

# Crawley Borough Council

## Report to Overview and Scrutiny Commission

23 July 2024

## Report to Cabinet

24 July 2024

### Financial Outturn 2023-2024: Budget Monitoring - Quarter 4

Report of the Head of Corporate Finance FIN/658

#### 1. Purpose

- 1.1 The report sets out a summary of the Council's actual revenue and capital spending for the financial year to the 31 March 2024. It identifies the main variations from the approved spending levels and any potential impact on future budgets. The report also gives an update on useable reserves.

#### 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) **Note the outturn for the financial year 2023/2024 as summarised in this report.**
- b) **Approve the addition of a Senior Project Manager within the Built Environment Team to be funded from existing and future capital projects. (para 9.9)**
- c) **Approve the virement in the Capital Programme of £67k from Allotments to Goffs Park (para 9.8)**
- d) **Note the carry forward requests detailed in section 6.**

The Cabinet is recommended to request Full Council to:

- e) **Agree to the transfers of reserves and level of balances as outlined in section 10 of this report.**
- f) **Approve the addition to the Capital Programme of £1.1m funded from the Better Care Fund. (para 9.3)**

**g) Approve the addition to the Capital Programme of £60k for Three Bridges Station funded from S106 monies received. (para 9.6)**

**3. Reasons for the Recommendations**

- 3.1 To report to Members on the outturn, subject to audit, 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 Since the budget was set in February 2023 the Council's financial situation has deteriorated significantly as reported in the 2023/24 Budget Monitoring Report – Quarter 1 ([FIN/633](#)), 2023/24 Budget Monitoring Report – Quarter 2 ([FIN/635](#)) 2023/24 Budget Monitoring Report – Quarter 3 ([FIN/643](#)). The reasons for the projected overspend were fully explained in the reports and include pay inflation and other service cost pressures, which were largely offset by the increased return on investments. However, the biggest cost pressure is the increase in the cost of homelessness. Further information with regard to Homelessness (temporary accommodation) is contained in paragraphs 5.3 and 5.4. During the year the Council identified significant reductions in net expenditure in order to mitigate the effect of this increase but the scale and speed of the increase in net expenditure has meant a significant draw down from the Council's General Fund Reserve for 2023/24 which is not sustainable in the medium term (para 10.1).
- 4.3 Budget monitoring is undertaken 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 has the opportunity to scrutinise expenditure.
- 4.4 The purpose of this report is to allow Members to review the revenue and capital outturn figures for 2023/24 for the Council, subject to external audit.

**5. Budget Monitoring Variations**

**5.1 General Fund**

The table below summarises the variance for the financial year ending 31 March 2024 compared to the projection from the previous quarter:

	Q3 Projection £'000	Q4 Outturn £'000	Change £'000
Cabinet	364	1,242	878
Community Engagement and Culture	(17)	(48)	(31)
Environment, Sustainability & Climate Change	83	(267)	(350)
Housing	3,811	3,244	(567)
Leisure & Wellbeing	260	248	(12)
Planning & Economic Development	98	97	(1)
Public Protection	(11)	(100)	(89)
Resources	613	680	67
<b>Total Service (Under)/Overspend</b>	<b>5,201</b>	<b>5,096</b>	<b>(105)</b>
Investment Interest (net)	(1,298)	(1,341)	(43)
<b>Projected (Under)/Overspend</b>	<b>3,903</b>	<b>3,755</b>	<b>(148)</b>

- 5.2 The net outturn for service expenditure for 2023/24 is broadly in line with the forecast at Q3 showing an improvement of (£148k). However, there are significant fluctuations between service areas. The reasons for major variations in excess of £+/- £100k are detailed from paragraph 5.4 below, with a more detailed summary in appendix 1. Favourable variations are shown as negative figures in brackets.

### Homelessness

- 5.3 The availability of temporary accommodation is severely limited in the Borough and the Council is competing with placements from London Boroughs and the Home Office. The Home Office does not have the same restrictions around Housing Benefit Subsidy as the Council. The situation is exacerbated for the Council by the amount of Housing Benefit being frozen to the 2011 LHA (Local Housing Allowance) rates. This means that whilst the marginal cost of additional units of temporary accommodation has increased significantly the amount that can be recovered through housing benefit has reduced.
- 5.4 Homelessness continues to be a significant pressure on the Council's budget resulting in an overspend of £3.080m against original budget. The outturn shows an improvement against the forecast at Q3. However, this is not due to an improvement in the underlying cost of temporary accommodation. The improvement is mainly due to the increased likelihood that Council's claim for the cost of the Chagossian team will be paid, although the new burdens funding hasn't yet been received. Furthermore, additional grant funding has been diverted to help meet the cost pressure and reduce net expenditure. The acquisition of 6-9 Ifield Road has started to produce savings on the use of nightly paid accommodation. However, it is difficult to predict future growth as we have seen households in night paid rise from 206 in April 2023, to a peak of 280 in December 2023. The Council has and continues to take a proactive approach to homelessness including acquisitions (subject to satisfactory business case). Work remains ongoing to maximise income and reduce cost where it is possible.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Q3 Projection	2023/24 Outturn	2024/25 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TA Spend	456	333	1,295	2,208	4,656	7,600	7,389	7,000
TA Income	-194	-139	-511	-773	-1,344	-1,900	-1,939	-1,750
Net cost of TA	<b>262</b>	<b>194</b>	<b>784</b>	<b>1,435</b>	<b>3,312</b>	<b>5,700</b>	<b>5,450</b>	<b>5,250</b>
Income recovery	43%	42%	39%	35%	29%	25%	26%	25%

### Commercial Asset Income Reduction

- 5.5 The reconciliation of commercial income in quarter 4 identified that invoices raised in March relating to the first quarter of the following year were not being carried forward (accrued). Proper accounting practice dictates that this correction had to be actioned in 2022/23. The additional accrual for £1.117m relating to 2022/23 was therefore actioned in Q4. The effect on balances is explained in section 10.
- 5.6 The outturn for investment property (Commercial property) income was £309k below budget because the Q1 income for Ashdown House was allocated to 2022/23 when it should have been allocated to 2023/24.
- 5.7 The net expenditure for operational properties was £283k above budget. This is a result of £134k less income than budgeted due to vacant properties (Goffs Park House). £47k of additional NNDR costs due to void properties. £60k of professional service fees in relation to multiple lease agreements including dilapidation settlements and £42k of unrecoverable costs as a result of properties being vacant.

### Town Hall/District Heat Network/Create Building

- 5.8 A combination of factors has led to significant additional budget pressures during 2023/24. These were explained in detail in previous budget monitoring reports. The main reasons for the increase were that the DHN was modelled to produce a 4 % return over a 40 year period, with the risk being in the early years as the project is established. The key factors are:
- The withdrawal of Westrock from the redevelopment of the old Town Hall has resulted in the loss of a one-off connection charge of £317k.
  - There is, and will continue to be a gap in income until the old Town Hall site is developed, as the finance model and the most efficient heat load, included that demand.
  - The cost of heating the Create Building is falling wholly on the Council. The commercial tenants will be responsible for the heat consumption on their own floors and for their share of the communal areas, significantly reducing the Council's costs.
  - The Council is still working through defects with the Council's heating and cooling system, which means we are not heating the building efficiently currently.

- The DHN is currently subject to Business Rates which will fall out for 2024/25 reducing the costs by approximately £50k.
  - The Council delayed the increase in the heat tariff to residential customers to accommodate the implications of the energy relief scheme and ensured we were not overcharging tenants in John Brackpool Court and Geraint Thomas House. With energy prices falling and the new Heat Tariff set, this reduces the Council's exposure by £21k.
- 5.9 The Create Building overspend has increased from the Q3 projection of £112k to £217k. This is a result of the fees paid to organisations managing the letting agreements for the commercial floors of the building, fit out costs of the Create Building for tenants and underachieved income compared to budget. These factors have been mitigated to some extent by the use of the Town Hall equalisation reserve, which was depleted during 2023/24. The increased costs have been factored into the budget for 2024/25.
- 5.10 The overspend on the town hall was £911k in 2023/24, compared to £668k at Q3. This is largely a result of a further £100k increase on Business Rates compared to the amount previously reported at Q3 and a further £105k overspend on energy costs compared to Q3. These costs were difficult to forecast in advance of receiving actual bills and the budget has been adjusted for 2024/25. This position is expected to improve in future years as more floors of the Create Building are let and these costs are passed onto tenants.
- 5.11 Both Kingsgate Car Park and Orchard Street Car Park generated more income than budgeted £110k and £84k respectively. However, this was offset by the Town Hall Car Park generating £51k less income than budgeted. The overall additional income received from the car parks is £143k.
- 5.12 The development management service overspend has increased from £51k at Q3 to £201k. This is due to the service receiving less income than budgeted for. This had not been reported at Q3 as it was forecast that changes to planning legislation would allow the service to meet its income budget. However, the number of planning applications dropped off for the final quarter. The income of the service continues to be adversely affected by the water neutrality issues.
- 5.13 The £108k overspend reported at Q3 for Community centres has reduced by £104k to £4k. This is a result of a substantial increase in hire bookings in Q4. Additionally, the share of running costs charged to WSCC was also higher than forecast at Q3.
- 5.14 Further details of these variances are provided in Appendix 1(i & ii) attached to this report.

## **6. Carry Forward Requests**

- 6.1 £37k of the Play underspend was transferred to the voluntary sector transition reserve to allow for an additional grant awarded to Crawley Open House Grant in 2024/25.
- 6.2 £10k of the Play underspend was transferred to the Parks Reserve to fund projects planned at Goffs Park.

## **7. Virements**

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

## 8. Housing Revenue Account (HRA) (Crawley Homes) – Revenue

8.1 The HRA is a ring-fenced account that records expenditure and income on the Council’s own housing stock and closely related services or facilities, which are provided primarily for the benefit of the Council’s own tenants.

8.2 The table below provides details of the HRA variances for the financial year 2023/24.

	<b>Q4 Outturn £000</b>	<b>Q3 Variation £000</b>	<b>Variance £000</b>
Forecast (Underspend) / Overspend	502	(373)	875
Budgeted Transfer (to) / from Reserve	(20,846)	(20,846)	0
<b>Total Forecast Transfer (to) / from Reserve</b>	<b>(20,344)</b>	<b>(21,219)</b>	<b>875</b>

8.3 The overspend on the repairs contracted reported at Q3 has increased by £808k. This is a result of the number of repairs increasing in the last 3 months of years. Mears averaged 1,384 repairs a month for April-December, compared to 1,646 repairs a month for January-March. Wates averaged 1,341 repairs a month for April-December compared to 1,485 for January-March.

8.4 The underspend on external decoration work has also increased from the Q3 projections by £461k. This is a result of large amounts of the work requiring S20 notices and therefore being delayed due to the time needed to process the S20 notices.

8.5 The bad debt provision for rental arrears has increased by £270k more than budget as a result of net rent arrears being £900k higher than at the end of 2022/23.

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

## 9. Capital

9.1 The table below shows the 2023/24 capital outturn and proposed carry forward into 2024/25. Further details on the Capital Programme are provided in Appendix 2 to this report.

	Latest Budget 2023/24	Revised Budget 2023/24	Outturn 2023/24	(Under)/ over Spend	Re-profiled to/(from) future years
	£000’s	£000’s	£000’s	£000’s	£000’s
Joint Responsibility	5,910	2,012	2,846		(834)
Cabinet	500	333	333	0	0
Environmental Services, Sustainability & Climate Change	566	3,521	3,387	0	134
Housing Services	3,993	4,851	4,356	0	495

Planning & Economic Development	4,790	6,690	4,140	0	2,550
Resources	1,841	627	474	0	153
Leisure and Wellbeing	1,095	1,658	1,101	0	557
<b>Total General Fund</b>	<b>18,695</b>	<b>19,692</b>	<b>16,637</b>	<b>0</b>	<b>3,055</b>
<b>Council Housing</b>	<b>35,060</b>	<b>27,665</b>	<b>26,065</b>	<b>0</b>	<b>1,600</b>
<b>Total Capital</b>	<b>53,755</b>	<b>47,357</b>	<b>42,702</b>	<b>0</b>	<b>4,655</b>

9.2 The Joint Responsibility capital budget includes the New Town Hall Redevelopment. Following The decisions by Cabinet (12 July 2023) and Full Council (19 July 2023), the Council continues to finalise the remaining financial matters as set out in Sections 5.17 to 5.21 of the aforementioned Cabinet report.

9.3 The allocation for 2024/25 for The Disabled Facilities Grant is £1.1m funded from the Better Care Fund.

**Recommendation 2.2(f): Approve the addition to the Capital Programme of £1.1m funded from the Better Care Fund.**

9.4 The Innovation Centre, which is funded by the Towns Fund programme, has slipped £549k into 2024/25 due to cashflow forecast provided by the contractor delivering the scheme.

9.5 The Queensway scheme was part of the Crawley Growth Programme (CGP). The scheme was delivered underbudget and it is proposed that £100k be return to the wider CGP. The funding for this will come from West Sussex County Council and will form part of a revised funding agreement.

9.6 There has been an additional £60k of S106 monies identified for Three Bridges Station which has been approved under delegated powers and the budget will be increased by the £60k.

**Recommendation 2.2(g): Approve the addition to the Capital Programme of £60k for Three Bridges Station funded from S106 monies received.**

9.7 The Towns Fund has slipped and reprofiled the forecast spend in 2024/25 and 205/26. All the schemes are progressing well, with the spend will increase with the delivery of the large construction projects.

9.8 The Council will be looking to invest and enhance the facilities of Goffs Park. Approval is requested to transfer £67k from the Allotments budget funded from capital receipts within the capital programme to Goffs Park. This will be used to help create a masterplan and implement improvements to create an attractive and engaging green space location for local residents to visit and enjoy.

**Recommendation 2.2(c): Approve the virement of £67k from the allotments budget to the Goffs Park Budget.**

9.9 The Council has seen a significant and unprecedented demand for the delivery of capital projects in the last year and it is highly likely that this workload will continue over the next 2/3 years and beyond. There are a number of drivers creating the resource/capacity

pressures including: affordable housing projects, the backlog of schemes delayed by water neutrality; asset reviews; and external funding the regeneration of key sites. It is therefore proposed to increase the Built Environment team with a Senior Project Manager at a cost of £71k. This post is to be funded through top slicing the existing and future capital programme and funding the post from the schemes that the post is assigned to. Part of the Built Environment Team are already charged to the capital programme. It should be noted that if the additional post is agreed and the capital programme begins to decrease, the number of posts within the team would need to reduce or there is a risk that this cost would fall on the revenue budget.

**Recommendation 2.2(b): Approve the addition of a Senior Project Manager within the Built Environment Team to be funded from existing and future capital projects.**

### **Housing Revenue Account (HRA) (Crawley Homes) – Capital**

9.10 Works have been completed for Wave 1 of the Social Housing Decarbonisation Fund, while the works were being completed additional work was identified and carried out while expensive resource was on site. The final phase of the works carried under this fund was on the more complex properties increasing costs due to the complexity of the work. The HRA Improvement budget for Insulation has slipped forward £1,429k from future years.

9.11 Wave 2 of the Social Housing Decarbonisation was slow to get started due to problems with the design of the equipment to enable the works. Works are now progressing and £1,121k was slipped into 2024/25.

9.12 Right to Buy (RTB) 1-4-1 receipts for year:

	Number of RTB sales in 2023/24	Number of RTB sales in 2022/23
Q1	3	18
Q2	1	17
Q3	2	8
Q4	8	13

Due to the low number of RTB sales the amount of capital receipts received in 2023/24 will be significant reduced. The impact for the Council will be less funding available for the capital programme in future years for both the HRA and the General Fund (as a proportion of the RTB capital receipts are used to fund GF projects).

These receipts need to be used within 5 years of receipt and can be used to fund up to 40% of new affordable homes including shared ownership dwellings. From the 1<sup>st</sup> April 2024 we can use 50% of the retained 1-4-1 receipts to fund new affordable homes including shared ownerships dwellings.

For 2023/24 the amount that would have been paid over to the Government can be retained by the Council under the 1-4-1 flexibility scheme. 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.



## 10. Reserves

- 10.1 The opening balance for the General Fund Reserve was £6m on 1 April 2023. A review of the commercial assets income during the year identified a prior year error in the accrual for operational properties as accounts raised in the final quarter relating to the new financial year were not carried forward. This has resulted in a one off prior year correction (reduction in income) of £1.117m in 2022/23 which required a further transfer of from the Business Rates Reserve to regularise the General Fund Balance. The General Fund movement is summarised in the table below:

<b>General Fund Reserve Movement</b>	<b>£'000</b>
Opening Balance 1 April 2023	6,000
Reduction in GF balance due to prior year adjustment 1 April 2023	(1,117)
Draw down from Business Rates Resilience Reserve 31 March 2024	1,117
Budgeted draw down from General Fund Reserve 2023/24	(262)
Overspend	(2,639)
Business Rates	368
Additional Draw on Business Rates Resilience Reserve	343
Closing Balance 31 March 2024	<b>3,810</b>

The budget for 2024/25 (FIN/642) has a draw-down from General Fund Reserve of £1.065m. It should be noted that the Council will be below the recommended minimum balance by the end of 2024/25 and further cost reductions or transfers from earmarked reserves are likely to be required. This will be reported as part of the regular budget monitoring process in 2024/25.

- 10.2 Total useable reserves £80,838k including capital receipts £17,741k, capital grants £9,347k, general fund reserves £14,975k and HRA reserves £38,775k are shown in detail in Appendix 3.

## 11. Treasury Management

- 11.1 The net interest for 2023/24 was (£2.967m) an increase of (£1.341m). The overachievement of interest was due to higher than anticipated balanced and higher interest rates available during the year. The Treasury Management Outturn report for 2023-24 elsewhere on the Cabinet agenda.

## 12. Background Papers

[2023/2024 Budget and Council Tax - FIN/606](#)

[Treasury Management Strategy 2023/2024 - FIN/608](#)

[Budget Strategy 2024/25 – 2026/27 FIN/636](#)

[Budgeting Monitoring – Quarter 1 FIN/633](#)

[Budgeting Monitoring – Quarter 2 FIN/635](#)

[Budgeting Monitoring – Quarter 3 FIN/643](#)

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**REVENUE MONITORING SUMMARY 2023/24  
GENERAL FUND**

	Latest Budget £000's	Outturn £000's	Variance £000's
Cabinet	(3,600)	(2,358)	1,242
Community Engagement & Culture	1,860	1,812	(48)
Environment, Sustainability & Climate Change	5,015	4,748	(267)
Housing	4,193	7,437	3,244
Leisure & Wellbeing	9,387	9,635	248
Planning & Economic Development	2,240	2,337	97
Public Protection	982	882	(100)
Resources	4,152	4,832	680
	24,229	29,325	5,096
Depreciation	(4,390)	(4,390)	0
Renewals Fund	(1,544)	(1,894)	(350)
NET COST OF SERVICES	18,295	23,041	4,746
Investment Interest	(1,626)	(2,967)	(1,341)
MRP	778	12	(766)
Council Tax	(8,221)	(8,181)	40
RSG	(223)	(223)	0
NNDR	(5,661)	(5,661)	0
New Homes Bonus	(275)	(275)	0
Service Grant	(142)	(142)	0
5% Funding Guarantee	(539)	(539)	0
Levy Account Surplus	0	(31)	(31)
Other	0	(9)	(9)
<b>Net contribution from / (to) Reserves</b>	<b>2,386</b>	<b>5,025</b>	<b>2,639</b>

**Main Variations identified for 2023/24 - General Fund Appendix 1 (ii)**

	<b>Q4 Variations £000's</b>	<b>Q3 Projected Variation £000's</b>	<b>Further Description</b>
<b>Cabinet</b>			
Pay Award	280	280	£1,925 per scale point.
Covid Lost Income	(100)	(100)	Current year budget includes a £400k provision for lost income, not forecast to be used in full
Chief & Deputy Chief Executive Vacancy	(52)	(63)	
Communications Various	62	62	Crawley Live Costs £24k, Recruitment for Maternity leave cover and cost of covering the Maternity leave £25k
Investment Property Income	309	0	An accrual allocating income which should have been in Q1 2023/24 to 2022/23 was processed.
Operational Property	283	0	The overspend is a result of £134k less income than budgeted due to vacancy (Goffs Park House), £47k of additional NNDR costs, £60k of professional service fees on lease agreements including dilapidation settlements and £42k of unrecoverable costs as a result of properties being vacant.
Heat Network	85	39	The overspend has increased as gas prices continue to remain high. To try and mitigate this the Council has increased the charge it applies to the using the heat produced.
Council Tax Admin	80	0	Unmet vacancy provision and overspend on mailing/posting costs.
Create Building	217	112	The overspend is a result of reduced income, fit out fees and lease agreement legal costs that were not covered by the Town Hall equalisation reserve.
Minor Variations	78	34	
	<b>1,242</b>	<b>364</b>	
<b>Community Engagement &amp; Culture</b>			

Community Development Vacancy	(43)	(21)	The post was not filled during Q4 as had been previously predicted.
Minor Variations	(5)	4	
	(48)	(17)	
<b>Environment, Sustainability &amp; Climate Change</b>			
Environmental Health Team Vacancy Provision	19	33	Vacancy provision not met
Refuse Collection	(125)	(31)	Additional Green bin income generated and an underspend on vehicle maintenance costs due to the purchase of the new waste and recycling fleet.
Car Parking Income	(143)	0	Additional income has been generated at Kingsgate and Orchard Street car parks. £110k and £84k respectively. This has been offset by reduced income from the Town Hall car park of £51k.
Port Health Income	2	34	Consignments through Gatwick lower than pre-pandemic. Substantial increase in the number of fish consignments in Q4 for 2023/24.
Minor Variations	(20)	47	
	(267)	83	
<b>Housing</b>			
Homelessness	3,080	3,584	The overspend has reduced compared to Q3. This is due to the Council taking a more robust approach to assessments against our legal duties, taking action to reduce overdue casework . Furthermore, the average nightly cost of accommodation has reduced to £90 from £96.
Chagossian Team	0	132	The council has submitted a claim to DLUHC to reclaim the costs relating to the Chagossian team and the likelihood of direct staff related expenditure being met from the grant has increased.
Benefit Admin Team	43	0	Unmet vacancy provision and delivering benefits online project.
Benefit Subsidy & Overpayments	115	117	

Minor Variations	6	(22)	Benefit overpayment recovery is expected to be lower than budgeted. Overpayments are anticipated to reduce over time as claimants are transitioned to universal credit. This will have an impact on future budgets.
	<b>3,244</b>	<b>3,811</b>	
<b>Leisure &amp; Wellbeing</b>			
Path/Bridge Maintenance	86	119	Inspection of the Council's bridges has been completed but no remedial work was undertaken. This is instead likely to happen in 2024/25.
Community Centres	4	108	Community centre hire income during Q4 was higher than the previous 3 quarters. Additionally, the recharge to WSCC for their share of running costs was also higher than expected.
Play Vacancies	(69)	(65)	Vacancies in the Team while new structure is agreed.
Playing Field Income	85	0	Underachieved income of £25k. General running costs were higher than budget including: repairs £10k, utilities £24k, contract cleaning £14k.
Tree Maintenance Contract	47	0	The Council's tree maintenance supplier was unable to complete the work demanded. Therefore, additional sub-contractors had to be used to complete health and safety critical work.
Patch Working Vacancy Provision	34	34	Vacancy provision not met
Minor Variations	61	64	
	<b>248</b>	<b>260</b>	
<b>Planning &amp; Economic Development</b>			
Development Management	201	51	The service was under its income budget by £175k. This was not reported previously as it had been forecast that the change in planning regulations introduced earlier in the year would allow the team to meet its income budget, however this was not the case.
Built Environment Team	(97)	0	The energy officer post in the team had not been filled as previously. Additionally, staff time recharged to capital was more than forecast.
Economic Development	(38)	0	Underspend due to a vacancy in the team for part of the year and a recharge to capital projects that was not budgeted for.

Building Control - Water Neutrality & Building Regulations	57	39	Fee income has reduced due to water neutrality and changes to building regulations delaying residential schemes coming forward.
Minor Variations	(26)	8	
	<b>97</b>	<b>98</b>	
<b>Public Protection</b>			
NASB Team Vacancies	(61)	(50)	Ongoing savings within the team.
Licencing Income	(20)	74	Licencing income has benefitted during Q4 as a result of the fee increase agreed by Licencing committee. The forecast had not reflected this at Q3. Over a three year period the service aims to be cost neutral.
Minor Variations	(19)	(35)	
	<b>(100)</b>	<b>(11)</b>	
<b>Resources</b>			
Elections	(5)	(18)	Vacancy expected to be filled
External Legal Advice	51	51	Specialist legal advice required outside the team's expertise.
Transformation Team	(60)	(76)	Vacancy in the team during secondment and staff recharged to capital programme.
HR	(67)	0	The organisational development post was not filled throughout the year whilst the service reviewed the aims of the post.
Contact Centre	(69)	0	Vacancies in the contact centre team has led to an underspend on staff costs. Additionally, there is an underspend on software licencing due to a new licence only being implemented part way through the year.
Feed In Tariff Income	(41)	0	Additional feed in tariff income generated from solar panels at The K2 and The Hawth.
Town Hall Other	663	420	Charge from the district heat network £280k, Electricity £60k, some other charges due to unknowns during budget setting for 2023/24 which would be partially chargeable to tenants.
Town Hall Business Rates	248	248	The rateable value has now been assigned to the new town hall; this is an additional ongoing cost of £248k (paragraph 5.5)
Minor Variations	(40)	(12)	
	<b>680</b>	<b>613</b>	

<b>Sub Total</b>	<b>5,096</b>	<b>5,201</b>	
Investment Interest	(1,341)	(1,298)	Higher than expected balances due to slippage in the capital programme, coupled with higher interest rates.
MRP	(766)	(778)	Technical adjustment to the Council's Minimum Revenue Provision due to a previous overpayment. This will also be a saving in 24/25.
Delays to Renewals Fund Transfers	(350)	(350)	Delayed revenue contributions to renewals funds to preserve the general fund balance. IT (£100k reduction), Vehicles and plant (£250k reduction)
<b>Total Projected Overspend</b>	<b>2,639</b>	<b>2,775</b>	

## 2023/24 Outturn Q4

<b>HOUSING REVENUE ACCOUNT</b>			
<b>Expenditure Description</b>	<b>Latest Estimate</b>	<b>Outturn</b>	<b>Variation</b>
	£'000s	£'000s	£'000s
<b>Income</b>			
Rental Income	(51,503)	(52,108)	(605)
Other Income	(3,653)	(4,207)	(554)
Interest received on balances	(315)	(1,241)	(926)
<b>Total income</b>	<b>(55,471)</b>	<b>(57,556)</b>	<b>(2,085)</b>
<b>Expenditure</b>			
Employees	4,543	4,529	(14)
Repairs & Maintenance	14,775	16,787	2,012
Other running costs	2,673	3,312	639
Support services	3,096	3,046	(50)
	<b>25,087</b>	<b>27,674</b>	<b>2,587</b>
<b>Net (Surplus) / Deficit</b>	<b>(30,384)</b>	<b>(29,882)</b>	<b>502</b>
Use of Reserves:			
Debt Interest Payments	8,042	8,042	0
Depreciation, Revaluation & Impairment	8,358	8,358	0
Financing of Capital Programme	1,496	1,496	0
Transfer to Housing Reserve for Future Investment	12,489	11,986	(502)
<b>Total</b>	<b>30,384</b>	<b>29,882</b>	<b>(502)</b>



## Appendix 1 (iv)

**Main Variations Identified - Housing Revenue Account Outturn 2023/24**

	Final Variation £'000s	Q3 Variation £'000s	Further Description
<b>Income</b>			
Interest Income	(926)	(1,096)	Higher than expected balances due to slippage in the capital programme, coupled with higher interest rates.
Rental Income	(605)	(693)	Firstly, information available from the new housing system MIS has made reconciliations of property numbers easier and more accurate. Secondly, expected rental income is higher than budgeted due to the number of right to buys reducing substantially during 2023/24.
Leaseholder Service Charges	(435)	(425)	During the year additional external painting work has been identified. This work will be recharged to Leaseholders and will result in additional service charge income.
Service Charges to Tenants	(77)	0	As with Rental Income above, service charge income is higher than budgeted due to the substantial reduction in right to buys, resulting in higher property numbers than budgeted.
Minor Variations	(42)	(15)	
	<b>(2,085)</b>	<b>(2,229)</b>	
<b>Employees</b>			
Pay Award Costs	100	100	£1,925 per scale point, not yet agreed.
Maternity Cover	50	50	The responsive repairs team had to recruit a temporary resource to cover a member of staff on maternity leave.
Vacancies in Housing Management Team	(88)	(88)	There were further vacancies in the Housing Management team during Q3 which are unlikely to be filled until March.

Transfer of Garage Staff to General Fund	(42)	(42)	As agreed in a growth bid submitted during 2022/23, consultation has now been completed and three members of staff have been moved from the HRA to the Garages team in the General Fund to manage lettings to maximise income.
Temporary Staff Underspend	(35)	0	There was less spend on temporary staff resources to cover vacancies in Q4 than previously anticipated.
Minor Variations	1	11	
	(14)	31	
<b>Repairs &amp; Premises Costs</b>			
Repairs Contract Overspend	2,633	1,825	The previously reported overspend on the repairs contract has increased significantly compared to Q3. This is a result of the number of repairs increasing in the last 3 months of years. Mears averaged 1,384 repairs a month for Apr-Dec, compared to 1,646 repairs a month for Jan-Mar. Wates averaged 1,341 repairs a month for Apr-Dec compared to 1,485 for Jan-Mar.
Underspend on External Dec Work	(658)	(197)	Much of the work required is Section 20 work which takes longer to process and complete due to the requirement to issue notices and consult with residents.
Cyclical an Planned Servicing	50	40	Costs of materials and labour continue to remain high.
Minor Variations	(13)	3	
	2,012	1,671	
<b>Other Running Costs</b>			
Bad Debt Provision	270	0	The HRA's net rent arrears have increased by over £900k compared to 2022/23. Therefore, the provision for unrecovered arrears was increased by more than budgeted.

Utility Overspend	160	0	The HRA has seen an overspend of £160k on utility costs compared to budget. This is a result of electricity and gas costs continuing to remain high. Work is being done to introduce Automatic Meter Reading Metres to all properties to identify properties with high usage.
Council Tax on Void Properties	137	110	Longer void periods have increased the Council Tax the HRA is liable for.
Housing Ombudsman	40	40	The Housing Ombudsman subscription has increased again to £5.75 per property compared to £4.60 last year and just £2.16 in 2021/22. Future years budgets will need adjusting.
Decant Costs	32	24	There have been an increased number of decants this financial year.
Minor Variations	0	30	
	<b>639</b>	<b>204</b>	
<b>Support Services</b>			
NASB Team Vacancies	(50)	(50)	There have been several vacancies in the NASB. This is the HRA's share of the resulting underspend
	(50)	(50)	
<b>TOTAL VARIANCES</b>	<b>502</b>	<b>(373)</b>	

2023/24 Qtr. 4 Capital - Outturn 2023/24

Scheme Description	Budget 2023/24	Outturn for 2023/24	(Under) / Over Spend	Slippage
	£	£	£	£
New Town Hall Complex	1,741,731	2,539,524		(877,663)
Town Hall splitting of floors		73,994		
Old Town Hall Site Redevelopment		856		(856)
Heat Network		5,875		
<b>New Town Hall Redevelopment - Joint responsibility</b>	<b>1,741,731</b>	<b>2,620,249</b>	<b>0</b>	<b>(878,519)</b>
Town Centre Fund				
Project Jupiter	270,000	226,123		43,877
ASK Renovations				
<b>Joint responsibility</b>	<b>2,011,731</b>	<b>2,846,372</b>	<b>0</b>	<b>(834,642)</b>

Budget 2024/25	Budget 2025/26	Budget 2026/27	Future Years
£	£	£	£
1,222,337			
160,644	588,500		
<b>1,382,981</b>	<b>588,500</b>		
305,000			
243,877			
160,000			
<b>2,091,858</b>	<b>588,500</b>	<b>0</b>	<b>0</b>

Garages	332,613	332,613		
<b>Cabinet</b>	<b>332,613</b>	<b>332,613</b>	<b>0</b>	<b>0</b>

338,897	300,000	300,000	
<b>338,897</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>

<b>Environmental Services and Sustainability</b>				
Muslim Burial Ground Cemetery	30,000	42,274		(12,274)
Little Trees				
District Heat Network Phase 2	186,651	115,395		71,256
Flooding Emergency Works	84,976	82,761		2,215
Tilgate Lake Bank Erosion	145,944	120,725		25,219
Water Course Work				
Waste Vehicles 2023	3,014,856	3,014,856		
Climate Change Initiative	59,128	10,685		48,443

27,240			
125,000	125,000		
121,256			
2,215			
25,219			
200,000	85,000	85,000	
48,443			

<b>TOTAL ENVIRONMENTAL SERVICES &amp; SUSTAINABILITY PORTFOLIO</b>	<b>3,521,555</b>	<b>3,386,696</b>	<b>0</b>	<b>134,859</b>
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<b>549,373</b>	<b>210,000</b>	<b>85,000</b>	<b>0</b>
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<b>Housing Enabling (General Fund)</b>				
Temp Accommodation Acquisitions	3,500,000	3,262,425		237,575
Disabled Facilities Grants	1,332,144	1,085,103		247,041
Improvement/Repair Loans	18,552	7,980		10,572
<b>TOTAL HOUSING (GENERAL FUND) PORTFOLIO</b>	<b>4,850,696</b>	<b>4,355,508</b>	<b>0</b>	<b>495,188</b>

5,674,783			
1,299,507			
25,572	15,000	15,000	15,000
<b>6,999,862</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

<b>Planning and Economic Development</b>				
Crawley Fusion Innovation Centre	1,978,979	1,429,718		549,260
<b>Crawley Growth Programme</b>				
Queensway	3,513	1,296		2,217
Town Centre Signage and Wayfinding	9,532	9,532		
Town Centre General				
Manor Royal Cycle Improvements				
Town Centre Western Boulevard (cycle improvements)	104,194	123,780		(19,586)
Manor Royal Super Hub				
Station Gateway	97,866	126,697		(28,831)
Town Centre Super Hub				
Town Centre Commercial Space Development	100,000	16,500		83,500
Three Bridges Station	118,528	55,060		63,468
<b>Total Crawley Growth Programme</b>	<b>433,633</b>	<b>332,865</b>	<b>0</b>	<b>100,768</b>
<b>Towns Fund</b>				
Manor Royal Business Environment Improvement Programme	500,000	125,000		375,000
Green Business Infrastructure Grants Pillar 1	510,000	57,625		452,375
Green Business Infrastructure Grants Pillar 2	540,233	2,544		537,689
Manor Royal Gigabit	106,505	38,425		68,080
Crawley Homes Green Retrofitting	1,120,882	1,152,323		(31,441)

4,928,142			
102,217			
71,100			
	1,775,935		
2,670,463			
263,028			
541,169	4,390,000	1,836,008	
	74,231		
			5,920,347
363,468	850,000	118,865	
<b>4,011,445</b>	<b>7,090,166</b>	<b>1,954,873</b>	<b>5,920,347</b>
664,940	525,000		
555,000	387,375		
	987,689		
1,268,080	630,000		
1,698,956	700,872		

Invest in skills for Crawley Borough Council	1,500,000	1,001,446		498,554	1,687,586	1,698,399		
Crawley Town Centre Culture Quarter					112,000	138,000		
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT PORTFOLIO</b>	<b>6,690,232</b>	<b>4,139,946</b>	<b>0</b>	<b>2,550,285</b>	<b>14,926,149</b>	<b>12,157,501</b>	<b>1,954,873</b>	<b>5,920,347</b>
<b>Resources</b>								
Gigabit					1,350,000			
ICT Capital - Future Projects					88,400			
New Website And Intranet					52,406			
ICT Transformation Future					25,000			
ICT Cloud	80,941	80,941			215,433			
Income Management System	16,379	16,379						
Sharepoint					27,472			
Agile Working	121,328	33,427		87,901	87,901			
Channel Shift	11,000	11,000			50,000			
Benefits Online and Document Management System	280,000	266,411		13,589	13,589			
Spaces Booking System	17,000	11,450		5,550	5,550			
Hardware Renewals	100,000	54,091		45,910	45,910			
<b>TOTAL RESOURCES PORTFOLIO</b>	<b>626,648</b>	<b>473,699</b>	<b>0</b>	<b>152,950</b>	<b>1,961,661</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Wellbeing</b>								
Vehicle Replacement Programme	258,306	227,338		30,968	67,966			
HVO Fuel					32,000			
Refurb Playgrounds Future Schemes	239,360			239,360	239,360			
Skate Park Equipment					46,000			
Memorial Gardens Improvements	33,400			33,400	33,400			
Tilgate Park	4,769			4,769	4,769			
Nature & Wildlife Centre	10,565			10,565	10,565			
Allotments	67,095			67,095	67,095			
CCTV Upgrade	202,191	130,795		71,396	71,396			
Adventure Playgrounds	201,840	203,186		(1,346)	105,300			
Memorial Gardens Play Improvements	16,933			16,933	16,933			

Meadowlands	5,870	2,288		3,582
Southgate Playing Fields	44,584	44,444		140
Perkstead Court Play Area Bewbush	22,115	3,365		18,750
Park Tennis	39,421	38,206		1,215
Halley Close Play		985		(985)
Curteys Walk Play	15,905	220		15,685
Brideake Play	18,812	1,985		16,827
Wakehams Play	53,590	54,056	466	
Puffin Road Play		1,883		(1,883)
Browness Close Play		1,763		(1,763)
Plantain Crescent Play		1,866		(1,866)
K2 Crawley Replacement Chiller	160,876	160,610		266
Broadfield 3G Lighting	500	500		
Changing Places	51,656	51,407		249
K2 Crawley 3G Pitch Lighting	40,711	40,711		
Hawth Pit	169,100	135,713		33,387
Hawth Main Theatre Lights				
Hawth Auditorium Carpet				
Artificial Cricket Wickets				
<b>TOTAL WELLBEING PORTFOLIO</b>	<b>1,657,599</b>	<b>1,101,321</b>	<b>466</b>	<b>556,744</b>

69,277			
140			
18,750			
1,215			
15,625			
15,685			
16,827			
17,935			
18,055			
14,744			
266			
249			
33,387			
50,000			
80,000			
53,635			
<b>1,100,574</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>TOTAL GENERAL FUND</b>	<b>19,691,074</b>	<b>16,636,155</b>	<b>466</b>	<b>3,055,384</b>
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<b>27,968,374</b>	<b>13,271,001</b>	<b>2,354,873</b>	<b>5,935,347</b>
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<b>Housing - HRA (Crawley Homes)</b>				
<b>Improvements -</b>				
Decent Homes	7,656,512	6,923,914		732,599
Renovations	729,971	419,709		310,263
Insulation	3,629,171	5,057,837		(1,428,666)
Renewable Technology/Carbon Efficiency	217,815	608,786		(390,971)
Compliancy Works	746,488	752,876		(6,387)
Boilers & Heating	619,510	639,806		(20,296)
Electrical Test & Inspection	780,227	1,134,472		(354,245)

5,005,162	6,500,000	7,500,000	
740,063	650,000	650,000	
241,208			
100,276	300,000		
843,613	1,450,000	1,000,000	
679,704	1,500,000	1,500,000	
427,760	850,000	1,000,000	

SHDF Social Housing Decarbonisation	2,380,000	1,666,378		713,622
SHDF CBC Match Funding	1,200,000	79,048		1,120,952
Adaptations For The Disabled	800,000	709,304		90,696
Hostels	37,800	1,250		36,550
<b>TOTAL HRA IMPROVEMENTS</b>	<b>18,797,494</b>	<b>17,993,380</b>	<b>0</b>	<b>804,117</b>

5,125,708			
7,470,952			
590,696	1,300,000	1,300,000	
136,550	100,000	100,000	
<b>21,361,692</b>	<b>12,650,000</b>	<b>13,050,000</b>	<b>0</b>

<b>Other HRA (Crawley Homes)</b>				
HRA Database	53,051	22,750		30,301
Acquisition Of Land or Dwellings	7,000,000	6,906,921		93,079
Forge Wood	13,088	27,435		(14,347)
Telford Place Development	31,397	31,407		(10)
Forge Wood Phase 2	73,785	65,956		7,829
Forge Wood Phase 4		564		(564)
5 Perryfields	18,286	12,523		5,763
Carey House	210,097	210,097		
Fairlawn House	207,134	3,027		204,107
Milton Mount Major Works	456,229	456,229		
Breezehurst Phase 2	50,000	26,676		23,324
Orchards Hostel				
Water Neutrality	448,876	154,013		294,863
Contingencies				
Prelims	245,949	90,893		155,057
Lifeline Digital Switchover	60,000	63,352		(3,352)
<b>TOTAL OTHER HRA</b>	<b>8,867,892</b>	<b>8,071,843</b>	<b>0</b>	<b>796,050</b>

145,981			
10,950,412			
1,221,042	1,128,115		742,338
1,149,990	10,020,000	9,371,753	
7,829			
4,034,187	4,094,236	4,304,895	
286,824	293,824		
204,107			
1,523,324	5,000,000	7,000,000	1,171,001
	338,485		
794,863			
	1,359,502		
155,057			
56,648			
<b>20,530,264</b>	<b>22,234,162</b>	<b>20,676,648</b>	<b>1,913,339</b>

<b>TOTAL HRA</b>	<b>27,665,386</b>	<b>26,065,223</b>	<b>0</b>	<b>1,600,167</b>
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<b>41,891,956</b>	<b>34,884,162</b>	<b>33,726,648</b>	<b>1,913,339</b>
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<b>TOTAL CAPITAL PROGRAMME</b>	<b>47,356,460</b>	<b>42,701,378</b>	<b>466</b>	<b>4,655,551</b>
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<b>69,860,330</b>	<b>48,155,163</b>	<b>36,081,521</b>	<b>7,848,686</b>
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**FUNDED BY**

Capital Receipts	(5,046,286)	(6,772,519)		1,726,232
Capital Reserve	(1,576,700)	(153,645)		(1,423,055)

(7,656,585)	(2,398,157)	(351,927)	(3,259,000)
(352,983)			



Better Care Fund (formally DFGs)	(1,332,144)	(1,085,103)		(247,041)
External Funding	(7,332,329)	(6,470,779)		(861,550)
HRA Revenue Contribution	(19,567,870)	(21,551,988)		1,984,118
Replacement Fund/Revenue Financing	(4,859,724)	(4,207,180)		(652,544)
Section 106	(239,389)	(229,494)	466	(10,360)
1-4-1	(2,603,627)	(2,230,670)		(372,959)
Borrowing	(4,798,392)			(4,798,392)
<b>TOTAL FUNDING</b>	<b>(47,356,461)</b>	<b>(42,701,378)</b>	<b>466</b>	<b>(4,655,551)</b>

(1,299,507)			
(16,879,200)	(10,317,534)	(1,578,634)	(2,661,347)
(22,737,998)	(26,787,221)	(25,455,989)	(1,148,004)
(719,388)	(315,000)	(315,000)	(15,000)
(511,637)	(240,311)	(109,312)	
(7,664,262)	(8,096,940)	(8,270,659)	(765,335)
(12,038,770)			
<b>(69,860,330)</b>	<b>(48,155,163)</b>	<b>(36,081,521)</b>	<b>(7,848,686)</b>

## 2023/24 Reserves Balances

## Appendix 3

Reserve	Balance at 1 April 2023	Year		Balance at 31 March 2024
		Received	Used	
		£000	£000	
Capital Receipts Unapplied	-8,699	-3,070	8,130	-3,638
1 for 1 receipts reserve	-14,081	-1,688	2,231	-13,538
Affordable Housing Receipts Reserve	-565	0	0	-565
<b>Total Capital Receipts</b>	<b>-23,345</b>	<b>-4,768</b>	<b>10,361</b>	<b>-17,741</b>
<b>Capital Grants Unapplied</b>	<b>-8,692</b>	<b>-1,093</b>	<b>438</b>	<b>-9,347</b>
<b>General Fund Reserves</b>				
General Fund Balance	-4,883	-1,829	2,902	-3,810
MMI Clawback	-112			-112
Risk Management	-359		60	-299
Restructuring Impact Reserve	-400			-400
Capital Programme Reserve	-2,502		154	-2,348
ICT Replacement	-360		54	-306
Specialist Equip K2 & Hawth	-321	-100	217	-204
Vehicles Plant & Equipment	-2,102	-300	2,272	-130
Commercial Property Renewals		-250		-250
Prevent Operational	-24			-24
Homelessness Grant	-141			-141
Ldf Carry Forward	-507	-133	178	-463
Heritage Strategy	-16			-16
Health & Wellbeing Grant - Bd	-177	-4		-181
Community Development Projects	-47		2	-45
Town Centre & Regeneration Res	-253			-253
Welfare Reform	-496	-5	298	-203
Waste Collection	-227			-227
Worth Park Hlf Grant	-18			-18
Transparency	-9	-8		-18
Shore Gap Fund-Nsno	-6			-6
Tilgate Pk Investment Reserve	-311	-105	121	-295
Bus Rates Equalisation Reserve	-5,000		1,829	-3,171
New Museum	-70	-4		-74
EU Exit Funding	-50		50	
Tree Maintenance	-223		6	-217
Business Rates Pool Cycling	-72		31	-41
Homeless Accommodation Acquisition	-944		944	
Queens Square	-381		109	-271
Supported Accommodation	-120		120	
Towns Funds - Revenue	-3	-1		-4
Vol Sector Transition Funding	-58	-37	58	-37
Covid Grants Reserve (Hardship)	-112	-90		-202

Hmo Licenses	-46			-46
Council Tax Income Guarantee	-41			-41
Transformation & Proj Del Res	-199			-199
Woodland Trust Forestry Work	-41			-41
Climate Emergency	0	-22		-22
Defra Env Health	-5			-5
Biodiversity Net Gain Grant	-37		37	
Garage Maintenance	-169	-222	333	-58
Learning and Development	-105		105	
Town Hall Equalisation	-356		356	
Licensing New Burdens	-18			-18
Elections New Burdens	-10	-24	10	-24
Towns Fund - Innovation Centre	-97	-38		-135
Towns Fund - Cultural Quarter	-63		17	-46
Cost of Living	-307		307	
Towns Fund Com Eastern Gateway		-36		-36
ASYLUM DISPERSAL GRANT		-254		-254
NHS HR POST		-10		-10
Homes for Ukraine Support Grant		-270		-270
Tennis Court Maintenance		-6		-6
<b>Total General Fund Reserves</b>	<b>-21,798</b>	<b>-3,748</b>	<b>10,571</b>	<b>-14,975</b>
<b>Housing Revenue Account Reserves</b>				
HRA Major Repairs Reserve	-36,746	-20,344	21,552	-35,538
Housing Revenue Account Bal	-3,237			-3,237
<b>Total HRA Reserves</b>	<b>-39,983</b>	<b>-20,344</b>	<b>21,552</b>	<b>-38,775</b>
<b>Total Useable Reserves</b>	<b>-93,818</b>	<b>-29,953</b>	<b>-42,922</b>	<b>-80,838</b>