

Crawley Borough Council

Report to Overview and Scrutiny Commission

2 September 2024

Report to Cabinet

4 September 2024

2024-2025: Budget Monitoring - Quarter 1

Report of the Head of Corporate Finance FIN/665

1. Purpose

- 1.1 The report sets out a summary of the Council's projected outturn revenue expenditure and projected capital spending for the financial year to the 31 March 2025. It shows the main variations from the approved spending levels and any potential impact on future budgets as identified at the end of Q1. 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 projected outturn for the financial year 2024/2025 as summarised in this report.**
- b) **Note the adjustment to HRA Major Repairs Reserves opening balance as set out in section 7.8.**

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 regular 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 monthly 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 income and expenditure.

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the projected variances at Quarter 1 (Q1) grouped in portfolios for the financial year ending 31 March 2025 compared to approved budget:

	Variance Projected at Quarter 1
	£'000
Cabinet	354
Community Engagement & Culture	(46)
Environment, Sustainability & Climate Change	(12)
Housing	(4)
Leisure & Wellbeing	(55)
Planning & Economic Development	94
Public Protection	(127)
Resources	727
TOTAL (SURPLUS)/DEFICIT	931
Investment Interest	(816)
ADJUSTED (SURPLUS)/DEFICIT	115

Significant Quarter 1 variances +/- £100k

5.2 The projected net outturn variation for service expenditure at Q1 2024/25 is £115k. It should be noted that there are a significant fluctuations within service areas. The reasons for major variations in excess of +/- £100k are detailed from paragraph 5.3 below, with a more detailed summary in appendix 1. Favourable variations are shown as negative figures in brackets.

5.3 Cabinet

5.3.1 The Council budgeted for a pay award for staff on NJC scales of 3.5%. The offer made to unions of £1,290 for scales 2-43 and 2.5% for scales above that was in line with budget. However, unions have voted not to accept the offer. Therefore, the Council is now forecasting for a pay award of 5%, which is in line with offers made to other government departments. This is expected to result in an overspend of £314k.

5.3.2 Investment properties are expected to be (£108k) underspent for 2024/25. This is made up of the former tenant at Ashdown House extending their existing agreement to the end of Q1 in 2024/25 before moving into The Create Building realising an £208k additional income. However, this will be offset increased business rates incurred for Ashdown House of an expected £100k overspend.

5.3.3 Smaller variations are reported in appendix 1.

5.4 **Community Engagement and Culture**

5.4.1 No major variations to report. Details of smaller variations are contained in appendix 1.

5.5 **Environment, Sustainability and Climate Change**

5.5.1 No major variations to report. Details of smaller variations are contained in appendix 1.

5.6 **Housing**

Homelessness

5.6.1 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.

5.6.2 Homelessness continues to be a significant pressure on the Council's budget. The cost of temporary accommodation is forecast to exceed budget by £1m this year, however this is expected to be offset by an increase in the FHS grant funding received and the increased Housing Benefit Subsidy recovery rate. A benefit of the work completed to maximise the subsidy charged on 2+ bedroom properties. The first phase of this uplift was implemented in June and evidences a 2% increase in the income recovery rate.

5.6.3 Chagossian arrivals have risen significantly in the first quarter of this financial year. The costs incurred during Q1 were equal to FY2023/24 at c.£260k. The Council is recruiting for increased resource in the Chagossian team accordingly. Discussions continue with the government regarding further New Burdens Funding to reimburse the full costs incurred. Full re-imburement is still considered likely, however, the Council has yet to receive any payment of the 2023/24 claim. The total claim outstanding for 2023/24 and Q1 2024/25 is £533k.

5.6.4 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	2024/25 Q1 Projection	2024/25 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TA Spend	456	333	1,295	2,208	4,656	7,389	8,000	7,000
TA Income	-194	-139	-511	-773	-1,344	-1,939	-2,160	-1,750
Net cost of TA	262	194	784	1,435	3,312	5,450	5,840	5,250
Income recovery	43%	42%	39%	35%	29%	26%	27%	25%

5.7 Leisure and Wellbeing

5.7.1 No major variations to report. Details of smaller variations are contained in appendix 1.

5.8 Planning and Economic Development

5.8.1 No major variations to report. Details of smaller variations are contained in appendix 1.

5.9 Public Protection

5.9.1 No major variations to report. Details of smaller variations are contained in appendix 1.

5.10 Resources

5.10.1 The rateable values for business rates for the New Town Hall/The Create Building have come in substantially higher than the Council was expecting. This has resulted in a projected overspend of £575k. The Council is looking into whether there are any mitigations that can be applied and whether it could challenge the rateable values that have been calculated.

5.10.2 When the 2024/25 budget was set it was not anticipated that the Council would incur business rates for the old town hall building in 2024/25. However, as the Council has retained ownership of the building it remains responsible for the business rates at a cost of £137k for the year. An application to the Brownfield Land Release Fund Grant scheme has been submitted.

5.10.3 Smaller variations are reported in appendix 1.

5.11 Investment Interest

5.111 The Council is forecasting to receive £816k of additional investment interest due to higher balances than forecast because of slippage in the capital programme and a number of longer term-deals with higher interest rates as a result of more proactive treasury management.

6. Virements

6.1 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.

7. Housing Revenue Account (HRA) (Crawley Homes) – Revenue

7.1 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.

7.2 The table below provides details of the forecast HRA variances for Q1 2024/25.

	Q1 Variation £000
Forecast (Underspend) / Overspend	151
Budgeted Transfer (to) / from Reserve	(23,101)
2024/25 Repayment of PWLB Loan	13,000
Total Forecast Transfer (to) / from Reserve	(9,950)

7.3 Repair spend continues to remain high with £14m budgeted for on repairs by the Council's contractors Mears and Wates. This will continue to be monitored during the year and a further update provided at Q2.

7.4 The Council budgeted for a pay award for staff on NJC scales of 3.5%. The offer made to unions of £1,290 for scales 2-43 and 2.5% for scales above that was in line with budget. However, unions have voted not to accept the offer. Therefore, the Council is now forecasting for a pay award of 5%, which is in line with offers made to other government departments. This is expected to result in an overspend of £66k.

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

HRA Reserves

7.6 An adjustment has been made to the Financial Outturn 2023-2024 Budget Monitoring – Quarter 4 report [FIN/658](#) which detailed useable reserves for the Housing Revenue Account being £38,775m at the 31 March 2024.

7.7 In 2023/2024 the Council made a scheduled loan repayment of £12m to the Public Works Loans Board (PWLB) for borrowing taken out in 2012/13 under the self-financing regime for the HRA introduced via the Localism Act 2011. This loan repayment is financed from

the Major Repairs Reserves but it was not reflected in the reserves position reported in [FIN/658](#).

- 7.8 Therefore, the actual reserves for the HRA were £26.775m at the 31 March 2024 rather than the £38.775m reported in FIN/658 as shown in the table below. Whilst reserves for the HRA have reduced by £12m, the loan repayment creates headroom should the HRA need to reborrow in the future.

	Balance at 1 April 2023	Year		Balance at 31 March 2024 report FIN/658	Financing of PWLB loan repayment	Amended Balance at 31 March 2024
		Received	Used			
	£'000	£'000	£'000	£'000	£'000	£'000
HRA Reserves						
HRA Major Repairs Reserve	(36,746)	(20,344)	21,552	(35,538)	12,000	(23,538)
HRA	(3,237)			(3,237)		(3,237)
Total HRA Reserves	(39,983)	(20,344)	21,552	(38,775)	12,000	(26,775)

8. Capital

- 8.1 The table below shows the 2024/25 projected capital outturn and proposed carry forward into future years. Further details on the Capital Programme are provided in Appendix 2 to this report.

	Latest Budget 2024/25	Spend to Q1 2024/25	Estimated Outturn 2024/25	(Under)/over Spend	Re-profiled to/(from) future years
	£000	£000	£000	£000	£000
Joint Responsibility	2,092	447	1,707	0	385
Cabinet	339	36	454	0	(115)
Environmental Services, Sustainability & Climate Change	549	50	549	0	0
Housing Services	6,999	264	6,999	0	0
Planning & Economic Development	14,926	3,793	13,255	0	1,671
Resources	1,962	10	1,962	0	0
Leisure and Wellbeing	1,315	343	1,204	0	111
Total General Fund	28,182	4,943	26,130	0	2,052
Council Housing	41,892	4,288	34,327	0	7,565
Total Capital	70,074	9,231	60,457	0	9,617

The major areas of capital re-profiling relate to:

General Fund

- 8.2 Centre Western Boulevard - extra funding was secured and budgeted under this project but is not needed here so will be redistributed to other Crawley Growth Programme projects as yet to be decided.

Housing Revenue Account (HRA) (Crawley Homes)

- 8.3 HRA Improvement budget – this has been increased by slipping £3.697m from future years due to increased pressures to deliver decent homes works (ie Kitchens, Bathrooms, Roofing and Decarbonisation) to ensure the housing stock meets the requirements of regulatory compliance and are maintained to a Decent Homes standard. Allowance had been made within future years budgets to deliver the programme works, however, the need to slip budget has been identified on key elements as a priority for 2024/25 following the recent asset survey and reports.
- 8.4 HRA Acquisitions of Land and Dwellings – whilst progress is being made with schemes £6.950m has been slipped from 2024/25 to 2025/26.
- 8.5 HRA Forge Wood Phase 4 – the project is delayed as a result of the Developers not having undertaken the necessary planning requirements around Highways to schedule.
- 8.6 Right to Buy (RTB) 1-4-1 receipts for year:

	Number of RTB sales in 2024/25	Number of RTB sales in 2023/24
Q1	3	3
Q2		1
Q3		2
Q4		8

Due to the continuing low number of RTB sales the amount of capital receipts received in 2024/25 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 from the 30 July 2024 the Council can use 100% of the retained 1-4-1 receipts to fund new affordable homes including shared ownerships dwellings. The 1-4-1 receipts can also be used with S106 contributions and the restriction on the cap on the percentage of replacements delivered as acquisitions each year has been lifted. Previously 40% was being used and this had been raised to 50% as of 1 April 2024.

9. Reserves

- 9.1 The opening balance for the General Fund Reserve was £3.810m on 1 April 2024. There was a planned draw down of £1.065m for 2024/25. Forecast net service variation results

in an estimated General Fund Balance of £2.630m on 31 March 2025. The General Fund movement is summarised in the table below:

	£'000
General Fund Balance 01/04/2024	3,810
Budgeted Transfer From Reserves	(1,065)
Forecast Overspend in 2024/25	(115)
Total Adjusted Use of Reserve 24/25	(1,180)
Closing Balance	2,630

- 9.2 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.
- 9.3 Total useable reserves £68,838m including capital receipts £17,741m, capital grants £9,347m, general fund reserves £14,975m and HRA reserves £26,775m are shown in detail in Appendix 3.

10. Treasury Management

- 10.1 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 4 below. Appendix 4 shows increased limits for the authorised limit and operational boundary which are awaiting a decision from Full Council in October 2024 as reported in the Financial Outturn 2023-2024: Budget Monitoring - Quarter 4 FIN/658.

11. Background Papers

[Budget Strategy 2024/25 – 2026/27 FIN/636](#)
[2024-2025 Budget and Council Tax.pdf](#)
[Amendment to Budget Report 2024-25 FIN650 amendment to recommendation 1.pdf](#)
[Treasury Management Strategy 2024/2025 FIN644](#)
[Financial Outturn 2023-2024: Budget Monitoring - Quarter 4 FIN/658](#)

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Appendix 1 (i)

REVENUE MONITORING SUMMARY 2024/25

GENERAL FUND			
	Latest Estimate £000's	Outturn £000's	Variance £000's
Cabinet	(4,718)	(4,298)	354
Community Engagement & Culture	2,082	2,036	(46)
Environment, Sustainability & Climate Change	4,947	4,935	(12)
Housing	8,479	8,475	(4)
Leisure & Wellbeing	9,539	9,484	(55)
Planning & Economic Development	2,326	2,420	94
Public Protection	969	842	(127)
Resources	(847)	(120)	727
	22,777	23,864	931
Depreciation	(3,937)	(3,937)	0
Renewals Fund	350	350	0
NET COST OF SERVICES	19,190	20,277	931
Investment Interest	(1,516)	(2,999)	(1,483)
MRP	65	65	0
Interest Paid	0	667	667
	(1,451)	(2,267)	(816)
Council Tax	(8,603)	(8,603)	0
RSG	(238)	(238)	0
NNDR	(7,987)	(7,987)	0
New Homes Bonus	(35)	(35)	0
Service Grant	(142)	(142)	0
5% Funding Guarantee	(539)	(539)	0
Net contribution from / (-to) Reserves	195	466	115

Main Variations identified for Q1 2024/25 - General Fund Appendix 1 (ii)

	Q1 Variation £000's	Further Description
Cabinet		
Pay award	314	5% (budgeted for 3.5%).
Investment properties	(108)	Chubb additional rent for 1 quarter. Ashdown House additional NNDR costs.
Operational properties	88	Goffs Park House is currently vacant resulting in underachieved income.
Motor insurance	55	The Council had not been billed by its insurer for our excess on motor related claims going back to 2020. This has resulted in a one-off invoice. Which cannot be charged to services
Minor variations	5	
	354	
Community Engagement & Culture		
Community Development	(62)	Vacancies in the Community Development and a saving of 22.2 hours of a vacant post which had been previously agreed but not in time for 2024/25 budget. This will be built into future budgets.
Minor variations	16	
	(46)	
Environment, Sustainability & Climate Change		
Minor variations	(12)	
	(12)	
Housing		
Minor variations	(4)	See Section 5.6.
	(4)	
Leisure & Wellbeing		
Patchworking	(46)	WSCC have increased their contribution for the grass cutting contract to the council. Future increases have also been agreed and these we will built into future budgets.
Minor variations	(9)	
	(55)	

Planning & Economic Development		
Planning	98	Under recovery of income due to water neutrality and current economic situation. Applications have slowly started to increase since the election.
Building control	25	Under recovery of income due to water neutrality and current economic situation.
Minor variations	(29)	
	94	
Public Protection		
Car Parking -	(71)	Vacancies in Civil Enforcement Team.
Community Wardens	(30)	Vacancies in quarter 1 while the team recruited to its new structure.
Minor variations	(26)	
	(127)	
Resources		
New Town Hall	575	The rateable values for the New Town Hall and The Create Building are higher than previously anticipated. Part of this is due to higher floors generating higher income and therefore having higher rateable values. The Council is looking into possible mitigations.
Old Town Hall	137	The council had not budgeted for still being responsible for business rates for the old town hall building for 2024/25. An application to the Brownfield Land Release Fund Grant scheme has been submitted.
Minor Variations	15	
	727	
Sub Total	931	
Investment Interest	(816)	Additional investment interest due to higher balances than forecast because of slippage in the capital program and some longer term-deals with higher interest rates.
Total Overspend	115	

2024/25 Monitoring Q1

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate	Projected Outturn	Variation
	£'000s	£'000s	£'000s
Income			
Rental Income	(56,044)	(56,044)	0
Other Income	(2,409)	(2,409)	0
Interest received on balances	(1,171)	(1,093)	78
Total income	(59,624)	(59,546)	78
Expenditure			
Employees	5,328	5,352	24
Repairs & Maintenance	16,967	16,977	10
Other running costs	3,126	3,165	39
Support services	3,404	3,404	0
	28,825	28,898	73
Net (Surplus) / Deficit	(30,799)	(30,648)	151
Use of Reserves:			
Debt Interest Payments	7,698	7,698	0
Depreciation, Revaluation & Impairment	8,415	8,415	0
Repayment of PWLB Loan	13,000	13,000	0
Transfer to Housing Reserve for Future Investment	1,686	1,535	(151)
Total	30,779	30,648	(151)

Appendix 1 (iv)

Main Variations Identified - Housing Revenue Account Monitoring Q1 2024/25

	Q1 Variation £'000s	Further Description
Income		
Interest Income	78	Lower than expected balance when the budget was set due to increased use of the MRR to fund the capital programme
	78	
Employees		
Pay Award	66	5% instead of 3.5%
Minor Variations	(42)	
	24	
Repairs & Premises Costs		
Minor Variations	10	
	10	
Other Running Costs		
Decant Costs	30	The number of decants continue to remain high. This will be an ongoing expense so will be added to the budget for 2025/26.
Minor Variations	9	
	39	
TOTAL VARIANCES	151	

2024/25 Qtr.1 Capital

Scheme Description	Budget 2024/25	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
New Town Hall Complex	1,222,337	219,069	1,222,337		
Old Town Hall Site Redevelopment	160,644	44,722	160,644		
New Town Hall Redevelopment - Joint responsibility	1,382,981	263,791	1,382,981	0	0
Town Centre Fund	305,000				305,000
Project Jupiter	243,877	182,866	243,877		
ASK Renovations	160,000		80,000		80,000
Joint responsibility	2,091,858	446,657	1,706,858	0	385,000

Budget 2025/26	Budget 2026/27	Budget 2027/28	Future Years
£	£	£	£
588,500			
588,500			
305,000			
80,000			
973,500	0	0	0

Garages	338,897	36,195	454,255		(115,358)
Cabinet	338,897	36,195	454,255	0	(115,358)

300,000	184,642		
300,000	184,642	0	0

Environmental Services and Sustainability					
Muslim Burial Ground Cemetery	27,240				27,240
Little Trees	125,000		152,240		(27,240)
District Heat Network Phase 2	121,256	8,900	121,256		
Flooding Emergency Works	87,215	4,230	87,215		
Tilgate Lake Bank Erosion	25,219		25,219		
Water Course Work	115,000	37,150	115,000		
Waste Vehicles 2023					
Climate Change Initiative	48,443		48,443		
TOTAL ENVIRONMENTAL SERVICES, SUSTAINABILITY & CLIMATE CHANGE PORTFOLIO	549,373	50,280	549,373	0	0

125,000			
85,000	85,000		
210,000	85,000	0	0

Housing Enabling (General Fund)					
Temp Accommodation Acquisitions	5,674,783	9,310	5,674,783		
Disabled Facilities Grants	1,299,507	254,349	1,299,507		
Improvement/Repair Loans	25,572		25,572		
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	6,999,862	263,659	6,999,862	0	0

1,099,778			
15,000	15,000	15,000	
1,114,778	15,000	15,000	0

Planning and Economic Development					
Crawley Fusion Innovation Centre	4,928,142	3,214,912	4,928,142		
<u>Crawley Growth Programme</u>					
Queensway	102,217		102,217		
Town Centre Signage and Wayfinding					
Town Centre General	71,100			71,100	
Manor Royal Cycle Improvements					
Town Centre Western Boulevard (cycle improvements)	2,670,463	210,578	1,327,463	1,343,000	
Manor Royal Super Hub	263,028		190,000	73,028	
Station Gateway	541,169	73,580	356,580	184,589	
Town Centre Super Hub					
Town Centre Commercial Space Development					
Three Bridges Station	363,468	16,675	363,468		
Total Crawley Growth Programme	4,011,445	300,833	2,339,728	0	1,671,717
Towns Fund					
Manor Royal Business Environment Improvement Programme	664,940	18,859	664,940		
Green Business Infrastructure Grants Pillar 1	555,000	41,258	555,000		
Green Business Infrastructure Grants Pillar 2		105			
Manor Royal Gigabit	1,268,080	1,338	1,268,080		
Crawley Homes Green Retrofitting	1,698,956	215,466	1,698,956		
Invest in skills for Crawley Borough Council	1,687,586		1,687,586		
Crawley Town Centre Culture Quarter	112,000		112,000		
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	14,926,149	3,792,771	13,254,432	0	1,671,717

71,100			
1,775,935			
1,343,000			
73,028			
2,259,920	2,760,000	1,390,677	
74,231			
			5,920,347
910,000	118,865		
6,507,214	2,878,865	1,390,677	5,920,347
525,000			
387,375			
987,689			
630,000			
700,872			
1,698,399			
138,000			
11,574,549	2,878,865	1,390,677	5,920,347

Other HRA (Crawley Homes)					
HRA Database	145,981		145,981		
Acquisition Of Land Or Dwellings	10,950,412	9,358	4,000,000		6,950,412
Forge Wood	1,221,042	839,111	2,825,303		(1,604,260)
Telford Place Development	1,149,990		625,000		524,990
Forge Wood Phase 2	7,829		7,829		
Forge Wood Phase 4	4,034,187				4,034,187
5 Perryfields	286,824		23,006		263,818
Fairlawn House	204,107		204,107		
Breezehurst Phase 2	1,523,324	118,997	536,277		987,048
Orchards Hostel					
Water Neutrality	794,863	16,390	794,863		
Contingencies					
Prelims	155,057	38,828	50,203		104,853
Lifeline Digital Switchover	56,648	23,970	56,648		
TOTAL OTHER HRA	20,530,264	1,046,654	9,269,217	0	11,261,048

6,950,412			
246,846	40,000		
10,544,990	9,371,753		
594,236	4,304,895	7,534,187	
306,000	215,250	36,392	
5,000,000	6,962,970	1,171,001	1,024,078
338,485			
1,359,502			
104,853			
25,445,324	20,894,868	8,741,580	1,024,078

TOTAL HRA	41,891,956	4,287,528	34,327,427	0	7,564,530
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38,236,808	30,106,866	8,741,580	1,024,078
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TOTAL CAPITAL PROGRAMME	70,074,330	9,230,260	60,457,237	462	9,617,556
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52,521,302	33,270,373	10,147,257	6,944,425
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FUNDED BY

Capital Receipts	(7,656,585)	(3,580,603)	(7,144,085)	515	(511,985)
Capital Reserve	(352,983)	(182,866)	(352,983)		
Better Care Fund (formally DFGs)	(1,299,507)	(254,349)	(1,299,507)		
External Funding	(16,879,200)	(1,896,642)	(15,351,611)		(1,527,589)
HRA Revenue Contribution	(22,737,998)	(2,573,984)	(23,711,565)		973,567
Replacement Fund/Revenue Financing	(933,388)	2,184	(1,009,897)		76,510
Section 106	(511,637)	(110,549)	(422,653)	(977)	(89,961)
1-4-1	(7,664,262)	(386,984)	(3,296,414)		(4,367,851)
Borrowing	(12,038,770)		(7,868,522)		(4,170,247)
TOTAL FUNDING	(70,074,330)	(8,983,793)	(60,457,237)	(462)	(9,617,556)

(2,910,058)	(352,526)		(3,259,000)
(1,099,778)			
(9,531,053)	(2,502,028)	(1,390,677)	(2,661,347)
(24,731,968)	(21,835,020)	(4,352,594)	(614,447)
(353,334)	(199,642)		
(390,272)	(109,312)		
(9,334,592)	(8,271,845)	(4,388,986)	(409,631)
(4,170,247)			
(52,521,302)	(33,270,373)	(10,132,257)	(6,944,425)

2024/25 Reserves Opening Balances

Appendix 3

Reserve	Balance at 1 April 2024
	£000
Capital Receipts Unapplied	-3,638
1 for 1 receipts reserve	-13,538
Affordable Housing Receipts Reserve	-565
Total Capital Receipts	-17,741
Capital Grants Unapplied	-9,347
General Fund Reserves	
General Fund Balance	-3,810
MMI Clawback	-112
Risk Management	-299
Restructuring Impact Reserve	-400
Capital Programme Reserve	-2,348
ICT Replacement	-306
Specialist Equip K2 & Hawth	-204
Vehicles Plant & Equipment	-130
Commercial Property Renewals	-250
Prevent Operational	-24
Homelessness Grant	-141
LDF Carry Forward	-463
Heritage Strategy	-16
Health & Wellbeing Grant - Bd	-181
Community Development Projects	-45
Town Centre & Regeneration Res	-253
Welfare Reform	-203
Waste Collection	-227
Worth Park Hlf Grant	-18
Transparency	-18
Shore Gap Fund-Nsno	-6
Tilgate Pk Investment Reserve	-295
Bus Rates Equalisation Reserve	-3,171
New Museum	-74
Tree Maintenance	-217
Business Rates Pool Cycling	-41
Queens Square	-271
Towns Funds - Revenue	-4
Vol Sector Transition Funding	-37
Covid Grants Reserve (Hardship)	-202
Hmo Licenses	-46
Council Tax Income Guarantee	-41
Transformation & Proj Del Res	-199
Woodland Trust Forestry Work	-41

Climate Emergency	-22
Defra Env Health	-5
Garage Maintenance	-58
Licensing New Burdens	-18
Elections New Burdens	-24
Towns Fund - Innovation Centre	-135
Towns Fund - Cultural Quarter	-46
Towns Fund Com Eastern Gateway	-36
ASYLUM DISPERSAL GRANT	-254
NHS HR POST	-10
Homes for Ukraine Support Grant	-270
Tennis Court Maintenance	-6
Total General Fund Reserves	-14,975
Housing Revenue Account Reserves	
HRA Major Repairs Reserve	-23,538
Housing Revenue Account Bal	-3,237
Total HRA Reserves	-26,775
Total Useable Reserves	-68,838

Prudential Indicators

Estimate of CFR £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
Capital Financing Requirement			
CFR – General Fund	23,621	23,049	22,507
CFR - HRA	230,689	217,689	202,689
CFR – Non-financial investments	0	0	0
Total CFR	254,310	240,738	225,196
Movement in CFR	(1,032)	(13,572)	(15,542)

Movement in CFR represented by			
Net financing need for the year (above)	12,039	0	0
IFRS 16 leases			
Less MRP/VRP and other financing movements - GF	(71)	(572)	(542)
Less MRP/VRP and other financing movements - HRA	(13,000)	(13,000)	(15,000)
Movement in CFR	(1,032)	(13,572)	(15,542)

Gross debt and the CFR £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000
External Debt			
Debt at 1 April	268,425	224,338	211,344
Expected change in Debt	(44,100)	(13,000)	(15,000)
Other long-term liabilities (OLTL)	19	13	6
Expected change in OLTL	(6)	(7)	(6)
Actual gross debt at 31 March	224,338	211,344	196,344
The Capital Financing Requirement	254,310	240,738	225,196
(Under) / over borrowing	(29,972)	(29,394)	(28,852)

Operational boundary £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Debt	254,310	240,738	225,196
Other long term liabilities	19	13	7
Total	254,329	240,751	225,203

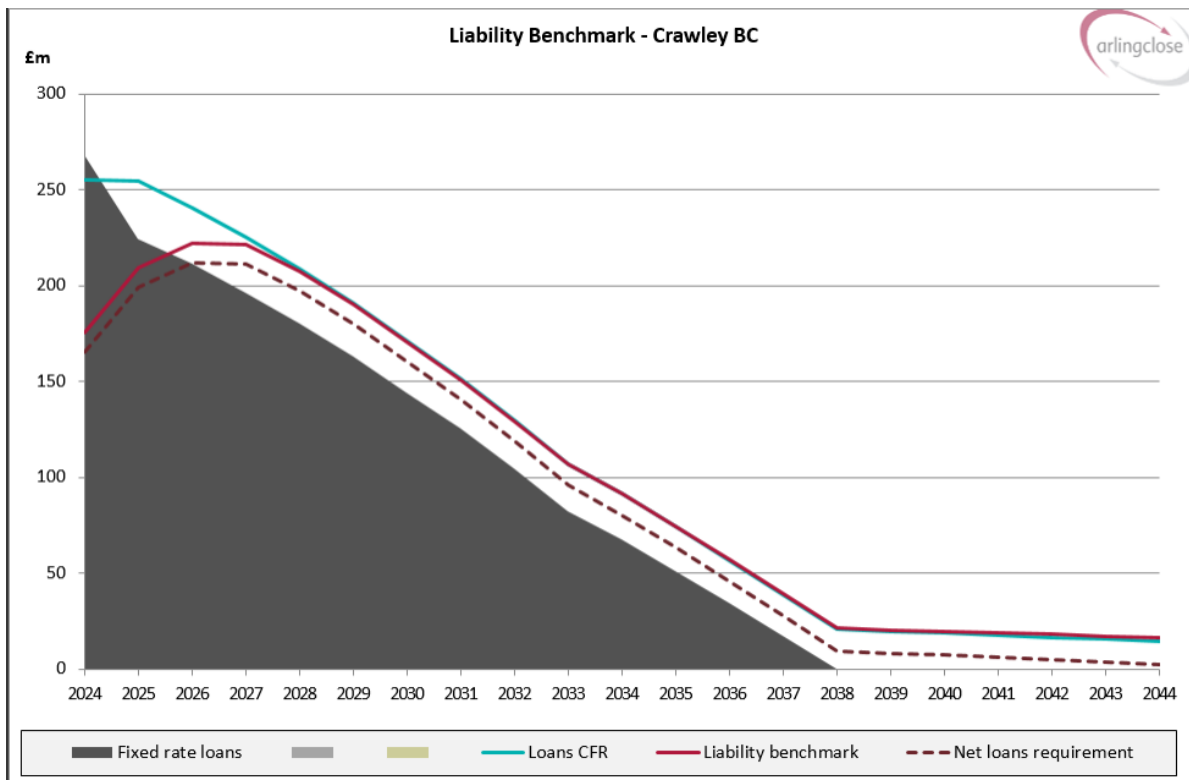
Authorised limit £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Debt	274,310	260,738	245,196
Other long term liabilities	19	13	7
Total	274,329	260,751	245,203

Financing costs as a proportion of net revenue stream	2024/25	2025/26	2026/27
	Estimate £'000	Estimate £'000	Estimate £'000
Financing costs (£000)	3,393	3,558	3,757
Proportion of net revenue stream	4.28%	4.45%	4.60%

Net income from commercial and service investments as a proportion of net revenue stream	2024/25	2025/26	2026/27
	Estimate £'000	Estimate £'000	Estimate £'000
Commercial and service investments income	3,617	3,701	3,787
Proportion of net revenue stream	4.74%	4.79%	4.98%

Treasury Management Prudential Indicators

Liability benchmark	2023/24	2024/25	2025/26	2026/27
£'000	Actual £'000	Forecast £'000	Forecast £'000	Forecast £'000
Total CFR	255,342	254,310	240,738	225,196
Less: Balance sheet resources	(92,262)	(91,491)	(59,683)	(38,091)
Working capital	(11,780)	(25,000)	(20,000)	(20,000)
Net loans requirement	151,300	137,819	161,055	167,105
Plus: Liquidity allowance	10,000	10,000	10,000	10,000
Liability benchmark	161,300	147,819	171,055	177,105
Existing borrowing	268,425	224,325	211,338	196,344



Maturity Structure of Borrowing	2024/25 Lower Limits	2024/25 Upper Limits	30 June 2024 Actual £000	Complied?
Under 12 months	0%	20%	34,000 (15%)	✓
12 months and within 24 months	0%	20%	13,000 (6%)	✓
24 months and within 5 years	0%	30%	48,000 (21%)	✓
5 years and within 10 years	0%	50%	96,000 (43%)	✓
10 years and above	0%	40%	67,325 (30%)	✓

Long-term Treasury Management Investments	2024/25	2025/26	2026/27
Actual principal invested beyond year end	£8m	£3m	£0m
Limit on principal invested beyond year end	£20m	£15m	£10m
Complied?	✓	✓	✓