub	263,028				263,028
Station Gateway	331,491	69,381	104,381		227,110
Town Centre Super Hub					
Town Centre Commercial Space	2,457,000	2,253	57,000		2,400,000
Three Bridges Station	493,658		43,000		450,658
Total Crawley Growth Programme	4,993,686	105,824	916,356	0	4,077,330
Towns Fund					
Manor Royal Business Environment Improvement Programme	350,000		350,000		
Green Business Infrastructure Grants	350,000		350,000		

200,000			
3,650,000	250,000		
108,493			
71,100			
1,775,935			
267,409			
263,028			
1,971,623	2,880,000	1,990,000	50,004
			74,231
5,943,000			
450,000	650,000	308,844	
10,850,588	3,530,000	2,298,844	124,235
500,000	500,000	150,000	
860,000	620,000	170,000	

TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	8,322,800	179,823	2,245,470	0	6,077,330	16,060,588	4,900,000	2,618,844	124,235
Resources									
Gigabit	1,350,000				1,350,000	1,350,000			
ICT Capital - Future Projects	108,079		40,400	2,679	65,000	65,000			
New Website And Intranet	52,406		52,406						
Digital Works	10,000			10,000					
ICT Transformation Future	75,000			50,000	25,000	25,000			
Power and UPS						20,000			
ICT Cloud	300,024	3,650	82,000		218,024	218,024			
Income Management System	60,000		60,000						
Commercial Property System	2,176	4,086	4,086	(1,910)					
Sharepoint	50,000		50,000						
Agile Working	120,000		70,000	(52,679)	102,679	102,679			
Channel Shift	51,000			(10,000)	61,000	61,000			
Hardware Renewals	100,000		100,000						
TOTAL RESOURCES PORTFOLIO	2,278,685	7,736	458,892	(1,910)	1,821,703	1,841,703	0	0	0

Wellbeing									
Vehicle Replacement Programme	302,500	95,246	206,500		96,000	96,000			
Refurb Playgrounds Future Schemes	39,360				39,360	39,360			
Skate Park Equipment	46,000				46,000	46,000			
Memorial Gardens Improvements	33,400				33,400	33,400			
Tilgate Park	4,769		4,769						
Nature & Wildlife Centre	45,905	35,340	45,905						
Allotments	45,000		58,000		(13,000)	27,000			
Adventure Playgrounds	339,330	22,904	339,330						
Memorial Gardens Play Improvements	16,933		16,933						
Meadowlands	65,000				65,000	65,000			
Southgate Playing Fields	50,851		50,851						
Perkstead Court Play Area Bewbush	20,000		20,000						

Park Tennis	160,460	17,570	160,460		
Halley Close Play	15,000				15,000
Curteys Walk Play	15,000		15,000		
Brideake Play	17,000		17,000		
Wakehams Play	55,000		55,000		
Puffin Road Play					
Browness Close Play					
Plantain Crescent Play					
K2 Crawley Replacement Chiller	155,000		155,000		
Broadfield 3G Lighting	45,000		45,000		
Changing Places	97,000		97,000		
TOTAL WELLBEING PORTFOLIO	1,568,508	171,060	1,286,748	0	281,760

15,000					
18,000					
18,000					
15,000					
372,760	0	0	0	0	0

TOTAL GENERAL FUND	25,130,467	6,033,595	14,181,420	63,755	10,885,292
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27,794,754	9,702,447	2,618,844	1,824,235
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Housing - HRA (Crawley Homes)					
Improvements -					
Decent Homes	4,992,043	1,570,682	4,992,043		
Renovations	732,929	218,148	732,929		
Insulation	2,775,113	145,236	2,775,113		
Renewable Technology/Carbon Efficiency	268,620	126,063	268,620		
Compliancy Works	1,671,791	65,556	1,671,791		
Boilers & Heating	1,668,805	202,212	1,668,805		
Electrical Test & Inspection	474,348	84,927	474,348		
Adaptations For The Disabled	1,370,571	249,947	1,370,571		
Hostels	187,992	7,968	187,992		
TOTAL HRA IMPROVEMENTS	14,142,212	2,670,739	14,142,212	0	0

2,300,000	2,300,000				
650,000	650,000				
2,200,000	2,200,000				
250,000	250,000				
1,450,000	1,450,000				
1,800,000	1,800,000				
350,000	350,000				
1,300,000	1,300,000				
200,000	200,000				
10,500,000	10,500,000	0	0	0	0

Other HRA (Crawley Homes)					
HRA Database	293,273	32,200	293,273		
Bridgefield House	52,776			52,776	
Acquisition Of Land Or Dwellings	298,250	1,117,002	2,000,000		(1,701,750)

298,250					

Forge Wood					
Telford Place Development	115,973		18,500		97,473
Forge Wood Phase 2	2,550,414	1,753,160	2,550,414		
Forge Wood Phase 4	194,234				194,234
Purchase Of Properties	2,700,000	2,680,165	2,680,165		19,835
5 Perryfields	50,000		10,500		39,500
Carey House	69,821	191	69,821		
Fairlawn House	207,134				207,134
Milton Mount Major Works	1,606,870	581,780	1,606,870		
Breezehurst Phase 2	860,961	3,505	171,505		689,456
Orchards Hostel	21,000				21,000
Water Neutrality	170,000		170,000		
Contingencies	169,415			(52,776)	222,191
Prelims	424,624	45,299	136,924		287,700
TOTAL OTHER HRA	9,784,745	6,213,302	9,707,972	0	76,773

	1,235,388	1,128,115	776,517		
3,902,500	7,730,000	7,986,256	1,010,000		
4,034,751	4,121,345	4,277,787			
819,835					
191,000	372,076	33,042			
207,134					
9,380,577	4,973,932		210,000		
126,000	196,000	16,485			
1,137,311	222,191				
287,700					
20,385,058	18,850,932	13,441,685	1,996,517		

TOTAL HRA	23,926,957	8,884,041	23,850,184	0	76,773
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30,885,058	29,350,932	13,441,685	1,996,517		
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TOTAL CAPITAL PROGRAMME	49,057,424	14,917,636	38,031,604	63,755	10,962,065
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58,679,812	39,053,379	16,060,529	3,820,752		
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FUNDED BY

Capital Receipts	(5,716,329)	(846,152)	(8,124,364)	1,910	2,406,125
Capital Reserve	(152,406)	(76,560)	(52,406)		(100,000)
Better Care Fund (formally DFGs)	(1,000,000)	(268,766)	(1,000,000)		
External Funding	(8,035,746)	(54,064)	(3,417,184)	(18,852)	(4,599,711)
HRA Revenue Contribution	(21,001,905)	(3,991,770)	(11,507,348)		(9,494,558)
Replacement Fund/Revenue Financing	(2,933,633)	(118,149)	(1,451,733)		(1,481,900)
Section 106	(1,101,469)	(30,645)	(410,734)		(690,735)
1-4-1	(2,650,050)	(2,221,533)	(3,369,818)	(46,813)	766,583
Borrowing	(6,465,886)	(7,309,997)	(8,698,017)		2,232,131
TOTAL FUNDING	(49,057,424)	(14,917,636)	(38,031,604)	(63,755)	(10,962,065)

(9,075,297)	(2,144,779)	(419,848)	(1,173,469)		
(744,163)	(314,000)		(586,000)		
(909,537)					
(9,255,284)	(4,136,500)	(2,198,996)			
(23,875,073)	(22,229,777)	(8,084,821)	(1,197,910)		
(1,781,900)	(483,508)				
(1,028,574)	(897,347)		(64,766)		
(7,009,984)	(8,847,467)	(5,356,864)	(798,607)		
(5,000,000)					
(58,679,812)	(39,053,378)	(16,060,529)	(3,820,752)		

Treasury Management and Prudential Code Compliance

Compliance with the authorised limit and operational boundary for external debt is demonstrated in the table below.

Debt Limits

£000	2022/23 Maximum	30.6.22 Actual	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied?
Borrowing	261,095	260,325	261,325	271,325	Yes
Finance Leases	44	44	44	44	Yes
Total debt	261,139	260,469	261,369	271,369	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Investment Limits

	2022/23 Maximum	30.6.22 Actual	2022/23 Limit	Complied?
Any single organisation, except the UK Government	£10m	£10m	£10m	Yes
Any group of organisations under the same ownership	£10m	£10m	£10m	Yes
Any group of pooled funds under the same management	£10m	£10m	£25m	Yes
Negotiable instruments held in a broker's nominee account	£10m	£10m	£25m	Yes
Limit per non-UK country	-	-	£10m	Yes
Registered providers and registered social landlords	-	-	£10m	Yes
Unsecured investments with building societies	-	-	£10m	Yes
Loans to unrated corporates	-	-	£5m	Yes
Money Market Funds	£27.75m	£10.68m	Unlimited	Yes
Strategic pooled funds	£10m	£10m	£20m	Yes
Real Estate Investment Trusts	-	-	£20m	Yes

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.6.22 Actual	2022/23 Target	Complied?
Portfolio average credit rating	A+	A	Yes

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-week period, without additional borrowing.

	30.6.22 Actual	2022/23 Target	Complied?
Total cash available within 1 week	£22.8m	£3m	Yes

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	30.6.22 Actual	2022/23 Target	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£0.276m	£1m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£0.276m	£1m	Yes

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Refinancing rate risk indicator	30.6.22 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	4%	20%	0%	Yes
12 months and within 24 months	5%	20%	0%	Yes
24 months and within 5 years	16%	30%	0%	Yes
5 years and within 10 years	35%	40%	0%	Yes
10 years and within 20 years	40%	50%	0%	Yes
20 years and within 30 years	0%	10%	0%	Yes
30 years and within 40 years	0%	10%	0%	Yes
40 years and within 50 years	0%	10%	0%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£5m	£20m	-
Limit on principal invested beyond year end	£20m	£20m	£20m
Complied?	Yes	Yes	Yes