


Crawley Borough Council

Cabinet

Agenda for the **Cabinet** which will be held in **Committee Room A & B - Town Hall**, on **Wednesday, 6 February 2019** at **7.30 pm**

Nightline Telephone No. 07881 500 227



Head of Legal, Democracy and HR

Membership:
Councillors

P K Lamb (Chair)
M G Jones
C J Mullins
A C Skudder
B A Smith

P C Smith

G Thomas

Leader of the Council
Cabinet Member for Housing
Cabinet Member for Wellbeing
Cabinet Member for Resources
Cabinet Member for Public Protection and
Community Engagement
Cabinet Member for Planning and Economic
Development and Deputy Leader
Cabinet Member for Environmental Services
and Sustainability

Please contact Democratic Services if you have any queries regarding this agenda.
democratic.services@crawley.gov.uk

Published 25 January 2019

Emergency procedure for meetings will be circulated to Councillors and visitors attending this meeting. Please familiarise yourself with these procedures and the location of fire exits.



Switchboard: 01293 438000
Main fax: 01293 511803
Minicom: 01293 405202 DX:
57139 Crawley 1
www.crawley.gov.uk

Town Hall
The Boulevard
Crawley
West Sussex
RH10 1UZ

The order of business may change at the Chair's discretion

Part A Business (Open to the Public)

	Pages
1. Apologies for Absence	
2. Disclosures of Interest	
In accordance with the Council's Code of Conduct, Councillors of the Council are reminded that it is a requirement to declare interests where appropriate.	
3. Minutes	5 - 14
To approve as a correct record the minutes of the Cabinet held on 21 November 2018.	
4. Public Question Time	
To answer any questions asked by the public which are relevant to the functions of the Cabinet.	
Public Question Time will be concluded by the Chair when all questions have been answered or on the expiry of a period of 15 minutes, whichever is the earlier.	
5. Matters referred to the Cabinet and Report from the Chair of the Overview and Scrutiny Commission	
To consider any matters referred to the Cabinet (whether by a scrutiny committee or by the Council) and those for reconsideration in accordance with the provisions contained in the Scrutiny Procedure Rules, the Budget Procedure Rules and the Policy Framework Procedure Rules set out in Part 4 of the Council's Constitution.	
6. 2019/20 Budget and Council Tax	15 - 50
<i>The Leader's Portfolio</i>	
To consider report FIN/462 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 4 February 2019.	
7. Treasury Management Strategy 2019/2020	51 - 76
<i>The Leader's Portfolio</i>	
To consider report FIN/464 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 4 February 2019.	

	Pages
<p>8. Capital Strategy 2019/2020</p> <p><i>The Leader's Portfolio</i></p> <p>To consider report FIN/467 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 4 February 2019.</p>	77 - 86
<p>9. Allocating Monies Collected Through Community Infrastructure Levy - Infrastructure Business Plan 2019/20</p> <p><i>Planning and Economic Development Portfolio</i></p> <p>To consider report PES/302 of the Head of Economy and Planning, was referred to the meeting of the Overview and Scrutiny Commission held on 4 February 2019.</p>	87 - 114
<p>10. Review of Statement of Licensing Policy made under the Licensing Act 2003</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report HCS/08 of the Head of Community Services, which was referred to the meeting of the Overview and Scrutiny Commission held on 4 February 2019.</p>	115 - 164
<p>11. 2018/2019 Budget Monitoring - Quarter 3</p> <p><i>The Leader's Portfolio</i></p> <p>To consider report FIN/466 of the Head of Corporate Finance.</p>	165 - 182
<p>12. Supplemental Agenda</p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	

This information is available in different formats and languages. If you or someone you know would like help with understanding this document please contact the Democratic Services Team on 01293 438549 or email: democratic.services@crawley.gov.uk

This page is intentionally left blank

Crawley Borough Council

Minutes of Cabinet

Wednesday, 21 November 2018 at 7.30 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
M G Jones	Cabinet Member for Housing
C J Mullins	Cabinet Member for Wellbeing
A C Skudder	Cabinet Member for Resources
B A Smith	Cabinet Member for Public Protection and Community Engagement
P C Smith	Cabinet Member for Planning and Economic Development and Deputy Leader

Also in Attendance:

Councillor C A Cheshire, D Crow, I T Irvine and B J Burgess

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Ann-Maria Brown	Head of Legal, Democracy and HR
Ian Duke	Deputy Chief Executive
Karen Hayes	Head of Corporate Finance
Chris Pedlow	Democratic Services Manager
Patricia Salami	Station Programme Manager
Nigel Sheehan	Head of Projects and Commercial Services
Clem Smith	Head of Economy and Planning

Apologies for Absence:

Councillor G Thomas

1. Disclosures of Interest

The following disclosures of interests were made:

Agenda Item 3

Cabinet (29)
21 November 2018

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor P Smith	Public Space Protection Order (Minute 9)	Personal Interest – a Local Authority Director of the Manor Royal Business Improvement District

2. Minutes

The minutes of the meeting of the Cabinet held on 31 October 2018 were approved as a correct record and signed by the Leader.

3. Public Question Time

The Cabinet received a question from Mr Charles Crane from Bewbush in relation to the redevelopment of the Town Hall site. He asked that as the Council had seemingly now entered into a formal agreement over the redevelopment of the Town Hall site, could the full cost of the project, now be put into the public domain?

In response the Leader confirmed that the Council had entered into a development agreement, however it was not possible at present to publish the finances relating to the project. The reason why this was not currently possible, was that the next stage of the redevelopment was to procure a number of construction elements including the build itself. Thus it would not be in the public interest to announce what money had been budgeted in advance of the tender process.

As a supplementary question, Mr Crane asked when would costings be made available? In response it was confirmed that this information could not be made available before the Summer of 2019, but once the Council was in a position to make this information public, it was legally required to do so and would.

4. Further Notice of Intention to Conduct Business in Private and Notifications of any Representations

The Head of Legal, Democracy and HR reported that no representations had been received in respect of agenda item 14: *Civil Engineering & Hard Landscaping Minor Works Framework Contract*.

5. Matters referred to the Cabinet and Report from the Chair of the Overview and Scrutiny Commission

It was confirmed that no matters had been referred to the Cabinet for further consideration.

6. Treasury Management Mid-Year Review 2018/2019

The Leader presented report FIN/457 of the Head of Corporate Finance which set out an update on the Council's Treasury Management Strategy for the two first quarters of 2018/2019. It was explained that there were no grounds for concerns or significant

Agenda Item 3

Cabinet (30)
21 November 2018

changes since the last update report, and the only current burrowing that the Council has currently related to the HRA.

It was noted that the Council was required to consider Treasury Management activities on a twice yearly basis to ensure Councillors were able to monitor the Council's finances and to review how they were being invested.

Councillor Cheshire presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following their consideration of the matter at its meeting on 19 November 2018. The Cabinet noted the Commission's comments.

RESOLVED

That the Cabinet notes the report and the treasury activity for the first half of the year 2018/2019.

Reasons for the Recommendations

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (Treasury Management Strategy Statement, annual and mid-year reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

7. Abandoned Shopping Trolleys

The Leader presented report HCS/10 of the Head of Community Services which set out an option available to the Council to tackle the issues associated with abandoned trolleys across the Borough. The proposal was to implement the adoption of the relevant powers under Section 99 and Schedule 4 of the Environmental Protection Act 1990. The powers would allow the Council to collect any abandoned trolleys (both shopping and luggage) across the Borough and then charge the 'owners' (normally supermarkets) the cost of the collection and returning the trollies back to them.

Councillor Cheshire presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following their consideration of the matter at its meeting on 19 November 2018. The Commission was in support of the proposal, but had some concerns that this would cause undue impact on those Neighbourhood Patch Teams (NPT) who had responsibility for the Town Centre where many of the larger supermarkets were. The NPTs would be responsible for the collection of abandoned trolleys, as part of the proposal.

Councillors Jones, Mullins and B. Smith all spoke as part of the discussion on the report.

RESOLVED

That the Cabinet:

1. approves the adoption of the statutory powers under Section 99 and Schedule 4 of the Environmental Protection Act 1990, for use across the Borough from the 22 February 2019.

Agenda Item 3

Cabinet (31)
21 November 2018

2. delegates authority for this function to the Head of Community Services, including the consequential steps required to implement the powers, the fixing of charges and review of how the powers are implemented. (*Generic Delegations 3 and 4 will be used to enact this recommendation*).

Reasons for the Recommendations

There are reports of abandoned trolleys across the whole of the Borough. While the Council addresses this matter it bears the full costs associated with the work.

Adoption of the powers in the Environmental Protection Act 1990 provides the Council with a simple means to deal with abandoned shopping trolleys and abandoned luggage trolleys. Furthermore, it allows the Council to recover the costs in so doing whether or not the owner seeks to have them returned or not.

The proposal aims to incentivise trolley owners to take action rather than punish them for failing to do so.

Experience from other authorities is that this is an effective solution as it resulted in a significant reduction in the number of abandoned trolleys.

8. Station Gateway Programme Update

The Cabinet Member for Planning and Economic Development presented report PES/307 of the Head of Economy and Planning which set out the proposal for the Council to take over as the lead organisation for the Station Gateway Scheme including the project management. It was explained that the rationale for the proposal followed the success of how the Council had coordinated the redevelopment of Three Bridges station and the synergy of the Station Gateway to the Crawley Growth Programme and the Eastern Gateway. The Cabinet was informed that all the partner organisations involved in the Station Gateway project, such as the Aurora Group, West Sussex CC, Network Rail, were in support of the Council taking the lead on the project. It was noted that with the Council taking this lead it would be mean the Council's procurement process that would be followed for the redevelopment.

Councillor Cheshire presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following their consideration of the matter at its meeting on 19 November 2018. The Cabinet was informed of the Commission's support for the proposal including that they were pleased that the proposal included the installation of a full accessible bridge at the station.

RESOLVED

That the Cabinet:

1. notes the progress made to date to bring forward the Scheme
2. approves Crawley Borough Council to be the lead project management organisation for the Scheme.

Agenda Item 3

Cabinet (32)
21 November 2018

3. delegates authority to the Head of Economy and Planning to undertake a procurement tendering exercise to appoint designers to undertake detailed designs for the Scheme in accordance with the Council's Procurement Code.
4. delegates authority to the Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development to approve the final, detailed designs for the Station Gateway scheme, subject to consultation (and subject to planning permission for the Friary Way – bus station element) and working in close partnership with Arora Group, Govia Thameslink Railway (GTR), Network Rail (NR), and West Sussex County Council (WSCC).
5. delegates the negotiation and approval of the terms of all relevant legal documentation to the Head of Economy and Planning, Head of Legal, Democracy and HR, Head of Corporate Finance, in consultation with the Cabinet Member for Planning and Economic Development.
6. Recommends to Full Council to:
 - a) approves the inclusion of the Scheme within the capital programme, funded by the Local Enterprise Partnership (LEP) and WSCC through the Crawley Growth Programme.
 - b) approves the increase of £5.2 million to the capital programme for the Station Gateway Scheme within the Crawley Growth programme, to be funded from contributions from the LEP and WSCC, subject to formal agreement with WSCC of a revised funding protocol.

Reasons for the Recommendations

On 4th July 2016, Crawley Borough Council Planning Committee granted outline planning permission ([CR/2016/0294/OUT](#)) for Station Gateway site development, comprising 308 new residential flats, a railway station, a dedicated car park for the station and public realm / transport interchange improvements to strengthen taxi / pedestrian / cyclist / bus connectivity. The Station Gateway site development is not viable without funding investment in the highways, junction and public realm improvements on Station Way.

On 4th October 2017, Cabinet endorsed the Crawley Growth Programme (report [PES/259 refers](#)), comprising a range of town centre, Manor Royal and transport regeneration schemes, including the Scheme to help unlock residential / commercial space growth. This followed the formal approval by the Local Enterprise Partnership of a £14.6 million bid to the Local Growth Fund, as part of an overall package of over £60 million.

On 27th June 2018, Cabinet approved the addition of the Station Gateway scheme to the CBC Crawley Growth Programme budget along with an allocation of £100,000 to come from West Sussex County Council, now received (report [PES/298](#) refers). This was in order for CBC to support the project management of the Scheme detailed designs and associated partnership working with the railway authorities and Arora Group.

The acceptance of the recommendations in Section 2 of this report will enable officers to work with the Arora Group and other Partners to deliver the Scheme to help unlock

the redevelopment of the Station Gateway site, which has outline planning permission for 308 high quality residential apartments and a new railway station.

The adopted Crawley Local plan 2015 – 2030 (Policy EC6) (Development Sites within the Town Centre Boundary) stipulates that there are four key opportunity sites within the Town Centre including Crawley Station and Car Parks, which will contribute towards a net total of 499 new dwellings. By progressing with this scheme it will enable the developer to build 308 units which contributes to meeting this target.

9. Public Space Protection Order

The Cabinet Member for Public Protection and Community Engagement presented report CH181 of the Head of Crawley Homes which sought approval for the making of a Public Space Protection Order (PSPO) to prohibit vehicle related anti-social behaviour associated with car cruise activity in the borough of Crawley.

It was noted that car cruise activity had been taking place in Crawley since 2010. In the past 3 years the police have received at least 280 complaints of vehicle related anti-social behaviour related to the activity, and it represented a significant nuisance for those residents and businesses affected. The proposed order would encompass the whole Borough, with the exception of Gatwick Airport and there would be specific signage in the most common areas where car cruising occurs. It noted that public consultation had occurred over the making of the PSPO, with the majority of the responses being in favour of the use of the Order.

Councillor Cheshire presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following their consideration of the matter at its meeting on 19 November 2018. The Cabinet were informed that the Commission had held a comprehensive discussion of the proposal, including seeking clarification over exactly what was classed as a car cruise 'gathering' and 'activities', and that the purpose of the proposal was not to vilify all those with "a passion for cars".

Councillor Cheshire then presented the Commission's three recommendations, namely that there was broad support for the proposals, and that a review report on the effectiveness of the PSPO be produced after 6 months. The final recommendation was that the Cabinet refer the decision to Full Council for their consideration and approval. It was explained that Guidance suggested the decision on approving such an Order could be put to the Cabinet or Full Council and the Commission felt that given that car cruising was a town wide issue it would be more appropriate and open to have all Councillors involved in approving such a decision.

Councillor Crow was invited to speak on the item and he expressed his personal support as there had been numerous car cruising incidents within his ward and he hoped that the PSPO would help end such anti-social behaviour.

In responding to the Commission's recommendation over to refer the decision to the Full Council, the Leader stated that he would be against this proposal as it would not be in the interest of our residents. Being in mind the number of complaints, the level of nuisance and the dangerous driving, and as there was support by the Commission for installation of the order, it would not be a sensible move to delay the approval of the making of the Order.

Councillors Mullins, P. Smith, Skudder and Jones, all spoke on the report and the Commission's proposal and echoed the Leader's view. Comments were also made on

Agenda Item 3

Cabinet (34)
21 November 2018

the fact that the Manor Royal Business District was fully behind the making of the Order, due to the frequency of car cruising within Manor Royal. On the recommendation of the Commission for an update report on the effectiveness of the Order, the Cabinet commented that they would be in support of such a review, but felt that 12 months would be more appropriate as it would then cover the summer months when incidents of car cruising appeared to be more regular.

RESOLVED

That the Cabinet approves:

1. the making of a Borough wide Public Space Protection Order (PSPO) to prohibit vehicle related anti-social behaviour associated with car cruise activity in the borough of Crawley as set out in Appendix A to report CH181 for a period of 3 years. The PSPO to be implemented within 3 months of being agreed, to allow time for signage to be in place.
2. the level of Fixed Penalty Notice (FPN) to be issued in respect of PSPO breaches at £100.
3. that a review report be produced after 12 months of implementation in order to effectively evaluate the impact of the PSPO.

In accordance with Scrutiny Procedure Rule 14, the decision above was called-in by Councillor Irvine on the grounds that he did not believe that the decisions had been taken in accordance with the following principles as set out in Article 12.2 of the Council's Constitution:-

(d) a presumption in favour of openness;

(g) due regard to the statutory framework, guidance and codes of conduct;

Councillor Irvine justified the call-in by stating that LGA guidance provided the option for decisions on Public Space Protection Orders, to be taken at either Cabinet or at Full Council. With the Cabinet rejecting the Commission's recommendation that the Cabinet defer the decision to Full Council, the Cabinet was not therefore taking '*due regard to the statutory guidance*;' and as the Full Council meeting would have included all Councillors taking the decision, rather than just the seven Cabinet Members, the Cabinet were ignoring '*a presumption in favour of openness*.'

Reasons for the Recommendations

The PSPO would enhance public safety through a targeted combined approach of Council services to tackle the problems associated with car cruise activity. The PSPO is a supplementary power available to the Police and the Local Authority, designed to complement existing enforcement strategies and legislation, whilst regulating specific activities in public places that have a detrimental effect on the local community.

A PSPO can target a range of behaviours and can prohibit specified activities or require certain things to be done by people engaged in certain activities. PSPOs can send a clear message that certain behaviours will not be tolerated and help reassure residents and businesses that unreasonable conduct is being addressed. The anti-

Agenda Item 3

Cabinet (35)
21 November 2018

social behaviour that Crawley has experienced from car cruising activity has been no different from these areas. They do not appear to have required a great deal of enforcement to resolve the problem.

Prior to considering a PSPO the Council has undertaken preliminary consultation with partners and stakeholders including the police, West Sussex County Council, Crawley and Gatwick Diamond Business Watch who have all agreed that a PSPO would be helpful to effectively manage this issue and provide a long-term solution across for the town.

NOTE BY HEAD OF LEGAL, DEMOCRACY AND HR: – Councillor Irvine has subsequently emailed the Head of Legal, Democracy and HR withdrawing the Call-in.

10. 2018/2019 Budget Monitoring - Quarter 2

The Leader presented report FIN/456 of the Head of Corporate Finance which provided a summary of the Council's actual revenue and capital spending up to the end of Quarter 2 ending September 2018. It identified the main variations from the approved spending levels and any potential impact on future budgets. It was noted that the surplus with regards to both the revenue and the HRA had increased during the Quarter

RESOLVED

That Cabinet notes

1. the projected outturn for the year 2018/2019 as summarised in report FIN/456.
2. the Section 106 contributions identified to fund the Memorial Gardens Play Improvement Project as identified in Paragraph 9.1 of the report FIN/456.

Reasons for the Recommendations

To report to Councillors on the projected outturn for the year compared to the approved budget.

11. Local List of Planning Requirements Review

The Cabinet Member for Planning and Economic Development presented report PES/306 of the Head of Economy and Planning which set out the approach for the adoption of a revised 'Local List of Planning Requirements' (Local List) and arrangements for future updates.

The Cabinet were informed that the Local List was how the Council could request further information to be submitted with applications in addition to that nationally required and that the Local List was required to be reviewed every two years.

In considering the report the Cabinet noted that a public consultation had occurred on the proposals and account had been taken of the responses received. Also it was

Agenda Item 3

Cabinet (36)
21 November 2018

confirmed that the 'Local List' within the report was distinct from the Council's list of 'Locally Listed' buildings, identified for their special local importance.

RESOLVED

That the Cabinet:

1. approves the adoption and publication of the proposed Local List of Planning Requirements (Appendix 1 to report PES/306), with effect from 22 November 2018;
2. delegates authority to the Cabinet Member for Planning and Economic Development to approve subsequent updates to the Local List of Planning Requirements to keep it up to date and compliant with national policy.

Reasons for the Recommendations

The most recent review of the Local List of Planning Requirements was in 2010 and it is now out of date. A revised Local List is needed in order to apply local validation requirements, which have themselves changed with the adoption of the 2015 Local Plan.

The revised Local List has been subject to a four-week public consultation and the proposed version takes account of responses received. Officers consider that it represents an appropriate set of requirements for planning applications in Crawley.

The Town and Country Planning (Development Management Procedure) (England) Order 2015 (known as the 'Development Management Procedure Order') provides that Local Lists must be reviewed every two years in order to remain in force. The proposed delegation is considered appropriate in light of this.

12. Exempt Information – Exclusion of the Public (Subject to Agenda Item 5)

RESOLVED

That in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

13. Civil Engineering and Hard Landscaping Minor Works Framework Contract

The Leader presented report HPS/16 of the Head of Major Projects and Commercial Services which sort approval to award the Civil Engineering and Minor Works Framework Contract following a comprehensive procurement process. The duration of the contract would be for an initial period of three years from 2nd January 2019 until 1st January 2022, with an option to extend the contract for up to a further two years until January 1st 2024.

Agenda Item 3

Cabinet (37)
21 November 2018

RESOLVED

That the Cabinet approves the appointment of Contractor 'A' for the Civil Engineering and Minor Works Framework Contract for an initial period of three years from 2nd January 2019 until 1st January 2022, and subject to performance review, with an option to extend the contract for up to a further two years until January 1st 2024. The approval was subject to the mandatory standstill period.

Reasons for the Recommendations

This Framework contract has provided an efficient and effective mechanism to procure minor works for civil engineering and hard landscaping minor projects. Works procured and delivered via this mechanism in the current contract period have included cycle path improvements, K2 Crawley leisure centre car park improvements and Broadfield Barton environmental improvements.

The recommendation will enable such works to continue to be procured and delivered by this framework contract.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 8.12 pm

Chair

Agenda Item 6

Crawley Borough Council

Report to Overview & Scrutiny Commission
4 February 2019

Report to Cabinet
6 February 2019

2019/20 Budget and Council Tax

Report of the Head of Corporate Finance - FIN/462

1. Purpose

- 1.1 The Council has a statutory responsibility to set a Council Tax and Budget in advance of the commencement of the new financial year (1 April to 31 March). The Council Tax has to be set by 11 March, each year. During 2018 the Council continued to review its spending plans and considered options to amend spending to meet new priorities. This report presents the Revenue, Capital and Housing Revenue Account (The Budget) and sets the level of Council Tax for the Financial Year 2019-2020 taking into account these factors.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

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

- 2.2 To the Cabinet

The Cabinet is requested to recommend to the Full Council the approval of the following items regarding the 2019/20 Budget:

- (a) **to approve the proposed 2019/20 General Fund Budget including savings and growth as set out in section 6 and Appendix 1 and Appendix 2 of the report,**
- (b) **to approve the proposed 2019/20 Housing Revenue Account Budget as set out in section 10 and Appendix 3 of the report,**
- (c) **to approve the 2018/19 to 2021/22 Capital Programme and funding as set out in paragraph 11.4 of the report,**
- (d) **to agree that the Council's share of Council Tax for 2019/20 be increased by 2.49% from £198.99 to £203.94 for a band D property as set out in paragraphs 5.5.1 and 13.3,**
- (e) **to approve the Pay Policy Statement for 2019/2020 as outlined in paragraph 16.3 and Appendix 6 of the report.**

Agenda Item 6

3. Reasons for the Recommendations

- 3.1 To provide adequate funding for the proposed level of services and to fulfil the statutory requirement to set a Budget and Council Tax and report on the robustness of estimates.

4. Background

- 4.1 The 2019/20 General Fund and Housing Revenue Account Budgets and the 2021/22 Capital Programme will be approved by Council in February 2019. This will be informed by the recommendations of the Budget Advisory Group, and take into account the savings and income generation achieved through the refreshed transformation programme led by the Corporate Management Team with increased focus on looking at income generation.
- 4.2 The Council's revenue expenditure is funded from a number of sources. The major sources are council tax, rents, Government grants, retained business rates, investment income and fees and charges. The majority of the Council's services are funded from the General Fund. The main exception is the management and maintenance of the Council's housing stock, which is funded through a Housing Revenue Account (HRA).
- 4.3 There have been a number of major financial pressures on the General Fund since the start of the financial crisis in 2008/09. In common with all authorities there have been significant reductions in Government funding, reductions that are highly likely to continue in the coming years. The outcome of the comprehensive spending review later this year is unknown. There are two consultation papers that have been issued with a closing date of 21st February 2019, these are 'review of local authorities relative needs and resources' and 'business rates retention reform'. The outcome of these consultations will change the way that the Council is funded in future, however this will not be known until late Autumn 2019 and as a result it will be difficult to project forwards.
- 4.4 The Council's approach has been to seek to maintain or enhance levels of service whilst keeping council tax increases to a minimum. This has been achieved in a number of ways, including redesigning services, delivering efficiency savings, challenge of budgets and generating new sources of income. The 2019/20 - 2023/24 Budget Strategy was approved by the Cabinet on 31st October 2018 and Council on 12th December 2018. The Strategy was based on a number of key assumptions:
- Annual Government grant reductions based on the four year settlement offer.
 - Work to keep Council Tax increases low without compromising local services,
 - An average investment rate of 1.00% for 2019/20 increasing to 1.25% for 2020/21, 1.50% for 2021/22, 1.65% for 2022/23 and 1.75% for 2023/24,
 - An average of 2.802% pay award for the financial years 2019/20 and 2.0% in future years,
 - An inflation provision of 3.7% for contract expenditure in 2019/20, 3.4% in 2020/21, 3.3% in 2021/22 and 3.2% in future years with no inflation allowance for general running expenses,
 - An assumed increase in business rates income of 3.3% in 2019/20 decreasing to 2% for the following years,
 - An overall increase in fees and charges of 2.4% which is CPI.

Agenda Item 6

- 4.5 The Budget Strategy approved working towards balancing the budget over a three year period, including putting back into reserves when the Budget is in surplus. This will be important as the Town Hall project progresses as there will be loss of interest on investments and interest payable on any loans before the floors of the New Town Hall are commercially let.

A budget gap of £225,000 was identified in the Budget Strategy, this assumed a £4.95 increase in a Band D Council tax for 2019/20.

- 4.6 There have been some significant changes since the Budget Strategy was approved in December 2018 including:

- Change in interest rates projections based on phasing on the capital programme
- Increased retained business rates income
- Changes to New Homes Bonus
- Additional efficiencies, savings and income identified
- Growth items recommended by the Budget Advisory Group
- A contribution to the renewals fund for refuse vehicles

- 4.7 The Table below summarises the changes between the approved Budget Strategy and the proposed 2019/20 Budget. Further details are provided in section 5 of the report.

	£000's	Paragraph
October Cabinet Gap per budget strategy	225	4.6
Business rates	-383	5.2
Council tax more than projected due to more Band D properties than projected	-36	5.5.1
New Homes Bonus – number of new properties less than previously projected	57	5.5.2
Interest	26	5.5.3
Renewals	300	5.5.4
Revenue implications of capital programme	-11	5.5.5
Delay in implementing Tilgate Heat pump as per the Quarterly monitoring report elsewhere on this agenda	38	5.5.6
Additional cost of insurance	36	5.5.7
Efficiencies identified as part of the budget setting process	-45	5.5.8
2019/20 Savings and efficiencies reported to the Budget Advisory group	-399	5.5.8 & 6.4
2019/20 Growth	145	6.5
Changes to inflation estimates	43	
Other - minor	4	
Total (balanced budget)	0	

Agenda Item 6

5. Analysis

- 5.1 The Government announced its Spending Review in November 2015. A Statement to the House of Commons on 17 December 2015 said “a guaranteed budget to every council which desires one and which can demonstrate efficiency savings – for next year, and for every year of this Parliament.”

The four year Settlement figures provided by the Ministry of Housing, Communities and Local Government (MHCLG) are shown below, this however does not guarantee the future of specific grants including Housing Benefits and New Homes Bonus.

The four year settlement shows grant reductions as set out below.

	2016/17	2017/18	2018/19	2019/20
Revenue Support Grant	£1.76m	£1.04m	£0.57m	£0.06m
Percentage reduction	-32.35%	-41.64%	-44.54%	-89.72%

In 2019/20 the Council was to receive £59,107 in Revenue Support Grant with the assumption of no further grant in the following years. However West Sussex authorities successfully jointly bid to be a pilot for 2019/20 for business rates retention – this will mean that any gained business rates over a certain limit will be kept, this will result in up to £19.1m being available county wide. This sum will be invested in a digital infrastructure spine which will enable residents and businesses across the County to connect to a full 5g fibre network.

The impact of this is that the Council will not be receiving the £59,107 Revenue support grant but will pay over less business rates to the pool, as a result the Council will not be worse off.

The outcome of the next Comprehensive Spending review will not be known until later this year as outlined above.

5.2 Retained Business Rates

The provisional local government settlement announced in December 2018 that West Sussex business rates pool pilot had been successful. The impact on the retention of business rates for the Council is:

- Local government’s share of business rate growth increased from 50% to 75%, split 20/55 between Crawley Borough Council and West Sussex (previously 40/10).
- Removal of the levy (this burden now falls on the pool).
- A reduction in the tariff to compensate for the changes above.
- Most importantly, there is a ‘no-detriment’ clause in the pooling agreement so that the Council will be no worse off under the pilot.
- Although there is a large change in the proportion due to West Sussex (from 10% to 55%), the additional payment to them is in their capacity as lead authority and will be used to support the objectives of the pool as outlined above.

Although the Council will collect in excess of £123 million in business rates the amount it retains is much smaller. One of the main reasons for this is that the Government retain 25% of the rates collected and West Sussex County Council retain 55%. The second main reason is that the Council also has to pay a significant tariff to the Government. The estimated income from business rates is higher than anticipated in the Budget Strategy due to additional properties being identified in 2019/20.

Agenda Item 6

The tables below show that we are estimating to collect almost £124m but will keep significantly less.

Projected non-domestic rates income	£123,868,258
Government share (central share 25%)	-£30,967,064
West Sussex County Council share (55%)	-£68,127,542
Crawley Borough Council share (before tariff & adjustments)	£24,773,652

The projected retained rates amount for 2019/20 is set out in the table below.

	£
Council's share of non-domestic rates income	24,773,652
Tariff	-19,103,425
Additional rates due to renewable energy at K2 Crawley	5,040
S31 Grants	681,942
Sub Total	6,357,209
Surplus in current financial year	81,941
Transfer to the Business Rates Equalisation reserve	-905,631
Total	5,533,519

5.3 There is budgeted income of £681,942 in respect of Section 31 Grants, this is to reimburse the Council for business rate reliefs, including small business rate relief given by the Government which have reduced the retained rates that the Council would otherwise have received. Section 31 of the Local Government Act 2003 allows a Minister of the Crown to pay a grant to a local authority of England towards expenditure incurred by it.

5.4 It should be noted that there is significant potential volatility in business rates income, for economic, practical and technical reasons. It is possible that the final amount retained by the Council in 2019/20 will vary by several hundred thousand pounds from the current estimate. A business rates equalisation reserve has been established to assist in the management of these swings. There is a budgeted transfer to this reserve of £905,631 in 2019/20 shown above.

5.5 The following paragraphs identify changes since the Budget Strategy report.

5.5.1 Council Tax

The Budget Advisory Group agreed to recommend to Cabinet an increase in Council Tax of **£4.95** per annum for a Band D property, this is an increase of 2.49%. The MHCLG gave capping guidance of the increase of 3% or £5 on a Band D, whichever is the highest.

Appendix 4 gives the proposed Council Tax per band including this 2.49% increase.

In the past, Council tax freezes had been compensated through a Government freeze grant, however this has resulted in future council tax income being eroded as the council lost out on the incremental effect of the increase in the annual Council tax.

Agenda Item 6

The Table below shows the impact on the proposed increase in Council tax per year and per week, it also shows the change in the number of properties in each band since last year, this shows the largest increase are in bands B – C.

Appendix 4 gives the total number of properties in each Council Tax band.

Council Tax Band	Change in the number of properties from last year	Proposed Council Tax (Crawley element)	Proposed Increase per year	Proposed Increase per week
		£	£	£
A	8	135.96	3.30	0.06
B	112	158.62	3.85	0.07
C	100	181.28	4.40	0.08
D	87	203.94	4.95	0.09
E	17	249.26	6.05	0.12
F	19	294.58	7.15	0.14
G	0	339.90	8.25	0.16
H	0	407.88	9.90	0.19
	343			

As a result of net increases in the number of properties in Crawley, the 2019/20 Council Tax base has changed. The number of properties has increased by 343, the majority of these properties are in Council Tax Bands B - C; the numbers are more than anticipated and have resulted in £36,000 more Council Tax income than projected in the October Budget Strategy report to Cabinet.

5.5.2 New Homes Bonus

The New Homes Bonus (NHB) was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. It rewards local councils for additional homes added to the council tax base, including newly built properties and conversions as well as long term empty properties brought back into use, after deducting demolitions.

The Council receives direct payment from the MHCLG for the number of new properties it reports to the Valuation Office. For each dwelling the total payment is £1,671.45 (of which West Sussex County (WSCC) receives £334.29 and Crawley Borough Council £1,337.16) with an additional £350 for affordable housing of which Crawley Borough Council receive £280 and WSCC receives £70. From 2017-18 the Government introduced a national baseline for housing growth of 0.4% below which New Homes Bonus will not be paid reflecting a percentage of housing that would have been built anyway (deadweight). The amount payable in 2019/20 is less than anticipated in the budget strategy, this is due to more properties in lower tax bands being built.

5.5.3 Reduced Investment Interest

Interest projections have reduced due to the impact of the capital programme as outlined below and in the Capital Strategy elsewhere on this agenda.

Agenda Item 6

5.5.4 Increased contribution to renewals

The current refuse collection contract ends in February 2021, with an optional extension of up to 3 years. The council purchased the refuse vehicles for this contract; this has kept annual contract costs lower. The aim is to increase the vehicle replacement reserve in order to purchase vehicles for the new contract in order to continue with lower annual running costs.

5.5.5 Additional income from capital spend to save

As a result of capital investment income of £10,500 per annum.

5.5.6 Tilgate Park Heat Pump

The Heat pump implementation has been delayed as reported elsewhere on this agenda, the income receivable has therefore been pushed back to future years.

5.5.7 Additional insurance costs

There has been a change to the discount factor used by courts in calculating the liability for successful claims, and our insurance provider has passed on this additional cost through the Council's insurance premiums.

5.5.8 Review of budgets as part of the budget setting process

With the introduction of the new financial management software Collaborative Planning, managers now have more management information and control over their budgets, a challenge of budgets exercise identified additional savings and efficiencies. As a result of these exercises budget holders have been able to identify savings and increased income as part of the budget setting process. In addition savings have been identified during the year, these are shown in Appendix 1.

6. 2019/20 General Fund Budget

6.1 Details of the proposed 2019/20 Budget are set out in Appendix 2 and is summarised in the Table below:

2019/20 General Fund Budget		£'000s
Net Cost of Services (see table below 6.2)		15,136
Investment Income		(906)
Transfer to/from General Fund Reserve		0
Net Expenditure		14,230
Funded by		
New Homes Bonus		1,473
Council Tax		7,182
Collection Fund surplus – Council Tax		42
Total Retained Business Rates (5.2)	6,357	
Surplus in current year (5.2)	82	
Transfer to Business Rates Equalisation Reserve	(906)	5,533
Total		14,230

Agenda Item 6

6.2 Estimated service expenditure is summarised in the table below:

2019/20 Budget – Service Expenditure	
Portfolio	£'000s
Cabinet	1,412
Public Protection and Community Engagement	1,667
Resources	1,267
Environmental Services & Sustainability	6,929
Housing Services	2,823
Wellbeing	6,682
Planning & Economic Development	(2,827)
Depreciation	(3,517)
Contribution to Renewals Funds	700
Net Cost of Services	15,136

6.3 The report of the Budget Advisory Group (BAG) Chair is attached at Appendix 1.

6.4 The table below summarises the efficiencies, savings and additional income included in the 2019/20 Budget with £1.257m identified:

Efficiencies, additional income and savings	2019/20 £'000s
Identified in Budget Strategy (Appendix 1)	813
Reported to the Budget Advisory Group (Appendix 1)	399
Identified as part of budget setting (5.5.8)	45
Total identified	1,257

6.5 The BAG are recommending to Cabinet the approval of the growth items shown in the table below

Item	General Fund £
IT – transformation staffing	100,000
Economic Development Manager	45,000
Total	145,000

Recommendation 2.2 (a): to approve the proposed 2019/20 General Fund Budget including the savings and growth proposals as set out above and Appendix 1 and 2.

7. 2020/21 Budget Projections

7.1 The Budget Strategy for 2020/21 to 2024/25 is scheduled to be considered at the October 2019 Cabinet. Future predictions will be difficult to make until the outcome of the Fair Funding review which will be known in December 2019. The table below summarises the 2020/2021 Budget projections based on the following headline assumptions:

- A 2.4% increase in Council Tax £5.
- Average investment rate of 1.75%

Agenda Item 6

- An inflation provision of 3.4% for contract expenditure with no allowance for general running expenses.
- A pay award of 2.0%.
- An overall increase in fees and charges of CPI or 2% whichever is the highest.

	2020/21 £'000s
Base Budget	15,383
Investment interest	-1,101
Net Budget	14,282
Funded by:	
Council Tax	-7,530
Retained Business Rates	-5,721
New Homes Bonus	-1,166
Estimated reduced funding for the Fair Funding review	700
Indicative Budget Gap	565

The main changes between years are itemised below

	Change £000's
New Homes Bonus – only legacy payments made	307
Fair Funding provision – assumption of reduction in Government funding	700
Inflation provision	455
Increased Council tax income	-286
Increased investment income	-246
Increased retained business rates	-15
Reduced contribution to renewals fund	-300
Reduced costs of election (all out in 2019/20)	-106
Other - various	56
Total Change	565

The Corporate Management Team continue to work with staff and contractors to identify and implement improved ways of working and to focus on the aim of dealing with matters first time. The refreshed transformation programme of service improvements and efficiencies achieved through systems thinking and other types of review continue with the aim of continual streamlining of internal processes to reduce waste and duplication. The challenge of budgets was successful in identifying savings and efficiencies and will be repeated in future years. The transformation programme includes an increased focus on achieving new sources of income.

Agenda Item 6

8. Fees & Charges

- 8.1 The Budget Strategy assumes a general increase in fees and charges of CPI (2.4%) or 2% whichever is the highest. In some cases a lower increase has been assumed; for example when a service is required by statute to be self-financing e.g. Local Land Charges. In other cases, a higher increase has been assumed. The overall objective was to increase income by 2.4%. This has not been possible in some cases due to having to set commercially attractive prices. A schedule of all fees and charges is available on the website.

9. Investment Income

- 9.1 Interest on investments provides a significant source of funding for the Council. For the 2019/20 Budget, it represents 6.0% of the Net Cost of Services. The following paragraphs provide details of the key factors and assumptions that affect the calculation of this Budget.
- 9.2 The average yield from investments in 2019/20 is projected at 1.25%. Most of the longer term investments at higher interest rates have now matured, so the projection now more closely matches the lower interest rates available in the market.
- 9.3 Due to the potential volatility of the market, investment rate assumptions have been constantly revised in recent months. The 2019/20 Budget is based on the following assumptions:
- Average yield of 1.25% for new internal investments.
 - Cash flows have been calculated from the revenue and capital budgets reported in this report.
 - Cash flows relating to the capital programme are spread evenly through the year.
 - Cash flows relating to revenue are based on the timings of previous year's income and expenditure.
- 9.4 It is believed that these assumptions are realistic and not over-cautious. However, it is likely that there will be variances due to the number of external factors that can affect investment performance and the size of the sums available for investment. The investment interest budget will be monitored closely throughout 2019/20 and any projected variances will be highlighted in budget monitoring reports.
- 9.5 Further information on the investments can be found in the Treasury Management Strategy 2019/20 which can be found elsewhere on the agenda.
- 9.6 Included in Appendix 5 is an identification that the volatility of interest rates is a key risk associated with the 2019/20 Budget and the medium term Budget strategy.

10. Spending Plans – Council House Service – Revenue

- 10.1 Details of the HRA Budget are set out in Appendix 3. The main changes between the 2018/19 budget and 2019/20 budget are as follows.
- 10.2 The Portfolio Holder for Housing has delegated authority to vary the rent of properties held in the Housing Revenue Account. However, in the Housing and Planning Act, the Government has required social housing providers to reduce their rents by at least 1% and the Cabinet member has therefore opted for a 1% reduction which equates to nearly £420,000 reduction in income. This has been

Agenda Item 6

offset by new social and affordable properties with an estimated rental value of over £1,650,000.

- 10.3 Interest projections reflect the capital programme for the HRA together with the increased interest rate as shown in section 9.
- 10.4 The responsive repairs budget includes an allowance for inflation on the contract.
- 10.5 Cyclical and Planned costs have reduced in 2019/20, the painting programmed in year will be less than the current financial year, in addition there are efficiencies provided by the new contract with Liberty Gas. The combined savings amount to £300,000.
- 10.6 The Budget includes the revenue implications of the capital programme for items recommended by the Budget Advisory Group of £62,500 as identified in paragraph 11.1 below and Appendix 1.
- 10.7 The Crawley Homes (HRA) capital programme as outlined in section 11 below and in Appendix 3 (i) is funded from HRA resources, HRA capital reserves and 1-4-1 Right to Buy receipts and borrowing in future.
- 10.8 A budget challenge session helped to illustrate over £60,000 worth of savings, including: £10,000 of bank charges, £40,000 for the vacant Policy and Engagement Manager within Crawley Homes and an accumulation of smaller budgets.

Recommendation 2.2 (b) to approve the proposed 2019/20 Housing Revenue Account Budget as set out above and Appendix 3 of the report.

11. Capital Programme

- 11.1 The October 2018 Budget Strategy report approved that items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations and schemes will also be considered that are spend to save or spend to earn, but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.

The Budget Advisory Group received bids for consideration for inclusion in the capital programme and the table below gives the items recommended to Cabinet for approval.

The recommended Capital programme is shown in the following table.

	Total £'000
ICT Transformation Programme	461
Purchase of Edinburgh House, Broadfield (HRA)	3,500
Provision of New Integrated Housing database (HRA) – revenue costs in 2019/20 of £62,500	542
Purchase of Investment properties	6,000
Total	10,503

Agenda Item 6

11.2 The proposed programme of £10.503m, (£6.461m General Fund and £4.042m HRA) is incorporated into the financial projections contained in other sections in this report and the revenue implications built into the budget for 2019/20 and into the budget strategy for future years, with the exception of any income from the investment property, this will be added if a purchase is made. **In addition £3m will be drawn down for costs associated with the demolition of the Town Hall and associated professional costs.** Until the tender exercise has been undertaken the full cost of the scheme will not be added to the capital programme; the total budget available for the scheme was approved in February 2017 Report DCE/02 refers.

11.3 The approved HRA Budget is included as amended in the report to the Budget Advisory Group. A schedule of the Crawley Homes capital programme is given in Appendix 3 (i). The HRA Investment priorities were approved at Cabinet on 10 October 2012, together with the Affordable Housing delivery programme budget approvals which was approved by Cabinet on 2nd December 2015 CH/167.

The original budget for Telford Place was based on a 180 unit scheme (of which 50 were affordable rental). A subsequent report (CH/180) increased the units in scheme to approximately 316 (of which around 88 would be affordable rental), whilst noting that the £9m additional funding that this would require would not be affordable with the borrowing constraints on the HRA.

The removal of the HRA debt cap now means that the Council can retain all the affordable rental units in the scheme. **Cabinet is therefore requested to approve to Full Council a supplementary capital estimate request of up to £9m for the additional units at Telford Place which would be funded by additional borrowing by the HRA, the impacts of the borrowing will be included in the Treasury Management Strategy elsewhere on this agenda.**

11.4 2018/19 to 2021/22 Capital Programme

The table below sets out the proposed capital programme and funding for 2018/19 to 2021/22 based on the existing approved programme amended for items identified in the Quarter 3 Budget Monitoring report. A detailed breakdown of the capital programme for future years is included in the Capital Strategy elsewhere on this agenda.

	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	Total £'000s
Existing Programme (agrees with Q3 elsewhere on this Agenda)	47,933	65,425	33,777	4,199	151,334
Housing Programmed repairs Adjustment to the Budget Required (Appendix 3(i))		600		9,030	9,630
Purchase of properties (Appendix 3(i))		320	-1,000	1,000	320
Town Hall – prelims (para 11.2)		3,000			3,000
Telford Place (para 11.3) – additional HRA borrowing				9,000	9,000
Purchase of Investment properties		6,000			6,000

Agenda Item 6

<u>New Schemes</u>					
ICT Transformation		461			461
Purchase of Edinburgh House, Broadfield		3,500			3,500
Provision of New Integrated Housing database		75	400	67	542
TOTAL	47,933	79,381	33,177	23,296	183,787

Funded by -					
Capital Receipts	5,018	20,416	8,279	990	34,703
Capital Reserve	0	25	0	0	25
1-4-1 Receipts	8,256	14,923	3,882	1,569	28,630
HRA revenue contribution	31,600	39,123	16,858	11,737	99,318
Section 106 contributions	578	1,087	308	0	1,973
Lottery/external funding	1,438	2,799	3,850	0	8,087
Revenue – replacement fund	143	702	0	0	845
Borrowing (HRA)	0	0	0	9,000	9,000
Better care fund (formally DFG's)	900	306	0	0	1,206
TOTAL	47,933	79,381	33,177	23,296	183,787

Recommendation 2.2 (c): to approve the 2018/19 to 2021/22 capital programme and funding as set out above.

12. Robustness of Estimates and Adequacy of Reserves

12.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Chief Finance Officer) to report to their authority on the robustness of estimates and the adequacy of reserves provided for within the Budget. Authorities are required to take into account the Section 151 Officer's report when setting their Budget requirement.

12.2 The Budget Strategy 2019/20-2023/24 was approved by the Council on 12th December 2018. Key objectives of the Strategy are:

- Work towards a balanced Budget over a three year period including putting back to reserves when the Budget is in surplus.
- Aim to keep Council Tax low without compromising local services.
- Instruct Corporate Management Team to take action to address the long term budget gap and to identify policy options for consideration by Cabinet Members and the Budget Advisory Group.
- That items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations, and schemes will be also

Agenda Item 6

considered that are spend to save and spend to earn but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.

- 12.3 These objectives have been met. To date the Council has responded well to the financial challenges of recent years. It has produced balanced Budgets, with transfers to reserves in both 2015/16 and 2016/17 in respect of general fund services, and maintained front-line services. The challenges will become more demanding in future years.

The provisional Local Government finance settlement was announced on 13th December 2018, at that time the Government also included two formal consultations with a closing date of 21st February 2019. These are 'review of local authorities' relative needs and resources' and 'business rates retention reform'. The first one is known as the 'fair funding review'; the aim of implementing a new system in 2020/21, this **will** result in changes to the amount of business rates that we retain, however the final outcome will not be known until December 2019.

Despite the healthy level of reserves, it is less likely that the Council will be able to continue to achieve a balanced Budget and maintain current service levels and may need to use reserves during the construction stage of the Town Hall development and before the upper floors of the building are commercially let and resources have been spent on the building project.

- 12.4 In compiling the 2019/20 Budget, a review of all departmental budgets has been undertaken to ensure that existing budget provision is adequate and that additional provision has been made for known service pressures, this review has resulted in efficiencies, savings and additional income as identified in paragraph 5.5.8 above.
- 12.5 There are a number of services where budgets are susceptible to changes outside the direct control of the Council. These tend to be demand-led services such as homelessness and the implications of the Homelessness Reduction Act 2017, benefits payments and the impact of universal credit, development control fees and Council Tax Reduction payments; in addition the impact on Crawley Borough Council budgets of other public sector decisions for example West Sussex County Council. There is also volatility in income streams that are affected by external factors such as investment and business rates income. For such budgets, the latest information has been used to calculate the Budget.
- 12.6 There is a risk that the economic outlook will continue to be depressed in the public sector which could have a significant effect on demand-led expenditure budgets and some income budgets, there will also be adverse impacts upon budgets due to the impacts of welfare reforms and the unknown impacts of the decision to leave the EU. Budgets are monitored by officers on a monthly basis and the Corporate Management Team receives an update on key issues, while a Quarterly Revenue and Capital Budget monitoring report is considered by the Cabinet and included in the Members information bulletin. This should ensure that any projected variances are identified at an early stage.
- 12.7 A review of reserves has been undertaken as part of the 2019/20 Budget preparation. The Table below summarises the estimated level of reserves available for 2019/20:

Agenda Item 6

	Estimated Available Balance at 31/3/19 £'000s	Paragraph
General Fund Reserves		
General Fund Reserve / Balance	4,000	12.7.2
Business Rates Equalisation reserve	4,094	12.7.2
Usable Capital Receipts	25,277	12.7.3
Capital Reserve	6,652	12.7.4
Acquisition reserve	5,000	12.7.4
1-4-1 Receipts	12,100	12.7.4
Restructuring Impact	695	12.7.5
Housing & Planning Delivery Grant/LDF	507	12.7.6
Vehicles & Plant	441	12.7.7
ICT Replacement	215	12.7.7
Specialist Equipment – Hawth & K2 Crawley	200	12.7.7
Town Centre Regeneration	131	12.7.8
Other	2,202	12.7.9
Total General Fund	61,514	
HRA Reserves		
Housing Revenue Account	3,198	12.7.10
Housing Capital Investment reserve (committed)	20,526	12.7.11
Total HRA	23,724	
Total	85,238	

12.7.1 The General Fund reserve and balance provides a source of funds to deal with: -

- Potential cash flow problems; and
- Unanticipated adverse financial impacts.

The balance on the reserve provides investment interest that is used to support the Revenue Budget.

12.7.2 In line with the Budget Strategy report the balance on this reserve will be £4m at 31 March 2019. The Head of Corporate Finance is satisfied that this level of reserve is adequate to enable the Council to face the challenges over the short term, there is an aim to increase this reserve by transferring from the business rates equalisation reserve, this is in line with the budget strategy; the purpose of this is to have sufficient reserves during the build phase of the new Town Hall where resources have been expended, and before the upper floors have been let. In addition a £4.1m reserve for business rates equalisation will be available to absorb the volatility of business rates income.

Agenda Item 6

- 12.7.3 The projected balance of usable capital receipts at the end of March 2019 is £25.277m. Usable capital receipts can only be used for capital spending.
- 12.7.4 The capital reserve was created by transferring balances from the revenue reserve and the general fund balance. The estimated balance at the end of March is £6.652m. A separate reserve for Investment Acquisitions has been established of £5m. In addition to this there is a reserve and an estimated £12.1m of 1-4-1 receipts from right to buy. There are restrictions on these 1-4-1 receipts, including that they can only make a 30% contribution towards affordable housing capital expenditure and cannot be used for intermediate tenure such as shared equity or shared ownership.
- 12.7.5 The Restructuring Impact reserve was created as part of the 2008/09 Budget in order to smooth the impact of any restructuring/reorganisation initiatives. The reserve meets the one-off costs associated with restructuring.
- 12.7.6 The balance of the Local Development Framework has commitments and will be fully spent over the next three years.
- 12.7.7 There are three replacement funds; these are ICT Replacement, Specialist Equipment – Hawth & K2 Crawley, and Vehicles & Plant. The use of these funds is determined by the appropriate Cabinet member under delegated powers.
- 12.7.8 The purpose of the Town Centre and Regeneration Reserve is to provide pump priming and partnership finance for potential town centre regeneration and economic development schemes - this reserve is now fully committed.
- 12.7.9 There are a number of reserves which are earmarked for a specific purpose, e.g. Risk Management and Insurance. These reserves are not available to support the revenue Budget. Investment interest on these reserves is credited to the General Fund.
- 12.7.10 The Housing Revenue account balance is estimated to be just over £3 million at the end of the current financial year, this is an acceptable balance.
- 12.7.11 In line with the HRA Business Plan and the capital programme, the balance on the Housing capital investment reserve will be used on future housing development programmes - this is fully committed.

13. Council Tax

- 13.1 The 2019/20 Budget Strategy aimed to keep any increase in Council Tax low without compromising services. On the advice of the Budget Advisory Group it is proposed to increase the Council tax by £4.95 per annum for a Band D property which is an increase of 2.49%, this is an increase of 9.5p per week.
- 13.2 It is assumed that West Sussex County Council will increase their share of the Council Tax for 2019/20 by 4.99%, this will equate to an estimated increase of £65.79 per band D property. This includes an increase of 2% for Adult Social care responsibilities.
- 13.3 It is understood that the Sussex Police and Crime Commissioner will be increasing their share of the Council Tax by 14.47% which is an increase of £24.00 per annum. This will be confirmed at the Council meeting on 27 February 2019. A breakdown of the Crawley Borough Council charge per Council Tax band is given at Appendix 4.

Agenda Item 6

Recommendation 2.2(d): to agree that the Council's share of Council Tax for 2019/20 be increased by 2.49% to £203.94 for a band D property.

14. Collection Fund

14.1 Council Tax

Each year, a forecast is made of the amount of Council Tax to be collected in the following financial year. The surplus or deficit on the Collection fund is the difference between the actual amounts collected from the forecast at the beginning of the year. This year's surplus position is £355,119 of which £41,995 is the Council's share.

14.2 Business Rates

In a similar manner, the overall estimated deficit in relation to Business Rates is £204,852 of which £81,941 is the Council's share (this sum will form part of the sum to be transferred from the Business Rates Equalisation reserve).

15. National Non Domestic Rates (NNDR)

15.1 The Ministry for Housing, Communities and Local Government has advised the provisional business rate multiplier for 2019/20 is as follows (see section 5.2 above):-

- i) Standard Multiplier – 50.4p per £ (49.3p in 2018/19)
- ii) Small Business Multiplier – 49.1p per £ (48.0p in 2018/19)

15.2 Copies of this report have been circulated to representatives of the business community for their comments.

16. Implications

16.1 The high level risks to the 2019/20 Budget and how they will be managed are shown in the Appendix 5. The Town Hall project will impact more on the financial years 2020/21 and 2021/22. There is a drawdown of £3m for 2019/20, the full budget will be added when tenders have been agreed. Risks on the Town Hall project are reported to the Audit committee. Risks are highlighted throughout the report including interest rates, the impact of the economic climate, ensuring planned savings are achieved, and the availability of capital resources in future years and the need to take out borrowing. In some cases these can be mitigated by a stringent approach to financial control and planning and a rigorous approach to reviewing current levels of expenditure and procurement methods.

16.2 It is anticipated that the Budget measures set out in this report will increase the Council's staffing establishment by 5.44 Full time equivalent (FTE's) posts. All reorganisations are carried out in accordance with the Council's agreed Management of Organisational Change procedure which includes full staff consultation so the exact number may change as detailed proposals are drawn up. The redeployment process is designed to maximise the opportunity for those at risk of redundancy to find alternative employment within the Council.

16.3 The Council is required to produce a Pay Policy Statement for each financial year in accordance with Section 38(1) of the Localism Act 2011 and must have regard to

Agenda Item 6

statutory guidance issued under section 40 and this will be updated annually from April each year and must be approved by The Council. The Pay Policy statement for 2019/20 is attached at Appendix 6.

This pay policy statement sets out the council's policies relating to the pay of its workforce for the financial year 2019/20, in particular

- a) The remuneration of its Chief Officers
- b) The remuneration of its "lowest paid employees"
- c) The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

Recommendation 2.2(e): to approve the Pay Policy Statement for 2019/2020 as outlined above and Appendix 6 of the report.

- 16.4 Financial implications are addressed throughout this report.
- 16.5 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a "Billing Authority", responsible for the billing, collection and enforcement of Council Tax. The Chair of the Cabinet, under delegated powers, has approved the calculation of the Council Tax base for the year 2019/20 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, made under Section 33(5) of the Local Government Finance Act 1992.
- 16.6 The Non-Domestic Rating (Rates Retention) Regulations 2013 require a billing authority, by 31 January in the preceding year, to:
 - (a) Calculate its non-domestic rates income for the relevant year;
 - (b) Calculate the amount of the central share of its non-domestic rating income for the relevant year;
 - (c) Calculate the amount of each relevant precepting authority's share of its non-domestic rating income for the relevant year; and
 - (d) Notify the Secretary of State and any relevant precepting authorities of the amounts calculated.

The Chair of the Cabinet, under delegated powers, has approved the calculation of the Non-Domestic Rating (NDR1) for the year 2019/20.

17. Other implications

The legal implications are set out in the report. The Equality Act 2010 includes a public sector equality duty arising under Section 149 which requires Councils when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a "protected characteristic and those who do not share that protected characteristic". When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. There are no specific equality implications arising from the Budget that the Council is proposing

Agenda Item 6

18. Background Papers

Cabinet Reports 7 February 2018
2018/19 Budget and Council Tax FIN/434
Treasury Management Strategy for 2018/2019 FIN/433

Cabinet Reports 27 June 2018
Financial Outturn 2017/2018 FIN/443
Treasury Management Outturn 2017/18 FIN/442

Cabinet Reports 5 September 2018
Q1 Budget Monitoring 2018/19 FIN/449

Cabinet Reports 31 October 2018
Budget Strategy 2019/20 – 2023/24 FIN/417

Cabinet Reports 21 November 2018
Q2 Budget Monitoring 2018/19 FIN/456

Elsewhere on this Agenda -
Treasury Management Strategy 2019/20 FIN/464
Q3 Budget Monitoring 2018/19 FIN/466
Capital Strategy FIN/467
“Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes”, 2017 Edition - Chartered Institute of Public Finance and Accountancy
“The Prudential Code for Capital Finance in Local Authorities”, 2017 Edition - Chartered Institute of Public Finance and Accountancy
MHCLG Guidance on Local Government Investments (Second Edition)

Contact Officer: - Karen Hayes
Direct Line: - 01293 438263

Agenda Item 6

Appendix 1

Report of the Budget Advisory Group

The Group has had two meetings, the first to update on the financial position, the second considered growth and the capital programme proposals put forward by Portfolio Holders and was supported by officers. It has been able to raise questions on these proposals and received information based on these requests.

Revenue Savings

A number of savings have already been identified mainly as a result of the refreshed Transformation Programme and a review of budgets during the budget setting process. These have been or will be implemented. These savings are shown in the Table below.

	£	
Items identified as during the financial year – included in budget Strategy		
Retendered contracts	645,000	Including K2 Crawley and cleaning
CMT restructure	123,300	Deletion of post and reduction in hours of another post
Planning pre-application fees	30,000	
Reduced external audit fees	15,000	
Sub Total	813,300	
Challenge of budgets during budget setting process		
Head of Strategic Housing – review of running costs budgets and removal of consultants' fees budget.	20,000	
Review of Benefits Service - efficiencies and increased income	202,700	as a result of exercises done on behalf of the DWP and HMRC
Head of Economy and Planning removal of consultants' fees budget.	9,300	
Review of posts within Community Services due to vacancies	45,000	
Reduced vehicle hire within Community Services due to changes in vehicles used	10,000	
Deletion of vacant post within Democratic Services	11,000	
Legal Services – subcontracted budget reduction	11,600	
Member training	3,000	
Miscellaneous budgets within Legal, Democracy and HR	10,000	
Taxation service	15,000	deletion of vacant hours due to MyCrawley impact
Corporate facilities vacant hours	20,000	
Telephone lines – reduced costs	13,000	
Communications team	28,000	Efficiencies and increased income
Sub Total	398,600	
Total	1,211,900	

Agenda Item 6

The Group was asked to note these savings which include savings identified at the first Budget Advisory Group meeting.

Proposed Council Tax increase

The Group was asked to consider what level of Council Tax increase they may want to recommend that Cabinet consider for 2019/20. As discussed at the first Budget Advisory Group Districts and Boroughs have been given the option to increase to as much as £5 or 3% for a Band D property.

The group agreed to recommend to Cabinet an increase of 2.49% which is a **£4.95** increase per annum (9.5p per week).

General Fund Revenue Growth Items

The Group considered growth items for the General fund. All bids in the table below were agreed unanimously the Group recommended that Cabinet considered these growth bids.

Item	General Fund
IT – transformation staffing	100,000
Economic Development Manager	45,000
Total	145,000

Crawley Homes Programmed Repairs Capital programme

The Group considered the 3 year capital budgets for Crawley Homes Programmed Repairs which is refreshed on an annual basis.

The Group noted these revisions for inclusion in future budgets.

General Fund and HRA Capital Programme

The Group considered four capital bids.

The BAG are recommending that Cabinet approves all four of the bids for inclusion in future budgets.

Agenda Item 6

HRA Major Works Capital Programme

Appendix 1 (ii)

Proposed HRA Programmed / Major Works Budget			
Programmed Repairs	Proposed 3 Year Plan		
	2019/20	2020/21	2021/22
Key Element			
Electrical Test / Rewires	1,200,000	1,200,000	1,200,000
Roofing	600,000	600,000	600,000
Windows / Doors	300,000	300,000	300,000
Structural Works	80,000	80,000	80,000
Renovations Refurbishment	200,000	200,000	200,000
Insulation (Cavity, loft, sound)	250,000	250,000	250,000
Kitchens	850,000	850,000	850,000
Bathrooms	550,000	550,000	550,000
Common Areas	20,000	20,000	20,000
Adaptations For The Disabled	300,000	300,000	300,000
Sheltered Schemes	100,000	100,000	100,000
Boilers / Heating	1,000,000	1,000,000	1,000,000
Disabled Adaptations	950,000	950,000	950,000
Legionella	50,000	50,000	50,000
Energy Efficiency Work (LED emergency lighting)	80,000	80,000	80,000
External, environmental work	100,000	100,000	100,000
Intercom Upgrade	50,000	50,000	50,000
Major Insulation, Energy Efficiency	1,800,000	1,800,000	1,800,000
Hostels	450,000	250,000	250,000
Major Renovation, Flats, Blocks etc.	500,000	100,000	100,000
Garages	200,000	200,000	200,000
Total Planned Capital work	9,630,000	9,030,000	9,030,000
Currently in the Capital Programme	9,030,000	9,030,000	
Change required to the Capital Programme	600,000	0	9,030,000

Purchase of Properties including Buy Back of Dwellings			
Proposed Budget	1,000,000	1,000,000	1,000,000
Current Budget	680,000	2,000,000	-
Change required to the Capital Programme	320,000	-1,000,000	1,000,000

Agenda Item 6

Appendix 2

GENERAL FUND REVENUE BUDGET 2018/2019 Summary of Service Requirements

2018/19		2019/20	
Original Estimate £		Draft Estimate £	Variation £
1,262,530	Cabinet	1,412,410	149,880
1,658,900	Public Protection & Community Engagement	1,667,340	8,440
1,284,740	Resources	1,267,450	(17,290)
5,882,299	Environmental Services & Sustainability	6,928,640	1,046,340
2,588,560	Housing Services	2,822,780	234,230
8,313,771	Wellbeing	6,682,380	(1,631,390)
(2,814,610)	Planning & Economic Development	(2,826,870)	(12,260)
(3,595,600)	Depreciation	(3,517,320)	78,280
400,000	Contribution to Renewals Fund	700,000	300,000
14,980,590	NET COST OF SERVICES	15,136,810	156,230
(848,222)	Interest on Balances	(906,439)	(58,227)
14,132,368		14,230,371	98,003
0	Transfer to / from () reserves	0	0
14,132,368	NET EXPENDITURE	14,230,371	98,003
	External Support		
(574,754)	Revenue Support Grant	0	574,754
(1,467,303)	New Homes Bonus	(1,473,175)	(5,872)
	Internal Resources		
(5,160,007)	Total Retained Business Rates	(5,533,189)	(373,182)
(6,862,051)	Council Tax	(7,182,012)	(319,961)
(68,253)	Collection Fund Surplus	(41,995)	26,258
(14,132,368)		(14,230,371)	(98,003)

	2018/19	2019/20
Number of Band D Equivalents	34,484.4	35,216.3
Number of properties	44,654	44,997

There are variations between Environmental Services & Sustainability and Wellbeing due to reporting lines for patchworking changes.

Agenda Item 6

Appendix 3

HOUSING REVENUE ACCOUNT

	Original Budget 2018/19	Budget 2019/20	Variation
	£'000s	£'000s	£'000s
<u>Income</u>			
Rental Income	(44,654)	(46,400)	(1,747)
Other Income	(2,080)	(2,079)	1
Interest	(209)	(125)	84
Total Income (a)	(46,942)	(48,604)	(1,662)
<u>Expenditure</u>			
Employees	3,647	3,714	67
Responsive Repairs	8,249	8,496	247
Cyclical and Planned	2,236	1,952	(285)
Other running Costs	1,849	2,005	156
Managed services	436	338	(98)
Support Services	2,673	2,673	0
Interest payable on Self Financing Debt	8,309	8,309	0
Total Expenditure (b)	27,398	27,485	87
Balance available to fund existing and future HRA capital programme (a - b) *	19,544	21,119	1,575
Total	46,942	48,604	1,662

*Transferred to Housing capital investment reserve

Agenda Item 6

Appendix 3 (i)

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

	2019/20	2020/21	2021/22
	£000's	£000's	£000's
Total Investment needed excluding Future Developments as Appendix 1 (i)	9,630	9,030	9,030
HRA Improvements Slippage identified at Q3	330		
Other HRA investment schemes			
Bridgefield House	12,489		
Purchase of Edinburgh House	3,500		
Purchase of properties	1,000	1,000	1,000
151 London Road	388		
Kilnmead	1,987		70
Telford Place Development	5,597	6,266	9,000
Woolborough Road Northgate	1,118		
Goffs Park (Depot Site)	551		
83-87 Three Bridges Road	303		
Dobbins Place		24	
Barnfield Road	20		
Forge Wood Phase 1	2,622		
Forge Wood Phase 2	7,050		
Forge Wood Phase 3	1,068		
Forge Wood Phase 4	962	1,050	
257/259 Ifield Road	841		
Prelims & contingencies		1,290	
Total Future Developments	39,496	9,630	10,070
Total Investment Required including Future Developments	49,456	18,660	19,100

Agenda Item 6

Appendix 4

COUNCIL TAX 2019/20 PER BAND CRAWLEY ELEMENT					
PROPERTY BAND	BAND RATIO	PROPERTY VALUATION IN 1991	NUMBER OF PROPERTIES IN RANGE	AMOUNTS PER BAND PROPOSED	
				2019/20	2018/19
				£	£
A	6/9	Under £40,000	1,165	135.96	132.66
B	7/9	£40,000 - £52,000	7,084	158.62	154.77
C	8/9	£52,000 - £68,000	21,607	181.28	176.88
D	9/9	£68,000 - £88,000	8,667	203.94	198.99
E	11/9	£88,000 - £120,000	3,771	249.26	243.21
F	13/9	£120,000 - £160,000	2,233	294.58	287.43
G	15/9	£160,000 - £320,000	461	339.90	331.65
H	18/9	above £320,000	9	407.88	397.98
TOTAL			44,997		

Risks

Risk and Potential Impact	How Risk Will Be Managed including Probability of Occurrence
<p>1. Budget Gap future years As outlined in the report, a budget gap of £0.6m has been projected for 2020/21. This is an early projection and the actual gap could be significantly larger due to the fair funding review and the outcome of the comprehensive spending review.</p>	<p>CMT and Members will be determining an approach to dealing with this gap which will be continued to be addressed through the transformation programme. There is an adequate General Fund reserve to be able to cover a shortfall in the short term. The General Fund reserve will be increased to be used during the New Town Hall build programme where resources will be used before the upper floors are let.</p>
<p>2. Interest rates (section 9 refers).</p>	<p>Investment rates are monitored daily to ensure that the Council obtains the best returns whilst achieving its objective of maintaining an appropriate balance between security, liquidity and yield and ethical. The investment income budget is monitored monthly. If rates rise when we are in a borrowing position this will impact on the return on the Town Hall investment, however external borrowing will be minimised.</p>
<p>3. New Homes Bonus</p>	<p>The Government have announced that they will continue to pay legacy payments if the scheme stops as part of the Fair Funding review. This has been built into future projections.</p>
<p>4. The Business Rates valuation list was updated on 1 April 2017. There is no history of appeals to calculate a provision, so there is a risk that this is over/under provided for causing a volatility in the business rates retained over the lifetime of the valuation list.</p>	<p>There is a high probability of occurrence which can be managed through the use of the business rates equalisation reserve.</p>
<p>5. Increase in net costs to the Council as a result of changes to demand-led budgets. Provision in the 2019/20 Budget has been based on the latest available information. For example, an economic slowdown, any impact of Brexit, changes in housing policy and welfare reform could meant that there are changes in demand.</p>	<p>Provision in the 2019/20 Budget has been based on the latest available information but there could still be a significant change in demand as a result of external factors outside the control of the Council. This could affect either expenditure or income budgets; budgets such as Commercial Properties, Housing Benefits, Council Tax Reductions, Homelessness, Car Parking and Planning Fees will be</p>

Agenda Item 6

	<p>monitored closely. The Council has sufficient reserves to cover unexpected overspendings. Provisions for bad debts have been reviewed as a result of welfare reform.</p>
<p>6. Reduction in availability of capital resources in future years. This would lead to a reduced capital programme and the likelihood of reduced investment income. Town Hall investment will result in borrowing for future investments.</p>	<p>A review of available capital resources will be undertaken as part of the Autumn Budget Strategy report; the report will also consider the required level of investment income to support the revenue budget. It will be important to generate new capital receipts to fund future capital programmes. A future treasury management strategy will consider impacts of borrowing should the Town Hall project progress</p>
<p>7. Failure to collect income. The Council is responsible for collecting annual income totalling almost £300 million. The economic climate could result in a reduction in collection rates, as could any delay in the Council approving the Budget and Council Tax levels.</p>	<p>There will be regular monitoring of debts and performance levels. The Council has good collection rates for Council Tax, NNDR and Housing Rents; these are the most significant areas of income. The welfare reforms will have an impact on Crawley Homes' rental income. This has been reflected in the HRA budgets</p>
<p>8. Failure to maintain budgetary and financial control.</p>	<p>Variances between Quarter 3 and final outturn should be kept to a minimum. There will be regular monitoring and reporting by budget holders and reports to CMT, the Cabinet and through the Members Information Bulletin. It is inevitable that variances will occur but it is important that any projected variances are reported promptly to the Cabinet.</p>
<p>9. The initiatives to mitigate the impact of high demand on the homelessness service may not be sufficient to avoid overspending the budget. The impact of the Homelessness Reduction Act 2018 is not known.</p>	<p>The initiatives are being well researched, and their success will be regularly monitored. This budget will be regularly monitored during 2019/20 with future budgets adjusted to mitigate the impact. There is an adequate General Fund reserve to be able to cover a shortfall in the short term.</p>
<p>10. The Impact of the decision to leave the EU; there are lots of unknowns around demands on services and income budgets, also Government priorities beyond 2020 with the new comprehensive spending review.</p>	<p>The impact of the implications of the decision will be closely monitored and changes will be made to forecasts which will be reported to CMT and to Members through Cabinet and the Councillors Information Bulletin.</p>
<p>11. Fair Funding Review</p>	<p>The government are currently consulting on the approach to measuring the relative needs of local authorities with a view to amend how resources are allocated between them.</p>

Agenda Item 6

	<p>This will result in a new baseline funding allocation in 2020/21. However the outcome will not be known until late in 2019. There will be a transfer to or from reserves as a result. A provision for reduced funding has been included in future budgets.</p>
12. Retained business rates review	<p>The aim with this is to make local authorities self-sufficient, but there would be passing of risk from central government to local authorities. The Settlement announced that local share would increase from 50% to 75% and would include a transfer of public health and other grants. The impact of this will not be known until late in the year. A provision has been included in future budgets for reduced business rates income.</p>
13. Roll out of Universal Credit	<p>Universal credit has commenced roll out in Crawley and there is evidence that this is impacting on arrears. We will work with tenants to assist them in managing their rent account and signpost them to funds and advice available. With regards to increased Council tax arrears, where there may be universal credit involved (we are not informed if they are a new claimant and not an existing Housing Benefit claimant) we are writing to the customer and inviting them to apply for Council tax reduction.</p>

Crawley Borough Council Pay Policy Statement for 2019/2020

Introduction and Purpose

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 (1) of the Localism Act 2011 and the statutory guidance issued under Section 40 of the Act.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying:

- The methods by which salaries of all employees are determined
- The detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation and its lowest paid employees and the relation between the remuneration of its chief officers and its employees.
- The Council with responsibility for ensuring that the provisions set out in this statement are applied consistently throughout the Council and that the Council gives approval for any amendments.

Key Aims

The council is committed to the principles of equal pay for all employees and to ensure consistency and fairness within its pay structures. The terms and conditions of Council’s employees are in accordance with the relevant national negotiating bodies which are:

Chief Executive – Joint Negotiating Committee for Local Authority Chief Executives
Chief Officers– Joint Negotiating Committee for Chief Officers of Local Authorities, this covers Deputy Chief Executives & Heads of Service.
All other staff – National Joint Council for Local Government Services

In determining the pay and remuneration of all employees, the Council will comply with all relevant employment legislation. This includes legislation such as:

- Equality Act 2010, inclusive of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which specifies gender Pay gap Reporting for public bodies with 250 employees or more,
- Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000.

Publication

This statement will be reviewed and prepared for each financial year then approved by full Council, usually by the 31st March each year or at the earliest Council in the financial year for which it applies.

It will be published on the Council’s website as soon as reasonably practicable following approval. For the 2019/2020 approval will be at Full Council meeting on 27th February 2019.

Agenda Item 6

Key Elements of the Pay Package

A substantial pay review was undertaken in 2001/2 and the national job evaluation was adopted for all posts. This was undertaken in partnership with trade union and was implemented successfully. Incremental pay scales were established for all posts and progression within the scales occurs annually, subject to satisfactory performance. Annual cost of living increases are negotiated nationally.

A review of the scheme was carried out in 2016 in consultation with the trade union. A further grade was created at the top of the salary scale. This was agreed in recognition of the increased level of responsibility at third tier level following a review of the Council's senior management team.

New employees will normally be appointed to the first point of the salary scale for their grade, although this can be varied where the successful candidate is currently on a point higher than the minimum of the grade of the job being recruited to.

In addition to basic pay there is local flat rate payment entitled Crawley Allowance which is paid to all staff and is increased each year in line with Retail Price Index.

A local pay agreement was implemented in October 2013 with a review taking place in 2015 for all Community Services Staff to ensure consistent payment of allowances for evening weekend and bank holiday working.

In the latest national round of pay negotiations carried out by the National Joint Council for Local Government Services which was negotiated in conjunction with Unison and GMB, an agreement was made for a 2 year pay deal covering 2018-2020. The 2018 pay agreement was implemented on 1 April 2018. The pay agreement for 2019 included a new pay spine base and this will be implemented with effect from 1 April 2019.

A recent review of the Council's senior management team took place in 2018 which led to the deletion of the post of Head of People and Technology and the reduction in hours of the Head of Strategic Housing post. As part of that review the salary scales were revised these revisions removed the allowance paid to officers who carry out the statutory S151 and the Monitoring Officer functions, the allowance being consumed within the revised salary. These roles which have a deputy for these functions, still receive an allowance.

All salary scales and the Local Pay Agreement are attached.

- Chief Officers salary
- Staff Salary Scale
- Local Pay Agreement
- Apprenticeship salary scale.

Other Financial Benefits

- Discretionary reimbursement of a proportion of relocation expenses (including contribution to professional and removal fees, disturbance allowance and interim arrangements up to a maximum of £8,000.)
- Recruitment Incentive Scheme for hard to recruit posts
- Payment of professional fees where they are an essential requirement of the job
- Essential and casual car user allowances at NJC rates but subject to local criteria
- Loans for car purchase and public transport season tickets
- Free parking at the Town Hall for essential car users

Agenda Item 6

- Salary sacrifice schemes for child care vouchers and bike to work available
- Voluntary Benefits scheme allowing access to a range of retail discounts for staff
- Access to the Local Government Pension Scheme including local discretions
- Redundancy compensation at the rate of 2 weeks actual salary for each year of service up to a maximum of 104 weeks plus access to pension for staff over the age of 55. This will be reviewed in order to comply with the Government's proposed further reforms to exit payments when these are introduced.
- In exceptional circumstances other severance arrangements may be agreed. Any such payments will be subject to the agreement of the Chief Executive, Leader, Cabinet Member for Resources and Head of Legal Democracy and HR Services. The payment will take into account the Council's contractual and legal obligations, value for money, reputation of the Council and goodwill towards the employee. In the event of the Chief Executive being the subject of the payment then the Section 151 Officer would replace the Chief Executive in the authorisation process.
- All exit payments will be subject to compliance with the proposed Public Sector Exit Payment Regulations when these are introduced. The Regulations where introduced in 2016 remain as draft statutory instruments.

Chief Officers are subject to the same pay arrangements as all other staff and do not receive bonuses or performance related pay. The Chief Executive is appointed as Returning Officer for Crawley. The pay for this role is determined nationally for national elections, and for local elections the scale is set jointly by the West Sussex local authorities. The Chief Executive may appoint a Deputy Returning Officer to assist with this process whose pay will be determined in the same way.

Definition and remuneration of lowest paid staff.

All staff are paid within relevant nationally negotiated salary scales and the lowest paid staff will be on spinal column point 6 for which the annual salary inclusive of Crawley Allowance is £19,284. There is a pay ratio of 1:6 between these posts and the current top point of the scale for the Chief Executive. The Council feels that this is acceptable and is well within the Government's recommended pay ratio which is 1:20. There are a small number of apprentices who spend a significant amount of their time in training and are employed on a training contract at a locally agreed rate of 60% of Scale B.

The Council recognises the importance of the living wage and is accredited by the Living Wage Foundation. All staff, apart from apprentices, are paid above the living wage rate of £9.00 per hour

Relationship between remuneration of the Chief Executive and other employees

The Council's highest paid employee is the Chief Executive salary £116,846.00
The mean average of employees is £25,731 the pay ratio between this and the Chief Executive is 1:4.5.

Use of additional or one off payments

Honorarium payments - are paid to staff, for example when they carry out s duties at a higher level e.g. cover for a higher graded colleague whilst they are away for the workplace.

Acting Allowance - Where an employee undertakes all, or a proportion of the duties and responsibilities of a higher graded post on behalf of another in their absence for a period of four weeks or more.

Merit award - Where an employee has achieved exceptional performance in their duties or conducted themselves in an exceptional manner during the course of their employment.

Agenda Item 6

Payments on termination

The Councils approach to statutory and discretionary payments on termination of employment of its employees, prior to reaching normal retirement age, and is covered within the Management of Organisational Change Policy, in accordance with regulations of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006.

The Council also has policies for the Local Government Pensions Discretions which may include additional payments on retirement. Additional or early payment of pension will only be granted if there is a demonstrable benefit to the council to include the consideration of costs. And approved by leader and cabinet member for the area in which the employee works.

Reemployment/re-engagement of former employees

Where an employee has left the authority on the grounds of redundancy and then seeks to be re-employed on a new contract, a period of 3 months must elapse before their application will be considered. They will have lost their entitlement to continuous service and abatement rules will apply if they are in receipt of a pension as a result of that redundancy.

Benefits schemes

The Council believes that it has a responsibility to help support the health, wellbeing and welfare of its employees in order to ensure that they are able to perform at their best. As part of the approach, and in common with large organisations, we offer a range of initiatives including access to the wellbeing team, health and fitness activities and discount schemes which support the local economy.

Gender Pay Gap

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires employers with more than 250 employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. In line with legislation the Council now publishes the following information.

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average
- Proportion of males and females receiving bonus payment
- Proportion of males and females when divided into quartiles ordered from lowest to highest pay

Ann-Maria Brown
Head of Legal, Democratic and HR
February 2019

Agenda Item 6

Corporate Management Team Pay scales W.E.F 01/04/19

CATEGORY	TOTAL
CHIEF EXECUTIVE	£119,217
	£116,578
	£113,941
	£111,299
	£108,653
DEPUTY CHIEF EXECUTIVE	£103,720
	£101,433
	£99,148
	£96,856
	£94,563
HEAD OF SERVICE B	£73,546
	£71,933
	£70,324
	£68,710
	£67,103

STATUTORY RESPONSIBILITY ALLOWANCE

DEPUTY MONITORING OFFICER	£1,690.46
DEPUTY SECTION 151 OFFICER	£1,690.46

Agenda Item 6

NJC LG SERVICES SALARY SCALES FROM 1ST APR 2019

Scale	Spinal point	Annual salary
B	1	£ 20,070.00
	2	£ 20,417.00
C	3	£ 20,771.00
	4	£ 21,132.00
D	5	£ 21,501.00
	6	£ 22,027.00
E	7	£ 22,260.00
	8	£ 22,811.00
	9	£ 23,200.00
	10	£ 23,457.00
	11	£ 23,933.00
F	12	£ 24,295.00
	13	£ 24,727.00
	14	£ 25,168.00
	15	£ 25,617.00
	16	£ 26,075.00
	17	£ 26,542.00
	18	£ 27,019.00
G	19	£ 27,505.00
	20	£ 28,001.00
	21	£ 28,507.00
	22	£ 29,023.00
	23	£ 29,705.00
H	24	£ 30,611.00
	25	£ 31,491.00
	26	£ 32,342.00
	27	£ 33,213.00
	28	£ 34,077.00
I	29	£ 34,735.00
	30	£ 35,584.00
	31	£ 36,505.00
	32	£ 37,494.00
J	33	£ 38,640.00
	34	£ 39,582.00
	35	£ 40,555.00
	36	£ 41,519.00
	37	£ 42,488.00
K	38	£ 43,466.00
	39	£ 44,381.00
L	40	£ 45,389.00
	41	£ 46,368.00
	42	£ 47,338.00
	43	£ 48,297.00
	44	£ 49,267.00
M	45	£ 50,249.00
	46	£ 51,233.00
	47	£ 52,225.00
	48	£ 53,216.00
	49	£ 54,225.00
N	50	£ 55,256.00
	51	£ 56,307.00

Agenda Item 6

Apprenticeship scheme salary W.E.F. 1.04.2019

Percentage of spinal point 1	Annual Salary
60%	£12,042.00
65%	£13,045.50
70%	£14,049.00
75%	£15,052.50
NMW	£14,855.48
National Living wage	£15,839.42

Crawley Borough Council

**Report to Overview & Scrutiny Commission
4 February 2019**

**Report to Cabinet
6 February 2019**

Treasury Management Strategy 2019/2020

Report of the Head of Corporate Finance – FIN/464

1. Purpose

1.1 The Strategy for 2019/20 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury Management Issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

1.2 In respect of non-Housing Revenue Account activities, the Council's current policy is to remain debt free until building works commence on the new Town Hall. Once all final documentation has been completed and signed and tenders are received within approved limits, a revised treasury management strategy will be presented to Cabinet and Full Council as there will be a need to undertake borrowing. The policy of investing according to the principles of security, liquidity and yield remains.

1.3 There are no material changes to the Investment Strategy in section 7 and Appendix 3 compared with the 2018/2019 Strategy.

2. Recommendations

2.1 To the Overview and Scrutiny Commission:

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

Agenda Item 7

2.2 To the Cabinet

The Cabinet is requested to recommend to Full Council the approval of:-

- a) the Treasury Prudential Indicators and the Minimum Revenue Provision (MRP) Statement contained within Section 5;
- b) the Treasury Management Strategy contained within Section 6;
- c) the Investment Strategy contained within Section 7, and the detailed criteria included in Appendix 3;

3. Reasons for the Recommendations

- 3.1 The Council's financial regulations, in accordance with the CIPFA Code of Practice for Treasury Management, requires a Treasury Management Strategy to be approved for the forthcoming financial year. This report complies with these requirements.

4. Background

- 4.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 4.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 4.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
- 4.5 CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the

Agenda Item 7

effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 4.7 Revised reporting is required for the 2019/20 reporting cycle due to revisions of the Ministry of Housing and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a Capital Strategy (elsewhere on this agenda), to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011.
- 4.8 This report takes into account the revenue and capital implications arising in the 2019/20 Budget and Council Tax report (FIN/462).

5. The Capital Prudential Indicators 2019/20 – 2021/22

5.1 The Capital Expenditure Plans

5.1.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.2 **Capital expenditure.** This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £'000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Cabinet	1,979	2,545	3,060	71	0
Resources	217	183	902	400	67
Environment Services & Sustainability	898	463	2,359	2,961	0
Planning & Economic Development	257	1,512	7,757	3,387	0
Public Protection & Community Engagement	95	0	0	0	0
Housing Services	735	1,862	7,503	2,181	4,129
Wellbeing	1,898	1,511	2,344	517	0
General Fund	6,079	8,076	23,925	9,517	4,196
HRA	23,375	39,857	49,456	18,660	19,100
Non-financial investments *	0	0	6,000	5,000	0
Total	29,454	47,933	79,381	33,177	23,296

* Non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties, etc.

5.1.3 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need. The £9m financing need shown in the table below is for additional capital expenditure on Telford Place as outlined in the Budget report elsewhere on this agenda.

Agenda Item 7

Financing of Capital Expenditure £'000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital receipts	3,878	5,018	20,416	8,279	990
Capital reserves	96	0	25	0	0
1-4-1 receipts	3,117	8,256	14,923	3,882	1,569
Replacement funds	133	143	702	0	0
Capital grants	1,972	2,916	4,192	4,158	0
Major Repairs Reserve	20,258	31,600	39,123	16,858	11,737
Net financing need for the year	0	0	0	0	9,000

5.2 The Council's borrowing need (the Capital Financing Requirement).

5.2.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

5.2.2 The Council is asked to approve the CFR projections below:

£'000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement					
CFR – General Fund	0	0	0	0	0
CFR - HRA	260,325	260,325	260,325	260,325	269,325
CFR – Non-financial investments	0	0	0	0	0
Total CFR	260,325	260,325	260,325	260,325	269,325
Movement in CFR	0	0	0	0	9,000

Movement in CFR represented by					
Net financing need for the year (above)	0	0	0	0	9,000
Less MRP/VRP and other financing movements	0	0	0	0	0
Movement in CFR	0	0	0	0	9,000

5.2.3 The large CFR on the HRA is due to the self-financing settlement in 2011/12. It is anticipated that the estimated £9m in 2021/22 for Telford Place will initially be financed through internal borrowing (i.e. under-borrowing).

5.2.4 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the Council's overall financial position. The capital expenditure figures shown in 5.1.2 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

Agenda Item 7

5.3 Minimum revenue provision (MRP) policy statement

5.3.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

5.3.2 Government regulations have been issued which require the Full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

5.3.3 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1)

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

5.3.4 From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3)

This option provides for a reduction in the borrowing need over approximately the asset's life.

5.3.5 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made. For the General Fund, the MRP policy will be applied if future borrowing takes place.

5.4 Core funds and expected investment balances

5.4.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances. This is taken from the Budget report and Capital Strategy elsewhere on this agenda.

Year End Resources £'000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Fund balances / reserves	60,828	47,861	29,204	29,680	40,197
Capital receipts*	41,107	37,377	7,008	0	1,495
Total core funds	101,935	85,238	36,212	29,680	41,692
Working capital	16,671	15,724	15,000	15,000	15,000
Under/over borrowing**	0	0	0	0	(9,000)
Expected investments	118,606	100,962	51,212	44,680	47,692

* includes 1-4-1 receipts

** Working capital balances shown are estimated year-end; these may be higher mid-year

Agenda Item 7

5.5 Affordability prudential indicators

5.5.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

5.5.2 **Ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	-6.37%	-8.00%	-8.26%
HRA	16.85%	16.29%	16.15%

The estimates of financing costs include current commitments and the proposals in this budget report.

5.5.5 HRA ratios

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
HRA debt £'000	260,325	260,325	260,325	260,325	269,325
HRA revenues £'000	46,858	47,025	48,480	50,512	51,949
Ratio of debt to revenues %	556%	554%	537%	515%	518%

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
HRA debt £'000	260,325	260,325	260,325	260,325	269,325
Number of HRA dwellings	7,825	7,863	8,023	8,100	8,080
Debt per dwelling £	33,268	33,108	32,447	32,139	33,332

6. Borrowing

6.1 The capital expenditure plans set out in Section 5 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Agenda Item 7

6.2 Current portfolio position

6.2.1 The Council's treasury portfolio position at 31 March 2018, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
External Debt					
Debt at 1 April	260,325	260,325	260,325	260,325	260,325
Expected change in Debt	0	0	0	0	0
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	260,325	260,325	260,325	260,325	260,325
The Capital Financing Requirement	260,325	260,325	260,325	260,325	269,325
(Under) / over borrowing	0	0	0	0	(9,000)

6.2.2 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

6.2.3 The Head of Corporate Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

6.3 Treasury Indicators: Limits to Borrowing Activity

6.3.1 **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £'000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	260,325	260,325	260,325	260,325
Other long term liabilities	0	0	0	0
Total	260,325	260,325	260,325	260,325

6.3.2 **The Authorised Limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while

Agenda Item 7

not desired, could be afforded in the short term, but is not sustainable in the longer term.

6.3.3 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific council, although this power has not yet been exercised.

6.3.4 The Council is asked to approve the following Authorised Limit:

Authorised limit £'000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	270,325	270,325	270,325	270,325
Other long term liabilities	0	0	0	0
Total	270,325	270,325	270,325	270,325

6.3.5 Separately, the Council was previously limited to a maximum HRA CFR through the HRA self-financing regime. The government removed this limit with effect from 29 October 2018.

6.3.6 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

Maturity Structure of fixed interest rate borrowing 2019/20		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	20%
5 years to 10 years	0%	40%
10 years to 20 years	0%	65%
20 years to 30 years	0%	15%
30 years to 40 years	0%	10%
40 years to 50 years	0%	10%

6.4 Prospects for Interest Rates

6.4.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link's central view.

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

6.4.2 Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

Agenda Item 7

6.4.3 Borrowing interest rates have been volatile so far in 2018/19 and while they were on a rising trend during the first half of the year, they have backtracked since then until early January.

6.4.4 There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns) to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

6.5 Borrowing Strategy

6.5.1 The Council borrowed £260.325m in 2011/12 for the HRA self-financing settlement. The General Fund remains debt free, and this position is not expected to change during 2019/20.

6.6 Policy on borrowing in advance of need

6.6.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

6.6.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

6.7 Debt rescheduling

6.7.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

6.7.2 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

6.7.3 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

6.7.4 All rescheduling will be reported to the Cabinet, at the earliest meeting following its action.

7. Annual Investment Strategy

7.1 Investment Policy

7.1.1 The government and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely

Agenda Item 7

with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).

- 7.1.2 The Council's investment policy has regard to the Government's Guidance on Local Government Investments ("the Guidance"); the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code"); and the CIPFA Treasury Management Guidance Notes 2018. The Council's investment priorities will be security first, portfolio liquidity second and then yield (return).
- 7.1.3 The above guidance from the government and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 7.1.4 Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- 7.1.5 **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- 7.1.6 **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 7.1.7 This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 3 under the categories of 'specified' and 'non-specified' investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- 7.1.8 **Non Specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 70% of the total investment portfolio (see paragraph 7.4).
- 7.1.9 **Lending limits** (amounts and maturity) for each counterparty will be set through applying the matrix table in paragraph 7.2.
- 7.1.10 **Transaction limits** are set for each type of investment in 7.2.
- 7.1.11 The Council will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 7.5.5).

Agenda Item 7

- 7.1.12 Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 7.4.3).
- 7.1.13 The Council has engaged **external consultants**, (see paragraph 7.6) to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- 7.1.14 All investments will be denominated in **sterling**.
- 7.1.15 However, the Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 7.5). Regular monitoring of investment performance will be carried out during the year.

7.2 Creditworthiness policy

- 7.2.1 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 7.2.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:
- Yellow 5 years *
 - Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
 - Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
 - Purple 2 years
 - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
 - Orange 1 year
 - Red 6 months
 - Green 100 days
 - No colour not to be used

Agenda Item 7

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money Limit	Time Limit
Banks *	yellow	unlimited	5 yrs
Banks	purple	£15m	2 yrs
Banks – part nationalised	blue	£15m	1 yr
Banks	orange	£10m	1 yr
Banks	red	£10m	6 mths
Banks	green	£10m	100 days
Banks	No colour	Not to be used	
Limit 3 category – Council's banker (not meeting Banks 1)	n/a	£1m	1 day
Corporate Bonds	AA-	£5m	2 yrs
	A-	£2m	1 yr
Repurchase agreements	AA	£5m	5 yrs
DMADF	AAA	unlimited	6 months
Local authorities	n/a	£15m	5 yrs
Housing Associations	AA-	£2m	1 yr
Money market funds	AAA	£15m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	Light pink / AAA	£10m	liquid

* Please note: the yellow colour category is for UK Government debt, or its equivalent, constant NAV money market funds and collateralised deposits where the collateral is UK Government debt.

- 7.2.3 Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 7.2.4 Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 7.2.5 All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of Link Asset Services' creditworthiness service.

Agenda Item 7

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

7.2.6 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

7.3 Ethical Investment Policy

7.3.1 The Council will not undertake direct investment or borrowing activities with organisations whose core activities include:

- Armaments – weapon systems
- Gambling
- Pornography
- Tobacco
- Pay-day loans

7.3.2 In order to comply with treasury management guidance, the Council's investments will prioritise security, liquidity and yield in that order. The Ethical Investment Policy thereby becomes a fourth consideration in the decision making process.

7.3.3 The core activities in the Ethical Investment Policy above has been chosen after careful consideration of the Policy direction of the administration, the officer time in implementing the policy, the cost of external resources, and the timeliness of investment decisions.

7.4 Other limits

7.4.1 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

7.4.2 **Non-specified investment limit.** The Council has determined that it will limit the maximum exposure to non-specified investments as being 70% of the total investment portfolio.

7.4.3 **Country limit.** The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

7.4.4 **Other limits.** In addition:

- No more than 20% will be placed with any non-UK country at any time;
- Limits in place above will apply to a group of companies;
- Sector limits will be monitored regularly for appropriateness.

Agenda Item 7

7.5 Investment strategy

7.5.1 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

7.5.2 **Investment returns expectations.** On the assumption that the UK and EU agree a Brexit deal in spring 2019, then Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% for quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

7.5.3 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 6 months during each financial year are as follows:

2018/19	0.85%
2019/20	1.25%
2020/21	1.75%
2021/22	2.00%
2022/23	2.00%
2023/24	2.25%
Later years	2.75%

7.5.4 The overall balance of risks to economic growth in the UK is probably neutral.

7.5.5 The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably even and dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

7.5.5 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 365 days			
£m	2019/20	2020/21	2021/22
Principal sums invested > 365 days	£50m	£50m	£50m

Agenda Item 7

7.5.6 **Investment Risk Benchmarking.** These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

7.5.7 Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- **0.15% historic risk of default when compared to the whole portfolio.**

7.5.8 Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £nil
- Liquid short term deposits of at least £2m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.7 years, with a maximum of 1.20 years.

7.5.9 Yield - local measures of yield benchmarks are:

- Investments – internal returns 0.2% above the 7 day LIBID rate

7.5.10 And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.03%	0.22%	0.40%	0.56%	0.74%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

7.5.11 A the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

7.6 Treasury management consultants

7.6.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

7.6.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

7.6.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

8. Implications

8.1 There are no significant legal implications as a result of the recommendations in this report. Compliance with the CIPFA Code of Practice for Treasury Management in the public services, the Local Government Investment

Agenda Item 7

Guidance provides that the council's investments are and will continue to be, within its legal powers conferred under the Local Government Act 2003.

9. Background Papers

[Treasury Management Strategy for 2018/2019 – Cabinet, 7 February 2018 \[report FIN/433 refers\].](#)

[Treasury Management Mid-Year Review 2018/2019 – Cabinet, 21 November 2018 \[report FIN/457 refers\].](#)

2019/2020 Budget and Council Tax – Cabinet, 6 February 2019 [report FIN/462 refers].

Capital Strategy [report FIN/467 refers].

“Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes”, 2017 Edition – Chartered Institute of Public Finance and Accountancy.

“The Prudential Code for Capital Finance in Local Authorities”, 2017 Edition – Chartered Institute of Public Finance and Accountancy.

Report author and contact officer:

Paul Windust

Chief Accountant

01293 438693

ENDS

Appendix 1: Interest Rate Forecasts 2019 – 2022

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%
Bank Rate													
Link Asset Services	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
Capital Economics	0.75%	1.00%	1.25%	1.50%	1.70%	1.75%	2.00%	2.00%	-	-	-	-	-
5yr PWLB Rate													
Link Asset Services	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
Capital Economics	2.03%	2.15%	2.40%	2.65%	2.70%	2.75%	2.80%	2.85%	-	-	-	-	-
10yr PWLB Rate													
Link Asset Services	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
Capital Economics	2.43%	2.55%	2.80%	3.05%	3.05%	3.05%	3.05%	3.05%	-	-	-	-	-
25yr PWLB Rate													
Link Asset Services	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
Capital Economics	2.96%	3.08%	3.33%	3.58%	3.53%	3.48%	3.43%	3.38%	-	-	-	-	-
50yr PWLB Rate													
Link Asset Services	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%
Capital Economics	2.78%	2.90%	3.15%	3.40%	3.40%	3.40%	3.40%	3.40%	-	-	-	-	-

Agenda Item 7

APPENDIX 2: Economic Background

GLOBAL OUTLOOK. World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the eurozone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is unlikely to start raising rates until late in 2019 at the earliest.

KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we have indeed, seen a sharp fall in equity values in the last quarter of 2018. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.** At the time of writing, (early January 2019), financial markets are very concerned that the Fed is being too aggressive with its policy for raising interest rates and was likely to cause a recession in the US economy.

The world economy also needs to adjust to a sharp change in **liquidity creation** over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about \$50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

UK. The flow of positive economic statistics since the end of the first quarter of 2018 has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in GDP was followed by a return to 0.4% in quarter 2 and by a strong performance in quarter 3 of +0.6%. However, growth in quarter 4 is expected to weaken significantly.

Agenda Item 7

At their November quarterly Inflation Report meeting, the MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time, but declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they warned they could also *raise* Bank Rate in the same scenario if there was a boost to inflation from a devaluation of sterling, increases in import prices and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could potentially provide fiscal stimulus to support economic growth, though at the cost of increasing the budget deficit above currently projected levels.

It is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Getting parliamentary approval for a Brexit agreement on both sides of the Channel will take well into spring 2019. However, in view of the hawkish stance of the MPC at their November meeting, the next increase in Bank Rate is now forecast to be in May 2019, (on the assumption that a Brexit deal is agreed by both the UK and the EU). The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.3% in November. In the November Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate. This inflation forecast is likely to be amended upwards due to the Bank's report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget; this is likely to add 0.3% to GDP growth at a time when there is little spare capacity left in the economy, particularly of labour.

As for the **labour market** figures in October, unemployment at 4.1% was marginally above a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 3.3%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.0%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to reaching an orderly Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a, (temporary), boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and the reduction in the unemployment rate to 3.9%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in November. However, CPI inflation

Agenda Item 7

overall fell to 2.2% in November and looks to be on a falling trend to drop below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, this being the fifth increase in 2018 and the ninth in this cycle. However, they did also reduce their forecast for further increases from three to two. This latest increase compounded investor fears that the Fed is over doing the rate and level of increases in rates and that it is going to cause a US recession as a result. There is also much evidence in previous monetary policy cycles, of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world plunging under the weight of fears around the Fed's actions, the trade war between the US and China, an expectation that world growth will slow, Brexit etc.

The tariff war between the US and China has been generating a lot of heat during 2018, but it is not expected that the current level of actual action would have much in the way of a significant effect on US or world growth. However, there is a risk of escalation if an agreement is not reached soon between the US and China.

Eurozone. Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of nearly 2% for 2018, the horizon is less clear than it seemed just a short while ago. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. The ECB is forecasting inflation to be a little below its 2% top limit through the next three years so it may find it difficult to warrant a start on raising rates by the end of 2019 if the growth rate of the EU economy is on a weakening trend.

China. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries. Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

Agenda Item 7

APPENDIX 3: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. A maximum of 70% will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Specified investments	Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
DMADF – UK Government	N/A	unlimited	6 months
UK Government gilts	UK sovereign rating	unlimited	1 year
UK Government Treasury bills	UK sovereign rating	unlimited	1 year
Bonds issued by multilateral development banks	AA	unlimited	1 year
Money market funds	AAA	£15m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	£10m	Liquid
Local authorities	N/A	£15m	1 year
CDs or term deposits with banks and building societies	Yellow Purple Blue Orange	£15m £15m £15m £10m	1 year

Agenda Item 7

Non-specified investments	Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
UK Government gilts	UK sovereign rating	unlimited	5 years
Bonds issued by multilateral development banks	UK sovereign rating	unlimited	5 years
Local authorities	N/A	£15m	5 years
Housing Associations	AA-	£2m	1 year
CDs or Term deposits with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	unlimited £15m £15m £10m £10m £10m	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
Corporate bonds	AA- A-	£5m £2m	1 year
Repurchase agreements	AA	£5m	5 years

Agenda Item 7

APPENDIX 4: Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher and also have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Hong Kong
- U.K.

AA-

- Belgium
- Qatar

Agenda Item 7

APPENDIX 5: Treasury Management Scheme of Delegation

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Overview and Scrutiny Commission

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

Agenda Item 7

APPENDIX 6: The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following :-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

Agenda Item 7

- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Agenda Item 8

Crawley Borough Council

Report to Overview and Scrutiny Commission 4 February 2019

Report to Cabinet 6 February 2019

Capital Strategy 2019/2020

Report of the Head of Corporate Finance – FIN/467

1. Purpose

- 1.1 The CIPFA revised 2017 Prudential and Treasury Management Code require all local authorities to prepare a Capital Strategy which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

This Capital Strategy sets out how the Council will manage the investment and financing of capital resources to contribute towards the achievement of its key objectives and priorities. This includes the appraisal process for determining investment decisions and the process for identifying and prioritising funding requirements

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) Request Full Council to approve the Capital Strategy

3. Reasons for the Recommendations

- 3.1 The Council's financial regulations, in accordance with the CIPFA Code of Practice for Treasury Management, requires a Capital Strategy to be approved for the forthcoming financial year. This report complies with these requirements.

Agenda Item 8

4. Background

- 4.1 The requirement to produce a Capital Strategy was introduced by the revised CIPFA Prudential Code in December 2017. The Strategy should demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
- 4.2 The purpose of the Capital Strategy is to tell a story that gives a clear and concise view of how the Council determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It should provide enough detail to ensure that all members understand how the Council is delivering stewardship of the Council's resources, prudence and sustainability and meeting the Council's reporting requirements.
- 4.3 The Ministry of Housing, Communities and Local Government (MHCLG) has also revised its Investment Guidance and the (Minimum Revenue Provision) MRP Guidance. Local authorities are increasingly investing in non-financial assets, and this revised guidance brings these investments into scope.

5. Objectives of the Capital Strategy

- 5.1 The objectives of the Capital Strategy are to:

- Prioritise and deploy capital resources in advancement of the Corporate Objectives and the criteria within the Budget Strategy which are –

Items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations and schemes will also be considered that are spend to save or spend to earn, but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.

There is no annual target of expenditure for capital purposes as the programme will be based on the criteria above.

The council is also committed to building affordable housing for local people. This can be through the Housing Revenue Account by building Council Housing; or through enabling Registered Social Landlords through the General Fund, where the council would have nomination rights for this housing.

- 5.2 The Capital Strategy considers all aspects of the Council's capital expenditure and extends to areas where the Council is able to influence others through the use of its capital resources (for example housing enabling with Registered Social Landlords). It forms part of the Council's integrated revenue, capital and balance sheet planning.
- 5.3 The Strategy covers capital expenditure, capital financing and asset management and is one of the key strategies alongside the more operational strategies and policies for these and other areas including Treasury Management, Property Investment and service areas such as housing and other spending areas. It also gives an overview of how associated risk is managed and the implications for future financial sustainability. It is a 'living document' that will be enhanced over the coming years.

Agenda Item 8

- 5.4 The Strategy provides a set of objectives and a framework, within CIPFA Codes and legislation, by which new capital projects are evaluated and decisions made whilst ensuring funding is targeted towards meeting priorities.

The Capital Strategy:

- States the council's processes for:
 - Project initiation
 - deciding on the prioritisation of capital projects
 - monitoring and evaluating schemes
- Takes account of significant revenue implications (these are included in the Budget Strategy)
- Provides a framework for the management and monitoring of the capital programme
- Identifies funding and provides a basis to inform bidding for additional capital resources (e.g. from the Local Enterprise Partnership, National Lottery, Government initiatives)

Project Initiation

- 5.5 Capital projects are subject to robust justification process, bringing together a clear business case with sufficient detailed costings to ensure transparent decisions can be taken. Business cases are prepared in accordance with the Corporate Projects Assurance Group guidelines.
- 5.6 Proposals are given independent oversight and review by the Corporate Projects Assurance Group. This includes validation arrangement, estimated figures, project milestones and an evaluation of risks. The group will also consider Governance arrangements.
- 5.7 For larger projects where feasibility is less certain viability assessments and robust business cases are prepared before bids are made for funds. This includes undertaking all preparatory work to fully understand the requirements of the project before budget is sought.

Prioritisation on capital projects

- 5.8 Capital projects will be assessed based on the criteria in section 5.1 above.
- 5.9 The business case put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability.

Formal approval process

- 5.10 Project proposals will be put to the Budget Advisory Group which will make recommendations to Cabinet. The Cabinet report will outline how the scheme is funded. If part of the annual budget process these schemes will have Full Council approval.

Monitoring and evaluating schemes

- 5.11 The finance system is used as a tool for budget management, this is accessed by both finance staff and capital project managers to give up to date information on project spend. Quarterly monitoring and reporting of slippage is undertaken to ensure that full use of resources and effective treasury management is undertaken.

Agenda Item 8

5.12 A sub group of the Corporate Projects Assurance Group – the Capital Programme Board oversees a range of capital projects, the group will –

- Receive updates at the end of each quarter from the relevant budget holders to challenge the current budget and spend.
- Challenge any over or underspend and provide advice to prevent further variances in spend.
- Review the future years capital programme and challenge if the schemes will be delivered and what governance arrangements are in place.

The Council will assign a project manager to each project to oversee planning, delivery, management and governance including risk management of the capital project.

Funding the Strategy

5.13 Funding must be appropriate for the project and will come from:

- Reserves
- Capital receipts – from the sale of assets or finance lease receipts
- Government grants
- Third party grants and contributions
- Community Infrastructure Levy
- Revenue contributions (see below)
- Other developer contributions
- External (prudential) borrowing

5.14 The revenue budget has an annual budget of around £600,000 for programmed repairs, there is a three year plan of how to spend this money. This is based on condition surveys and includes works at K2 Crawley, the Hawth, car parks, depots, parks and pavilions and community centres.

5.15 In addition there are annual contributions from Revenue to the renewals funds. Annually there is a contribution of £100,000 for both IT equipment replacement and specialist equipment at the Hawth and K2 Crawley, together with an annual contribution of £200,000 for vehicle replacements (with an additional £300,000 in 2019/20 in preparation for the refuse contract renewal). Delegation is given to Heads of Service for replacement of vehicles and to Portfolio holder for IT equipment. The specialist equipment for leisure services forms part of the approved capital programme through Cabinet.

6. Debt and Borrowing and Treasury Management

6.1 The council's approach to borrowing is set out in the Treasury Management Strategy elsewhere on this agenda. The Council may consider internal or external borrowing in future.

7. Commercial Activity

7.1 The Council may invest in other financial assets, including loans and property primarily for financial return, which are not part of the treasury management activity.

Officers would use the following criteria to assess potential purchases. It is expected that proposals should meet all of these criteria unless there are sound reasons not to.

Agenda Item 8

- i purchase price of less than £6m.
- ii preferably freehold, but if leasehold then at least 125 years left on lease, or the ability to purchase an extension to the lease length.
- iii an income flow of at least 8 years duration, before either a lease renewal or tenant's option to break.
- iv a covenant check of the tenant confirms the ability to perform the conditions of the lease, including payment of rent.
- v the investment should be in such a condition that any further short term capital investment would be limited.
- vi whilst Crawley may be a preferable location, other locations within East and West Sussex and Surrey will be considered.

The Table below lists the investment properties that the Council owns.

Name	Valuation
Ashdown House – High Street	£ 9,407,100
Voluntary Organisations (Station Road)	£ 1,499,400
Telford Place Car Park	£ 1,060,600
Atlantic House – Three Bridges	£ 5,786,500
Ask – High Street	£ 1,537,700
Other	£ 1,120,200
Total	£ 20,411,500

8. Future Capital programme

The 2019/20 capital programme is attached at Appendix 1, this is based on the approvals in the Budget and Council tax report elsewhere on this Agenda.

9. Implications

There are no significant legal implications as a result of the recommendations in this report. Compliance with the CIPFA Code of Practice for Treasury Management in the public services, the Local Government Investment Guidance provides that the Council's investments are and will continue to be, within legal powers to borrow and invest including controls and limitations conferred under the Local Government Act 2003.

10. Background Papers

[Treasury Management Strategy for 2018/2019 – Cabinet, 7 February 2018 \[report FIN/433 refers\]](#).

2019/2020 Budget and Council Tax – Cabinet, 6 February 2019 [report FIN/462 refers].

[2018/19 Budget and Council Tax FIN/434](#)

Treasury Management Strategy 2019/20 FIN/464

Q3 Budget Monitoring 2018/19 FIN/466

Contact Officer: Karen Hayes, Head of Corporate Finance
01293 438263
karen.hayes@crawley.gov.uk

Agenda Item 8

APPENDIX 1

CAPITAL PROGRAMME FUTURE YEARS

Scheme Description	Budget 2019/20	Budget 2020/21	Budget 2021/22
Town Centre General		71,100	
Town Hall Development	3,000,000		
Solar PV CBC Operational Buildings	60,000		
TOTAL CABINET PORTFOLIO	3,060,000	71,100	

New Cemetery	66,000		
K2 Crawley Heat Network (Heat & Power)	110,112		
Shrub Removal	30,000		
Boulevard Cycle Path		94,000	
Crawters / Manor Royal Cycle Path	64,598		
Orchard Street Car Park	300,000		
Heat Network	1,250,000	2,788,100	
Ifield Drive	5,920		
Camber Close	15,282		
Lavant Close	16,594		
Fisher Close	9,873		
Scallows Close	16,597		
Flooding Emergency Works	167,177		
Cheals Broadfield Pond	1,456		
Titmus Lake Tilgate & Furnace Green	42,000		
Stafford Bridge Ifield Green		78,900	
Billington Drive Maidenbower	28,000		
Broadfield Brook Flood Works	30,000		
River Mole Flood Works	30,000		
Northgate Flood Attenuation Work	42,000		
Crabbett Park Pound Hill Flood Works	33,000		
Crawters Brook Flood Works	100,000		
TOTAL ENVIRONMENT SERVICES & SUSTAINABILITY PORTFOLIO	2,358,609	2,961,000	

Housing Enabling	1,220,000		
Temp Accommodation Acquisitions	273,700		
Open House Moving Acquisitions	14,235		
Affordable Housing Town Hall	5,600,000	2,180,798	4,128,750
Disabled Facilities Grants	305,804		
Improvement/Repair Loans	89,334		
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	7,503,073	2,180,798	4,128,750

Investment Property Acquisition	6,000,000	5,000,000	
Manor Royal Business Group	200,000		

Agenda Item 8

Scheme Description	Budget 2019/20	Budget 2020/21	Budget 2021/22
<u>Crawley Growth Programme</u>			
Queensway	1,286,758		
Manor Royal Cycle Improvements	1,462,000		
Town Centre Cycle Improvements	862,000		
Station Gateway	2,508,867	2,600,000	
Growth Programme S106	587,595		
Three Bridges Station	850,000	787,193	
Total Crawley Growth Programme	7,557,220	3,387,193	
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	13,757,220	8,387,193	

ICT Capital - Future Projects	250,400		
HRA Database	75,000	400,000	67,000
ICT Transformation	461,000		
New Website and Intranet	115,529		
TOTAL RESOURCES PORTFOLIO	901,929	400,000	67,000

Vehicle Replacement Programme	539,506		
Refurbishment Playgrounds Future Schemes	39,600		
Skate Park Equipment	46,000		
Memorial Gardens Improvements	33,400		
Wakehams Play Refurbishment		65,000	
K2 Crawley Replace Artificial Turf Pitches	4,323		
Tilgate Park & Nature Centre	154,688		
Nature & Wildlife Centre	144,331		
Tilgate Park & Nature Sustainable Heat	289,000		
Ewhurst Road Play Refurbishment	72,500		
Adventure Golf	420,000		
Adventure Playgrounds	200,000	200,000	
Memorial Gardens Play Improvements	170,000		
Kidborough Road Gossops Green	70,000		
Stoney Croft	25,000		
4 Type A Play Areas Ifield	26,000	26,000	
2 Type A Play Areas Pound Hill	13,000	13,000	
Perkstead Court Play Area Bewbush		20,000	
1 Type A Play Areas Bewbush		13,000	
Medler Close Langley Green	65,000		
Meadowlands West Green		40,000	
K2 Crawley Climbing Wall		140,000	
Hawth Light/Sound Desk	31,213		
TOTAL WELLBEING PORTFOLIO	2,343,561	517,000	

TOTAL GENERAL FUND	29,924,392	14,517,091	4,195,750
<u>Programme Maintenance</u>			

Agenda Item 8

Scheme Description	Budget 2019/20	Budget 2020/21	Budget 2021/22
Rewiring	1,300,000	1,200,000	1,200,000
Roof Structure (i.e Soffits)	600,000	600,000	600,000
Windows	300,000	300,000	300,000
Structural Works	80,000	80,000	80,000
Renovation And Refurbishment	200,000	200,000	200,000
Insulation	250,000	250,000	250,000
Kitchens	850,000	850,000	850,000
Bathrooms	550,000	550,000	550,000
Common Areas	20,000	20,000	20,000
Adaptations For The Disabled	380,000	300,000	300,000
Sheltered Major Works	100,000	100,000	100,000
Boilers	1,000,000	1,000,000	1,000,000
Disabled Adaptations - Major Room	950,000	950,000	950,000
Legionella	50,000	50,000	50,000
Energy Efficiency - Lighting	80,000	80,000	80,000
External Environmental Work	100,000	100,000	100,000
Intercom Upgrade	50,000	50,000	50,000
Major Insulation Energy Efficiency	1,800,000	1,800,000	1,800,000
Hostels	450,000	250,000	250,000
Major Renovation, Flats, Blocks, etc	650,000	100,000	100,000
Garages	200,000	200,000	200,000
TOTAL HRA IMPROVEMENTS	9,960,000	9,030,000	9,030,000

151 London Road (New Build)	388,000		
Bridgefield House	12,489,101		
HRA Purchase Edinburgh House	3,500,000		
Acquisitions Buy Back Of Dwellings	1,000,000	1,000,000	1,000,000
Kilnmead	1,986,637		70,000
Forge Wood	2,622,370		
Telford Place Development	5,597,103	6,266,174	9,000,000
Woolborough Road Northgate	1,118,000		
Goffs Park - Depot Site	550,930		
83-87 Three Bridges Road	303,150		
Dobbins Place		24,000	
Barnfield Road	20,000		
Forge Wood Phase 2	7,049,476		
257/259 Ifield Road	841,000		
Forge Wood Phase 3	1,068,250		
Forge Wood Phase 4	962,125	1,049,591	
Contingencies		800,000	
Prelims		490,000	
TOTAL OTHER HRA	39,496,143	9,629,765	10,070,000

Agenda Item 8

Scheme Description	Budget 2019/20	Budget 2020/21	Budget 2021/22
TOTAL HRA	49,456,143	18,659,765	19,100,000
TOTAL CAPITAL PROGRAMME	79,380,535	33,176,856	23,295,750
FUNDED BY			
Capital Receipts	20,415,943	8,278,898	990,000
Capital Reserve	25,000		
Better care fund (formally DFGs)	305,804		
Lottery & External Funding	2,798,688	3,850,000	
HRA revenue contribution	39,123,243	16,857,836	11,736,375
Replacement Fund/Revenue Financing	702,506		
Section 106	1,086,693	308,193	
1-4-1	14,922,658	3,881,930	1,569,375
Borrowing (HRA)			9,000,000
TOTAL FUNDING	79,380,535	33,176,856	23,295,750

This page is intentionally left blank

Crawley Borough Council

Report to Overview and Scrutiny Commission 4 February 2019

Report to Cabinet 6 February 2019

Allocating Monies Collected Through Community Infrastructure Levy – Infrastructure Business Plan 2019/20

Report of the Head of Economy and Planning – PES/302

1. Purpose

- 1.1. Present the findings of the first Annual review of Crawley's Community Infrastructure Levy (CIL) Programme, carried out by officers.
- 1.2. Seek Cabinet approval for the revised CIL Infrastructure Business Plan (IBP) (Appendix A), which identifies the priority projects proposed to be funded by collected CIL monies for the years 2018-19 to 2021-22.
- 1.3. Provide Cabinet with an update on the one year pilot scheme for crowdfunding - Crowdfund Crawley and seek approval to extend the existing contract with Spacehive until the end of March 2020, to be reviewed annually.
- 1.4. Provide Cabinet with an update on the collection and administration of CIL monies.

2. Recommendations

- 2.1. To the Overview and Scrutiny Commission:
 - 2.1.1. That the Commission consider the report and decide what comments, if any, it wishes to make to the Cabinet.
- 2.2. To the Cabinet:
 - 2.2.1. To approve the proposed revised CIL strategic infrastructure spend priorities presented in the Infrastructure Business Plan (Appendix A) set out in section 6, to the end of 2021/22.
 - 2.2.2. To note that the Infrastructure Business Plan, including the funding programme, will continue to be reviewed on an annual basis to take into account any changes in strategic infrastructure priorities and fluctuations in CIL receipts compared to the forecast. The next review is proposed to take place in February 2020.
 - 2.2.3. To approve extending the Crowdfund Crawley pilot scheme until the end of March 2020 and for the scheme to be reviewed again in February 2020.

Agenda Item 9

- 2.2.4. To approve the recommendation to broaden the requirement as to when the Council will consider making a pledge from the Neighbourhood Improvement Fund, to include projects which achieve 10 individual pledges for funding. (See section 11.7)
- 2.2.5. To approve the application of the CIL administrative fee, capped at 5% of total receipts per annum. (See section 5.3.1 and section 7).

3. Reasons for the Recommendations.

- 3.1.1. By approving the revised CIL Infrastructure Business Plan, it will give clarity as to the projects identified as a priority for delivery using CIL finances and it will also provide a clear audit trail.
- 3.1.2. The extension to the Crowdfund Crawley programme will allow the Council to better evaluate the impact that the programme has had. By broadening the requirement that the Council will consider making a pledge, this should enable individual projects which have struggled to get initial 'buy in' from the general public to gain support, building further confidence in the Crowdfund programme.
- 3.1.3. By approving the application of the CIL administration fee, this will allow the Council to offset administrative expenses incurred by the Council due to its role in the collection, management and distribution of CIL.

4. Background

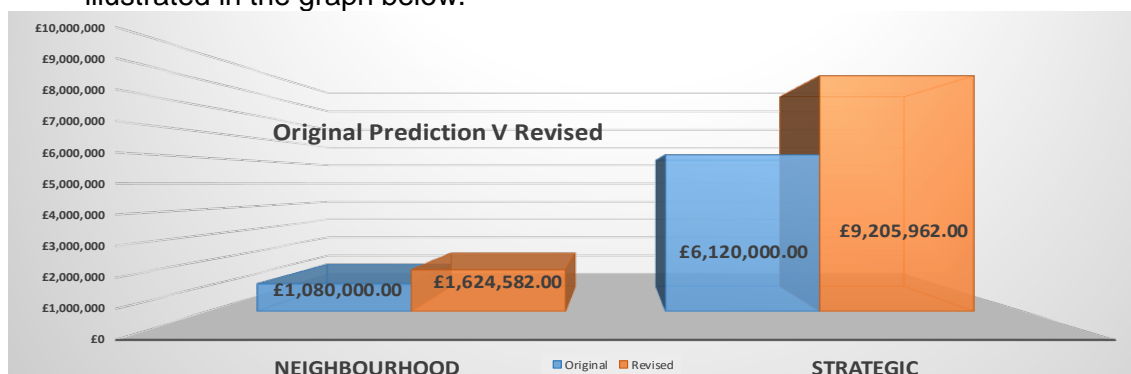
- 4.1. The expected overall CIL income in Crawley is based upon residential growth trajectories produced to assess implementation of the Crawley Local Plan 2015-2030 – the income being received by the Council once residential developments with planning permission have commenced. The CIL regulations 2010 as amended, part 7 state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local communities – the Neighbourhood Improvement Strand. The remaining 85% of CIL contributions is for the Strategic Infrastructure Strand.
- 4.2. In October 2017, Cabinet approved a crowdfunding model as the preferred option for the future governance of the CIL Neighbourhood Improvement Strand, and also the implementation of a one year Crowdfunding pilot - report [PES/257](#) refers.
- 4.3. In October 2017, Cabinet delegated authority to the Head of Economy and Planning in consultation with the Cabinet Member for Planning and Economic Development to commence the procurement process for a provider to run the crowdfunding platform, to finalise guidance, eligibility criteria, Terms and Conditions and to implement a one year pilot of the Neighbourhood Improvement Strand and its associated procedures. Spacehive was subsequently awarded the contract.
- 4.4. In February 2018, Cabinet approved the proposed CIL strategic infrastructure spend priorities presented in the Infrastructure Business Plan as a priority for delivery and the funding programme for the period 2018/19 to 2021/22 - report [PES/264](#) refers.
- 4.5. In February 2018, Cabinet also approved the governance of the Strategic Infrastructure Strand and noted that the Infrastructure Business Plan, including the

Agenda Item 9

funding programme, will be reviewed on an annual basis to take into account any changes in strategic infrastructure priorities and fluctuations in CIL receipts compared to the forecast. This is the first such review.

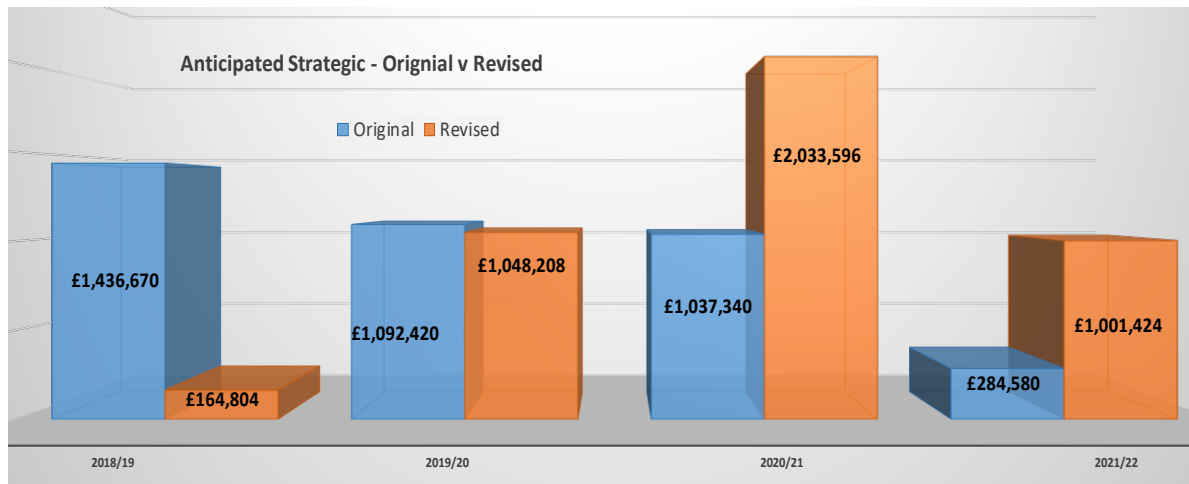
5. CIL Strategic Infrastructure Strand – Current Financial Position.

- 5.1. Having undertaken the review, officers anticipate receiving more in CIL contributions than previously forecast over the period to 2030. The original estimated combined total was £7,200,000 by 2030, which has now increased to £10,830,544. This is to take into account an increase in projected new residential units on sites across the borough, including phase 2 of the new Town Hall development site, which had previously not been taken into account. Deducting the 15% for the Neighbourhood Improvement Strand means that £9,205,962 (85%) would remain to be spent upon strategic infrastructure to 2030. This is illustrated in the graph below.



- 5.1.1. £1,497,452 of the forecasted £10,830,544 is anticipated to come from premises which have received prior approval to change use from offices to residential, which before conversion are considered to have been vacant for so long that they count as new floor space for CIL purposes.
- 5.1.2. It should be noted that the exact figure collected from CIL will be unknown until potential developments are under construction - therefore the Council can only provide a forecast which predicts the levels to be collected.
- 5.2. Up to the end of December 2018, the Council had received £164,804 in CIL Strategic Infrastructure Strand contributions, which is significantly lower than the £1,436,670 previously estimated to have been received by that time. This is because a number of developments have been delayed/or have changed use.
- 5.3. As illustrated below, officers project that £1,048,208 in CIL Strategic Infrastructure Strand receipts will be received by the Council in 2019-20, £2,033,596 in 2020-21 and £1,001,424 in 2021-22, subject to the corresponding new residential developments being taken forward to construction. In total it is anticipated that the Council will receive £4,248,032 by March 2022, which is an increase of £397,022 on previous estimations for this period.

Agenda Item 9



- 5.3.1. Since 93% of the CIL Strategic Infrastructure Strand receipts forecast for 2019/20 are anticipated to be coming from permitted changes of use in premises which are considered to have been vacant for so long that they count as new floor space for CIL purposes - these charges may be subject to appeal by developers. To strengthen its ability to secure the funds the Council should set aside a small amount of CIL income for an additional staffing resource to pursue enforcement, hence the request for Cabinet to approve the application of CIL to administrative expenses.

6. CIL Strategic Infrastructure Strand – Proposed Amendments - CIL Funded Schemes

- 6.1. The 2018/19 Infrastructure Business Plan (IBP) recommended that 3 projects be funded within the initial CIL funding programme to end March 2022: Three Bridges Railway Station improvements, A23/Manor Royal junction improvements and Bewbush Medical Centre.
- 6.2. The Crawley Clinical Commissioning Group have informed the Council that their health infrastructure priorities for CIL funding investment have changed to schemes at Saxonbrook Medical Centre (near the town centre) and Pound Hill Medical Group. As a result these have been added to the 3 year funding programme to the end of 2021/22, substituting the Bewbush Medical Centre scheme, as the original scheme has now been modified to a smaller project on the surgery's existing premises which does not require any additional CIL funding.
- 6.3. Cabinet is therefore requested to approve the proposed CIL strategic infrastructure spend priorities as follows: (see appendix A for more information):

6.3.1 A 3 year Funding Programme 2019/20– 2021/22 – CIL to be used as a part-funding contribution, quantified below, towards delivery of the following schemes:

- Three Bridges Railway Station project, £1.1m
- A23/ Manor Royal junction project, £0.709m (see 6.4 below)
- New - Saxonbrook Medical Centre, Northgate - Creating 2 additional consulting rooms, £0.032m, subject to appropriate legal agreements.
- New - Pound Hill Medical Group - build 2 additional consulting rooms, £0.144m, subject to appropriate legal agreements.
- 5% Admin for the period, £0.24m

Agenda Item 9

- 6.4. The amount allocated for A23/Manor Royal junction has been increased from the previous IBP prepared for 2018/19. It is anticipated that this will be effectively offset by increased CIL income that will arise due to the planned early demolition of County Buildings by WSCC. This will result in a higher CIL income from redevelopment of the site, as there will be no 'demolition offset' deducted from the chargeable floor space. The funds will be released when the development of the site commences.
- 6.5. The following projects have been identified as being for Mid Term delivery (2022/23 to 2026/27). Approval would be sought at a later stage for these CIL contributions to be formally allocated to the projects below once the details have been finalised:
- A2011 Crawley Avenue/ A2004 Northgate Avenue improvements, £0.36m
 - A23 Crawley Avenue/ Ifield Avenue Roundabout improvements, £1.08m
 - A contribution to Education, Early Years Provision – Locations to be determined through WSCC in addition to dependencies /site availability, £2.1m
 - 5% Admin for the period, £0.28m
- 6.6. There would therefore remain a further £3,160,962 of anticipated funds to be allocated to future strategic projects.

7. CIL Strategic Infrastructure Strand - Staffing Implications

- 7.1. A charging authority – in this case Crawley Borough Council - may apply CIL to administrative expenses incurred by it in connection with CIL. This is providing that it does not exceed 5% of CIL collected per annum. Where an authority spends less than its permitted allowance on administrative expenses, it must transfer the remaining allowance for use on strategic infrastructure strand projects.
- 7.2. During 2018/19, the 5% charge was applied to the administration costs for the Crowdfund Crawley platform.
- 7.3. From 2019/20 onwards in addition to covering the Crowdfund Crawley admin fees, officers propose to apply the remainder of the 5% collected in any financial year, to the administrative expenses Council in carrying out its role collecting, managing and distributing CIL.
- 7.4. The impact of CIL on staffing and resources to ensure effective CIL income collection will continue to be reviewed during the annual review of the IBP.

8. CIL Neighbourhood Improvement Strand.

- 8.1. CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local communities where development is taking place. Following Cabinet approval, Crawley Borough Council has established the Crowdfund Crawley website, to enable residents to decide which projects should be funded through making donations, giving a clear indication as to the priorities that residents care most about.
- 8.2. Crowdfund Crawley is an entity in its own right however it is intended to be complimentary to other grant makers using the site to distribute their funds.

Agenda Item 9

Project organisers are encouraged to pitch to as many of the funding pots that are available within the area giving them a greater chance of success. By using the same site as West Sussex County Council, Crawley residents are able to access both the Neighbourhood Improvement Fund (CBC) and the Community Initiative Fund (WSCC) at the same time, giving them a greater chance of success.

- 8.3. The cost for the specialist software and associated support package for Crowdfund Crawley was £10,000 and has been funded from the 5% administration fee that the charging authority is entitled to apply.
- 8.4. Crowdfund Crawley officially launched on 22nd May 2018, with the newly created Neighbourhood Improvement Fund and an allocation of £15,000.

9. Procurement

- 9.1. Following a robust procurement process, Crawley Borough Council partnered with Spacehive to deliver the crowdfunding pilot and web site provision.
 - 9.1.1. The Spacehive site offers a verification process, to assess applications. The site uses Locality, an independent organisation, to assess the projects incl. permissions and costs.
 - 9.1.2. Crawley Borough Council received from Spacehive an annual £20,000 discount for the specialist software / support package as West Sussex County Council is also using the site. It has been confirmed that the £20,000 discount will again be applied if Crawley Borough Council renew the contract to March 2020. The discount will be reviewed at the next contract review.
 - 9.1.3. The contract is renewed on an annual basis, allowing flexibility for changing circumstances.

10. Governance

- 10.1. This is set out in Appendix B and remains largely unaltered since the report to Cabinet in 2018. The one adjustment is that relevant ward councillors are informed in advance of the projects occurring in their area and invited to provide feedback to an officer or to show support for the project through the web site by “liking” the project.

11. Crowdfund Crawley Outcomes

- 11.1. To date, the site has been used by twelve organisations to raise funds for fourteen projects, which have included an outdoor gym and a wheelchair swing. For case studies see Appendix C, or visit [Crowdfund Crawley Projects](#).

Of the fourteen projects:-

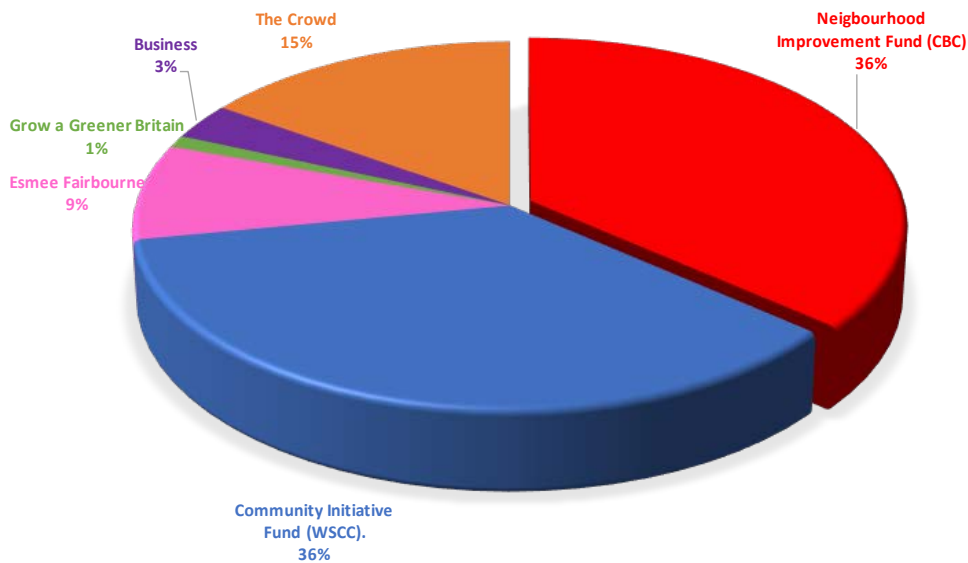
- six have successfully secured the funding required
- six are in the preparation stage
- two have been unsuccessful

- 11.2. To date £23,774 has been pledged to projects, the ‘crowd’ has pledged £3,637 with the remainder being pledged by other grant makers. This means that for every £1 pledged by the ‘crowd’ a further £5.54 was pledged by grant Makers. In Broadfield Gym’s case, excluding the fees associated with using the site, for every

Agenda Item 9

£1 donated by the crowd the project generated a further £28.94 from grant makers.

- 11.3. The two projects that were unsuccessful failed as they did not meet the criteria of the grant makers and were unable to gain enough support from the community. We have redirected these groups to Crawley CVS to help them find more suitable funding streams.
- 11.4. Of the £23,774 pledged, £8,628 has been pledged by the CIL Neighbourhood Improvement fund. West Sussex County Council have pledged £8,500 and £2,250 has been pledged by external funders. Businesses have contributed £759. The CIL Neighbourhood Improvement Fund has therefore unlocked almost double its amount from third party sources as illustrated below.



- 11.5. To date, 64% of the neighbourhoods have used the site for their projects. The following map shows the location of the projects. Green dots represent successful projects, blue are projects in the preparation stage and red shows unsuccessful projects.



Agenda Item 9

- 11.6. There are five neighbourhoods - Furnace Green, Bewbush, Pound Hill, Forge Wood and Gossops Green - which have yet to use the site. We will continue to work alongside Community Development and Crawley CVS to promote the site to local groups within these areas.
- 11.7. Projects have reported that getting the initial 'buy in' from the general public has been challenging, which seems to get easier once the fund grows. It may have been optimistic in setting the trigger point for the Council to consider making a pledge at when donations reach 25% of the target. Officers are therefore intending to broaden the requirement as to when the Council will consider making a pledge to include projects which achieve 10 individual pledges for funding.
- 11.8. At this point in time there remains £6,372 unallocated in the Neighbourhood Improvement Fund. If it is decided to continue the pilot programme for another year then this will be carried over into 2019-20.
- 11.9. Crawley Borough Council will have to advise Spacehive by 01 March 19 if the contract is to be extended by a further year. The cost and terms of the contract would remain the same, paid for entirely out of CIL monies.

12. Equality Impact Assessment

- 12.1. Officers carried out an Equality Impact Assessment report (Appendix D), for which the main finding is that the site is fully inclusive as it is open to everyone. The only information collected for the purposes of project applications for funding relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.

13. Financial Implications

- 13.1. There continues to be a risk that the spend profiles of projects identified as a priority in the Infrastructure Business Plan will be mismatched against the receipts of CIL contributions. Councils are unable to borrow against anticipated levy income but CIL receipts can be used to repay expenditure on infrastructure that has already been incurred, provided that expenditure is in line with recognised priority infrastructure schemes as identified within the CIL Infrastructure Business Plan.

14. Background Papers

Report to Cabinet 7 February 2018 - [Allocating Monies Collected Through Community Infrastructure Levy - Infrastructure Business Plan and Governance.](#)

Report to Cabinet 4 October 2017 – [Community Infrastructure Levy - Governance, Prioritisation and Spend Proposals.](#)

Report to Cabinet 29 June 2016 - [Adoption of Crawley Community Infrastructure Levy \(CIL\)](#)

Contact Officer - Mandy Smith, Regeneration Programme Officer

01293 438285 - mandy.smith@crawley.gov.uk

APPENDIX A - Infrastructure Business Plan Outline.

Introduction

- Summary
- Projects identified as critical and proposal for the funding programme to 2021/22.
- Additional information for the schemes identified for potential funding
- Date for next annual review
- Governance Structure

1. Summary

- 1.1. This Infrastructure Business Plan (IBP) has been prepared by officers from Crawley Borough Council with input from West Sussex County Council and other Infrastructure Providers. It sets out the proposed priority infrastructure schemes required to support the delivery of the Crawley Local Plan to 2030.
- 1.2. This document sets out anticipated Community Infrastructure Levy receipts, which have been based upon residential development trajectories. It identifies the projects that Crawley Borough Council intend to fund / enable using Community Infrastructure Levy (CIL) and presents an initial funding programme to 2021/22. This IBP project list represents the current understanding of projects appropriate to be funded via the CIL with a commitment that no “double counting” will take place.
- 1.3. It should be noted that in time the information within this document may be revised in the future, subject to process, to allow for additional unforeseen infrastructure requirements that might be identified. As the anticipated CIL funds are only an estimation, this document will also be reviewed each year to reflect how much CIL money has been received from the commencement of new residential developments.
- 1.4. This document is only concerned with the Strategic Infrastructure Strand of CIL. All figures exclude the 15% of the total CIL contributions collected, that CIL regulations state are to be allocated for spending in agreement with local communities where development is taking place. The process for allocating CIL funds within the Neighbourhood Improvement Strand was approved by Cabinet in October 2017.
- 1.5. A charging authority may apply CIL to administrative expenses incurred by it in connection with CIL. This is providing that it does not exceed 5% of total CIL contributions collected. Administrative costs cannot be paid using the 15% Neighbourhood Improvement Strand of CIL.
- 1.6. Where an authority spends less than its permitted allowance on administrative expenses, it must transfer the remaining allowance for use on capital infrastructure projects. If Crawley BC does not apply the discretionary administrative expenses then a maximum of 85% of CIL collected in Crawley will be spent on strategic infrastructure.

1.7. The levy should not be used to remedy pre-existing deficiencies in infrastructure provision unless the deficiencies are exacerbated by new development.

2. Anticipated CIL Income, Available Funds and Current Spend.

2.1. The expected overall CIL income into Crawley is based upon residential growth trajectories produced to assess implementation of the Crawley Local Plan 2015-30. An estimated total of £10,830,544 is forecasted to be collected by 2030 from charges on new residential developments. It should be noted that the exact figure collected from CIL will be unknown until potential developments are under construction, which means therefore that the Council can only provide a forecast which predicts the levels to be collected each year.

2.2. CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local communities where development is taking place. This means that the “Neighbourhood Improvement Strand” for Crawley would amount to £1,624,582 of CIL funds – the process for allocating these funds was agreed by Cabinet in October 2017.

2.3. Therefore, when deducting the above amount, £9,205,962 would remain to be spent on strategic infrastructure. In accordance with CIL regulations this should fund a wide range of infrastructure to enable the Borough and County to address the cumulative impact on Crawley from growth and new development sites, provided that it accords with Crawley’s regulation 123 list.

2.4. The following table illustrates anticipated CIL receipts in the 5 yr. period 2017/18 to 2021/22. It also illustrates the anticipated year that the funds will be able to be released.

	5 Year Period					
	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Amount of CIL Received	£ 68,897	£ 95,907	£ -	£ -	£ -	£ 164,804
Amount of CIL Anticipated	£ -	£ -	£ 1,048,208	£ 2,033,596	£ 1,001,424	£ 4,083,228
CIL Available to Spend	£ -	£ 68,897	£ 95,907	£ 1,048,208	£ 2,033,596	£ 3,246,609

2.5. To date, a total of £164,804 of CIL monies have been paid to the Council by developers in accordance with their obligations. To date, a total of £10,000 of CIL monies have been spent by the Council to administer the Crowdfund Crawley website.

3. Projects identified as critical and proposal for the first 4 year funding programme 2017-18 to 2021-22

3.1. This section identifies how much CIL is likely to be generated in each financial year, and sets out the proposed CIL spending priorities to end March 2022.

3.2. Projects identified as a priority to receive a contribution from CIL are proposed / presented in the table below. Officers have based the priority projects outlined in the Infrastructure Business Plan on the Crawley Infrastructure Delivery Schedule, which is already in place through the Local Plan process and identified all strategic infrastructure requirements as a result of the growth forecast indicated in the Local Plan. The projects outlined below for this Infrastructure Business Plan have all been assessed as Critical or as high scoring essential projects in terms of their level of importance in supporting Crawley's growth.

Projects identified	Criteria Met	Score	%	Phasing	Total Potential CIL Contributions
A23 London Road/ Manor Royal	ABCFIJKL	375	94%	Short Term	£709,000
Improvement to Three Bridges Railway Station	ABDFHIJKL	375	94%	Short Term	£1,100,000
A2011 Crawley Avenue/ A2004 Northgate Avenue/	ABCGIJKL	365	91%	Medium Term	£360,000
New early years provision, location to be determined	ABCGJKL	345	86%	Medium Term	£2,100,000
A23 Crawley Avenue/ Ifield Avenue roundabout	ABCGJKL	345	86%	Medium Term	£1,080,000
Saxonbrook Medical Centre - Creating 2 additional consulting	ABDGJKL	340	85%	Short Term	£32,000
Pound Hill Medical Group - build 2 additional consulting rooms	ABDGJKL	340	85%	Short Term	£144,000
					£5,525,000
Total anticipated CIL for Strategic infrastructure strand to 2030	£9,205,962				

3.3. Funding Programme

3.3.1. Funds received within the funding programme, will be concentrated on the priority projects identified for delivery in the Short Term 2018/19-2021/22. The following tables outline anticipated CIL receipts and proposed spend over the period to end March 2022.

Project	Phasing	Total Amount Required	Short Term					Remainder to be funded 2022/23 - 2027/28
			2017/18	2018/19	2019/20	2020/21	2021/22	
5% Administration Charge (incl. Crowdfund Crawley admin) *	Short Term	£ 250,190	£ -	£ 10,000	£ 61,659	£ 119,623	£ 58,907	£ -
A23 London Road/ Manor Royal	Short Term	£ 709,000	£ -	£ -	£ -	£ 400,000	£ 309,000	£ -
Improvement to Three Bridges Railway Station	Short Term	£ 1,100,000	£ -	£ -	£ -	£ 575,012	£ 524,988	£ -
Pound Hill Medical Group - build 2 additional consulting rooms	Short Term	£ 144,000	£ -	£ -	£ 112,804	£ 31,196	£ -	£ -
Saxonbrook Medical Centre - Creating 2 additional consulting	Short Term	£ 32,000	£ -	£ -	£ 32,000	£ -	£ -	£ -
		£ 2,235,190	£ -	£ 10,000	£ 206,463	£ 1,125,831	£ 892,895	£ -

- 3.3.2. There is a risk that the spend profiles of projects for delivery within the Short Term will be mismatched against the receipts of CIL contributions. Councils are unable to borrow against anticipated levy income but they can be used to repay expenditure on infrastructure that has already been incurred.
- 3.3.3. The funds associated with the 5% admin charge will fluctuate as they will be collected and allocated throughout the year.
- 3.3.4. Any funds collected in this period that remain unspent will be carried forward into the next 5 year funding programme 2022/23-2027/28.
- 3.3.5. The priority projects identified for delivery in the Medium Term will be progressed in the next 5 year funding programme 2022/23 - 2027/28 as funds become available and details are finalised.

4. Governance

- 4.1.1. In line with the Crawley Growth Deal between CBC and WSCC, it is proposed that the allocation and spend of CIL funding will be governed jointly by the two authorities through the Crawley Growth Board, chaired by the CBC Chief Executive, which meets every 2 months with agreed recommendations then put to CBC Cabinet for approval when key decisions are required on CIL funding allocations to individual infrastructure schemes.
- 4.1.2. The existing cross party Economic Regeneration Working Group of CBC Members will also have an opportunity to review proposals for CIL spend and make recommendations to the Chair and Head of Economy and Planning. WSCC Cabinet members and local County Council members will be consulted as appropriate.

5. CIL 4 Year Programme 2018 – 2022, Background Information and Assessment Outcome for the two new projects.

5.1. Healthcare – Saxonbrook Medical Centre

Location – Northgate.

Status – Essential

Score – 340/400 – 85%

CIL Contribution - £32,000

Lead Organisation – CCG

There has been a significant number of planning applications for new developments within the town centre. These major developments focus on domestic new dwellings. As a result the increase in potential new residents/patients is putting additional pressure on Saxonbrook Medical

Centre in the town centre. At present the practice is unable to accept any new patients (the GP practice is already serving 17,500 registered patients over 2 separate sites).

The CCG has had NHS capital budgets constrained for several years and this has conflicted with the rise in patients which has made NHS service delivery difficult, as building internal redesign to reflect the growing demand without dilution of service for existing patients has had to be shelved. Given the pressure on Saxonbrook Medical Centre which is in the frontline of the above-mentioned developments the surgery and the CCG have been planning to create 2 additional consulting rooms by conversion of a former conference/meeting room which is no longer required. This would make much better use of existing space and facilitate more patients to be seen and enable wider NHS services to be delivered.

Supporting Evidence

The following are relevant planning applications received and permitted by Crawley Borough Council. If these developments are delivered it is estimated that this will create 1,790 new residents/patients.

- CR/2016/0294/out 308 Flats -Overline House
- CR/2017/0997/out 182 units-Town Hall, The Boulevard
- CR/2017/0974/FUL 56 Flats Zurich House, East Park
- CR/2018/0341/FUL 98 Flats - Land adjacent to Crawley College
- CR/2013/0015/FUL 76 units – 15-29 The Broadway.
- CR/2017/0444/FUL 37 units – Kilnmead Car Park
- CR/2016/0662/FUL 91 units - Car Park, 11-13 The Boulevard

Project Funding

It is proposed to allocate £32,000 of CIL contributions to Saxonbrook Medical Centre, subject to appropriate legal agreements.

5.2. Healthcare – Pound Hill Medical Centre

Location – Pound Hill.

Status – Essential

Score – 340/400 – 85%

CIL Contribution - £144,000

Lead Organisation – CCG

Pound Hill Medical Group - The Practice was built in 1990 as a purpose-built GP surgery. It currently has 11 fully functional consulting rooms; however, it has seen a consistent annual growth in patients which has been further exacerbated with those registering from the Forge Wood development. The practice has 15,606 patients and at present is unable to accept any new patients.

The Surgery have plans to build 2 additional consulting rooms with all of these on the Ground Floor to better cope with existing and future growth in patients and move all the administrative functions to the first floor which will require redesign and where lift access is regarded as less of a problem.

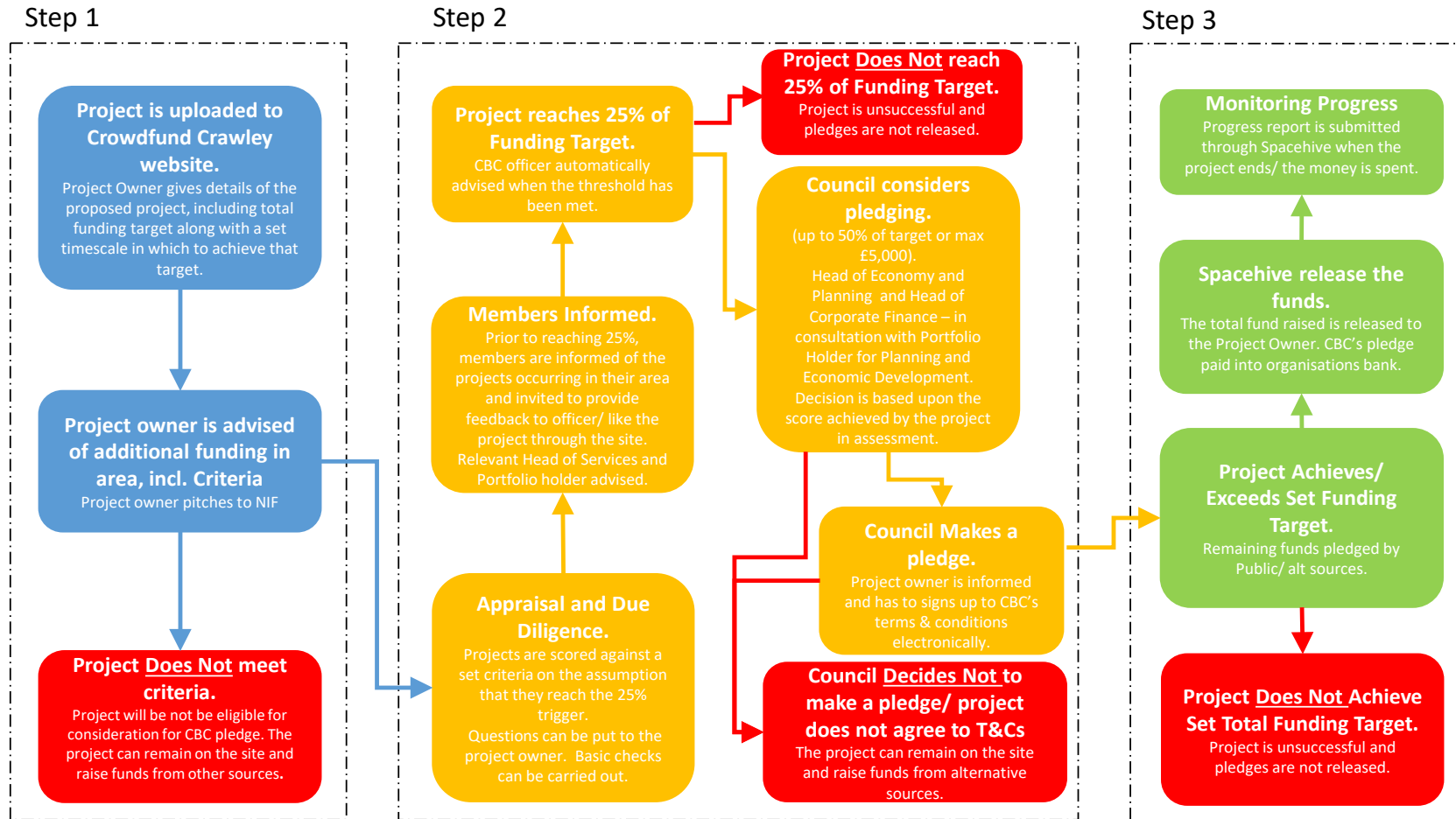
Project Funding

It is proposed to allocate £144,000 of CIL contributions to Pound Hill Medical Centre, subject to appropriate legal agreements

6. Date of next annual review

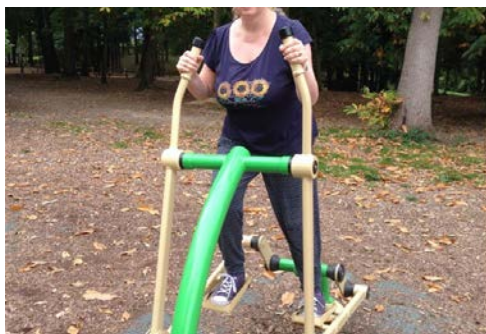
6.1. Proposals to revise / update the Infrastructure Business Plan will be presented to Cabinet for approval in February 2020.

APPENDIX B - Crowdfund Crawley Governance.



Appendix C - Crowdfund Crawley – Case Studies

Project: Outdoor Gym.
Project Owner: Broadfield Community Centre.
Neighbourhood: Broadfield.
Target: £4,785 (incl. fees associated with site).
Raised: £4,883. (Fees associated with site to be deducted).
No of Backers: 23
No of Likes: 3
Status: Successful



Brief Description of Project.

To provide facilities to encourage people to increase their physical activity to improve their wellbeing and tackle our growing waistlines! Equipment that encourages the least active to have a go, in their local environment, without pressure to perform is the way to go. The Broadfield Community Centre is a vibrant thriving resource; we welcome hundreds of people every week. Children's play equipment has recently been installed and we want to provide an opportunity for adults to exercise.

Campaign.

The project took just over one month to raise their target of £4,785. They initially gained support from the local community, raising £154 from 21 backers, pledges ranged from £2 to £20 – the average pledge from the community was £6.60.

This demonstrated community buy in and attracted 2 large pledges £1,729 from Crawley Borough Council – Neighbourhood Improvement Fund (NIF) and £3,000 from West Sussex County Council – Community Initiative Fund (CIF).

The project only reached its fund raising target on December 4th 2018 and further updates re the implementation of the project will be sought.

Funding Breakdown.

The Crowd 3%

WSSCC - CIF 61%

CBC -NIF 36%



This means that after deducting the fees associated with using the site, for every £1 donated by the community it generated a further £28.94.

Agenda Item 9

Project: Wheelchair Swing Project.
Project Owner: Autism Support Crawley.
Neighbourhood: Maidenbower Park.
Target: £12,755 (incl. fees associated with site).
Raised: £12,920 (Fees associated with site to be deducted).
No of Backers: 40
No of Likes: 4
Status: Successful



Brief Description of Project.

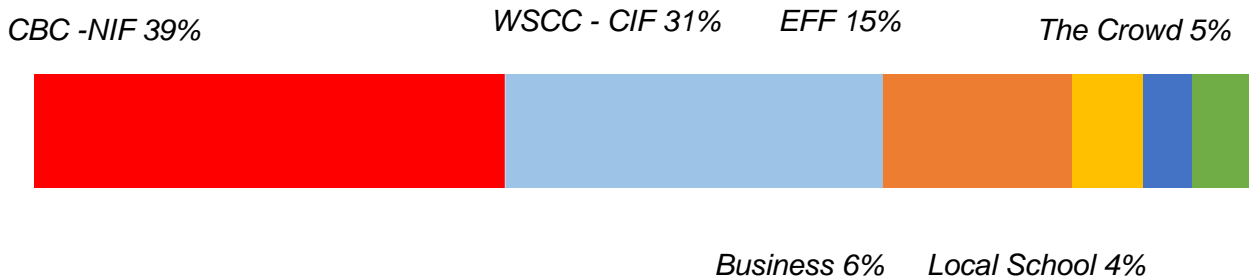
Install a wheelchair accessible swing within the play area at Maidenbower Park. Local social media has expressed a need for these facilities. The local parent/ carers within the disabled community are crying out for accessible places to help engage the people they care for in regular activities, so often taken for granted by others and to also enable them to access the community just like anyone else. Vital facilities like these give some very deserving, wonderful people a basic human right back.

Campaign.

The project took just six months to raise their target of £12,755. It raised £11,000 of this target within just 2 months by attracting 3 large pledges £5,000 from Crawley Borough Council – Neighbourhood Improvement Fund (NIF) and £4,000 from West Sussex County Council – Community Initiative Fund (CIF) and £2,000 from the Esmée Fairbairn Foundation. They also raised £759 from businesses. A local school raised £510 for the project and the remaining £651 was raised by the general crowd.

The project only reached its fund raising target on December 18th 2018 and further updates re the implementation of the project will be sought.

Funding Breakdown.



This means that after deducting the fees associated with using the site, for every £1 donated by the community it generated a further £9.4 from other sources.

Agenda Item 9

General Findings

- Groups have had a varied experience of using the site, some have found it relatively easy to navigate whilst others have struggled. Some struggled uploading images and videos but were able to contact Spacehive with any technical issues and they were able to help. We will investigate the idea of a 'buddy' system, where Crawley College, BETA futures etc. could 'buddy' a student looking for work experience with an organisation needing help with their skill set, to encourage any organisation that feels they cannot fully participate due to a perceived lack of skills or knowledge.
- Only 2 projects responded to the questionnaire asking for general feedback, both were positive.
- The main challenge has been around making best use of the GoCardless site used by the site for online payment. Spacehive have now created a step by step guide for this in response to the difficulties. Also, some groups have found the necessary legal checks and agreements to be onerous. Spacehive are currently investigating alternative online payment systems.
- To date one organisation has questioned the 5% charge made by Spacehive to use the site. This is an industry standard charge, which covers the overheads incurred by Spacehive, including paying for Locality UK to check the projects, for Spacehive staff to be available to offer guidance to groups on their campaign and for Spacehive to actively market projects to grant makers.
- Organisations initially reported that some of the information on the site required greater clarity. We have responded to this by creating a step by step guide and a checklist of what is required to finish the project page e.g. electronic version of constitution, in order to speed up the process.

Appendix D

EQUALITY IMPACT ASSESSMENT – Crowdfund Crawley

Name of activity:	Crowdfund Crawley	Date Completed:	21.12.18		
Directorate / Division responsible for activity:	Economy and Planning	Lead Officer:	Mandy Smith		
Existing Activity	<input checked="" type="checkbox"/>	New / Proposed Activity	<input type="checkbox"/>	Changing / Updated Activity	<input type="checkbox"/>

What are the aims / main purposes of the activity? (Why is it needed? What are the main intended outcomes?)
<ul style="list-style-type: none"> • To distribute the “Neighbourhood Improvement Strand” of Community Infrastructure Levy funds. CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local neighbourhoods where development is taking place. Crawley Borough Council have used the 15% contribution to create the “Neighbourhood Improvement Fund”, which will be distributed through the Crowdfund Crawley site. Organisations post their project ideas to the Crowdfund Crawley site and gain support from the public in the way of pledges (similar to a donation), once the project reaches a defined target Crawley Borough Council will consider if they will pledge alongside the ‘crowd’. In this way, rather than the council deciding which projects to fund, residents decide, giving a clear indication as to the priorities that residents care most about. • To empower the community. Projects need to demonstrate they have community backing by securing a percentage of their total cost in donations before they can be considered for a CIL funding contribution by the Council. It is an excellent way of the community taking ownership of projects. • Support the successful development of community led initiatives that will result in a positive impact on the local area. • Enable the community to access funds from multiple sources in one go. The Crowdfunding approach is inclusive and empowering since the success of crowdfunding is not solely dependent upon a contribution from the Council. Even projects that are considered ineligible for a contribution from the CIL Neighbourhood Infrastructure Strand, can post on the site and attract funding from other sources - all they need is a great idea. • Use the Neighbourhood Improvement Fund to leverage crowdfunding from other organisations, such as private businesses and other grant makers. • Use Spacehive’s online crowdfunding platform to reach a wider section of the community and achieve greater impact through empowering and equipping communities to do more.

- The success of the pilot has been measured through the number of successful crowdfunding projects that raise sufficient funding to implement a specific project. To date, 14 projects have used the site – 6 have been successful, 6 are in the preparation stage and 2 have been unsuccessful (as they weren't eligible for the Neighbourhood Improvement Fund).

What are the main actions and processes involved?

- Organisations create a project page on Crowdfund Crawley outlining their idea.
- They are advised of all the funds available in their area and invited to pitch for a pledge.
- The project is verified by Locality to check the costs and permissions
- Once the project has been verified the project organiser starts their crowdfunding campaign
- Applicable to the Neighbourhood Improvement Fund only – The council assess the project who pitch for a pledge, using a set criteria to ensure that it is suitable to receive a pledge from the CIL Neighbourhood Improvement Strand. The relevant Members are informed of the projects occurring in their area and invited to provide feedback to an officer or “like” the project through the site.
- Once the pledges from the community for a project reaches 25% of the total target, the Council considers pledging. The Head of Economic & Environmental Services and the Head of Finance, Revenues & Benefits – in consultation with Portfolio Holder for Planning and Economic Development make the decision based upon the score achieved by the project and information provided during the assessment. The pledge could be up to 50% (maximum of £5,000 per scheme) of the total project target.
- The project needs to secure the remainder of the total funds required for delivery - once this happens the funds are released. If the project does not reach its target within the set time frame then the money pledged (either by the Council or wider community) will not be released. To date only 2 projects have been unable to reach their targets within the time frame as the projects didn't meet the criteria for the funds available and were unable to secure enough support from the community. If projects are ineligible they are advised to contact Crawley CVS to discuss alternative funding sources that may be more suitable. Projects are also able to contact us for feedback and put a revised project back on the site.
- The Crowdfund Crawley is promoted through the Council's and Spacehive's website, social media sites and through Crawley CVS. The advertisement of the crowdfunding platform has not been confined to online channels; there has also been flyers, newspaper articles and events in the community to give as many residents as possible the opportunity to engage and take part in the Crowdfunding Project.

Who is intended to benefit & who are the main stakeholders? (E.g. tenants, residents, customers or staff. How will they benefit?)

Crawley Community Organisations and Crawley residents. The Neighbourhood Improvement Fund is intended to fund projects that focus on the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.

Have you already consulted on / researched the activity? (What consultation has taken place & what were the key findings?
What evidence already exists? Are there any gaps that need further investigation? What still needs to be done?)

- Through the site we are able to monitor the projects, we can see the number of backers each project attracts. The amount that is pledged and if it's by an organisation. We are also able to see where the project organiser is based and where the project will be taking place.
- Have invited the project organisers that have used the site to take part in a questionnaire to understand how they've found using the site, two responded.
- If no, how do you intend to consult following this Assessment:
- We are awaiting the impact statement reports from the projects. Of the projects that have been successful most are in the delivery phase but have yet to complete, therefore the full impact is not yet known.

Impact on people with a protected characteristic (What is the potential impact of the activity? Are the impacts high, medium or low?)

Protected characteristics / groups	Is there an impact (Yes / No)	If Yes, what is it and identify whether it is positive or negative
Age (older / younger people, children)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p> <p>People under the age of 18 cannot access the Online payment systems but we can suggest that they 'buddy up' with another organisation to deliver the project.</p>
Disability (people with physical / sensory impairment or mental disability)	Yes	<p><u>Positive Impact</u></p>

		<p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy. People can access the site from any location, using their own equipment that they're familiar with. There are multiple ways to get further information incl. Events, Telephone, Live Chat, Webinars and email. Autism Support Crawley has used the site to raise funds for a wheelchair swing.</p> <p><u>Negative Impact</u></p>
Gender reassignment (the process of transitioning from one gender to another.)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Marriage & civil partnership (Marriage is defined as a 'union between a man and a woman'. Civil partnerships are legally recognised for same-sex couples)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Pregnancy & maternity (Pregnancy is the condition of being pregnant & maternity refers to the period after the birth)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Race (ethnicity, colour, nationality or national origins & including gypsies, travellers, refugees & asylum seekers)	Yes	<p><u>Positive Impact</u></p>

		<p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Religion & belief (religious faith or other group with a recognised belief system)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p> <p>The Neighbourhood Improvement Fund cannot be used to promote a specific faith, this policy is in line with Crawley Borough Council Policy</p>
Sex (male / female)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Sexual orientation (lesbian, gay, bisexual, heterosexual)	Yes	<p><u>Positive Impact</u></p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups will have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy.</p> <p><u>Negative Impact</u></p>
Whilst Socio economic disadvantage that people may face is not a protected	Yes	<u>Positive Impact</u>

<p>characteristic; the potential impact on this group should be also considered</p>		<p>To date £23,774 has been pledged to projects, the ‘crowd’ has pledged £3,637 with the remainder being pledged by other grant makers. This means that for every £1 pledged by the ‘crowd’ a further £5.54 was pledged by grant Makers.</p> <p>The minimum amount that people can donate to a crowdfunding project is £2 and there are other ways in which residents can get involved, for example through donating their time to help with promotional materials, canvassing support or delivering the project.</p> <p>Crawley library has free Wi-Fi, there is also internet access and public computers, which are available to the community for free providing they are a library member.</p> <p><u>Negative Impact</u></p> <p>Residents on a low income may not have computers or other devices to access the internet and may feel excluded through being unable to financially contribute to crowdfunding projects.</p>
<p>Digital Inclusion</p>	<p>Yes</p>	<p>It is recognised that there will be a subset of people who either do not want online access or who are unable to use digital access means – this does not mean that they are unable to engage with the Crowdfund Crawley Project. There are a number of offline roles required for a crowdfunding project such as the conception of an idea, rounding up support for the idea prior to launching, and encouraging the community to donate to the cause. In this way all residents can get involved without having to engage with the crowdfunding platform itself.</p> <p>All promotional aspect of the crowdfunding platform has been across a broad range of media (including events in the community, flyers and newspaper articles), as well as online through social media, to engage with as much of the wider community as possible.</p>

<p>What evidence has been used to assess the likely impacts? (e.g. demographic profiles, research reports, academic research, benchmarking reports, consultation activities, staff surveys, customer surveys, public surveys, complaints, grievances, disciplinary cases, employment tribunal cases, ombudsman cases, media reports)</p>
<ul style="list-style-type: none"> • See case studies (appendix C).
<p>What resource implications are there to deliver actions from this EIA? (Quantify: people, time, budget, etc.)</p>
<p>Accommodated through existing resources.</p>

Outcome following initial assessment		
<p>Does the activity have a positive impact on any of the protected groups or contribute to promoting equality, equal opportunities and improving relations within target groups?</p>	<p>Yes</p>	<p>If yes, record the evidence below. If no STOP and re-examine the activity.</p> <p>The Crowd funding platform is open to everybody, all voluntary, community and faith groups have access to it. The only information collected relates to the actual organisation applying for funding, which centres on their Governance, Constitution and Equal Opportunities policy. The verification process which takes place before a project is given the green light to post onto the platform, should ensure that proscribed organisations do not have the opportunity to go live with their fundraising. In addition the Council will be alerted to projects before they go live so will be able to raise an alarm on anything suspicious at a very early stage and the much higher visibility on the website once a project does go live means that the “eyes of the crowd” offer an additional level of scrutiny for suspicious groups/activities.</p> <p>People can access the site from any location, using their own equipment that they’re familiar with. There are multiple ways to get further information incl. Events, Telephone, Live Chat, Webinars and email.</p> <p>The minimum amount that people can donate to a crowdfunding project is £2 and there are other ways in which residents can get involved, for example through donating their time to help with promotional materials or canvassing support.</p> <p>Crawley library has free Wi-Fi, there is also internet access and public computers, which are available to the community for free providing they are a library member.</p> <p>There are a number of offline roles required for a crowdfunding project such as the conception of an idea, rounding up support for the idea prior to launching, and encouraging the community to donate to the cause. In this way all residents can get involved without having to engage with the crowdfunding platform itself.</p>

		We continue to work closely with Crawley CVS to ensure groups that are ineligible for the Neighbourhood Improvement Fund are redirected to more suitable funding streams.
Does the activity have a negative impact on any of the protected groups, i.e. disadvantage them in any way.	No	If yes, identify necessary changes and record appropriate actions below. If no, record the evidence and assessment is complete.

Decision following initial assessment			
Continue with existing or introduce new / planned activity	Yes	Amend activity based on identified actions	Yes

Action Plan (Has the EIA identified any positive or negative impact on any of the protected groups which requires action? E.g. adjustments to the approach or documents, changes to terminology, broadening parameters of policy, etc. If so record any actions to be undertaken and monitored)			
Impact identified	Action required	Lead Officer	Deadline
65% of the neighbourhoods have used the site for their projects, incl.: Broadfield, Ifield, Maidenbower, Tilgate, Langley Green, West Green, Northgate, Southgate and Three Bridges.	Areas that were underrepresented have been identified, work will be done with the Community Development Team and Crawley CVS to attract groups from the areas that have not engaged with the scheme, this could include a targeted promotion in that area.	Mandy Smith	Ongoing
Challenge has been around making best use of the GoCardless site used by the site for online payment. Some groups have found the necessary legal checks and agreements to be onerous.	Spacehive have now created a step by step guide for GoCardless in response to the difficulties and there is a link to a youtube video on how to set up a PayPal account for a charity/ community organisation.	Mandy Smith	Ongoing
Organisations initially reported that some of the information on the site required greater clarity.	We have responded to this by creating a step by step guide and a checklist of what is required to finish the project page e.g. electronic version of constitution, in order to speed up the process.	Mandy Smith	Ongoing

People may feel excluded as they lack the skills or knowledge to engage fully.	Investigate the idea of a 'buddy' system, where Crawley College, BETA futures etc. could 'buddy' a student looking for work experience with an organisation needing help with their skill set.	Mandy Smith	Ongoing
Some projects do not fulfil the eligibility criteria to access the Neighbourhood Improvement Fund, e.g. general running costs such as paying for staff.	We will continue to work closely with Crawley CVS to ensure groups that are ineligible for the Neighbourhood Improvement Fund are redirected to more suitable funding streams.	Mandy Smith	Ongoing
Residents on a low income may not have computers or other devices to access the internet and may feel excluded through being unable to financially contribute to crowdfunding projects.	Signpost them to the Library for more information about the free IT equipment that is available there. Signpost them to the project organiser to see if they can offer their time/expertise in other ways.	Mandy Smith	Ongoing
People under the age of 18 cannot access the Online payment systems.	Suggest that they 'buddy up' with another organisation to deliver the project.	Mandy Smith	Ongoing
Projects have reported that getting the initial 'buy in' from the general public has been challenging, which seems to get easier once the fund grows. The Council will currently only pledge to projects that have raised 25% of their total target.	Propose an amendment to the defined target to be reached for the Council to consider pledging. Change from having to reach 25% of the target to projects that have received a minimum of 10 individual pledges.		

Monitoring & Review

Date of last review or Impact Assessment:	N/A
Date of next 12 month review:	Jan 2020
Date of next 3 year Impact Assessment (from the date of this EIA):	Jan 2023

Date EIA completed:	21.12.18
----------------------------	----------

Signed by Person Completing:	Mandy Smith
Approved by Head of Service:	Clem Smith

Crawley Borough Council Equality Impact Assessment



Completed Equality Impact Assessment	Key findings	Future actions
<p>Directorate / Division: Economy and Planning.</p> <p>Function or policy name: Crowdfund Crawley</p> <p>Officer completing assessment (Job title): Regeneration Programme Officer</p> <p>Date of assessment: Jan 2019.</p>	<p>The crowdfunding platform is an open platform and therefore all voluntary, community and faith groups will have access to it. People can access the site from any location, using their own equipment that they're familiar with. There are multiple ways to get further information incl. Events, Telephone, Live Chat, Webinars and email.</p> <p>To date £22,016 has been pledged to projects, the 'crowd' has pledged £3,378 with the remainder being pledged by other grant makers. This means that for every £1 pledged by the 'crowd' a further £5.51 was pledged by grant Makers.</p>	<p>The current approach is structured and fit for purpose. Enhancements could include:</p> <p>Areas that were underrepresented have been identified, work will be done with the Community Development Team and Crawley CVS to attract groups from the areas that have not engaged with the scheme, this could include a targeted promotion in that area.</p> <p>Investigate the idea of a 'buddy' system, where Crawley College, BETA futures etc. could 'buddy' a student looking for work experience with an organisation needing help with their skill set.</p>

Agenda Item 10

Crawley Borough Council

Report to Overview and Scrutiny Commission
4 February 2019

Report to Cabinet
6 February 2019

Review of Statement of Licensing Policy made under the Licensing Act 2003

Report of the Head of Community Services – *HCS/08*

1. Purpose

- 1.1 To appraise Cabinet of the need to review Crawley Borough Council's Statement of Licensing Policy as pertains to Licensing Act 2003.
- 1.2 To inform Cabinet of the response received following a 12 week public consultation period (which concluded on 30th November 2018) on the Review of Crawley Borough Council's Statement of Licensing Policy under the Licensing Act 2003.
- 1.3 To consider, and either accept or reject, the proposed revised Statement of Licensing Policy 2019-2024.
- 1.4 To ask Cabinet to recommend that Full Council adopt the proposed revised Statement of Licensing Policy 2019-2024 – Licensing Act 2003 as set out in Appendix B to Full Council for approval and adoption.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

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

- 2.2 To the Cabinet

- 2.2.1 The Cabinet is recommended to:

- (i) Review the response received following the consultation, and consider if the matters those comments raise are already dealt with in the proposed revised Statement of Licensing Policy 2019-2024 made under the Licensing Act 2003 at Appendix B, or if additional amendment is required, and,
- (ii) Request that Full Council approves and adopts the proposed revised Statement of Licensing Policy 2019-2024 made under the Licensing Act 2003 (Appendix B).

3. Reasons for the Recommendations

- 3.1 To agree and develop the proposed strategy to discharge the Council's role in its capacity of Licensing Authority for the 5 year period 2019–2024.

Agenda Item 10

- 3.3 To ensure our policy and procedures are compliant with guidance regarding consultation good practice, and specific guidance issued under section 182 of the Licensing Act 2003.

4. Background

- 4.1 The current Statement of Licensing Policy ("Policy") was adopted in 2013. It is a legal requirement that the Council publish a policy and it is also an important document in regards to any legal challenge including licence reviews.
- 4.2 The Act is presumptive in nature meaning that unless a reason exists why a licence should not be issued then the Council must issue upon an application being received. There are number of standard conditions that attach to all types of licences granting permission for the sale of alcohol such as a duty for the licence holder to provide free tap water and controls on the size of measures which must be offered. It is nevertheless not possible for the Council to impose non mandatory conditions in contrast to the Town and Country Planning Act 1990 unless agreed by the parties or by way of a hearing. The number of premises that are already licensed for the sale of alcohol in a location is also not a matter that can be considered when assessing an application unless the respective Licensing Authority has a Cumulative Impact Policy (CIP) in place. No CIP's currently exist in Crawley.
- 4.3 The authority to issue licences under the Act is delegated to the Head of Service. Where a review or hearing is required due to a representation having been made a Licensing Sub Committee consisting of three Councillors drawn from suitably trained Members of the main Licensing Committee is convened. The Licensing Act 2003 (Hearings) Regulations 2005 sets out statutory requirements on how these meetings shall be conducted. An applicant for a licence, objector to the grant of a licence or requestor of a review of a licence has a right of appeal against the Council's decision by way of a de novo hearing in the Magistrates' Court. To ensure members are suitably trained all new Councillors elected to the Licensing Committee receive instruction before being asked to participate in any proceedings. In recent times very few matters have needed to go to a Licensing Sub Committee for a decision. This is most likely due to the working relationship Licensing Officers have with our statutory partners such as the police enabling constructive dialogue between applicants and potential objectors.
- 4.4 The proposed revised Policy includes a section on ABV strength of beers and ciders as a result of a project undertaken in conjunction with Crawley and Gatwick Business Watch showing the level of sales of such goods in the Town. This project also lead to the creation of a Know Your Strength scheme operated by local off licences. It is proposed that this is retained in the document and refreshed through another project on the same theme.
- 4.5 The proposed revised Policy sets out the way in which the Council deals with applications made under the Act, enforcement and how we will work with partner agencies to ensure the objectives of the said Act are promoted and upheld namely;
- The prevention of crime and disorder;
 - Public safety;
 - The prevention of public nuisance; and
 - The protection of children from harm.
- 4.6 The Council also has an agreed protocol with Sussex Police on which organisation leads in which area of regulation which is referenced within the proposed revised Policy. The Council's General Enforcement Policy is also of relevance in regards to

Agenda Item 10

legal proceedings and it would be necessary to consider this document also, in the event of any enforcement action.

4.7 The Act sets out that the Council as a Licensing Authority when creating or updating its policy it must consult as follows;

- a) The chief officer of police for the licensing authority's area,
- b) The fire and rescue authority for that area,
- c) Local Health Board for an area any part of which is in the licensing authority's area,
- d) Such persons as the licensing authority considers to be representative of holders of premises licences issued by that authority,
- e) Such persons as the licensing authority considers to be representative of holders of club premises certificates issued by that authority,
- f) Such persons as the licensing authority considers to be representative of holders of personal licences issued by that authority, and
- g) Such other persons as the licensing authority considers to be representative of businesses and residents in its area.

4.8 In addition to the statutory partners covered above the following representative groups have also been consulted;

- Crawley and Gatwick Business Watch
- London Gatwick Airport
- British Beer and Pub Association
- Residents via newspaper advert
- Manor Royal BID
- Sussex Enterprise
- Gatwick Diamond Business Group
- All Ward Members
- Neighbouring Local Authorities

4.9 Due the numerous updates that have an impact on this area of law the proposed revised Policy will marginally increase in length by a few pages going up from 33 pages to 36 pages. The text has been kept as simple and concise as possible in redrafting the document to make it as easy to read and understandable as possible.

5. Description of Issue to be resolved

5.1 The Licensing Act 2003 (the Act) requires the Council to have a published policy. The Act principally deals with the licensing of premises who sell alcohol, provide regulated entertainment or late night refreshment.

5.2 The current Policy covers the period 2015 – 2018 so it is necessary to produce an updated version for the 5 year period from 2019 onwards.

5.3 Central Government has a statutory duty to issue guidance under sec. 182 of the Act outlining how Local Authorities shall apply and enforce controls in their area. The proposed revised Policy follows this guidance closely. The proposed revised Policy also has a section dealing with high strength beers and ciders, and how the Council will work to raise awareness with retailers to limit sales through cooperation.

5.4 The Council has a duty to consult with certain named persons/organisations who are considered representative of personal licence and premises licence holders. Historically we have contacted statutory partners and local organisations such as Crawley and Gatwick Business Watch and London Gatwick Airport. The responses to the consultation concerning the proposed revised Policy will be considered and

Agenda Item 10

the final policy will be amended if appropriate prior to a recommendation to full Council via Overview and Scrutiny Committee and Cabinet. The only response received following the consultation on the proposed draft Policy was received from the Public Health Team at West Sussex County Council (this is included as Appendix A). The comments contained in it have been included in the Forward of the proposed revised Policy (Appendix B).

- 5.5 There have been a substantial number of changes to the law concerning this area of regulation since 2013 which have been included in the proposed revised Policy document namely;
- Licence reviews – Changes to expedited proceedings
 - Personal licences and the right to work – CBC now has to check if people have the right to work in the UK
 - Convictions – CBC can now revoke a personal licence if the holder commits a specified offence
 - Additional responsible authorities – CBC is now also a responsible authority in its own right as well as the Home Office
- 5.6 The proposed revised Policy includes amendments to include more local information concerning how the local Business Watch operates and CBC controls in regards to adult entertainment.

6. Information & Analysis Supporting Recommendation

- 6.1 The Council has a statutory duty to produce a Statement of Licencing Policy concerning the Licensing Act 2003 which must be updated at least every 5 years.
- 6.2 The Council is obliged to consult as widely as possible when updating its Statement of Licensing Policy as well as consulting key named stakeholders.
- 6.3 This matter is not Ward specific so all Elected Members have been consulted for their views.
- 6.4 Although the Council is obliged to consult and take account of the views of the respondents it is not legally bound to follow the suggestions.

7. Implications

- 7.1 The Council acting as the Licensing Authority will now be able to revoke Personal Licences.
- 7.2 The Council acting as the Licensing Authority must ensure anybody issued with a Licence has a right to work in the United Kingdom.
- 7.3 There are no expected financial or staffing implications foreseen due to the updated Statement of Licensing policy.

8. Background Papers

[Updated Statement of Licensing Policy Licensing Act 2003](#)
[Section 182 Licensing Act 2003 Guidance](#)

Report Author: Tony Baldock, Environmental Health and Licensing Manager
Tel: 01293 438220 Email: [tony.baldock@Crawley.gov.uk](mailto:tony.baldock@ Crawley.gov.uk)

Appendix A – Comments Received from West Sussex Public Health Team

From:

Sent: 25 September 2018 16:40

To: Licensing <Licensing@ Crawley.gov.uk>

Cc:

Subject: Public Health contribution to Crawley licensing policy

I have reviewed the Crawley licensing policy and would like to suggest the following amendments:

My comments are highlighted in **yellow**

3.3 **End of the sentence missing**

The Council intends to encourage mixed usage of licensed premises to encourage older sections of the community. We will also encourage and support licensed premises that have a

3.15 **Worth listing responsible authorities?**

It is also expected that applicants will seek the views of the key responsible authorities, before formally submitting applications and having completed drafts of their own operating schedules (after considering the effect on the four licensing objectives). For example, on matters relating to crime and disorder, the police and local authority community safety officers, and local community groups, might be consulted and on matters relating to noise, local environmental health officers might be consulted. Further information will be provided on the Council's website.

h) **Local Health Authority change to:**

Public Health Licensing, Director of Public Health, c/o Public Health Licensing, West Sussex County Council, 1st Floor, The Grange, County Hall Campus, Chichester PO19 1QT
E-mail: PublicHealth.Licensing@westsussex.gov.uk

I have recently reviewed the Worthing Borough and Adur District licensing policies, which both include a chapter on alcohol and health. In case this is something that CBC would like to consider, I have attached the wording used in the Worthing and Adur policies, but have included data specific to Crawley.

I would be very happy to discuss this further and/or make any amendments to this section.

Best wishes,

ALCOHOL & HEALTH

The Police Reform & Social Responsibility Act 2011 amended the Licensing Act 2003 to make Directors of Public Health a Responsible Authority giving health bodies a greater say in Licensing issues so that they are automatically notified about new premises applications, can make representations and even apply for reviews of licences.

In West Sussex, this function is undertaken by the West Sussex County Council (WSCC) Public Health Lead for Substance Misuse, on behalf of the Director of Public Health. However, the government stopped short, in England at least, of making health a licensing objective. Any representation made by the Public Health Directorate must be relevant to the existing statutory licensing objectives.

The council recognises that the entertainment and alcohol industry contributes to the borough by providing a variety of opportunities for entertainment and relaxation as well as employment & career opportunities. The council is dedicated to providing support for cultural activities, live music and public houses serving the community. It wants businesses to thrive and residents and visitors to be able to enjoy the facilities that Crawley's licensed businesses offer.

It is, however, mindful of the potential health issues that alcohol misuse can generate. For this reason the Licensing Authority will seek to promote high standards of management in licensed premises to ensure businesses operate responsibly and exercise their 'duty of care' for the health of their customers. Problem premises will be controlled, while those that seek to operate responsibly will not be subject to unreasonable restrictions.

Alcohol is one of the three biggest lifestyle risk factors for disease and death in the UK, after smoking and obesity. In England, alcohol misuse is the biggest risk factor attributable to early mortality, ill health and disability for those aged 15 to 49 years.

Alcohol is a causal factor in more than 60 medical conditions, including: mouth, throat, stomach, liver and breast cancers; high blood pressure, cirrhosis of the liver; and depression.

Binge drinking can lead to injuries, anti-social behaviour and other societal harm.

Harmful alcohol consumption not only impacts on individuals, but also on their families and communities, as well as society as a whole. The annual cost of alcohol-related harm in England is estimated to be £21 billion pounds, including £11 billion in crime and disorder, £7 billion in lost productivity through unemployment and sickness, and a burden of £3.5 billion to the NHS.

There is no 'safe' level of alcohol consumption; therefore anyone who drinks is increasing their risk of harm to some extent.

In January 2016 the UK Chief Medical Officers issued revised guidance on alcohol consumption:

- Men and women are advised not to regularly drink more than 14 units a week.

- Spread your drinking over three days or more if you drink as much as 14 units a week.
- If you want to cut down how much you're drinking, a good way to help achieve this is to have several drink-free days each week.

The guidance also includes advice for single occasion drinking episodes. In order to keep risks to a low level, adults are advised to:

- limit the total amount of alcohol you drink on any single occasion
- drink more slowly, drinking with food, and alternating with water
- plan ahead to avoid problems e.g. by making sure you can get home safely or that you have people you trust with you¹.

Pregnant women are advised that:

- If you are pregnant or think you could become pregnant, the safest approach is not to drink alcohol at all, to keep risks to your baby to a minimum.
- Drinking in pregnancy can lead to long-term harm to the baby, with the more you drink the greater the risk².

For most alcohol-related diseases and injuries, there is a clear relationship between the volume of alcohol consumed and the risk of a given harm; as the amount of alcohol increases, so does the risk of harm³.

The increase in risk for alcohol-related medical conditions (such as cancer, high blood pressure, cirrhosis of the liver and depression) is greatest among people drinking at harmful levels (i.e. in excess of 35 units per week). However, even increasing-risk drinkers (those regularly exceeding the lower risk guidelines) are at significantly increased risk of these conditions.

In 2009, the Chief Medical Officer for England published guidance on the consumption of alcohol by children and young people. The guidance advised that an alcohol-free childhood is the healthiest and best option. However, if children drink alcohol, it should not be until at least the age of 15 years.

If young people aged 15 to 17 years consume alcohol, it should always be with the guidance of a parent or carer or in a supervised environment⁴.

¹ Department of Health. (2016). UK Chief Medical Officers' Low Risk Drinking Guidelines. P.6. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545937/UK_CMOs_report.pdf

² Department of Health. (2016). UK Chief Medical Officers' Low Risk Drinking Guidelines. P.8. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545937/UK_CMOs_report.pdf

³ Public Health England. (2016). The Public Health Burden of Alcohol and the Effectiveness and Cost-Effectiveness of Alcohol Control Policies: An evidence review. P.15. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733108/alcohol_public_health_burden_evidence_review_update_2018.pdf

⁴ Chief Medical Officer for England. (2009). Guidance on the consumption of alcohol by children and young people. P.i Available online at:
http://webarchive.nationalarchives.gov.uk/20130104153257/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_110256.pdf

How is alcohol harm measured?

There are a number of measures for alcohol related harm. The Local Alcohol Profiles for England provide information for local government, health organisations, commissioners and other agencies to monitor the impact of alcohol on local communities and to monitor the services and initiatives that have been put in place to prevent and reduce the harmful impact of alcohol. The data is predominantly available at upper-tier local authority level, with some indicators available at the level of Clinical Commissioning Group or lower tier local authority.

Key indicators include alcohol-related hospital admissions and alcohol-related mortality.

What does this currently look like?

In West Sussex:

- It is estimated that 23.7% of adults (18+) are drinking above the lower risk limits
- It is believed that there are 6,967 adults with an alcohol dependency in the county.
- Data suggests that 2710 children live with an adult with alcohol dependency.

In Crawley:

- The rate of alcohol-related harm hospital stays is 518 per 100,000 population, better than the average for England. This represents 517 stays per year.
- The rate of alcohol-specific hospital stays among those under 18 is 33.0 per 100,000 population. This represents 26 stays per year.
- The estimated rate of alcohol-related deaths in Crawley for 2016 is 51.3 per 100,000 population. This equates to 45 deaths in 2016.

The Council supports the national drive to encourage sensible drinking through initiatives and legislation, including minimum pricing. It values the important role that parents, carers and others have in providing good role models for children and young people to develop sensible drinking habits.

The Government's Alcohol Harm Reduction Strategy identified addressing sensible drinking and alcohol harm as a key priority, particularly with regard to increasing trends in levels of harm and health service use linked to alcohol. Whilst Alcohol Concern's publication, 'One on Every Corner', looked at the link between increasing off-licence density, and the harm done to children by underage drinking. The evidence around alcohol outlet density and alcohol harm has recently been added to with the publication of a study in 2018. The key findings were:

- A higher density of on-trade outlets is associated with higher hospital admissions for conditions wholly attributable to alcohol.
- A higher density of licensed convenience stores is also associated with higher hospital admissions for conditions wholly attributable to alcohol.

Agenda Item 10 Appendix a

- The relationship between outlet density and hospital admissions is largely the same for men and women, though appears more pronounced for older people.
- The overall relationship between outlet density and hospital admissions appears to be the same in deprived areas and affluent areas⁵.

The Council recognises the need for greater partnership working to combat the negative impact of alcohol and will work with its partner agencies and the local trade to jointly promote the sensible drinking message.

Whilst public health is not a licensing objective, there is much that the WSCC Public Health directorate can contribute to local licensing decisions. The Director of Public Health is a Responsible Authority and in West Sussex this function is undertaken on the DPH's behalf by the Public Health Lead for Substance Misuse.

The WSCC Public Health Directorate may have access to data that is not always available to other Responsible Authorities, for example data relating to the local population and their alcohol-related health needs; evidence of alcohol-related harm; areas in which there are vulnerable groups who may be at higher risk of alcohol-related harm. The WSCC Public Health Directorate may also develop or collate qualitative evidence from the local area, to add to the quantitative data available.

⁵ Maheswaran, R., Green, M.A., Strong, M., Brindley, P., Angus, C. and Holmes, J. (2018). Alcohol outlet density and alcohol- related hospital admissions in England: a geographical analysis. Available online at: http://alcoholresearchuk.org/downloads/finalReports/FinalReport_0155.pdf Accessed 31/08/2018.

This page is intentionally left blank

CRAWLEY BOROUGH COUNCIL

LICENSING ACT 2003

Statement of Licensing Policy

2019 – 2024



Forward to the Licensing Policy by the Director of Public Health West Sussex

ALCOHOL & HEALTH

The Police Reform & Social Responsibility Act 2011 amended the Licensing Act 2003 to make Directors of Public Health a Responsible Authority giving health bodies a greater say in Licensing issues so that they are automatically notified about new premises applications, can make representations and even apply for reviews of licences.

In West Sussex, this function is undertaken by the West Sussex County Council (WSSCC) Public Health Lead for Substance Misuse, on behalf of the Director of Public Health. However, the government stopped short, in England at least, of making health a licensing objective. Any representation made by the Public Health Directorate must be relevant to the existing statutory licensing objectives.

The Council recognises that the entertainment and alcohol industry contributes to the borough by providing a variety of opportunities for entertainment and relaxation as well as employment & career opportunities. The council is dedicated to providing support for cultural activities, live music and public houses serving the community. It wants businesses to thrive and residents and visitors to be able to enjoy the facilities that Crawley's licensed businesses offer.

It is, however, mindful of the potential health issues that alcohol misuse can generate. For this reason the Licensing Authority will seek to promote high standards of management in licensed premises to ensure businesses operate responsibly and exercise their 'duty of care' for the health of their customers. Problem premises will be controlled, while those that seek to operate responsibly will not be subject to unreasonable restrictions.

Alcohol is one of the three biggest lifestyle risk factors for disease and death in the UK, after smoking and obesity. In England, alcohol misuse is the biggest risk factor attributable to early mortality, ill health and disability for those aged 15 to 49 years.

Alcohol is a causal factor in more than 60 medical conditions, including: mouth, throat, stomach, liver and breast cancers; high blood pressure, cirrhosis of the liver; and depression. Binge drinking can lead to injuries, anti-social behaviour and other societal harm. Harmful alcohol consumption not only impacts on individuals, but also on their families and communities, as well as society as a whole. The annual cost of alcohol-related harm in England is estimated to be £21 billion pounds, including £11 billion in crime and disorder, £7 billion in lost productivity through unemployment and sickness, and a burden of £3.5 billion to the NHS.

There is no 'safe' level of alcohol consumption; therefore anyone who drinks is increasing their risk of harm to some extent.

In January 2016 the UK Chief Medical Officers issued revised guidance on alcohol consumption:

- Men and women are advised not to regularly drink more than 14 units a week.
- Spread your drinking over three days or more if you drink as much as 14 units a week.
- If you want to cut down how much you're drinking, a good way to help achieve this is to have several drink-free days each week.

The guidance also includes advice for single occasion drinking episodes. In order to keep risks to a low level, adults are advised to:

- limit the total amount of alcohol you drink on any single occasion
- drink more slowly, drinking with food, and alternating with water
- plan ahead to avoid problems e.g. by making sure you can get home safely or that you have people you trust with you.

Pregnant women are advised that:

- If you are pregnant or think you could become pregnant, the safest approach is not to drink alcohol at all, to keep risks to your baby to a minimum.
- Drinking in pregnancy can lead to long-term harm to the baby, with the more you drink the greater the risk.

For most alcohol-related diseases and injuries, there is a clear relationship between the volume of alcohol consumed and the risk of a given harm; as the amount of alcohol increases, so does the risk of harm.

The increase in risk for alcohol-related medical conditions (such as cancer, high blood pressure, cirrhosis of the liver and depression) is greatest among people drinking at harmful levels (i.e. in excess of 35 units per week). However, even increasing-risk drinkers (those regularly exceeding the lower risk guidelines) are at significantly increased risk of these conditions.

In 2009, the Chief Medical Officer for England published guidance on the consumption of alcohol by children and young people. The guidance advised that an alcohol-free childhood is the healthiest and best option. However, if children drink alcohol, it should not be until at least the age of 15 years.

If young people aged 15 to 17 years consume alcohol, it should always be with the guidance of a parent or carer or in a supervised environment.

How is alcohol harm measured?

There are a number of measures for alcohol related harm. The Local Alcohol Profiles for England provide information for local government, health organisations, commissioners and other agencies to monitor the impact of alcohol on local communities and to monitor the services and initiatives that have been put in place to prevent and reduce the harmful impact of alcohol. The data is predominantly available at upper-tier local authority level, with some indicators available at the level of Clinical Commissioning Group or lower tier local authority.

Key indicators include alcohol-related hospital admissions and alcohol-related mortality.

What does this currently look like?

In West Sussex:

- It is estimated that 23.7% of adults (18+) are drinking above the lower risk limits
- It is believed that there are 6,967 adults with an alcohol dependency in the county.
- Data suggests that 2710 children live with an adult with alcohol dependency.

In Crawley:

- The rate of alcohol-related harm hospital stays is 518 per 100,000 population, better than the average for England. This represents 517 stays per year.
- The rate of alcohol-specific hospital stays among those under 18 is 33.0 per 100,000 population. This represents 26 stays per year.
- The estimated rate of alcohol-related deaths in Crawley for 2016 is 51.3 per 100,000 population. This equates to 45 deaths in 2016.

The Council supports the national drive to encourage sensible drinking through initiatives and legislation, including minimum pricing. It values the important role that parents, carers and others have in providing good role models for children and young people to develop sensible drinking habits.

The Government's Alcohol Harm Reduction Strategy identified addressing sensible drinking and alcohol harm as a key priority, particularly with regard to increasing trends in levels of harm and health service use linked to alcohol.

Whilst Alcohol Concern's publication, 'One on Every Corner', looked at the link between increasing off-licence density, and the harm done to children by underage drinking. The evidence around alcohol outlet density and alcohol harm has recently been added to with the publication of a study in 2018. The key findings were:

- A higher density of on-trade outlets is associated with higher hospital admissions for conditions wholly attributable to alcohol.

- A higher density of licensed convenience stores is also associated with higher hospital admissions for conditions wholly attributable to alcohol.
- The relationship between outlet density and hospital admissions is largely the same for men and women, though appears more pronounced for older people.
- The overall relationship between outlet density and hospital admissions appears to be the same in deprived areas and affluent areas.

Whilst public health is not a licensing objective, there is much that the WSCC Public Health directorate can contribute to local licensing decisions. The Director of Public Health is a Responsible Authority and in West Sussex this function is undertaken on the DPH's behalf by the Public Health Lead for Substance Misuse.

The WSCC Public Health Directorate may have access to data that is not always available to other Responsible Authorities, for example data relating to the local population and their alcohol-related health needs; evidence of alcohol-related harm; areas in which there are vulnerable groups who may be at higher risk of alcohol-related harm. The WSCC Public Health Directorate may also develop or collate qualitative evidence from the local area, to add to the quantitative data available.

The Crawley Borough Council recognises the need for greater partnership working to combat the negative impact of alcohol and will work with its partner agencies and the local trade to jointly promote the sensible drinking message.

Anna Raleigh, Director of Public Health – West Sussex

CONTENTS

1.	INTRODUCTION AND SCOPE OF THE POLICY	7
	Scope of the policy	8
2.	HOW DECISIONS WILL BE MADE USING THE POLICY	9
	Main principles	10
	Licensing objectives	10
	Prevention of crime and disorder	10
	Public safety.....	12
	Prevention of public nuisance	13
	Protection of children from harm	14
	Licensing objectives: general	17
3.	PREMISES LICENCES AND CLUB PREMISES CERTIFICATES	21
	Premises licences	21
	Club premises certificates.....	24
	Variations.....	25
4.	TEMPORARY EVENT NOTICES	26
	Giving a temporary event notice	26
5.	PERSONAL LICENCES	27
	Immigration Act 2016	27
6.	ADMINISTRATION OF APPLICATIONS	29
	Committee Procedures.....	29

Relevant, vexatious and frivolous representations	30
7. ENSURING EFFECTIVE CONTROL OF LICENSED PREMISES	30
Reviewing the Licence	30
Effective Control Through Use of Conditions	30
8. ENFORCEMENT	30
Duplication with other statutory provisions	30
Other regulatory regimes	30
Approach to enforcement	30
9. GENERAL NOTES	30
Disclosure of personal details	30
Contact Details for Responsible Authorities	30
Appendix A	39

1. INTRODUCTION AND SCOPE OF THE POLICY

- 1.1 Crawley Borough Council, as the licensing authority for the borough of Crawley (the Council), in pursuance of its duties and powers under the Licensing Act 2003 (the Act), hereby formally makes a statement as to its Policy in respect of the provisions of that Act.
- 1.2 The aim of the policy is to promote the licensing objectives set out in the Act whilst securing the safety and amenity of residential communities and facilitating a sustainable entertainment and cultural industry. The overriding philosophy of the licensing regime is that there is a presumption that a licence will be granted unless there are compelling reasons to refuse the licence. This policy will then form the basis on which the licensing decisions are taken by the authority.
- 1.3 The Licensing Objectives are:-
- Prevention of crime and disorder
 - Public safety
 - Prevention of public nuisance
 - Protection of children from harm
- 1.4 In undertaking its licensing function, the Council is also bound by other legislation, which includes the following:
- Section 17 of the Crime and Disorder Act 1998 requiring the Local Authority to do all that it reasonably can to prevent crime and disorder in its locality.
 - Guidance issued under Section 182 of the Licensing Act 2003 (Statutory Guidance).
 - The European Convention on Human Rights, which is given effect by the Human Rights Act 1998; placing a duty on public authorities to protect the rights of individuals in a variety of circumstances.
 - Health and Safety at Work Act 1974; and regulations made there under
 - Food Safety Act 1990; and regulations made there under
 - Environmental Protection Act 1990
 - Criminal Justice and Police Act 2001
 - The Anti-Social Behaviour Act 2003
 - Race Relations (Amendment) Act 2000
 - Disability Discrimination Act 1995
 - Data Protection Act 1998
 - Equality Act 2010
 - Police Reform & Social Responsibility Act 2011
 - Live Music Act 2012
 - Immigration

- 1.5 The Council will also seek to discharge its responsibilities identified by other Government Strategies, so far as they impact on the Licensing Objectives. Examples of these include the Strategies which are set out below:
- The Government's Alcohol Strategy 2012
 - The Annual Safer Crawley Partnership Plan
- 1.6 In addition, the Council will consider applications with reference to other, locally, adopted Strategies, as set out below:
- Annual Safer Crawley Partnership Plan
 - Safer Crawley Partnership Executive Initiatives
 - Crawley Evening Economy
 - Health Promotion Strategies
 - Enforcement Concordat
 - Local Plan
 - Emerging Draft Local Development Framework
 - Pub Watch" and "Business Watch" schemes
 - Proof of age scheme
- 1.7 The Council, in adopting this licensing policy, recognises both the needs of residents for a safe and healthy environment in which to live and work and the importance of safe and well run premises providing entertainment to the local economy and vibrancy of the borough.
- 1.8 The Policy provides guidance to applicants, objectors and other interested persons on the general approach the Council will take in terms of licensing. Although each licence application must be considered separately on its individual merits, in adopting this licensing policy the Council is making it clear that wider considerations other than the fitness of the applicant and suitability of the premises will be taken into account.
- 1.9 This policy will take effect on 1st March 2019 and remain in force for a period of 5 years or until it is subject to review by the Council whichever is sooner. Any review and proposed changes will be the subject of statutory consultation.
- 1.10 The Policy is written in pursuance of the Act and incorporates the Council's adopted policies in respect of Equal Opportunities.

Scope of the policy

- 1.11 The Act is concerned about the sale of alcohol, the provision of regulated entertainment and late night refreshment. In general a reference in this policy to a premises licence will include reference to a club premises certificate.
- 1.12 Activities that require a licence under the Act and covered by this policy include:
- Retail sale of alcohol for consumption both on and off the premises
 - Supply of hot food or drink from a premise from 23.00 to 05.00 hours for consumption both on and off the premises

- Provision of entertainment listed below (known as regulated entertainment) to the public or club members or with a view to profit, namely:
 - Film exhibitions
 - Performances of a play
 - Indoor sporting events
 - Boxing or wrestling entertainment
 - Live music performances (as defined by the Live Music Act 2012)
 - Playing of recorded music
 - Dance performances

1.13 The Act covers the licensing of individuals for the retail sale of alcohol (personal licences), the licensing of premises as described above, and the regulation of certain licensable activities on a temporary basis (temporary event notices).

1.14 The scope of the policy covers new applications, renewals, transfers and variations of licences and certificates, including where applicable temporary premises licences. It will also include review of licences and certificates. Such a review could lead to the revocation of a licence or certificate.

2. HOW DECISIONS WILL BE MADE USING THE POLICY

2.1 When an application is made regarding a licence, including an application for the review of a licence following a representation, decisions regarding the control of the premises will need to be made. The Act and the Statutory Guidance lay down the issues that the Council is required to consider in fulfilling its function as a Licensing Authority.

2.2 This policy sets out a general approach to the making of licensing decisions and underpins the provisions of the Act. It does not seek to undermine the right of any individual to apply under the terms of the Act for a variety of permissions and to have any such application considered on its individual merits.

2.3 Similarly, this policy does not override the right of any person to make representations in respect of an application or seek a review of a licence or certificate, where provision has been made for them to do so under the Act.

2.4 Licensing is about control of licensed premises, qualifying clubs and temporary events, within the terms of the Act. The terms and conditions attached to various permissions will be focused on matters which are within the reasonable control of individual licensees and others who have been granted relevant permissions. Accordingly, these matters will centre on the premises and places being used for licensable activities and the vicinity of those premises and places.

2.5 The Council will primarily focus on the direct impact the activities taking place at licensed premises may have on members of the public living, working or engaged in normal activity in the area concerned. Licensing law is not a mechanism for the general control of anti-social behaviour by individuals once they are beyond the reasonable control of the individual, club or business holding a licence, certificate or relevant permission.

Main principles

- 2.6 In addition to being bound by the legislation referred to above, the Council intends to promote the Licensing Objectives (see below) by pursuing the key themes of Crawley's Local Strategic Partnership, namely:
- Affordable Housing
 - Local Environment
 - Lifelong Learning
 - Community Safety
 - Health and Social Care
 - Local Economy
- 2.7 The policy is also intended to ensure that the provision of additional opportunities for licensable activities is matched by additional measures enabling the police and licensing authorities to act promptly to maintain public order and safety.

Licensing objectives

- 2.8 There are four Licensing Objectives stated in Section 4 of the Act. These same Licensing Objectives are also referred to in the Statutory Guidance. Crawley Borough Council's approach to each is detailed below.
- 2.9 The four stated Licensing Objectives in the Act are:
- Prevention of crime and disorder
 - Public safety
 - Prevention of public nuisance
 - Protection of children from harm

Prevention of crime and disorder

- 2.10 The key controls in respect of preventing crime and disorder arise from good operational planning and good management of activities at the premises.

General management controls on crime and disorder

- 2.11 The essential purpose of the licence or certificate in this context is to regulate behaviour on premises and access to them where this relates to licensable activities and the licensing objectives. The Council will not, therefore, seek to use, conditions attached to licences to manage the behaviour of customers once they are beyond the direct management of the licence holder and his staff or agents.
- 2.12 No conditions relating to the management competency of designated premises supervisors will be attached to premises licences, unless it could be demonstrated that in the circumstances associated with particular premises, poor management competency could give rise to issues of crime and/or disorder and public safety.

- 2.13 The statutory guidance states that licence conditions must avoid attaching conditions that duplicate other regulatory regimes as far as possible and must not replicate licensing offences that are set out in the Act.
- 2.14 Conditions will, however, be used if they can control issues that directly impact on the behaviour of those under the licensee's direction when on his premises or in the immediate vicinity of the premises as they seek entry or leave. Consideration will be given to the advice within Chapter 10 of the Statutory Guidance . The Council will look to the police as the main source of advice on these matters, and this advice will be given considerable weight.
- 2.15 The Council recognises that there are, or will be, a number of voluntary schemes designed to improve public safety, such as the "National Pubwatch" scheme and "The Safer Clubbing" guide. The Council supports the use of such schemes as they will increase the likelihood that the licence holder of the premises concerned will be promoting the licence objectives. The Council will, where appropriate, consider the use of conditions to achieve these standards.
- 2.16 The Council also recognises that it must fulfil its obligations under section 17 of the Crime and Disorder Act 1998 when carrying out its functions as the licensing authority under the Act.

Areas where further conditions may be considered

- 2.17 There are several areas in which the Council will have particular concerns:

Discounting and sales promotions

- 2.18 When considering any relevant representations made in respect of an application, there will need to be shown a clear causal link between sales promotions or price discounting and levels of crime and disorder on or in the vicinity of the premises.
- 2.19 The Council will also support local voluntary Codes of Practice in respect of ensuring responsible use of the discounting of the costs of alcoholic drinks, happy hours and sales promotions whereby drinks are offered free in certain circumstances.

Effective door supervision

- 2.20 Provision of door supervision may be necessary to ensure that people who are drunk or drug dealers or carrying weapons do not enter the premises. This reduces the potential for crime and disorder. Door supervisors should also ensure that the police are informed where this will help to promote the licensing objectives.
- 2.21 Whenever security operatives are employed at licensed premises to carry out any security function they must be licensed by the Security Industry Authority (SIA). Competent and professional door supervisors are key to public safety at licensed premises and the provision of door supervisors is an action point for the leisure industry to consider in the National Alcohol Harm Reduction Strategy. If a licensee directly employs security operatives they will need to be licensed by the SIA as a supervisor/manager. Local authority licensing officers may look more favourably on licence applications which demonstrate that licensees have considered:
- Recruiting SIA licensed door supervision staff from a reputable company with SIA Approved Contractor Status.
 - What measures will be taken and what and procedures are in place for licensees to check the SIA register of licensed door supervisors to ensure their premises and customers are only protected by door supervisors with an SIA licence.
- 2.22 The Council would also encourage good practices, such as identifying door supervisors by uniform, which may include high visibility jackets, in appropriate circumstances. In premises such as cinemas and theatres carrying on other licensable activities on the premises as well as their primary function of exhibiting films or presenting plays, the Council would not

normally require door supervision by individuals licensed by the Security Industries Authority (SIA) in such premises. However, the circumstances of all applications will be considered individually.

- 2.23 Finally, in certain circumstances, the Council may also consider it appropriate to apply conditions regarding the provision of stewards and other persons whose role is not to carry out a security activity but to provide advice about and ensure the safety of those visiting the premises. Such individuals will not need to be licensed by the SIA.

Large capacity venues used exclusively or primarily for the “vertical” consumption of alcohol (HVVDs)

- 2.24 Large capacity “Vertical drinking” premises, sometimes called High Volume Vertical Drinking establishments (HVVDs), are premises with exceptionally high capacities, used primarily or exclusively for the sale and consumption of alcohol, and have little or no seating for patrons. The Council recognises and research has demonstrated that the environment within such establishments can have a significant bearing on the likelihood of crime and disorder.
- 2.25 Where appropriate, the Council will attach conditions to premises licences for the promotion of the prevention of crime and disorder at such premises (if not volunteered by the venue operator and following representations made on such grounds) which require adherence to:
- a prescribed capacity;
 - an appropriate ratio of tables and chairs to customers based on the capacity; and
 - the presence of SIA licensed security teams to control entry for the purpose of compliance with the capacity limit and to deny entry to individuals who appear drunk or disorderly or both.

Public safety

- 2.26 The Council recognises that the public safety objective is concerned with the physical safety of the people using the relevant premises and not with public health, which is dealt with in other legislation. There will of course be occasions when a public safety condition could incidentally benefit health, but this will not be the purpose of the condition as this would be ultra vires in the context of the Act. Accordingly, conditions will not be imposed on a premises licence or club premises certificate which relate to cleanliness or hygiene. In addition, no attempt will be made to use a licensing condition to prohibit smoking for either health or desirability. These are matters dealt with under other legislation and voluntary codes of practice and duplication must be avoided. It should be noted, however, that public safety does include the safety of performers appearing at any premises.
- 2.27 There are also many areas of existing legislation which provide for Public Safety. It is, therefore, essential that the Licensing Policy deals only with the remit of the Licensing Act. The Council will expect applicants and licence holders to have regard to key publications in the context of regulated entertainment.
- 2.28 The Council will not include conditions for premises open to the public or for employers to possess certificates attesting to the safety or satisfactory nature of certain equipment or fixtures on the premises, where there is a requirement in other legislation. However, the Council will require as a condition of a licence or certificate, if necessary, checks on such equipment to be conducted at specified intervals and for evidence of such checks to be retained by the premises licence holder or club provided this does not duplicate or ‘gold-plate’ a requirement in other legislation. If the Council receives relevant representations from responsible authorities or interested parties, we will attach conditions which require equipment of particular standards to be maintained on the premises. In considering such conditions, the

advice of responsible authorities, such as health and safety authorities, will carry considerable weight.

- 2.29 The Act provides that where a premises licence or club premises certificate authorises the exhibition of a film, it must include a condition requiring the admission of children to films to be restricted in accordance with recommendations given either by a body designated under section 4 of the Video Recordings Act 1984 specified in the licence (currently only the British Board of Film Classification – BBFC) or by the licensing authority itself.
- 2.30 The BBFC classifies films in accordance with its published Guidelines which are based on extensive research into public opinion and professional advice. The classifications recommended by the Board should be those normally applied unless there are very good local reasons for a licensing authority to adopt this role. The Council notes that the provisions of the Act enables it to specify the Board in the licence or certificate and, in relation to individual films, to notify the holder or club that it will make a recommendation for that particular film.
- 2.31 There will, therefore, be circumstances when the Council will consider the use of conditions. These will include the use of a possible pool of conditions, to which others may be added.

Prevention of public nuisance

- 2.32 There is no statutory definition of Public Nuisance. The Council will, therefore, need to make judgements about what constitutes public nuisance and define the necessary controls. To decide this, the Council will consider the promotion of this licensing objective. We will focus on whether impacts of the licensable activities at the specific premises on persons living and working (including doing business) in the vicinity are disproportionate and unreasonable.
- 2.33 The Council will be mainly concerned with noise nuisance, light pollution, noxious smells and litter. For example, the Council considers that the prevention of public nuisance will include low-level nuisance affecting a few people living locally as well as major disturbance affecting the whole community. It will also include in appropriate circumstances the reduction of the living and working amenity and environment of people in the vicinity of licensed premises. The Council also considers that the cumulative effects of litter in the vicinity of premises carrying on licensable activities can cause public nuisance.
- 2.34 The Council will use appropriate conditions which relate to public nuisance. They will be tailored for specific premises licences and club premises certificates, and will not be treated as standard conditions.
- 2.35 The following conditions and controls will be considered by the Council in respect of preventing public nuisance:

Conditions relating to noise nuisance

- 2.36 These will normally concern steps necessary to control the levels of noise emanating from premises, from simple mechanisms like ensuring that doors and windows are kept closed after a particular time in the evening to more sophisticated mechanisms like sound level inhibitors on amplification equipment or sound proofing. Any conditions necessary to promote the prevention of public nuisance will be tailored to the style and characteristics of premises and the type of activities expected to take place there. To prevent a Public Nuisance the Council has a general requirement that all regulated entertainment must be inaudible inside all noise sensitive premises between 23:00 and 07:00. Inaudibility will also be required between 07:00 and 23:00 if regulated entertainment is requested more often than 30 times a year. To prevent a public nuisance the Council will require all outside drinking areas to be closed to the public from 23:00 to 07:00, except for an agreed designated smoking area, where no food or drinks will be allowed.

Conditions for 'takeaways' and fast food outlets.

- 2.37 We may consider it appropriate and necessary for a condition of a licence to require premises serving customers from takeaways and fast food outlets from 11.00pm to provide litter bins in the vicinity of the premises in order to prevent the accumulation of litter from its customers. Such conditions may be appropriate in circumstances where customers late at night may have been consuming alcohol and be inclined to carelessness and anti-social behaviour. In considering such a condition, the Council will consider whether such a requirement is appropriate having regard to the licensable activities carried on, the type and characteristics of the premises.

Conditions to control light pollution.

- 2.38 The Council will seek to balance bright lighting outside premises considered appropriate to prevent crime and disorder against light pollution for some neighbours.

Representations relating to public nuisance.

- 2.39 Where applications have given rise to representations, any appropriate conditions will normally focus on the most sensitive periods. For example, music noise from premises usually occurs from mid-evening until either late evening or early morning when residents in adjacent properties may be attempting to go to sleep or are sleeping. In certain circumstances, conditions relating to noise may also prove appropriate to address any disturbance anticipated as customers enter and leave the premises and therefore, in the immediate vicinity of the premises.
- 2.40 However, all conditions in respect of public nuisance will be focused on measures within the direct control of the licence holder or club. Conditions relating to public nuisance caused by the anti-social behaviour of customers once they are beyond the reasonable control of the licence holder, club or premises management cannot be justified and will not serve to promote the licensing objectives in relation to the licensing activities carried on at the premises. Beyond the vicinity of the premises, these are matters for personal responsibility of individuals under the law. An individual who engages in anti-social behaviour is accountable in his own right. However, the Council may consider it appropriate, following relevant representations from a responsible authority or interested party, to require the licence holder or club to place signs at the exits from the building encouraging patrons to be quiet when they leave the area and to respect the rights of people living near-by to a peaceful night.
- 2.41 After a licence or certificate has been granted or varied, a complaint relating to a general situation in a town centre will not generally be regarded as a relevant representation unless it can be positively tied or linked by a causal connection to particular premises, which would allow for a proper review of the licence or certificate.
- 2.42 The Council will not use conditions where the provisions of the Environmental Protection Act 1990 and of the Noise Act 1996 adequately protect those living in the vicinity of the premises in question. However, the Council intends to adopt an approach of prevention which adequately cover concerns raised in relevant representations.
- 2.43 The Council will, however, promote the use of other legislation including the Anti-Social Behaviour Act 2003 as a way to control noise from any licensed premises which is causing a public nuisance.

Protection of children from harm

- 2.44 The Council recognises that the protection of children from harm includes the protection of children from moral, psychological and physical harm, and this would include the protection of children from too early an exposure to strong language and sexual expletives, for example, in the context of film exhibitions, or where adult entertainment is provided.
- 2.45 However, in the context of many licensed premises such as pubs, restaurants, café bars and hotels, the Council does not wish to see the development of family-friendly environments

frustrated by overly restrictive conditions in respect of children where there is no good reason to impose them.

- 2.46 Nothing, therefore, in this statement of policy limits the access of children to licensed premises unless it is appropriate for the prevention of harm to children. No statement of policy can properly anticipate every issue of concern that could arise in respect of children with regard to individual premises and as such, general rules will be avoided. Consideration of the individual merits of each application remains the best mechanism for judging such matters.
- 2.47 The Council recognises that the changes in the Act to the law concerning consumption of alcohol by minors on licensed premises now mean the focus for licensing authorities, the police and other authorised persons should be on the enforcement of those laws.
- 2.48 The Council will, therefore, ensure that representations made by the statutory child protection bodies and the police in respect of individual applications should be given considerable weight when they address appropriate issues regarding the admission of children.

Use of Conditions

- 2.49 The Council will not impose conditions requiring the admission of children to any premises. Where no licensing restriction is appropriate, this will remain a matter for the discretion of the individual licensee or club.
- 2.50 However, the Council considers that conditions relating to the access of children which are appropriate to protect them from harm are self evidently of great importance.
- 2.51 It is also possible that activities, such as adult entertainment, may take place at certain times on premises but not at other times. For example, premises may operate as a café bar during the day providing meals for families but also provide entertainment with a sexual content after 8.00pm. Such trading practices should be obvious from the operating schedule or club operating schedule provided with the relevant application allowing the framing of an appropriate, time-limited condition. Similarly, gambling may take place in part of a leisure centre but not in other parts of those premises. This means that the access of children will need to be carefully considered by applicants, the Council and responsible authorities. In many respects, it should be possible to rely on the discretion and common sense of licence and certificate holders.
- 2.52 The Council would consider the following matters of particular concern if they feature in any application:
- Where there have been convictions for serving alcohol to minors or with a reputation for underage drinking.
 - Where there is a known association with drug taking or dealing.
 - Where there is a strong element of gambling on the premises.
 - Where entertainment of an adult or sexual nature is commonly provided.
- 2.53 It is acknowledged that complete bans will be rare but the options for limiting the access of children, where appropriate, for the prevention of harm to children, include the following:
- Limitations on the hours when (where) children may be present.
 - Age limitations (below 18).
 - Limitations or exclusions when certain activities are taking place.
 - Requirements for an accompanying adult.

- Full exclusion of people under 18 from the premises when any licensable activities are taking place.
- Limitation on parts of premises

Children and cinemas

- 2.54 The Act provides that where a premises licence or club premises certificate authorises the exhibition of a film, it must include a condition requiring the admission of children to films to be restricted in accordance with recommendations given either by a body designated under section 4 of the Video Recordings Act 1984 specified in the licence (the British Board of Film Classification is currently the only body which has been so designated) or by the licensing authority itself.
- 2.55 The Council will adopt the recommendations of the British Board of Film Classification
- 2.56 In the case of premises giving film exhibitions, the Council expects licensees to impose conditions that children will be restricted from viewing age-restricted films classified according to the recommendations of the British Board of Film Classifications.

Children and public entertainments

- 2.57 Where such entertainment is due to take place, the Council will ordinarily impose a requirement for a specified number of adults to be present at the places of public entertainment to control the access and egress of children and to assure their safety. The number of adults required will be calculated on the basis of a risk assessment and taking into considerations including the size of the venue, the number and ages of the children present, the type of activity involved and any requirements included in the relevant Children's Acts. As a minimum, the Council would normally expect at least one parental adult for every 15 children present, with the ratio of adults increasing the younger the children involved.
- 2.58 The Council will still expect applicants when preparing an operating schedule or club operating schedule to state their intention to exercise such discretion and where they are appropriate, to set out the steps to be taken to protect children from harm when on the premises. For example, when entertainment is being provided specifically for children, the licensee will be expected to check that any persons providing entertainment are safe to work with children.
- 2.59 The admission of children to theatres, as with other licensed premises, will not normally be restricted. The Council considers that the admission of children to the performance of a play should normally be at the discretion of the licence holder and no condition restricting their access to plays should be attached. However, theatres may also present a wide range of entertainment including, for example, variety shows incorporating adult entertainment. The Council may, therefore, apply conditions restricting the admission of children in such circumstances as may be appropriate. Entertainments may also be presented at theatres specifically for children. The Council may consider it appropriate to attach a condition to a premises licence or club premises certificate which requires the presence of a sufficient number of adult staff on the premises to ensure the well being of the children during any emergency.

Sale and Supply of Alcohol to Children

- 2.60 Section 186 of the Act provides that proceedings for any offences in the Act may be instituted by a licensing authority or by the Director of Public Prosecutions, and, in the case of an offence under section 146 or 147 (sale of alcohol to children) of the Act, by a local weights and measures authority (trading standards officers). The police also have powers to prosecute under sections 146 and 147 of the Act.
- 2.61 The Council will support formal action taken under these provisions, in line with its current enforcement policy.
- 2.62 The Council will give considerable weight as to whether the person selling the alcohol to the

minor can provide proof of having actively supported an accredited proof of age scheme in the past.

Licensing objectives: general

2.63 In addition to the four licensing objectives laid down in the Act, the Statutory Guidance states that all Licensing Policies should consider the following.

Cumulative Impact

2.64 Views have to be taken, as part of the consultation process, as to the effect an expansion of licensing may have on any one area. The matter of 'need' for an additional facility, whether pub, club etc. is not covered by this policy. This will be a matter for planning policies and strategies and for the market as a whole.

2.65 "Quotas" will not be imposed in any circumstances. However, it is possible to consider the overall "cumulative" impact. This may have an impact on the number of licensed premises in any given area.

2.66 There are, therefore, a range of approaches which may be used to address issues of cumulative impact. Some will lie within the controls provided by the Licensing Act and others will not. They include:-

- Planning Controls
- Positive measures to create a safe and clean environment in partnership with local businesses, transport operators and other local authority departments
- Application of the powers of the Council to designate parts of the area as places where alcohol may not be consumed in public.
- Police enforcement of the normal law concerning disorder and anti-social behaviour, including the issue of fixed penalty notices.
- The prosecution of any personal licence holder or member of staff at such premises who is selling alcohol to people who are drunk.
- The confiscation of alcohol from adults and children in designated areas.
- Application of police powers to instantly close for up to 24 hours, any licensed premises or temporary event on the grounds of disorder, the likelihood of disorder, or excessive noise emanating from the premises.
- Application of powers of the police, other responsible authorities, local residents or businesses to seek a review of the licence or certificate in question.
- Use of closed-circuit television (CCTV).

2.67 The policy confirms that the onus would be on the objector to any licence application, to lay an evidential base for any assertion that the addition of a premise would produce the cumulative impact as claimed.

2.68 Conditions of licenses which address the cumulative impact of licensed premises within an area will always reflect the particular circumstances in an area which may have an impact on nuisance or crime and disorder, and a "blanket" approach will not be used.

2.69 At the time of reviewing and publishing this policy, there was insufficient evidence to warrant the adoption of a saturation policy due to the cumulative impact of licensing in any specific area. It may be that in the future the Council receives sufficient evidence at which time it may consider adopting a special policy to address the saturation effect. In such a case before any

policy is formulated, consideration will be given to:-

- Identifying any serious or chronic concerns about nuisance and disorder;
- Assessing the causes;
- Identifying the area from which problems are arising and the boundaries of that area; and
- Adopting a policy about future licence applications from that area.

Licensing Hours

- 2.70 Consideration will be given to the individual merits of each and every application. However, it is recognised, following Government recommendation in the light of national research, that longer licensing hours with regard to the sale of alcohol may be important to ensure that the concentrations of customers leaving premises simultaneously are avoided. Fixed and artificially early closing times may promote, in the case of sales of alcohol, rapid binge drinking close to closing times; and are a key cause of disorder and disturbance when large numbers of customers are required to leave premises simultaneously. This in turn produces friction, particularly between young men, and gives rise to disorder and peaks of noise and other nuisance behaviour particularly in and around late night fast food outlets, taxi ranks and other sources of transport.
- 2.71 For the avoidance of doubt and to give the public clarity, each premises licence will have a “Starting” and “Terminal” Hour fixed. The Council will expect to see within the operating plan a series of times setting out when: -
- Customers may first enter the premises,
 - The time from when alcohol may be sold,
 - The time for last orders,
 - The “terminal hour” for the premises.
- 2.72 The Council would expect to see the “Terminal Hour” occurring after “last orders”. In relation to premises that intend to stay open after midnight for the sale of alcohol and/or the provision of regulated entertainment the Council will expect to see a time in the operating plan (earlier than midnight) after which customers will not be allowed to enter the premises.
- 2.73 The Council supports the aim of reducing concentrations and achieving slower dispersal of people from licensed premises through longer opening times. Arbitrary restrictions that will undermine this principle of flexibility and will, where possible, be avoided.
- 2.74 Whilst it is recognised that there are concerns locally regarding longer opening hours in residential areas, the Council will not seek to engineer “staggered closing times” by setting quotas for particular closing times, for example, by allocating closing times of 11.00pm, 12 midnight, 1.00am, 2.00am, 3.00am etc. to specific premises. This would only serve to replace the current peaks of disorder and disturbance after 11.00pm and after 2.00am with a series of smaller peaks, minimising any potential improvement in the prevention of crime and disorder or public nuisance and would not be necessary to promote the licensing objectives. The Council’s general principle will be to support later opening so that customers leave for natural reasons slowly over a longer period. This will prevent any artificial concentration. Specific

Zoning

- 2.75 Zoning refers to the setting of fixed trading hours within designated areas. Experience in Scotland has demonstrated that zoning leads to the significant movement of people across boundaries in search of premises opening later and puts greater pressure on town centres than is necessary. It is further recognised that zoning risks treating residents in one area

preferentially over others simply because they have chosen to live in the busy central area of the town. As such, the Council will not fix predetermined closing times for particular areas.

- 2.76 Accordingly, all residents living in the vicinity of licensed premises have the equal right to make representations concerning applications for premises licences and hours of trading and to have those representations given equal weight regardless of the area of the borough in which they live.
- 2.77 In each individual case that arises following representation, the Council will consider the potential for nuisance associated with the style, characteristics and activities of the business involved, to examine the potential steps which could be taken to reduce the risk of nuisance, particularly in areas of dense residential accommodation, and to consider restricting the hours of trading only as a last resort because of the potential impact on disorder and antisocial behaviour from fixed and artificially early closing times.

Shops, stores and supermarkets

- 2.78 Shops, stores and supermarkets should be free to provide sales of alcohol for consumption off the premises at any times when the retail outlet is open for shopping unless there are very good reasons for restricting those hours. Accordingly, if the law permits the shop to open for 24 hours or limits such opening, for example, on Sundays, the Council will generally permit the sale of alcohol during those hours.
- 2.79 Normally the sale of alcohol from a garage will be prohibited. Where, however it can be shown that the main activity of the premises is not as a garage applications may be considered but each case will be considered on its merits.
- 2.80 Good reasons for imposing a limitation may be appropriate, for example, following police representations in the case of isolated shops known to be a focus of disorder or disturbance because youths gather there and engage in anti-social behaviour, including pressurising shop staff to make unlawful sales of alcohol. There is strong local support to control disorder around off-licences. Where representations are received from the police or Trading Standards, the Council will consider the use of conditions.

Worker Rights

- 2.81 In determining an application for a premises licence and the hours at which the premises might provide licensable activities to the public, it is not for the Council to consider such matters as the rights of the workers employed on the premises who may be asked to work longer hours. Existing protections under the Working Time Regulations 2002, and under the normal laws of contract, make it unlawful for one party to a contract of employment to vary its terms and conditions without the other's consent. This means that people whose current contract of employment (whether in its explicit terms or as a matter of custom or practice) does not provide for them to work extended hours and/or at unsocial times can have different terms imposed on them. The existing protections can therefore be expected to provide adequate protection against abuse. Against this background, the impact on workers of an extended hours permitted by a premises licence is a contractual matter to be resolved between the employer and employee, thus the Council will not seek to intervene in these matters as a matter of licensing policy.

Licensing qualifications

- 2.82 The Council will recognise only those qualifications which are accredited or accepted by the Secretary of State. The Council will also accept those persons prescribed by the Secretary of State as persons who will not need to possess the licensing qualification.

Integration of strategies

- 2.83 The Council shall secure the proper integration of this policy with local crime prevention, planning, transport, tourism and cultural strategies by the following mechanisms:
- Liaising and consulting with the Sussex Police as part of the Safer Crawley Partnership
 - Working in partnership with licensee and other groups, such as those described in the National Pubwatch scheme.
 - Liaising and consulting with those Directorates, committees and contacts within Crawley Borough Council who deal with Planning, the Environment, Transport, Civic Amenities, Culture, Leisure, Economic Development, Social Inclusively and Access for All.
 - Liaising and consulting with our partners in the Local Strategic Partnership.
- 2.84 In respect of the County Council as stakeholders in respect of transport, the Council will have regard to the need to disperse people quickly and safely from Crawley town centre: it is preferable to avoid concentrations which may produce disorder and disturbance. Decisions made under this policy will reflect any protocols agreed between the local police and other licensing enforcement officers and the need to report to West Sussex transport committees.
- 2.85 In respect of other external bodies, the Council will make this policy widely available and invite input from interested parties.
- 2.86 This policy shall avoid unnecessary duplication or inefficiencies by properly separating the planning and licensing regimes in operation. Where appropriate, matters for consideration in licensing applications will not duplicate matters considered as part of any planning application. Licensing decisions will take into account any relevant planning decisions (either by [the Planning Committee] or following appeals against decisions taken by [that committee]) and will not cut across such decisions.

Public Space Protection Order (PSPO)

- 2.87 A Public Space Protection Order creates a borough wide controlled drinking zone to help us reduce anti-social behaviour arising for drinking alcohol in the street. The Order gives the police and authorised officers the ability to confiscate alcohol or require a person to stop drinking in public if they are causing a nuisance. The powers do not prohibit drinking in public places and it can only be used where it is associated with negative behaviour.

Pubwatch

- 2.88 The borough-wide pubwatch network encourages licensees to work together to promote the licensing objectives in their premises by providing a forum for sharing information, disseminating best practice and meeting with representatives of the licensing authority, the police and other responsible authorities
- 2.89 The Licensing Authority encourages all licensees to actively participate in their local pubwatch scheme and it will support the development of more schemes where there is a demand.

Adult Entertainment

- 2.90 The Licensing Authority expects all applicants and licensees intending to provide adult entertainment to include the relevant details in their operating schedule, including any controls they intend to put into place.
- 2.91 When considering applications which include adult entertainment the Licensing Authority will take into account the nature of the area, the marketing, and advertising arrangements and external views of the premises together with other factors proposed by the proprietor to mitigate against concerns.
- 2.92 Premises providing adult entertainment on a regular basis will be subject to the licensing regime for Sexual Entertainment Venues. Premises licenced under the Licensing Act 2003

that are exempt from this regime will be subject to the following paragraphs of this Policy.

2.93 The location of the premises will be an important factor as it can impact on all four of the licensing objectives. The licensing authority will take into account the cumulative effect of the premises on the area and whether applications for new and variation premises licences that are located in close proximity to sensitive premises should be granted. Sensitive premises may include:

- residential accommodation,
- schools,
- children's and vulnerable persons' centres,
- youth and community centres,
- religious centres and public places of worship

3. PREMISES LICENCES AND CLUB PREMISES CERTIFICATES

Premises licences

3.1 A premises licence authorises the use of any premises, (which is defined in the 2003 Act as a vehicle, vessel or moveable structure or any place or a part of any premises), for licensable activities described and defined in the Act. The licensable activities are:

- The sale by retail of alcohol.
- The supply of alcohol by or on behalf of a club to, or to the order of, a member of the club.
- The provision of regulated entertainment.
- The provision of late night refreshment.

3.2 Further details may be found in the Act and Statutory Guidance.

3.3 The Council intends to encourage mixed usage of licensed premises to encourage older sections of the community to use them. We will also encourage and support licensed premises that have a family friendly content.

3.4 The Council will determine in the first instance whether or not any representations made in respect of an application are relevant.

3.5 Where a representation concerns "cumulative impact" the Council may be unable to consider this factor but would examine issues such as the proximity of the residence or business. The Council will adopt a common sense approach and hopes that individuals living and working in the neighbourhood or area immediately surrounding the premises will feel able to make representations.

3.6 The Council will provide advice on its website about how a relevant representation can be made in respect of any application.

Making an Application

3.7 An application for a premises licence must be made in the prescribed form to the Council and be copied to each of the appropriate responsible authorities. The application must be accompanied by:

- The required fee;
- An operating schedule (see below);
- A plan of the premises, in a prescribed form, to which the application relates; and

- If the application involves the supply of alcohol, a form of consent from the individual who is to be specified in the licence as the designated premises supervisor.

3.8 Regulations containing provisions on fees and the prescribed form of applications are provided in the relevant legislation.

Producing the operating schedule

3.9 The operating schedule will form part of the completed application form for a premises licence.

3.10 The Council will expect an operating schedule to include:

- Information which is necessary to enable any responsible authority or any other person to assess whether the steps to be taken to promote licensing objectives are satisfactory.
- A description of the style and character of the business to be conducted on the premises (for example, a supermarket, or a cinema with six screens and a bar, or a restaurant, or a public house with two bars, a dining area and a garden open to customers).
- Where alcohol is being sold for consumption on the premises in public houses, bars and nightclubs, the extent to which seating is to be provided will be considered when dealing with applications or variations, because research has shown that the amount of available seating can be relevant to promoting the prevention of crime and disorder objective.
- A specific description of the type of activities available on the premises: types of dancing, may give rise to issues concerning the steps needed to protect children from harm and more generally conditions which would be appropriate, for example.

3.11 The following matters must also be included in full;

- The relevant licensable activities to be conducted on the premises;
- The times during which it is proposed that the relevant licensable activities are to take place (including the times during each day of the week, during particular holiday periods and during particular seasons, if it is likely that the times would be different during different parts of the year).
- Any other times when the premises are to be open to the public; where the licence is required only for a limited period, that period; where the licensable activities include the supply of alcohol.
- The name and address of the individual to be specified as the designated premises supervisor.
- Where the licensable activities include the supply of alcohol.
- Whether the alcohol will be supplied for consumption on or off the premises or both.
- The steps which the applicant proposes to take to promote the licensing objectives.

Steps to promote the licensing objectives to be taken when preparing an operating schedule

3.12 The Council considers that, in preparing an operating schedule, applicants should be aware of the expectations of the Council and the responsible authorities about the steps that are appropriate for the promotion of the licensing objectives.

3.13 This does not mean that applicants must check their operating schedules with the Council and responsible authorities before submitting them. However, the Council will provide advice on matters relating to the licensing objectives.

3.14 In preparing operating schedules, the Council expects that applicants will have regard to this

statement of licensing policy published by this authority for the Crawley area.

- 3.15 It is also expected that applicants will seek the views of the key responsible authorities, before formally submitting applications and having completed drafts of their own operating schedules (after considering the effect on the four licensing objectives). For example, on matters relating to crime and disorder, the police and local authority community safety officers, and local community groups, might be consulted and on matters relating to noise, local environmental health officers might be consulted. Further information will be provided on the Council's website and details are also listed at the end of this policy document on page 37.
- 3.16 Where there are no disputes, the steps that applicants propose to take to promote the licensing objectives that they have set out in the operating schedule will very often translate directly into conditions that will be attached to premises licences with the minimum of fuss.
- 3.17 The Council recognises that in respect of some premises, it is entirely possible that no measures will be needed to promote one or more of the licensing objectives, for example, because they are adequately dealt with by other existing legislation. It is however important that all operating schedules should be precise and clear about the measures that it is proposed to take to promote each of the licensing objectives and in particular, the protection of children from harm.

Advertising required when submitting an application

- 3.18 Regulations governing the advertising of applications for the grant or variation or review of premises licences is contained in secondary legislation made by the Secretary of State. They include the requirement that a brief summary of the application setting out matters such as the proposed licensable activities and the proposed hours of opening should be clearly displayed on a notice immediately on or outside the premises for the period during which representations may be made, together with information about where the details of the application may be
- 3.19 The Council will also include details of applications on its website.
- 3.20 Charges made for copies of the register will not exceed the cost of preparing such copies.

Applications for major art and pop festivals, carnivals, fairs and circuses

- 3.21 The Council have identified the need for the organisers of major festivals and carnivals to make contact with the Council at the earliest opportunity to discuss arrangements for the licensing of those activities falling under the Act. In respect of some events, the organisers may seek a single premises licence to cover a wide range of activities at varied locations within the premises. This would involve the preparation of a substantial operating schedule.
- 3.22 For other events, applications for many connected premises licences may be made which in combination will represent a single festival. The Council consider it is essential to have proper co-ordination of such arrangements and will expect organisers to work with the Council in ensuring that responsible authorities are aware of the connected nature of the individual applications.
- 3.23 The Council will expect applicants for these types of events to establish a co-ordinating committee to ensure a strategic approach to the development of operating schedules. The purpose would be to ensure that conditions are not included in licences which conflict with each other, make compliance uncertain or would be difficult to enforce.
- 3.24 The Council will offer advice and assistance about its preparation and act as a co-ordinating body for the input from the responsible authorities that will eventually be notified formally about the proposal and who can make representations before an application is made.
- 3.25 In the case of circuses and fairgrounds, much will depend on the content of any entertainment presented. For example, at fairgrounds, a good deal of the musical entertainment may be incidental to the main attractions and rides at the fair which are not themselves regulated entertainment.

- 3.26 When considering applications, it is expected that the Council will seek to uphold these policy aims.

Producing the operating schedule – applications for premises licences for major events

- 3.27 The Council expects that applicants will give early notice of such major events to allow responsible authorities to discuss operating schedules with the organisers well before an application is submitted. As many of these events will give rise to special considerations in respect of public safety, failure to give such early notice will indicate that applicants have not given appropriate consideration to this licensing objective.
- 3.28 The Council will expect operating schedules for appropriate events to reflect an awareness of these matters and in particular, look to act on the advice given in key publications in the context of regulated entertainment.

Club premises certificates

- 3.29 The Act recognises that premises, to which public access is restricted and where alcohol is supplied other than for profit, give rise to different issues for licensing law than those presented by commercial enterprises selling direct to the public. For this reason, it preserves aspects of earlier alcohol licensing law as it applied to registered members clubs. These clubs are organisations where members have joined together for particular social, sporting or political purposes and then combined to buy alcohol in bulk as members of the organisation for supply in that context. They commonly include Labour, Conservative and Liberal Clubs, the Royal British Legion, other ex-services clubs, working men's clubs, social and sports clubs.

Making an Application

- 3.30 An application for a club premises certificate must be made in the prescribed form to the Council and be copied to each of the appropriate responsible authorities. The application must be accompanied by:
- the required fee;
 - an operating schedule (see below);
 - a plan of the premises, in a prescribed form, to which the application relates; and
 - a copy of the rules of the club.
- 3.31 Regulations containing provisions on fees and the prescribed form of applications are provided in the relevant legislation.

Producing the operating schedule.

- 3.32 See also paragraphs 3.7 – 3.9 above, in respect of premises licences.

Steps to promote the licensing objectives to be taken when preparing an operating schedule.

- 3.33 Club operating schedules prepared by clubs, as with operating schedules for premises licences, must include the steps the club intends to take to promote the licensing objectives. These will be translated into conditions included in the certificate, unless the conditions have been modified by the Council following consideration of relevant representations made in respect of the application.
- 3.34 The Council recognises that non-profit making clubs make an important and traditional contribution to the life of the community and bring significant benefits. Their activities also take place on premises to which the public do not generally have access and they operate under

codes of discipline applying to members and their guests.

- 3.35 In determining what conditions should be included in certificates, the Council will bear these matters in mind and when considering representations from responsible authorities and interested parties, we will bear in mind that conditions should not be attached to certificates unless they can be demonstrated to be appropriate.
- 3.36 The Council will also bear in mind that the indirect costs of conditions will be borne by individual members of the club and cannot be recovered by passing on these costs to the general public as would be the case for commercial enterprises or where a club had chosen to carry on the licensable activities at their premises for the public under the authority of a premises licence.
- 3.37 It should be noted that certificates issued to club premises shall reflect local crime prevention strategies and may include any or all of the requirements on premises licences described in this document.

Variations

- 3.38 Where a premises licence holder or club premises certificate holder wishes to amend the licence/certificate, the Act in most cases permits an application to vary to be made rather than requiring an application for a new premises licence/certificate. The process to be followed will depend on the nature of the variation and its potential impact on the licensing objectives.
- 3.39 Variations to premises licences or club premises certificates that will not impact adversely on the licensing objectives are subject to a simplified 'minor variations' process. Under this process, the applicant is not required to advertise the variation in a newspaper or circular, or copy it to responsible authorities. However, they must display it on a white notice (to distinguish it from the blue notice used for full variations and new applications). The notice must comply with the requirements set out in regulation 26A of the Licensing Act 2003 (Premises licences and club premises certificates) Regulations 2005 (SI 2005/42). In accordance with those regulations, the notice must be displayed for a period of ten working days starting on the working day after the minor variation application was given to the licensing authority.
- 3.40 On receipt of an application for a minor variation, the licensing authority must consider whether the variation could impact adversely on the licensing objectives. It is recommended that decisions on minor variations should be delegated to licensing officers.
- 3.41 In considering the application, the licensing authority must consult relevant responsible authorities (whether the application is made in writing or electronically) if there is any doubt about the impact of the variation on the licensing objectives and they need specialist advice, and take their views into account in reaching a decision.
- 3.42 The Council must also consider any relevant representations received from other persons within the time limit referred to below. As stated earlier in this Guidance, representations are only relevant if they clearly relate to the likely effect of the grant of the variation on the promotion of at least one of the licensing objectives. In the case of minor variations, there is no right to a hearing (as for a full variation or new application), but the Council must take any representations into account in arriving at a decision.
- 3.43 Minor variations will generally fall into 4 categories: minor changes to the structure or layout of premises; small adjustments to licensing hours; the removal of out of date, irrelevant or unenforceable conditions or addition of volunteered conditions; and the addition of certain licensable activities. In all cases the overall test is whether the proposed variation could impact adversely on any of the 4 licensing objectives
- 3.44 A major variation is one that does not relate simply to a change of the name or address of someone named in the licence or an application to vary the licence to specify a new individual as the designated premises supervisor.

- 3.45 The approach taken in the Act to applications for major variations is based on five main policy aims. These are that: the main purpose of the licensing regime is to promote the licensing objectives; applicants for premises licences or for major variations of such licences are expected to conduct a thorough risk assessment with regard to the licensing objectives when preparing their applications. This risk assessment will inform any necessary steps to be set out in an operating schedule to promote the 4 licensing objectives. Operating schedules, which form part of an application, should be considered by professional experts in the areas concerned, such as the police and environmental health officers. When applications for premises licences and club premises certificates are copied to them by applicants; local residents and businesses are free to raise relevant representations, which relate to the promotion of the licensing objectives, about the proposals contained in an application; and the role of a licensing authority is primarily to regulate the carrying on of the licensable activity, when there are differing specific interests in those activities to ensure that the licensing objectives are promoted in the wider interests of the community.
- 3.46 In dealing with new applications for a premises licence (not applications for variations) for a premises already previously granted permission, where the said licence has not been surrendered, a condition shall be imposed to require the same prior to any second licence being approved and issued.

Suspension of Premises Licence for Non-Payment of Fees

- 3.47 Part 2 of the Police and Social Responsibility Act 2011, introduced changes to the Licensing Act 2003, requiring Licensing Authorities to suspend a Premises Licence, or Club Premises Certificate, if the annual fee is not paid when due.

4. TEMPORARY EVENT NOTICES

- 4.1 The most important aspect of the system of permitted temporary activities is that **no** authorisation as such is required for these events from the Council. The system involves notification of an event to the Council, the police and the local authority exercising environmental health functions (the EHA), subject to fulfilling certain conditions. Only the police and Environmental Health may intervene to prevent such an event taking place or to agree a modification of the arrangements for such an event; and it is characterised by an exceptionally light touch bureaucracy. The Council may only ever intervene of its own volition if the limits set out in the Act on the number of temporary event notices (TENs) that may be given in various circumstances would be exceeded. Otherwise, the Council is only required to issue a timely acknowledgement.

Giving a temporary event notice

- 4.2 The TEN must be given to the licensing authority in the form prescribed in regulations made under the Act. Unless it is sent electronically, it must be sent to the relevant licensing authority, to the police and the EHA at least 10 working days before the event for a “standard” TEN, or 5 working days for a “late” TEN.
- 4.3 Although as stated above, 10 working days is the minimum time for the giving of a “standard” TEN, the Council expects notice givers to provide the earliest possible notice of events likely to take place. Minimum and maximum times preferred for giving notice will be available from the Council.
- 4.4 In relation to both “standard” and “late” TENs the police or EHA may intervene to prevent such an event taking place, although in relation to a “standard” TENs, an agreed modification of the proposed arrangements or the imposition of conditions on the authorisation may result. When giving a TEN, consideration should be given by the notice giver to the 4 licensing objectives.
- 4.5 In the case of an event proceeding under the authority of a TEN, failure to adhere to the requirements of the Act, such as the limitation of no more than 499 being present at any one

time, would mean that the event was unauthorised. In such circumstances, the premises user would be liable to prosecution.

- 4.6 A TEN does not relieve the premises user from any requirements under planning law to obtain appropriate planning permission where it is required.

5. PERSONAL LICENCES

Immigration Act 2016

- 5.1 The Immigration Act received Royal Assent in May 2016 and introduced a number of changes, particularly with respect to illegal working on licensed premises. The licensing elements are contained in Schedule 4 of 2003 Act. The list of 'relevant and foreign offences' in relation to personal licences is expanded to include 'immigration offences and immigration penalties.
- 5.2 The Secretary of State must consider such offences when determining whether the grant of a personal licence would be prejudicial to the prevention of illegal working in licensed premises.

Relevant Offences

- 5.3 An applicant will not be able to apply for a personal licence if they are not entitled to live and work in the United Kingdom; an existing personal licence will lapse if an individual ceases to be entitled as such.
- 5.4 Relevant offences are set out in Schedule 4 to the 2003 Act. If a person has been required to pay a civil penalty for immigration matters on or after 6 April 2017, this may be taken into consideration in the same way as a relevant offence. Offences added to the list of relevant offences with effect from 6 April 2017 may only be taken into consideration if the conviction was received on or after 6 April 2017.

Applications

- 5.5 Regulations containing provision of fees, relevant offences and the prescribed form of applications are provided in legislation.
- 5.6 In most cases the Authority is under a duty to grant a Personal Licence so long as the applicant meets the criteria prescribed in section 120 of the Act.
- 5.7 Where an applicant for a Personal Licence has certain types of conviction (for relevant or foreign offences as defined by the Act,) or, has been required to pay an immigration penalty the Authority is obliged to notify the police, and, in the case of immigration offences and penalties, the Secretary of State. In these cases a licence will still be granted unless an objection is received within the prescribed period.
- 5.8 Where an applicant is convicted of a relevant offence, foreign offence, or is required to pay an immigration penalty during the application period and this only comes to light after the licence has been granted then the Authority must notify the Chief Officer of Police/ Secretary of State (as appropriate). Where objection notices are received they will be considered at a hearing of the Licensing Sub-Committee.
- 5.9 When considering an objection notice or immigration objection notice the Authority will take the following matters into consideration:
- (i) The circumstances in which the offences were committed or the immigration penalty imposed;
 - (ii) The period that has elapsed since the offence(s) were committed or the immigration penalty imposed;

- (iii) Whether the offences/ immigration penalty reveal a pattern of offending or were a one off occurrence; and
- (iv) Any mitigating circumstances.

- 5.10 In relation to the consideration of an objection notice the Authority will reject the application/revoke the licence where it feels it appropriate to do so in order to promote the Crime Prevention Objective.
- 5.11 In relation to the consideration of an immigration objection notice the Authority will reject the application/revoke the licence where it feels it appropriate to do so for the prevention of illegal working in licensed premises.
- 5.12 Prevention of crime is both an objective of the Licensing Act 2003 and an important responsibility of the Authority under the Crime and Disorder Act 1998. Granting a licence to a person with relevant convictions will in many cases undermine rather than promote the crime prevention objective.
- 5.13 Similarly granting a licence to a person convicted of an immigration offence or who has paid an immigration penalty will in many cases undermine the prevention of illegal working in licensed premises which itself is a crime.

Convictions for Relevant, Foreign offences or Immigration penalty

- 5.14 Where the holder of a Personal Licence is subsequently charged with a relevant offence they are under a duty to notify the Court. If convicted the Court may order the licence be forfeit or suspended.
- 5.15 Personal Licence holders are also under a duty to notify the Authority if they are convicted for a relevant offence, foreign offence or if they are required to pay an immigration penalty and a failure to do so is also a criminal offence. The courts are also obliged to inform the licensing authority of any such conviction.
- 5.16 The Policing and Crime Act 2017 gives licensing authorities the power to revoke or suspend personal licences, with effect from 6 April 2017.
- 5.17 This is a discretionary power, licensing authorities are not obliged to give consideration to all personal licence holders subject to convictions for relevant offences, foreign offences or civil penalties for immigration matters.
- 5.18 However, before doing so the authority (officers) will serve a notice on the personal licence Holder inviting them to make representations within 28 days (beginning on the day the notice was issued) regarding:
- The offence/penalty
 - Any decision a court made regarding the licence at the time of the conviction
 - Any other relevant information (including the holders personal circumstances)
- 5.19 After the 28 day period has elapsed the authority (officers) will make a decision as to whether to refer the matter for the consideration of the licensing sub-committee for determination. Such referral action will be based on the information provided (above) and the promotion of the licensing objectives. The Act does not require a hearing to be held at any stage during this process.
- 5.20 The decision to revoke or suspend a personal licence must be made by the licensing sub-committee, but the actions required before referral (if any) may be made by a licensing officer.
- 5.21 Where the licensing sub-committee is made aware (referral) that a Personal Licence holder has been convicted of a relevant offence, foreign offence or required to pay an immigration penalty it may consider the facts of the particular case and determine a course of action (if any) to suspend the licence for a period not exceeding 6 months or revoke the licence.

- 5.22 In circumstances where the Authority does not propose to revoke or suspend the licence notice must be given to the Chief Officer of Police inviting representations as to whether the licence should be suspended or revoked.
- 5.23 Licence holders (and the Police) will be notified of the Authority's decision in writing along with their right of appeal.
- 5.24 The licensing authority may not be aware of whether the court considered whether to revoke or suspend the licence, and there is no obligation on the licensing authority to find this out before making a decision themselves.
- 5.25 Where the court has considered the personal licence and decided not to take action, this does not prevent the licensing authority from deciding to take action itself. Licensing authorities have different aims to courts in that they must fulfil their statutory duty to promote the licensing objectives, and therefore it is appropriate for the licensing authority to come to its own decision about the licence.
- 5.26 Where the licence holder is convicted of immigration offences or has been required to pay a civil penalty for immigration matters, the licensing authority should notify Home Office Immigration Enforcement and allow representations to be made in the same way.
- 5.27 The licensing authority must notify the licence holder and the chief officer of police of the decision made (even if the police did not make representations). The licence holder may appeal the licensing authority's decision to revoke or suspend their personal licence. A decision to revoke or suspend the licence does not take effect until the end of the period allowed for appealing the decision (21 days); or if the decision is appealed against, until the appeal is disposed of.
- 5.28 If the personal licence holder is a DPS, the licensing authority will notify the premises licence holder once the decision to revoke or suspend the licence has been made if it becomes necessary to do so in order for the licensing authority to be able to carry out their functions.
- 5.29 The licensing authority will also notify any person who has declared an interest in the premises under section 178 of the 2003 Act if it becomes necessary to do so in order for the licensing authority to be able to carry out their functions.

6. ADMINISTRATION OF APPLICATIONS

- 6.1 Many of the elements of the administration process for the Licensing Act 2003 are laid down in the Act itself, in secondary legislation made by the Secretary of State and the Statutory Guidance. Many decisions regarding licenses will not need to go to a Committee for decision and will be dealt with by officers. This should help to streamline the process. A table of delegations that will be operated by the Council in handling applications are attached at Appendix A.

Committee Procedures

- 6.2 Where decisions cannot be made by the officers and a hearing is required, a Committee will hear the application; there will be two types of Licensing Committees:
- Full Committee
 - Sub Committees
- 6.3 The procedure that will be followed by these committees is described in the Council's Constitution and can be viewed on the Council's web site at <http://www.crawley.gov.uk>.
- 6.4 Alternatively, a paper copy can be provided on request. The charges made for copies of the Constitution will not exceed the cost of preparing such copies.

Relevant, vexatious and frivolous representations

- 6.5 A representation would only be “relevant” if it relates to the likely effect of the grant of the licence on the promotion of at least one or more of the licensing objectives. A representation that fails to do this is not “relevant” for the purposes of the Act. It is not intended, for example, that the consideration of the application should be a re-run of the planning application which would have considered a wider range of matters. Premises licences authorise the activities within the scope of the Act that it is proposed should take place on the premises. For example, a representation from a local businessman which argued that his business would be commercially damaged by the new business for which an application is being made under Part 3 of the Act would not be relevant. On the other hand, a representation to the effect that nuisance caused by the new business would deter customers from entering the local area and the steps proposed by the applicant to control that nuisance are inadequate would amount to relevant representations and must be considered provided the other conditions appropriate to be a relevant representation were fulfilled.
- 6.6 The Council will determine on its merits whether any representation made by a person who is not a responsible authority. The person making representations may not consider the matter to be frivolous or vexatious, but the test is whether the Council is of the opinion they are frivolous or vexatious. The Council will determine this and make the decision on the basis of what might ordinarily be considered to be vexatious or frivolous. Vexation may arise because of disputes between rival businesses and the Council will use local knowledge in considering such matters. Frivolous representations would be essentially categorised by a lack of seriousness. A trivial complaint may not always be frivolous, but it would have to be pertinent in order to be relevant. A person aggrieved by a rejection of his representations on these grounds may challenge the Council’s decision by way of judicial review.
- 6.7 Decisions as to whether representations are relevant will not be made on the basis of any political judgement which would undermine a natural approach to the issue. Any ward councillor who considers that their own interests are such that they are unable to consider the matter independently will disqualify themselves.
- 6.8 In borderline cases, the benefit of the doubt will be given to the person making the representation. The subsequent hearing would then provide an opportunity for the person or body making the representation to amplify and clarify it. If it then emerged, for example, that the representation should not be supported, the Council could decide not to take any action in respect of the representation when considering the application for the grant or variation of a premises licence.

7. ENSURING EFFECTIVE CONTROL OF LICENSED PREMISES

Reviewing the Licence

- 7.1 Once a premises licence is issued, it remains in place for the life of the business: there is no “annual renewal” of the licence, but applications are required to pay an annual fee to cover the Council’s costs concerning the exercise of its statutory obligations under the Act. However, should problems arise, it is possible for an application to be made to the Council, to review the licence.
- 7.2 After a premises licence has been granted or varied, a complaint relating to a general (crime and disorder) situation in a town centre would generally not be regarded as relevant if it cannot be positively tied or linked by a causal connection to particular premises which would allow for a proper review of its licence. For instance, a geographic cluster of complaints, including along transport routes related to an individual public house and its closing time could give grounds for a review of an existing licence as well as direct incidents of crime and disorder around a particular public house. In this context, it should be noted that the “cumulative impact” on the licensing objectives of a concentration of multiple licensed premises may only give rise to a relevant representation when an application for the grant or variation of a premises licence is being considered: it cannot give rise to a relevant representation after a licence has been granted or varied when a review of a licence may be sought. A review must relate specifically

to a particular premises licence relating to an individual premise, and by its nature “cumulative impact” relates to the indirect effect of a concentration of many premises. Identifying only one for a review by reason of cumulative impact on the licensing objectives would inevitably be arbitrary.

7.3 The Council is aware of the need to prevent attempts to review licences merely as a second “bite of the cherry” following the failure of representations to persuade the Council on earlier occasions.

7.4 The Council’s policy, therefore, will be that more than one review originating from a person who is not a responsible authority will not be permitted within a period of twelve months on similar grounds save in compelling circumstances or where it arises following a closure order.

7.5 The Council considers that certain criminal activity that may arise in connection with licensed premises should be treated particularly seriously. These are the use of the licensed premises:

- for the sale and distribution of Class A drugs and the laundering of the proceeds of drugs and crime;
- for the sale and distribution of illegal firearms;
- for the evasion of copyright in respect of pirated or unlicensed films and music, which does considerable damage to the industries affected;
- for the illegal purchase and consumption of alcohol by minors which impacts on the health, educational attainment, employment prospects and propensity for crime of young people;
- for prostitution or the sale of unlawful pornography;
- by organised groups of paedophiles to groom children;
- is the base for the organisation of criminal activity, particularly by gangs;
- for the organisation of racist activity or the promotion of racist attacks;
- for knowingly employing a person who is unlawfully in the UK or who cannot lawfully;
- be employed as a result of a condition on that person’s leave to enter;
- for unlawful gambling; and
- for the sale of smuggled tobacco and alcohol.

7.6 The Council intends to use the review procedures effectively to deter such activities and crime. Where reviews arise and the Council determines that the prevention of crime and disorder objective is being undermined through the premises being used to further crimes, we will seriously consider that revocation of the licence, **even in the first instance**.

7.7 The Council, in its capacity as the licensing authority will look to actively engage and liaise with the Safer Crawley Partnership.

7.8 The Council also notes that it is unlawful to discriminate or to refuse service on grounds of race or by displaying racially discriminatory signs on the premises. Representations made about such activity from responsible authorities or other persons would be relevant to the promotion of the crime prevention objective and justifiably give rise to a review.

Summary Reviews of Premises Licences: Review of Interim Steps

7.9 Section 53A of the 2003 Act provides for the police to make an application for a summary review of a premises licence, if the relevant premises are associated with serious crime or

serious disorder. The licensing authority must consider the application within 48 hours and impose 'interim steps' (temporary conditions) if necessary.

- 7.10 When a licensing authority considers an application for a summary review, it may take interim steps without first giving the holder of the premises licence an opportunity to make representations. This is because in instances of serious crime and serious disorder it may be necessary to take immediate action in order to protect the public.
- 7.11 Section 53B of the 2003 Act allows the licence holder to make representations after the interim steps have been taken, and then requires the licensing authority to hold another hearing to consider those representations within 48 hours. The 2003 Act does not limit the number of times that a premises licence holder may make representations, with the result that the licensing authority must hold a hearing each time that relevant representations are received.
- 7.12 Section 53B is amended so that after the licensing authority has held a hearing to consider the interim steps, the premises licence holder may only make further representations if there has been a material change in circumstances since that hearing.
- 7.13 Following from the above measure, Section 53A requires the review of the premises licence to take place within 28 days of receipt of the application. The review takes the form of a hearing at which the licensing authority will determine what action should be taken on a permanent basis.
- 7.14 The decision made at the review hearing does not take effect until the expiry of the time limit for appealing (21 days) during which the decision may be appealed by the licensee or the police to a magistrates' court, or until an appeal is disposed of.
- 7.15 There is currently an ambiguity in the 2003 Act about whether the interim steps remain in place after the review hearing, and whether they can be withdrawn or amended by the licensing authority. The amendments made by this clause will address the ambiguity about what happens to the interim steps between the review hearing and the review decision coming into effect.
- 7.16 Section 53 is amended by inserting a new Section 53D to require the licensing authority, at the review hearing, to review any interim steps that have been taken. The licensing authority must consider whether the interim steps are appropriate for the promotion of the crime prevention objective, consider any relevant representations, and determine whether to withdraw or modify the steps taken. For example, there may have been a change in circumstances or further evidence provided at the hearing which means that the interim steps originally imposed are no longer necessary for the period of time between the review hearing and the review decision coming into effect.
- 7.17 Finally Part 1 of Schedule 5 to the 2003 Act is amended to provide for an appeal to be made by the police or licensee, against the decision regarding the interim steps, taken at the review hearing. This appeal must be heard by a Magistrates Court within 28 days

Effective Control Through Use of Conditions

- 7.18 The use of conditions in respect of promoting the licensing objectives are set out above in this document. However, there are also general provisions which the Council will consider.

Standard Conditions

- 7.19 This policy does not support the use of blanket conditions which, if imposed, may be seen as disproportionate and overly burdensome. Conditions attached to licences shall be tailored to the individual styles and characteristics of the premises and events concerned. As described above, the Council reserves the right to design further conditions in pursuit of promoting the licensing objectives. The Council will work with applicants to encourage the use of conditions to limit the alcohol by volume (ABV) of certain beers and ciders for off sales where appropriate.

Live Music, Dancing and Theatre

- 7.20 The Council recognises the need to encourage live music, dancing and theatre for the wider cultural benefits of the community generally. In addressing such issues the potential for limited disturbance in neighbourhoods will always be carefully balanced with these wider benefits, particularly for children. The Council represents the general interests of a community and the views of vocal minorities should not be allowed to dominate such interests. In determining what conditions should be attached to licenses and certificates as a matter of being appropriate for the promotion of the licensing objectives, the Council is aware of the need to avoid measures which deter live music, dancing and theatre such as imposing indirect costs of a substantial nature.

Equality and access

- 7.21 The Council has obligations under the Race Relations (Amendment) Act 2000. Likewise, the Council has obligations under the Human Rights Act 1998. It will guard against imposing any condition or a licence or certificate which would constitute a breach of the legislation.
- 7.22 The Council has obligations under the Disability Discrimination Act 1995, the Equality Act 2010 and other legislation, and reminds licence holders and club owners of their need for compliance to make reasonable adjustments to enable disabled people to access the service.
- 7.23 No licensing condition will therefore be attached to a licence or certificate which conflicts with or duplicates statutory requirements.

Consistency with steps described in operating schedule

- 7.24 The Act provides that where an operating schedule or club operating schedule has been submitted with an application and there have been no relevant representations made by responsible authorities or interested parties, the licence or certificate must be granted subject only to such conditions as are consistent with the schedule accompanying the application and any mandatory conditions required by the Act itself.
- 7.25 Consistency means that the effect of the condition should be substantially the same as that intended by the terms of the operating schedule or club operating schedule. The Council recognises that some applicants for licences or certificates supported by legal representatives or trade associations can be expected to express steps appropriate to promote the licensing objectives in clear and readily translatable terms. However, it is also recognised that some applicants will express the terms of their operating schedules less precisely or concisely.
- 7.26 If conditions are broken it may give rise to criminal prosecution or lead to an application for a review. The Council will, therefore, ensure conditions are expressed on the licence or certificate in unequivocal and unambiguous terms.
- 7.27 The Council will also have proper regard for the history of certain events and activities. If over a significant period of time, regular events of a particular kind have not given rise to problems of disorder and nuisance or concerns about safety or children, responsible authorities will be expected to have regard to this when scrutinising an application in respect of the activities involved, and not make representations unless there are new issues which could cause them to do so

8. ENFORCEMENT

- 8.1 Following the issue of a licence, it will be possible to take enforcement action in respect of offences stated in the Act and associated legislation, which will include breach of a condition on the licence.

Duplication with other statutory provisions

- 8.2 As mentioned, the only conditions which should be imposed on a premises licence or club premises certificate are those which are appropriate and proportionate for the promotion of the licensing objectives. Accordingly, if other existing law already places certain statutory responsibilities on an employer or operator of premises, it cannot be appropriate to impose the same or similar duties on the premises licence holder or club.

Other regulatory regimes

- 8.3 This policy shall, therefore, avoid duplication with other regulatory regimes wherever possible. To achieve this aim, the Council undertakes to facilitate clear communication between the various enforcement bodies who may assist in supporting the Licensing Objectives.
- 8.4 Attention is drawn to the targeting of agreed problem and high risk premises requiring greater attention as identified in appropriate enforcement protocols with other agencies. Inspections of premises will be on a risk assessed basis, to be undertaken when and if judged necessary.
- 8.5 The following notes are made with regard to specific regimes and enforcement responsibilities:
- 8.6 **Police.** The enforcement of licensing law and the inspection of licensed premises is detailed in a Protocol between Sussex Police and the Council, available from the Council. This protocol reflects the need for a more efficient deployment of Police and Council staff commonly engaged in licensing enforcement. The Council looks to support the Police through the Safer Crawley Partnership in respect of overlapping issues such as “public place violent crime” and “anti-social behaviour.”
- 8.7 **Health and Safety:** Premises subject to premises licences or club certificates will normally have been visited by the Council’s Environmental Health inspection staff with regard to health and safety enforcement at the premises. However, certain premises do not fall under this regime and will be the subject of health and safety enforcement by the Health and Safety Executive (HSE). These regimes place a range of general and specific duties on employees, employers, operators of venues and members of the public. Matters arising out of the Health and Safety at Work etc Act 1974 and associated Regulations should not be the subject of conditions unless they are necessary for the promotion of the licensing objectives. It should be noted that such regulations will not always cover the unique circumstances that arise in connection with entertainment and may include exemptions on the assumption that licensing controls will provide the necessary coverage. A protocol for enforcement has been agreed between the Health and Safety Executive and the Council.
- 8.8 **Fire Safety:** premises and their operators will also be under general duties under current fire safety regimes. A protocol for enforcement has been agreed between the Authority responsible for fire safety enforcement and the Council.
- 8.9 **Food Hygiene:** premises selling alcohol and/or premises engaged in a food business will be registered with the Authority and subject to risk-based food hygiene inspections at regular intervals.
- 8.10 **Noise:** Statutory and Public nuisances are dealt with by Environmental Health Departments under the Environmental Protection Act 1990 and associated legislation.
- 8.11 **Door Supervisors:** Any activities that are of a security nature and carried out in relation to licensed premises when they are open to the public will be licensable. This means that anyone providing door supervisory work in licensed premises open to the public will need a licence under the Private Security Industry Act 2001 issued by the Security Industries Authority.

Secretary of State (Home Office)

- 8.12 The Secretary of State (Home Office) becomes a responsible authority within the definition of the 2003 Act. This will allow the Immigration Service to make representations against the grant or variation of a premises licence application. An applicant applying for a new premises licence, transfer of an existing licence or service of an interim notice not only has to be over the age of 18, but will also have to hold leave to work in the United Kingdom. In a hearing

convened due to the Secretary of State's objection, the Licensing Authority must reject the application if it considers it appropriate for the prevention of illegal working in licensed premises to do so.

- 8.13 Under the current framework, a premises licence will lapse on the death, incapacity or insolvency of a premises licence holder. The premises licence will now also lapse if the licence holder ceases to be entitled to work in the United Kingdom.

The Licensing Authority as a responsible authority

- 8.14 This Licensing Authority acknowledges that it is now included in the list of responsible authorities. The 2003 Act does not require responsible authorities to make representations about applications for the grant of premises licences or to take any other steps in respect of different licensing processes. Therefore, it is for this Licensing Authority to determine when it considers it appropriate to act in its capacity as a responsible authority.
- 8.15 This Licensing authorities will not normally act as responsible authorities on behalf of other parties (for example, local residents, local councillors or community groups). Such parties can make relevant representations to the Licensing Authority in their own right, and it is reasonable for this licensing authority to expect them to make representations themselves where they are reasonably able to do so. However, if these parties have failed to take action and this licensing authority is aware of relevant grounds to make a representation, a choice may be made to act in its capacity as responsible authority.
- 8.16 This Licensing Authority expects that other responsible authorities should intervene where the basis for the intervention falls within the remit of that other responsible authority. For example, the police should make representations where the representations are based on concerns about crime and disorder. Likewise, it is reasonable to expect the local authority exercising environmental health functions to make representations where there are concerns about noise nuisance.
- 8.17 In cases where this Licensing Authority is also acting as responsible authority in relation to the same process, there will be a separation of responsibilities within the authority to ensure procedural fairness and eliminate conflicts of interest. In such cases licensing determinations will be made by the licensing committee or sub-committee comprising elected members of the authority (although they are advised by a licensing officer). Therefore, a separation is achieved by allocating distinct functions (i.e. those of licensing authority and responsible authority) to different officials within the authority.
- 8.18 Accordingly, the officer advising the licensing committee (i.e. the authority acting in its capacity as the licensing authority) will be a different person from the officer who is acting for the responsible authority. The officer acting for the responsible authority will not be involved in the licensing decision process and will not discuss the merits of the case with those involved in making the determination by the licensing authority. Communication between these officers in relation to the case will remain professional and consistent with communication with other responsible authorities.

Approach to enforcement

- 8.19 Enforcement action will be carried out in line with the current Enforcement Policy, and the Enforcement Concordat and the Regulatory Code of Compliance. More details are available on the Council's website.

9. GENERAL NOTES

- 9.1 In the interests of sustainability, preference will be given to publicising information regarding the

Council's function on the Council's website, rather than using mass mail drops.

Disclosure of personal details

- 9.2 Where a notice of a hearing is given to an applicant, the licensing authority is required under the Licensing Act 2003 (Hearings) Regulations 2005 to provide the applicant with copies of the relevant representations that have been made.
- 9.3 In exceptional circumstances, persons making representations may be reluctant to do so because of fears of intimidation or violence if their personal details, such as name and address, are divulged to the applicant.
Where the Council considers that the person has a genuine and well-founded fear of intimidation and may be deterred from making a representation on this basis, we may consider alternative approaches.
- 9.4 For instance, we may advise the persons to provide the relevant responsible authority with details of how they consider that the licensing objectives are being undermined so that the responsible authority can make representations if appropriate and justified.
- 9.5 Our policy with regards to disclosure of details will depend on the merits of each individual case. The Council will decide whether to withhold some or all of the person's personal details from the applicant, possibly giving only minimal details (such as street name or general location within a street). However, withholding such details will only be considered where the circumstances justify such action and those making representations should be aware their details will ordinarily form part of a report and will be published before any hearing.

Contact Details for Responsible Authorities

Home Office (Immigration Enforcement).

Alcohol Licensing Team
Lunar House
40 Wellesley Road
Croydon
CR9 2BY

Chief Officer of Police

Licensing Officer
Centenary House
Durrington Lane
Worthing
BN13 2PQ

The Licensing Authority

Premises Licensing
Crawley Borough Council
Town Hall,
The Boulevard
Crawley
West Sussex,
RH10 1UZ

WSSC Fire & Rescue Service

(FAO Fire Safety)
West Sussex Fire & Rescue Service
Business Fire Safety
Horsham Fire Station
Hurst Road
Horsham
West Sussex
RH12 2DN

West Sussex Trading Standards

West Sussex County Council
County Hall North
Chart Way
Horsham
West Sussex
RH12 1XH

Director of Public Health

Public Health Licensing
First Floor
The Grange
Chichester
PO19 1QT

Health and Safety Environmental Health Services

Crawley Borough Council
Town Hall
The Boulevard
Crawley
West Sussex
RH10 1UZ

Planning

Crawley Borough Council
Town Hall
The Boulevard
Crawley
West Sussex
RH10 1UZ

Environmental Protection

Environmental Health
Crawley Borough Council
Town Hall The Boulevard
Crawley
West Sussex
RH10 1UZ

Children's Safeguarding Unit

Room 24
Durban House
Durban Road
Bognor Regis
PO22 9RE

Appendix A

Table 1: Recommended Delegation of Functions

Matter to be dealt with	Sub Committee	Officers
Application for personal licence	If a police objection	If no objection made
Application for personal licence with unspent convictions	All cases	
Application for premises licence/club premises certificate	If a relevant representation made	If no relevant representation made
Application for provisional statement	If a relevant representation made	If no relevant representation made
Application to vary premises licence/ club premises certificate	If a relevant representation made	If no relevant representation made
Application to vary designated premises supervisor	If a police objection	All other cases
Request to be removed as designated premises supervisor		All cases
Application for transfer of premises licence	If a police objection	All other cases
Applications for interim authorities	If a police objection	All other cases
Application to review premises licence/ club premises certificate	All cases	
Decision on whether a complaint is irrelevant frivolous vexatious etc		All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application	All cases	
Determination of an objection to a temporary event notice	All cases	
Determination of application to vary premises licence at community premises to include alternative licence condition	If police objection	All other cases
Decision whether to consult other responsible authorities on minor variation application		All cases
Determination of minor variation application		All cases

Further Reading Concerning the Effects of Alcohol are Available from the Following Sources.

-
- ⁱ Department of Health. (2016). UK Chief Medical Officers' Low Risk Drinking Guidelines. P.6. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545937/UK_CMOs_report.pdf
- ⁱⁱ Department of Health. (2016). UK Chief Medical Officers' Low Risk Drinking Guidelines. P.8. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545937/UK_CMOs_report.pdf
- ⁱⁱⁱ Public Health England. (2016). The Public Health Burden of Alcohol and the Effectiveness and Cost-Effectiveness of Alcohol Control Policies: An evidence review. P.15. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733108/alcohol_public_health_burden_evidence_review_update_2018.pdf
- ^{iv} Chief Medical Officer for England. (2009). Guidance on the consumption of alcohol by children and young people. P.i Available online at:
http://webarchive.nationalarchives.gov.uk/20130104153257/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_110256.pdf

Agenda Item 11

Crawley Borough Council

Report to Cabinet 6 February 2019

2018/2019 Budget Monitoring - Quarter 3

Report of the Head of Corporate Finance **FIN/466**

1. Purpose

- 1.1 The report sets out a summary of the Council's actual revenue and capital spending for the third Quarter to December 2018. It identifies the main variations from the approved spending levels and any potential impact on future budgets.

2. Recommendations

- 2.1 The Cabinet is recommended to:

- a) **Note the projected outturn for the year 2018/2019 as summarised in this report.**
- b) **Approve additional capital budgets funded from the existing business rates pool and s.106 as identified in paragraphs 8.2 and 8.3.**

3. Reasons for the Recommendations

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 regular updates on key areas and any other areas of concern. The Overview and Scrutiny Commission also have 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 2018/2019 as at the end of December 2018.

Agenda Item 11

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the projected variances in the relevant Portfolio at Quarter 3.

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

	Variance at Quarter 3 £'000		Variance at Quarter 2 £'000
Cabinet	5	U	(36)
Public Protection & Community Engagement Resources	(47) (89)	F F	(22) (48)
Environmental Services & Sustainability Housing	(4) (105)	F F	(10) (99)
Wellbeing Planning & Economic Development	5 66	U U	(20) 21
Investment Interest	(236)	F	(200)
TOTAL SURPLUS	(405)	F	(414)

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

5.2 Significant variances variations over £20,000

5.2.1 Cabinet

There has been an overspend on insurance premiums of £24,000. This has been due to a change in the discount factor used by courts in calculating the liability for successful claims and our insurance provider has passed on this additional cost through the Council's premiums.

5.2.2 Public Protection & Community Engagement

There are unfilled hours in the Nuisance and Anti-Social Behaviour team which is resulting in a forecast saving of £23,000.

5.2.3 Resources

Vacancies in the ICT team is resulting in a forecast saving of £52,000. Some of these vacancies have recently been filled and further recruitment is being undertaken.

Agenda Item 11

5.2.4 Environmental Services & Sustainability Services

There are no significant variations to report this quarter.

5.2.5 Housing Services

There are no significant variations to report this quarter.

5.2.6 Wellbeing

Tilgate Park & Nature Centre projected additional income was in excess of costs of £66,000 at Quarter 2. This projection has been revised to £30,000 at Quarter 3 due to increased expenditure on the prevention of anti-social behaviour and additional maintenance works in the nature centre. In line with the 'five year plan for Tilgate Park and the Nature Centre', any surplus is transferred to a reserve for reinvestment in the park. As such, this is not shown in the table above.

Following a break in at Neighbourhood Services' Bewbush The Green satellite depot site, £9,000 had to be spent on replacement tools and equipment. Additional security improvements are taking place.

5.2.7 Planning & Economic Development

There is a projected shortfall of £26,000 for planning applications due to lower income in Quarter 3, there has been a slowdown in applications: this has been seen nationally due to uncertainty over Brexit.

5.2.8 Investment Income

A review of interest projections have been undertaken, taking into account the latest projections in the capital programme, resulting in additional income of £236,000 being projected (Quarter 1: £200,000).

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.

6.2 The Head of Corporate Finance approved a virement of £50,000 for programmed maintenance of CCTV to the programmed maintenance of Orchard Street car park. The CCTV budget was not spent because of a delay in Sussex Police putting in place a new installation and purchase contract for equipment. The new contract is expected to significantly reduce costs so installing equipment under the current (extended) contract would not represent value for money. The replacement has therefore been rolled into the next three year's programmed maintenance. The Orchard Street works involve a total refurbishment including flooring of all staircases.

Agenda Item 11

7. Council Housing Service – Revenue

7.1 The table below provides details of the 2018/2019 HRA variances.

HOUSING REVENUE ACCOUNT

	Q3 Variation £000's		Q2 Variation £000's
Income			
Rental Income	(197)	F	(179)
Other Income	(110)	F	(3)
Interest Received on balances	0		0
	(307)	F	(182)
Expenditure			
Employees	(82)	F	(82)
Repairs & Maintenance	8	U	0
Other running costs	(16)	F	3
Support services	0		0
	(90)	F	(79)
Net (Surplus) / Deficit	(397)	F	(261)
Available to fund future investment in housing	397		261

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

7.2 The charge to leasehold properties for routine building maintenance and major works were both higher than expected: this has resulted in additional income of £83,000. The budget has been reviewed for 2019/20.

7.3 Repairs have been using new methods to recover costs from tenants for specific work resulting in more tenants paying up front. The additional income is projected to be £23,000.

8. Capital

8.1 The table below shows the 2018/19 projected capital outturn and proposed carry forward into 2019/20. Further details on the Capital Programme are provided in Appendix 2 to this report.

Agenda Item 11

	Latest Budget 2018/19	Spend to Qtr 3	Estimated Outturn 2018/19	Re-profiled to/(from) future years	Under Spend
	£000's	£000's	£000's	£000's	£000's
Cabinet Resources	2,657	418	2,545	60	52
Environmental Services & Sustainability	484	84	183	301	
Planning & Economic Development	1,010	274	463	547	
Public Protection & Community Engagement	1,512	457	1,512		
Housing Services	2,061	1,673	1,862	199	
Wellbeing	2,796	904	1,511	1,288	(3)
Total General Fund	10,520	3,810	8,076	2,395	49
Council Housing	39,814	28,344	39,857	(43)	
Total Capital	50,334	32,154	47,933	2,352	49

Request for approval of additional budgets to be added to Latest Budget since Quarter 2 monitoring report

- 8.2 Cabinet is requested to approve an additional capital budget for Crawters Brook cycle path of £17,000. This increase will be fully funded from grant through the West Sussex wide business rates pool and the project will be delivered in 2019/20.
- 8.3 The approval of £7,586 from S106 under delegated authority by the Head of Economy and Planning and the Head of Corporate Finance was given and now ask Cabinet's approval to increase the capital budget of Pondwood play area in Three Bridges by £7,586 which will be fully funded by S106.

Major forecasted variations in Quarter 3

- 8.4 Due to technical problems at Tilgate Park the installation of solar panels will take place in the next financial year. There is a projected underspend on panels of £52,049, this sum will be available for investment in other capital projects.
- 8.5 There is a need to slip £66,000 into 2019/20 the remaining budget for Little Trees Cemetery. Having met with WSCC they will not sign off S278 (The agreement between the highway authority and the developer). The S278 will not be signed off until the addition of anti-slip coating and minor modifications to the roundabout, which are not the contractor's liability under the contract. This will be undertaken in 2019/20 as the work will need to be procured.
- 8.6 The budget for shrub bed regeneration and removal of £62,000 will be spent now that the service is fully resourced. The spend has taken longer than expected as care is being taken to ensure that skilled staff are appointed, the correct pieces of equipment are purchased and the vehicle is of the right specification.
- 8.7 A virement was approved at Full Council on 12th December 2018 of £250,000 being moved between Heat Networks and all budgets have been adjusted in Appendix 2.
- 8.8 Flooding budgets are being reviewed and will be reported to a later meeting of Cabinet.

Agenda Item 11

- 8.9 The Affordable Housing element of the Town Hall site budget was amended and approved by full Council in December 2017 for the provision of affordable housing on the Town Hall site (report FIN/427 refers). This budget was £15.5m made up of £7.5m from useable capital receipts and £8m from 1-4-1 receipts. In December 2018, the registered housing provider A2 Dominion agreed to purchase the 91 affordable flats to be built on the two-storey car park next to the Town Hall. In addition a further 18 units will be acquired as part of phase 2. The budget has been adjusted to take into account the cost to the council of enabling these properties, this will result in reduced budget of £3.6m: of this £2.513m useable capital receipts will be available for other capital schemes. The budget includes £4.199m for phase 2 of the scheme which will be in future years.
- 8.10 The Disabled facilities grant has been increased by an additional £106,000 in 2019/20 as additional external funding has been received. The service is demand led and dependant on referrals from West Sussex County Council Occupational Therapists service (OTs). The budget is funded by the Government Better Care Fund there is an expectation that we will commit the budget within the financial year, however some of the works will be completed early in the new financial year. We do not hold a waiting list of applications and cases are dealt with as soon as they are received from OTs. There is a projected spend of £900,000 in the current financial year.
- 8.11 The vehicle replacement programme is having issues with lead-in times as the base vehicles are built by the vehicle manufacturer then shipped into the UK; any bespoke built bodywork is then added along with third party convertor items such as tail lifts. Orders will be in place but it is expected that the vehicles will not be received until the next financial year.
- 8.12 There is a small overspend on travellers prevention measures budget due to the works that have been required to secure sites following incursions at Three Bridges and Northgate earlier this year.
- 8.13 Tilgate water sourced heat pump is currently at the project development phase, and therefore will slip into the next financial year.
- 8.14 The Adventure Golf at Tilgate due to be delivered by Glendale will now be slipped to 2019/20 due to delays with planning.
- 8.15 A predicted spend £25,000 at Stoney Croft Play Area will give an underspend which will be transferred to be spent on Kidborough Road £5,000 and Ewhurst Play Area £10,000. All three play areas will be delivered in 2019/20, as agreed with the portfolio holder.

Housing

- 8.16 Bridgefield House
The housing scheme Bridgefield House is on programme with a revised cashflow indicating that £500,000 can be slipped into 2019/20.
- 8.17 Kilnmead
Due to change in the programme for the window installation and a slight delay on first fix slippage of £300,000 to 2019/20 is required. This project is projected to be delivered on time.
- 8.18 Telford Place
Additional budget has been requested for Telford Place now that the borrowing cap on the HRA has been lifted. Further details can be found in the Budget report elsewhere on this agenda.

Agenda Item 11

- 8.19 Goffs Park
Contractors at the Goffs Park development have made better progress than anticipated at the end of Quarter 2, therefore £400,000 needs to be brought forward from 2019/20. Progress is on target for an initial part handover of the scheme prior to the end of March 2019 of approximately 15 dwellings. Despite recent weather and external works delays the project is still in advance of the Contract programme.
- 8.20 Forge Wood Phase 3
Progress has been better than expected since Quarter 2 on Forge Wood Phase 3. Handover of 19 Dwellings in Quarter 3 took place giving a release of retention due to practical completions so slipping forward from 2019/20 £1,100,000. Progress continues to be good on the remaining affordable dwellings with some potential for further handovers close to the financial year end.
- 8.21 The contract for three HRA developments (151 London Road, Woolborough Road, and 257//259 Ifield Road) have been awarded and the budgets have been adjusted to the latest estimates. This is giving a saving that will be available for future investment.
- 8.22 In the third quarter of 2018/2019 **twelve** Council Houses with a sale value of £2,227,200 were sold compared to eleven in the third quarter last year. Of these receipts £257,863 was paid over to the Government with the balance being retained by the Council with £522,751 available for general capital expense and £1,445,586 set aside for 1-4-1 receipts. [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 additional receipts on building or acquiring properties.]
- 8.23 The total cumulative 1-4-1 receipts retained is £29,164,348 which can be used to fund 30% of any expenditure on new affordable housing. It cannot be used on schemes supported by HCA Funding. At present, all 1-4-1 receipts have either been spent or are committed to the existing capital programme.
- 8.24 To date, £15,576,220 of 1-4-1 receipts has been used to partially fund the purchase of properties. Any unused 1-4-1 receipts that are unspent within 3 years are to be returned to the Government with interest. The risk of returning any unspent 1-4-1 receipts is managed by closely monitoring all affordable housing schemes. Based on the projected budgets, all 1-4-1 receipts will be spent within the deadlines.

9. Background Papers

[2018/19 Budget and Council Tax FIN/434](#)
[Budget Strategy 2018/19 - 2022/23 FIN/417](#)
[Treasury Management Strategy 2018/19 FIN/433](#)
[Financial Outturn 2017/2018 FIN/443](#)
[Treasury Management Outturn 2017/18 FIN/442](#)
[Q1 Budget Monitoring 2018/19 FIN/449](#)
[Q2 Budget Monitoring 2018/19 FIN/456](#)

Contact Officer: - Paul Windust, Chief Accountant.
Direct Line: - 01293 438693.

Agenda Item 11

Appendix 1 (i)

REVENUE MONITORING SUMMARY 2018/19 GENERAL FUND

	Original Budget £000's	Latest Budget £000's	Projected Outturn £000's	Variance £000's
Cabinet	1,263	1,222	1,227	5
Public Protection & Community Engagement Resources	1,659	1,609	1,562	(47)
Environmental Services & Sustainability	1,285	1,301	1,212	(89)
Housing	5,882	6,082	6,078	(4)
Wellbeing	2,589	2,592	2,487	(105)
Planning & Economic Development	8,314	8,218	8,223	5
	(2,815)	(2,823)	(2,757)	66
	18,177	18,201	18,032	(169)
Depreciation	(3,596)	(3,596)	(3,596)	0
Renewals Fund	400	400	400	0
NET COST OF SERVICES	14,981	15,005	14,836	(169)
Investment Interest	(848)	(863)	(1,099)	(236)
Council Tax	(6,930)	(6,930)	(6,930)	0
RSG	(575)	(575)	(575)	0
NNDR	(5,160)	(5,160)	(5,160)	0
New Homes Bonus	(1,467)	(1,467)	(1,467)	0
	(14,981)	(14,995)	(15,231)	(236)
Net contribution from / (-to) Reserves before Business Rates retention	0	(10)	(395)	(405)

In addition, there is a projected transfer to the Tilgate Park reserve of £30,000.

Agenda Item 11

Main Variations identified for 2018/19 - General Fund

Appendix 1 (ii)

	Q3 Variation £000's	Q2 Variation £000's	
<u>Cabinet</u>			
Vacancies in Finance team and FMS team	(37)	(34)	one-off
Vacant Transformation Officer (net of consultant fees)	(14)	(21)	one-off
Insurance premiums	24	-	ongoing
Minor variations (various)	32	19	
	5	(36)	
<u>Public Protection & Community Engagement</u>			
Vacant Community Development Manager post	(16)	(7)	under review
Unfilled hours NASB team	(23)	-	under review
Minor variations	(8)	(15)	under review
	(47)	(22)	
<u>Resources</u>			
Vacancy in HR for part of the year, now fully staffed	(7)	(17)	one-off
Unfilled hours in Legal - to be filled pending staffing restructure	(30)	(32)	under review
Additional air conditioning units in Town Hall (can be re-used once decanted)	22	20	one-off
Vacancies in ICT	(52)	-	one-off
Minor variations (various)	(22)	(19)	
	(89)	(48)	
<u>Environmental Services & Sustainability</u>			
Secondment to cover maternity and cost of traveller prevention.	-	4	ongoing
Environmental Health standby allowance misreported in Quarter 1	(15)	(15)	under review
Minor variations (various)	11	1	
	(4)	(10)	
<u>Housing</u>			
Benefits – increased income from the DWP for Universal Credit works	(54)	(54)	ongoing
Increased recovery of overpaid benefits	(40)	(40)	ongoing
Minor variations	(11)	(5)	
	(105)	(99)	
<u>Wellbeing</u>			
Vacant posts in the community facilities team	(19)	(19)	one-off
Additional staff and equipment needed to clean Queen's Square	35	35	ongoing
Vacant post and unfilled hours in Play	(23)	(26)	one-off

Agenda Item 11

	Q3 Variation £000's	Q2 Variation £000's	
Vacant post, Metcalf Way vehicle workshop	(20)	(19)	one-off
Replacement of stolen equipment at Bewbush satellite site	9	-	one-off
Minor variations	23	9	
	5	(20)	
<u>Planning & Economic Development</u>			
Additional income for pre-planning application advice	(15)	(15)	ongoing
Reduced planning application fee income	26	-	one-off
Vacancy provision not met and back filling 2 maternity posts in the development management service. 4 day public inquiry in May 2018 has incurred significant legal costs.	35	40	one-off
Variations in commercial property income	30	15	ongoing
Minor variations	(10)	(19)	
	66	21	
TOTAL GENERAL FUND VARIANCES	(169)	(214)	
Investment interest above budget	(236)	(200)	one-off
TRANSFER TO GENERAL FUND RESERVE	(405)	(414)	

Agenda Item 11

Appendix 1 (iii)

QUARTER 3

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate £'000s	Projected Outturn £'000s	Variation £'000s
Income			
Rental Income	(44,696)	(44,893)	(197)
Other Income	(2,022)	(2,132)	(110)
Interest received on balances	(209)	(209)	0
Total income	(46,927)	(47,234)	(307)
Expenditure			
Employees	3,608	3,526	(82)
Repairs & Maintenance	10,485	10,493	8
Other running costs	2,294	2,278	(16)
Support services	2,673	2,673	0
	19,060	18,970	(90)
Net (Surplus) / Deficit	(27,867)	(28,128)	(397)
Use of Reserves:			
Debt Interest Payments	8,309	8,309	0
Depreciation, Revaluation & Impairment	14	14	0
Financing of Capital Programme & Transfer to Housing Reserve for Future Investment	19,544	19,941	397
Total	27,867	28,264	397

Main Variations Identified - Housing Revenue Account

	Q3 Variation £'000s	Q2 Variation £'000s
Income		
<u>Rental Income</u>		
Additional Dwelling Income - Voids Let At Target Rent & Fewer RTB's Than Forecast	(197)	(179)
	(197)	(179)
<u>Other Income</u>		
Additional income recovered from leaseholders	(83)	0
Recoverable work by repairs	(23)	0
Minor Variations	(4)	(3)
	(110)	(3)
Employees		
Approved Growth Bids Vacant for Beginning of the Year	(23)	(23)
Sheltered Housing Additional Savings	(15)	(15)
Lifeline In Year Vacancies	(19)	(19)
Policy & Engagement Manager Vacant	(27)	(24)
Minor Variations	2	(1)
	(82)	(82)
Repairs and Maintenance		
Minor variations	8	0
	8	0
Other Running Costs		
Less People Downsizing	(10)	(10)
Dwellings Insurance Premium	20	20
Policy & Engagement Running Costs	(16)	(16)
Budget review savings (included in future years' budgets)	(19)	0
Minor Variations	9	9
	(16)	3
TOTAL VARIANCES	(397)	(261)

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Queens Square Improvement	518,366	36,466	481,900	518,366				
Town Centre General								71,100
High Street Safety Improvements	10,276	968	9,308	10,276				
Solar PV CBC Operational Buildings	126,220	14,171	112,048	14,171	52,049	60,000	60,000	
New Town Hall Design	2,001,951	365,934	1,636,016	2,001,951				
TOTAL CABINET PORTFOLIO	2,656,812	417,539	2,239,273	2,544,763	52,049	60,000	60,000	71,100

New Cemetery	71,964	5,875	66,089	5,964		66,000	66,000	
K2 Crawley Heat Network (Heat & Power)	110,000	1,460	108,540	10,000		100,000	110,112	
Shrub Bed Removal	62,000		62,000	32,000		30,000	30,000	
Cycle Paths	25,300		25,300	25,300				
Boulevard Cycle Path								94,000
Lawnters / Manor Royal Cycle Path	74,598	1,872	72,726	10,000		64,598	64,598	
Orchard Street Car Park	25,000	10,300	14,700	25,000			300,000	
Heat Network	423,983	151,701	272,282	173,983		250,000	1,250,000	2,788,100
Ifield Drive	5,920		5,920			5,920	5,920	
Camber Close							15,282	
Lavant Close	568	568		568			16,594	
Fisher Close							9,873	
Scallows Close							16,597	
Flooding Emergency Works	36,739	17,563	19,176	36,739			167,177	
Creaseys Drive Broadfield Flood Works	20,000	13,837	6,163	20,000				
Cheals Broadfield Pond							1,456	
Titmus Lake Tilgate & Furnace Green							42,000	
Stafford Bridge Ifield Green								78,900
Waterlea Furnace Green Flood Works	102,112	62,450	39,662	102,112				
Billington Drive Maidenbower							28,000	
Balcombe Road Pound Hill Flood Works								

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Broadfield Brook Flood Works	40,000	8,065	31,935	10,000		30,000	30,000	
River Mole Flood Works							30,000	
Telemetry Measuring Equipment	4,465	536	3,929	4,465				
Northgate Flood Attenuation Work							42,000	
Crabbett Park Pound Hill Flood Works							33,000	
Crawters Brook Flood Works							100,000	
Leat Stream Ifield Flood Alleviation	7,289		7,289	7,289				
TOTAL ENVIRONMENT SERVICES & SUSTAINABILITY PORTFOLIO	1,009,938	274,227	735,711	463,420		546,518	2,358,609	2,961,000

Housing Enabling							1,220,000	
Temp Accommodation Acquisitions							273,700	
Open House Moving Acquisitions	942,120	942,120		942,120			14,235	
Affordable Housing Town Hall							5,600,000	2,180,798
Disabled Facilities Grants	1,098,960	724,973	373,987	900,000		198,960	305,804	
Improvement/Repair Loans	20,000	6,286	13,714	20,000			89,334	
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	2,061,080	1,673,379	387,701	1,862,120		198,960	7,503,073	2,180,798

Investment Property Acquisition								5,000,000
Manor Royal Business Group							200,000	
<u>Crawley Growth Programme</u>								
Queensway	643,379	78,263	565,116	643,379			1,286,758	
Town Centre Signage and Wayfinding	176,817	96,425	80,392	176,817				
Manor Royal Cycle Improvements	200,000	96,442	103,558	200,000			1,462,000	
Town Centre Cycle Improvements	92,000	6,116	85,884	92,000			862,000	
Manor Royal Super Hub	4,000	4,000		4,000				
Station Gateway	191,133	51,182	139,952	191,133			2,508,867	2,600,000
Growth Programme S106							587,595	

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Three Bridges Station	204,409	124,995	79,414	204,409			850,000	787,193
Total Crawley Growth Programme	1,511,738	457,423	1,054,315	1,511,738			7,557,220	3,387,193
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	1,511,738	457,423	1,054,315	1,511,738			7,757,220	8,387,193

ICT Capital - Future Projects	250,400		250,400			250,400	250,400	
On Line Self Service	60,000	30,921	29,079	60,000				
New Website and Intranet	50,000		50,000			50,000	115,529	
Relocation Of Data Centre	9,030	9,030		9,030				
Mobile Working (ICT)	80,000	32,941	47,059	80,000				
VPN Solution Replacement	30,000	10,754	19,246	30,000				
IT Replacements	4,200		4,200	4,200				
TOTAL RESOURCES PORTFOLIO	483,630	83,646	399,984	183,230		300,400	365,929	

Vehicle Replacement Programme	666,543	58,152	608,391	127,037		539,506	539,506	
Travellers Prevention Measures	15,000	18,104	(3,104)	18,104	(3,104)			
Refurb Playgrounds Future Schemes							39,600	
Skate Park Equipment							46,000	
Memorial Gardens Improvements	3,500	3,500		3,500			33,400	
New Museum Tree (HLF)	514,369	256,058	258,311	514,369				
Wakehams Play Refurbishment								65,000
West Green Play Refurbishment	5,000	4,715	285	5,000				
K2 Crawley Replace Artificial Turf Pitches	180,677	184,407	(3,730)	184,407	(3,730)		4,323	
Tilgate Park & Nature Centre	15,000	12,650	2,350	15,000			154,688	
Nature & Wildlife Centre	20,000	3,196	16,804	20,000			144,331	
Tilgate Park & Nature Centre Sustainable Heat	289,000		289,000			289,000	289,000	
Ditchling Hill Play Refurbishment	65,000	2,601	62,399	65,000				
Ewhurst Road Play Refurbishment	2,500	1,416	1,084	2,500			72,500	
Gainsborough Road Play Refurbishment	65,000	64,591	409	65,000				

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Three Bridges Play Area	69,086	9,441	59,645	69,086				
Tilgate Park Access Road	11,245		11,245	11,245				
Vehicle Workshop Heat Plant Repairs	19,000		19,000	19,000				
Adventure Golf	420,000		420,000	0		420,000	420,000	
Adventure Playgrounds							200,000	200,000
Memorial Gardens Play Improvements							170,000	
Kidborough Road Gossops Green							70,000	
Stoney Croft	40,000		40,000			40,000	25,000	
2 Type A Play Areas Broadfield	26,000		26,000	26,000				
4 Type A Play Areas Ifield							26,000	26,000
2 Type A Play Areas Pound Hill							13,000	13,000
Parkstead Court Play Area Bewbush								20,000
2 Type A Play Areas Bewbush								13,000
Medler Close Langley Green							65,000	
Meadowlands West Green								40,000
K2 Crawley Additional Parking	161,844	138,917	22,927	158,117	3,727			
K2 Crawley Climbing Wall	180,000	118,602	61,398	180,000				140,000
Hawth Light/Sound Desk	27,787	27,787		27,787			31,213	
TOTAL WELLBEING PORTFOLIO	2,796,552	904,136	1,892,416	1,511,152	(3,107)	1,288,506	2,343,561	517,000

TOTAL GENERAL FUND	10,519,750	3,810,350	6,709,400	8,076,424	48,942	2,394,384	20,388,392	14,117,091
---------------------------	-------------------	------------------	------------------	------------------	---------------	------------------	-------------------	-------------------

Rewiring	1,200,000	647,120	552,880	1,100,000		100,000	1,300,000	1,200,000
Roof Structure (i.e. Soffits)	600,000	502,472	97,528	600,000			600,000	600,000
Windows	300,000	503,619	(203,619)	300,000			300,000	300,000
Structural Works	100,000	59,536	40,464	100,000			80,000	80,000
Renovation And Refurbishment	50,000		50,000	50,000			200,000	200,000
Insulation	250,000	35,142	214,858	250,000			250,000	250,000

Page 00

Agenda Item 11

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Kitchens	850,000	791,088	58,912	850,000			850,000	850,000
Bathrooms	600,000	759,661	(159,661)	600,000			550,000	550,000
Common Areas	20,000	45,352	(25,352)	20,000			20,000	20,000
Adaptations For The Disabled	350,000	214,366	135,634	270,000		80,000	380,000	300,000
Sheltered Major Works	250,000	260,524	(10,524)	250,000			100,000	100,000
Boilers	1,700,000	1,824,450	(124,450)	1,700,000			1,000,000	1,000,000
Disabled Adaptations-Major Room	950,000	568,491	381,509	950,000			950,000	950,000
Legionella	20,000	6,300	13,701	20,000			50,000	50,000
Energy Efficiency - Lighting	80,000	53,160	26,840	80,000			80,000	80,000
External Environmental Work	100,000	64,776	35,224	100,000			100,000	100,000
Intercom Upgrade	50,000	83,362	(33,362)	50,000			50,000	50,000
Major Insulation Energy Efficiency	2,320,000	801,192	1,518,808	2,320,000			1,800,000	1,800,000
Hostels	554,000	30,918	523,082	554,000			250,000	250,000
Major Renovation, Flats, Blocks, etc	400,000	289,556	110,444	250,000		150,000	250,000	100,000
Garages	200,000	388,936	(188,936)	200,000			200,000	200,000
TOTAL HRA IMPROVEMENTS	10,944,000	7,930,021	3,013,980	10,614,000		330,000	9,360,000	9,030,000

151 London Road (New Build)	75,000	2,654	72,346	50,000		25,000	388,000	
Bridgefield House	7,500,000	3,116,034	4,383,966	7,000,000		500,000	12,489,101	
Acquisitions Buy Back Of Dwellings	589,400	270,011	319,389	589,400			680,000	2,000,000
Kilnmead	3,145,999	1,916,872	1,229,127	2,845,999		300,000	1,986,637	
Gales Place (HRA New Build)	19,541		19,541	19,541				
Forge Wood							2,622,370	
Apex Apartments	2,950,916	2,525,452	425,464	2,950,916				
Telford Place Development	60,000	32,175	27,825	50,000		10,000	5,597,103	6,266,174
Woolborough Road Northgate	100,000	4,047	95,953	40,000		60,000	1,118,000	
Goffs Park - Depot Site	5,373,999	4,939,887	434,112	5,773,999		(400,000)	550,930	
83-87 Three Bridges Road	1,641,640	1,105,901	535,739	1,641,640			303,150	

Scheme Description	Latest Budget 2018/19	Spend to Date	Variance	Projected Outturn	Under/(Over Spend)	Slippage	Budget 2019/20	Budget 2020/21
Dobbins Place	1,488,523	1,348,640	139,883	1,605,523		(117,000)	0	24,000
Barnfield Road	271,274	256,201	15,073	271,274			20,000	
Forge Wood Phase 2	1,385,999	741,194	644,806	1,385,999			7,049,476	
257/259 Ifield Road	100,000	3,997	96,004	40,000		60,000	841,000	
Forge Wood Phase 3	2,586,080	2,876,243	(290,163)	3,686,080		(1,100,000)	1,068,250	
Forge Wood Phase 4	1,282,248	1,269,424	12,824	1,282,248			962,125	1,049,591
Contingencies								800,000
Prelims	300,000	4,799	295,201	10,000		290,000		490,000
TOTAL OTHER HRA	28,870,619	20,413,531	8,457,090	29,242,619		(372,000)	35,676,143	10,629,765

TOTAL HRA	39,814,619	28,343,552	11,471,069	39,856,619		(42,000)	45,036,143	19,669,765
------------------	-------------------	-------------------	-------------------	-------------------	--	-----------------	-------------------	-------------------

TOTAL CAPITAL PROGRAMME	50,334,369	32,153,902	18,180,469	47,933,043	48,942	2,352,384	65,424,535	33,776,856
--------------------------------	-------------------	-------------------	-------------------	-------------------	---------------	------------------	-------------------	-------------------

FUNDED BY								
Capital Receipts	6,435,518	2,400,990	4,034,528	5,016,880	48,942	1,591,320	10,954,943	8,278,897
Capital Reserve	25,000		25,000				25,000	
Better care fund (formally DFGs)	1,098,960	724,973	373,987	900,000		198,960	305,804	
Lottery & External Funding	802,000	415,281	386,719	1,438,379		7,000	2,798,688	3,850,000
HRA revenue contribution	31,764,292	22,221,728	9,542,564	31,600,190		164,101	34,628,243	17,457,836
Replacement Fund/Revenue Financing	682,543	61,348	621,195	143,037		539,506	702,506	
Section 106	675,726	207,759	467,967	578,128		57,598	1,086,693	308,193
1-4-1	8,850,330	6,121,823	2,728,507	8,256,429		(206,100)	14,922,658	3,881,930
TOTAL FUNDING	50,334,369	32,153,902	18,180,467	47,933,043	48,942	2,352,385	65,424,535	33,776,856