


Crawley Borough Council

Cabinet

Agenda for the **Cabinet** which will be held in **Committee Room A & B - Town Hall**, on **Wednesday, 26 June 2019** at **7.00 pm**

Nightline Telephone No. 07881 500 227



Head of Legal, Democracy and HR

Membership:

Councillors

P K Lamb (Chair)

I T Irvine

C J Mullins

B A Smith

P C Smith

G Thomas

Leader of the Council

Cabinet Member for Housing

Cabinet Member for Wellbeing

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

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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	1 - 8
To approve as a correct record the minutes of the Cabinet held on 13 March 2019.	
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. Further Notice of Intention to Conduct Business in Private and Notifications of any Representations	
The Monitoring Officer will report on any responses to representations received in relation to why item(s) 16: Occupational Sick Pay for Crawley Homes' Contractor Staff should not be held in Part B Business – (Closed to the Public).	
6. 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.	
7. Treasury Management Outturn for 2018-2019	9 - 22
<i>The Leader's Portfolio</i>	
To consider report FIN/473 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 24 June 2019.	

	Pages
<p>8. Review of the Statement of Licensing Policy Gambling Act 2005 (2020 - 2022)</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report HCS/14 of the Head of Community Services which was referred to the meeting of the Overview and Scrutiny Commission held on 24 June 2019.</p>	23 - 60
<p>9. Crawley Growth Programme – Next Phase Projects and Update to S106 Allocation, Funding and Governance</p> <p><i>Planning and Economic Development Portfolio</i></p> <p>To consider report PES/316 of the Head of Economy and Planning which was referred to the meeting of the Overview and Scrutiny Commission held on 24 June 2019.</p>	61 - 74
<p>10. District Heat Network - Operations, Maintenance and Billing Contract</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report HPS/20 of the Head of Major Projects & Commercial Services, which was referred to the meeting of the Overview and Scrutiny Commission on 24 June 2019.</p>	75 - 78
<p>11. Housing Infrastructure Fund (HIF) Agreements</p> <p><i>Housing Portfolio</i></p> <p>To consider report SHAP/78 of the Head of Strategic Housing, which was referred to the meeting of the Overview and Scrutiny Commission on 24 June 2019.</p>	79 - 82
<p>12. Financial Outturn 2018/19 Budget Monitoring - Quarter 4</p> <p><i>The Leader's Portfolio</i></p> <p>To consider report FIN/472 of the Head of Corporate Finance.</p>	83 - 104
<p>13. Energy Procurement Contract Arrangements</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report HPS/19 of the Head of Major Projects & Commercial Services.</p>	105 - 108
<p>14. Supplemental Agenda</p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	

	Pages
15. Exempt Information – Exclusion of the Public (Subject to Agenda Item 5)	
<p>The Committee is asked to consider passing the following resolution:-</p> <p>That under 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 involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraphs specified against the item.</p>	
Part B Business (Closed to the Public)	
16. Occupational Sick Pay for Crawley Homes' Contractor Staff	109 - 122
<p><i>Housing Portfolio</i></p> <p>(Exempt Paragraphs 3 & 4)</p> <p>To consider report CH/184 of the Leader of the Council, which was referred to the meeting of the Overview and Scrutiny Commission on 24 June 2019.</p>	

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Crawley Borough Council

Minutes of Cabinet

Wednesday, 13 March 2019 at 7.30 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
M G Jones	Cabinet Member for Housing
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
G Thomas	Cabinet Member for Environmental Services and Sustainability

Also in Attendance:

Councillor T G Belben, D Crow and K Sudan

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Ann-Maria Brown	Head of Legal, Democracy and HR
Chris Pedlow	Democratic Services Manager
Clem Smith	Head of Economy and Planning

Apologies for Absence:

Councillor C J Mullins

1. Disclosures of Interest

The following disclosure of interests was made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor P Smith	Employment & Skills Programme 2019-2024 (Minute 6)	Personal Interest – a Local Authority Director of the Manor Royal Business Improvement District.

Councillor
P Smith

Proposed Article 4 Directions
for Main Employment Areas
(Minute 8)

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 6 February 2019 were approved as a correct record and signed by the Leader.

3. Public Question Time

There were no questions from the public.

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 13: *Watercourse and Drainage Management Services 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. Employment and Skills Programme 2019-2024

The Cabinet Member for planning and Economic Development presented report [PES/313](#) of the Head of Economy and Planning, which provided an update on the success of the original Employment and Skills Programme, which was started in 2016, including Employ Crawley, Town Centre Skills Academy Crawley Developer and Partner Charter Crawley STEMfest and that the Council has employed nine apprenticeships during the period. It was noted that Employ Crawley was seen as one of the greatest success with over 300 residents having received support interventions. The report also present the proposed programme going forward to 2024 including the creation of the building/ construction Skills Academy.

Councillor T Belben presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 11 March 2019, including their the Commission support for the Employment and Skills Programme especially the links with Crawley College over devising professional skills courses and the promotion of the Apprentice schemes across the Borough.

Councillors Lamb Skudder and Thomas also spoke as part of the discussion on the report.

RESOLVED

The Cabinet approves

- a) approves the draft Employment and Skills Programme 2019-2024 shown in Appendix A to report [PES/313](#)
- b) delegates authority to the Head of Economy and Planning in consultation with the Cabinet Member for Planning and Economic Development to (generic delegations 5 and 7 will be used to enact this recommendation):
 - i) the final Employment and Skills Programme 2019-2024, noting and considering any responses or representations received during the present period of stakeholder consultation;
 - ii) the regular update the Employment and Skills Programme 2019-2024 to take into account the delivery details of the individual projects listed within it, as they come forward;

Reasons for the Recommendations

This report seeks Cabinet approval of the draft, revised Employment and Skills Programme 2019-2024.

7. Social Mobility Scrutiny Panel Final Report

The Chair of Social Mobility Scrutiny Panel, presented report [OSC/276](#), which contains the Social Mobility Scrutiny Panel's finding from their review into social mobility within Crawley. Councillor Sudan informed the Cabinet that the review was set up following Crawley being ranked as the worst in the South East, for social mobility by the Government's Social Mobility Commission. The Panel focused on three areas of social mobility, education, housing and employment and across its five meetings considered evidence from Headteachers, the Cabinet Member for Education and Skills at West Sussex CC, individuals from Open House and officers from the Council's Housings and Economy and Planning divisions, along with other quantitative evidence.

The key finding arising from the reviews included the seeming need for the continuation of Alternative Provision Service for those past the age of 16 to cover those people still in full time education, the expansion of Employ Crawley following its initial success, and where possible a 'tenure blind' approach to housing design.

Councillor T Belben presented the Overview and Scrutiny Commission's comments of support and their endorsement of the Panel's findings.

In considering the report the Councillors P. Smith, Thomas and Lamb all spoke as part of the discussion on the Panel's report. Councillor P. Smith commented that he as the Cabinet Member that was responsible for many of the areas covered by the review, that he was happy to endorse and enact the Panel recommendation that were related to his remit.

RESOLVED

The Cabinet approves:

- a) General; put forward suggestions to the Social Mobility Commission on how the social mobility index can be further improved e.g. including information about residents who have relocated out of the local authority area following periods of further education.
- b) Housing; continue to support the Council's commitment to building social housing.
- c) Housing; that consideration be given to a 'tenure blind' approach to housing design wherever possible.
- d) Employment; recognise and continue to support the good work that is taking place with the Council's Employment and Skills Plan.
- e) Employment; that, as part of the Employment and Skills Plan, consideration be given for bringing training providers together to embark upon a solution for adult learning and re-training (adult education).
- f) Employment; that, as part of the Employment and Skills Plan, further work be undertaken with the 'Information and Advice Group' (IAG) to engage with junior children and careers advice, particularly on how to access pathways.
- g) Employment; that, as part of the Employment and Skills Plan, support additional funding opportunities to expand Employ Crawley.
- h) Employment; that the Head of Legal, Democracy and HR, on behalf of the Council, give consideration to the Council becoming a Social Mobility Employer through the Social Mobility Foundation.
- i) Education; that the Leader, on behalf of the Council, request WSCC to further consider that the Alternative Provision Service continues past the age of 16.
- j) Education; that the Leader, on behalf of the Council, request WSCC to further consider that the Access and Exclusion Team resources could be involved at an earlier stage.
- k) Education; that consideration be given to incorporating careers advice into the Junior Citizen Scheme run by the Council.
- l) Education; that the Council continues to support the 'Be the Change' initiative.
- m) Education; that the Council continues to support Crawley College in building closer co-operation with local employers, to help develop skills pathways into better paid jobs for more Crawley residents.
- n) Education; that further promotion should take place with regards to Free School Meals (FSM), as this benefits both pupils and schools. Schools receive additional funding from the government for each child registered for FSM.

Reasons for the Recommendations

To address some of the concerns around the low level of social mobility within the town. These are practical steps that can be taken by the Council, and other relevant organisations, to improve the life chances of those growing up in Crawley.

8. Proposed Article 4 Directions for Main Employment Areas

The Cabinet Member for Planning and Economic Development presented report [PES/314](#) of the Head of Economy and Planning, which detailed the proposal to issue Article 4 Directions on four key employment areas within the Borough, namely: Lowfield Heath, Maidenbower Business Park, Tilgate Forest Business Centre and the majority of the Three Bridges corridor (including Denvale Trade Park, Stephenson

Way, Spindle Way). It was noted the Council had previously placed an Article 4 Direction for the Manor Royal due it being the main employment area with the Borough.

The purpose of the use of the Article was to protect offices and other employment hubs, from being converted to housing by permitted development. It was stated that the problem with the use of permitted development was, firstly that no planning requirements such as minimum floor space conditions, bin stores, or infrastructure contributions such as CIL or S106 payments were required for such developments. Secondly it was significantly reducing the employment opportunities for residents of the Borough, by removing office and thus employment venues, it meant there would be less places where people could work.

Councillors Lamb, Jones, Skudder and Thomas also spoke as part of the discussion in support of the report. Views were expressed in support of the recommendations as the use of office block conversions to housing normal meant unsuitable living conditions for those residents of those building and hindered local government by removing the funding through CIL and S106 payments to provide the required infrastructure for those properties.

RESOLVED

That the Cabinet

- a) approves the making of non-immediate Article 4 Directions under the Town and Country (General Permitted Development Order) 2015, removing the permitted development right for offices (Use Class B1a), light industrial (Use Class B1c) and storage and distribution (Use Class B8) to convert to residential (Use Class C3) for the areas outlined in bold on the plans at Appendix A. The Directions will apply to the designated main employment areas at Lowfield Heath, Maidenbower Business Park, Tilgate Forest Business Centre and the majority of the Three Bridges Corridor.
- b) delegate authority to the Head of Economy and Planning in consultation with the Cabinet Member for Planning and Economic Development to formally confirm the non-immediate Article 4 Directions set out at 2.1(a) above following the 12 month notification period, if having fully considered all representations made during the consultation period, they are of the opinion that the Article 4 Directions should be made. (Generic Delegation 3 will be used to enact this recommendation).
- c) requests that work commences to scope the feasibility and expediency of making a Town Centre Article 4 Direction(s) and that a consideration report be brought back to Cabinet on this matter in due course.

Reasons for the Recommendations

Crawley's economy has grown by 31% since 2010, and there is strong potential for further economic growth in Crawley. Many existing companies are seeking to expand their operations, and new companies are enquiring about opportunities to locate in the borough. However, a major impediment to continued growth is that Crawley has a very limited supply of available new business land, and the Local Plan identifies a land supply deficit of 35 hectares. Further, the borough of Crawley has lost 61,500

square metres of commercial space to residential development via permitted development rights.

In some cases, main employment areas have been undermined to such an extent by the introduction of residential uses, that the overall employment function of the designated area has been lost. Non-immediate Article 4 Directions are therefore proposed for selected main employment areas, in order to remove these permitted development rights, and protect the important economic function of these locations.

9. Irrecoverable Debts 2018/2019

The Leader of the Council presented report FIN/463 the Head of Corporate Finance, which sought approval to write-off debts to the Council that were considered to be irrecoverable and exceed the delegated limit of £50,000 per write-off. The proposed write off in excess of £50,000 totalled £465,312.38.

RESOLVED

That the Cabinet approves the write-off of the Business Rates debt of the following

Name & Address	Reason	Total £
Genus UK Ltd 15 County Mall	Entered into CVA	67,633.43
Hhgl Ltd Homebase, Crawley Avenue	Entered into CVA	117,148.50
New Mount Properties Ltd 8 & 9 Queens Square	Offshore Company Unenforceable	164,089.55
Smokin Joes Crawley Ltd 75 County Mall	Proposal to strike off	64,348.49
The Buyco Ltd Pegasus Place	In Liquidation	52,092.41
		465,312.38

Reasons for the Recommendations

The Council's Constitution necessitates amounts exceeding £50,000 requiring writeoff to be approved by the Cabinet.

10. 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.

11. **Watercourse and Drainage Management Services Contract (Exempt Paragraph 3)**

The Cabinet Member for Environmental Services and Sustainability presented report HPS/17 of the Head of Major Projects and Commercial Services which sought approval to request delegated authority to award the Watercourse and Drainage Contract to the most advantageous (winning) tenderer and enter into a contract to progress the delivery of the service being provided within the agreed budget. The duration of the contract will be for an initial period of five years from 1st July 2019 until 30th June 2024, with an option to extend the contract for up to a further two years until 30th June 2026. The estimate value of the contract is £100,000 per annum.

RESOLVED

That the Cabinet delegates authority to the Head of Major Projects & Commercial Services in consultation with the Head of Corporate Finance, the Head of Legal, Democracy and HR, the Leader of the Council and the Cabinet Member for the Environmental Services and Sustainability to enter into a contract with the most advantageous (winning) tenderer to progress the delivery of these works and services.

The estimated value of the contract is £100,000 per annum and the contract term is for an initial period of five years commencing 1st July 2019 until 30th June 2024. The procurement will include an option to extend the contract for a further two years, subject to an acceptable performance review. (*Generic Delegation 3 will be used to enact this recommendation*).

Reasons for the Recommendations

The existing contract for Watercourse & Drainage Maintenance (Grill Clearance & Emergency Works) has provided a means of ensuring that the Council delivers on those liabilities associated with its Watercourse & Drainage Management function. The current contract expires on 30th June 2019 and the recommendation will provide continuity of service thereafter.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 8.08 pm

P K LAMB
Chair

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Crawley Borough Council

Report to Overview and Scrutiny Commission 24 June 2019

Report to Cabinet 26 June 2019

Treasury Management Outturn for 2018/19

Report of the Head of Corporate Finance – FIN/473

1. Purpose

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:
 - an Annual Treasury Strategy in advance of the year (Council 21/02/2018, FIN/433)
 - a mid-year treasury update report (Council 12/12/2018, FIN/457)
 - an annual review following the end of the year describing the activity compared to the Strategy (this report)
- 1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Overview and Scrutiny Commission before they were reported to the full Council.

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) To approve the actual 2018/19 Prudential and Treasury Indicators as set out in the report;
- b) To note the Annual Treasury Management Report for 2018/19.

3. Reasons for the Recommendations

- 3.1 The Council's financial regulations, in accordance with the CIPFA Code of Practice for Treasury Management, requires an annual review following the end of the year describing the activity compared to the Strategy. This report complies with these requirements.

4. The Council's Capital Expenditure and Financing

- 4.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions, etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 4.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund £'000	2017/18 Actual	2018/19 Budget	2018/19 Actual
Capital expenditure	6,079	14,584	7,648
Financed in year	6,079	14,584	7,648
Unfinanced capital expenditure	0	0	0

HRA £'000	2017/18 Actual	2018/19 Budget	2018/19 Actual
Capital expenditure	23,375	43,802	37,562
Financed in year	23,375	43,802	37,562
Unfinanced capital expenditure	0	0	0

5. The Council's Overall Borrowing Need

- 5.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).
- 5.2 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

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£'000	31 March 2018 Actual	31 March 2019 Budget	31 March 2019 Actual
CFR General Fund	0	0	0
CFR HRA	260,325	260,325	260,325
Total CFR	260,325	260,325	260,325
Gross borrowing position	260,325	260,325	260,325
Under / over funding of CFR	0	0	0

- 5.3 **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.
- 5.4 **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 5.5 **Actual financing costs as a proportion of 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.

General Fund £'000	2018/19
Authorised limit	10,000
Maximum gross borrowing position during the year	0
Operational boundary	0
Average gross borrowing position	0
Financing costs as a proportion of net revenue stream	-7.83%

HRA £'000	2018/19
Authorised limit	260,325
Maximum gross borrowing position during the year	260,325
Operational boundary	260,325
Average gross borrowing position	260,325
Financing costs as a proportion of net revenue stream	17.53%

6. Treasury Position as at 31 March 2019

- 6.1 At the beginning and the end of 2018/19 the Council's treasury position was as follows:

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DEBT PORTFOLIO	31 March 2018 Principal £'000	Rate/ Return	Average Life yrs	31 March 2019 Principal £'000	Rate/ Return	Average Life yrs
Fixed rate funding:						
-PWLB	260,325	3.2%	13.03	260,325	3.2%	12.03
-Market	0			0		
Variable rate funding:						
-PWLB	0			0		
-Market	0			0		
Total debt	260,325	3.2%	13.03	260,325	3.2%	12.03
CFR	260,325			260,325		
Over / (under) borrowing	0			0		
Total investments	118,606	0.75%	0.70	112,744	1.04%	0.36
Net debt	141,719			147,581		

The maturity structure of the debt portfolio was as follows:

	31 March 2018 Actual £'000	2018/19 Original Limits	31 March 2019 Actual £'000
Under 12 months	0	10%	0
12 months and within 24 months	0	10%	0
24 months and within 5 years	11,000 (4%)	20%	13,000 (5%)
5 years and within 10 years	69,000 (27%)	40%	74,000 (28%)
10 years and within 20 years	180,325 (69%)	65%	163,325 (62%)
20 years and within 30 years	0	15%	0
30 years and within 40 years	0	10%	0
40 years and within 50 years	0	10%	0

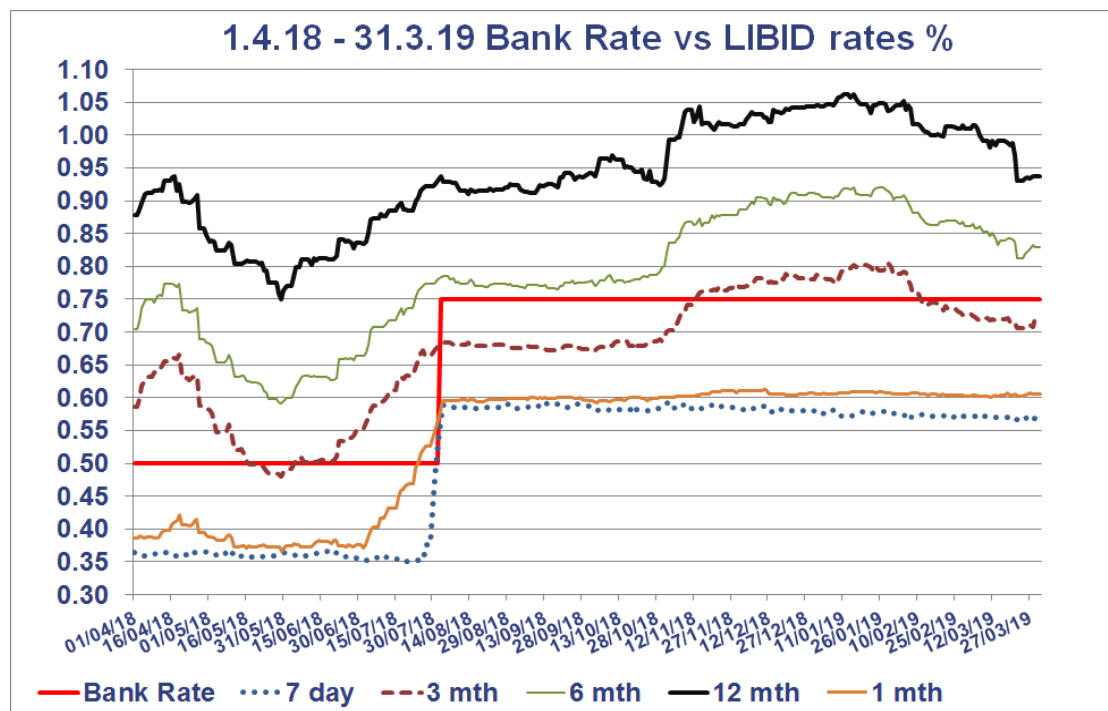
INVESTMENT PORTFOLIO	Actual 31 March 2018 £000	Actual 31 March 2018 %	Actual 31 March 2019 £000	Actual 31 March 2019 %
Treasury investments				
UK Banks	7,642	7%	11,162	10%
Overseas Banks	21,507	18%	23,583	21%
Building Societies	1,500	1%	3,947	4%
Local authorities	81,170	69%	58,000	51%
Money Market Funds	5,190	4%	6,890	6%
Corporate Bonds	1,597	1%	9,162	8%
TOTAL TREASURY INVESTMENTS	118,606	100%	112,744	100%

Non Treasury investments				
Property	16,732		16,419	
Treasury investments	118,606	88%	112,744	87%
Non Treasury investments	16,732	12%	16,419	13%
TOTAL OF ALL INVESTMENTS	135,338	100%	129,163	100%

The maturity structure of the investment portfolio was as follows:

	2017/18 Actual £000	31 March 2019 Actual £000
Investments		
Longer than 1 year	20,000	0
Up to 1 year	98,606	112,744
Total	118,606	112,744

7. Investment strategy and control of interest rate risk



7.1 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.

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- 7.2 It was not expected that the MPC would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this.
- 7.3 Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.
- 7.4 Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

8. Borrowing Outturn for 2018/19

- 8.1 No borrowing was undertaken during the year.

9. Investment Outturn for 2018/19

- 9.1 **Investment Policy** – the Council’s investment policy is governed by Government guidance, which was been implemented in the annual investment strategy approved by the Council on 21/02/2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks and credit default swaps.
- 9.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 9.3 **Resources** – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows.

Balance Sheet Resources (£'000)	31 March 2018	31 March 2019
General Fund Balance	4,000	4,995
HRA Balance	3,198	3,198
Earmarked reserves (Appendix 3)	18,552	17,230
Major Repairs Reserve	32,474	22,388
Usable capital receipts	41,107	41,714
Working capital	19,275	23,219
Total	118,606	112,744

- 9.4 **Investments held by the Council** - the Council maintained an average balance of £131,104,852 of internally managed funds. The internally managed funds earned an average rate of return of 0.86%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.50%. This compares with a budget assumption of £124,490,000 investment balances earning an average rate of 0.81%. See appendix 1 for a list of investments held at 31 March 2019.

10. Implications

- 10.1 The financial and legal implications are addressed throughout this report. The Council's investments were managed in compliance with the Code and the Prudential Code through the year.

11. Background Papers

[Treasury Management Strategy for 2018/2019 – Cabinet, 7 February 2018; OSC, 5 February 2018 \[FIN/433 refers\]](#)

[Treasury Management Mid-Year Review 2018/2019 – Cabinet, 21 November 2018; OSC, 19 November 2018 \[FIN/457 refers\]](#)

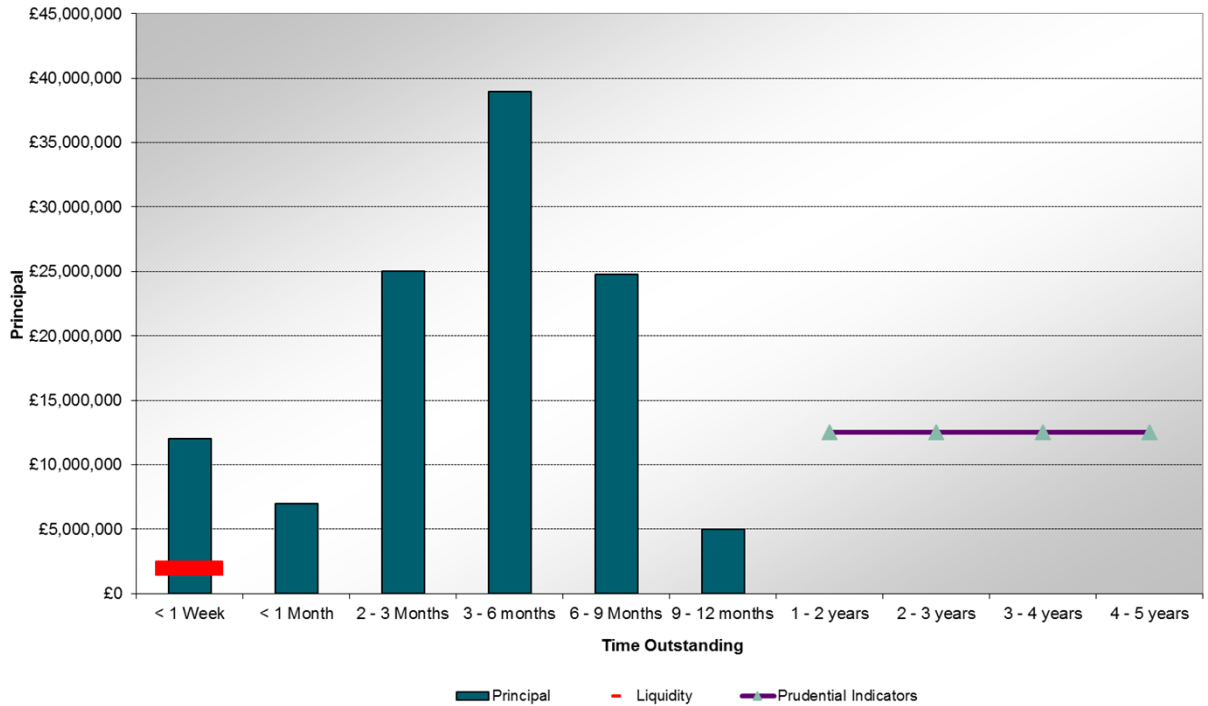
Report author and contact officer: Paul Windust, Chief Accountant (01293 438693)

Detailed holdings at 31 March 2019

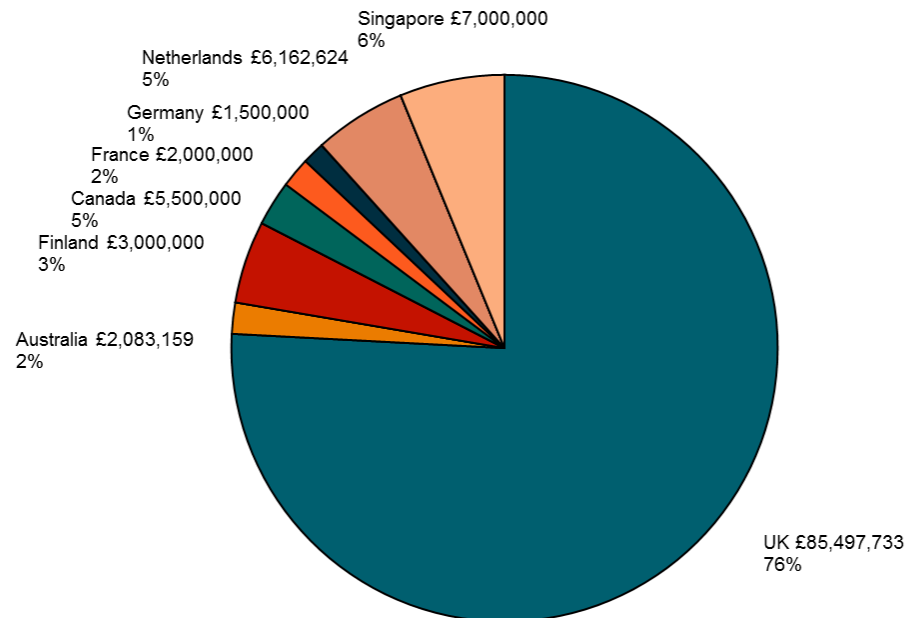
APPENDIX 1

Counter Party	Deal Ref	Issue	Maturity	Days to Mature	Interest Rate	Nominal (£m)	Total (£m)	Limit (£m)	Rating
AUSTRALIA BANKS									
Westpac Banking Corporation	2520	24/01/2019	21/10/2019	204	1.093%	2.083	2.083	10.000	AA-
UK BANKS									
Goldman Sachs International Bank	2507	02/11/2018	02/05/2019	32	0.970%	2.000			
	2509	23/11/2018	23/05/2019	53	0.970%	4.000	6.000	10.000	A
Lloyds Bank plc	20		01/04/2019	1	0.650%	0.162	0.162	10.000	A
Standard Chartered Bank	2505	26/10/2018	26/04/2019	26	0.900%	2.000			
	2515	03/01/2019	03/07/2019	94	1.040%	3.000	5.000	10.000	A+
UK BUILDING SOCIETIES									
Nationwide BS	2513	06/12/2018	09/09/2019	162	1.203%	1.947	1.947	10.000	A
Coventry BSoc Fixed Bond	2523	27/02/2019	16/10/2019	199	1.161%	2.000	2.000	2.000	A
CANADA BANKS									
Toronto Dominion Bank	2502	17/09/2018	17/09/2019	170	0.950%	2.000			
	2504	26/10/2018	25/10/2019	208	1.080%	3.500	5.500	10.000	AA-
CORPORATE BONDS									
GE Capital UK Funding	2495	08/08/2018	31/07/2019	122	1.225%	1.995	1.995	2.000	A
London Stock Exchange	2511	03/12/2018	18/10/2019	201	1.471%	1.510	1.510	2.000	A-
Motability Operations Group plc	2519	23/01/2019	10/12/2019	254	1.233%	1.192			
	2522	19/02/2019	10/12/2019	254	1.184%	0.803	1.995	2.000	A+
Shell International Finance BV	2521	25/01/2019	20/12/2019	264	1.180%	3.663	3.663	5.000	A
FINLAND BANKS									
Nordea Bank Abp	2517	07/01/2019	08/07/2019	99	0.980%	3.000	3.000	10.000	AA-
FRANCE BANKS									
Credit Industriel et Commercial	2508	21/11/2018	21/05/2019	51	1.010%	2.000	2.000	10.000	A+
GERMANY BANKS									
Landesbank Hessen-Thuringen Giroze	2488	26/06/2018	25/06/2019	86	0.780%	1.500	1.500	10.000	A+
LOCAL AUTHORITIES									
Conwy County Borough Council	2510	03/12/2018	03/06/2019	64	0.920%	5.000	5.000	15.000	AA
Dumfries & Galloway Council	59	01/12/2017	02/12/2019	246	0.900%	5.000	5.000	15.000	AA
Eastleigh Borough Council	2503	01/10/2018	01/04/2019	1	0.850%	5.000	5.000	15.000	AA

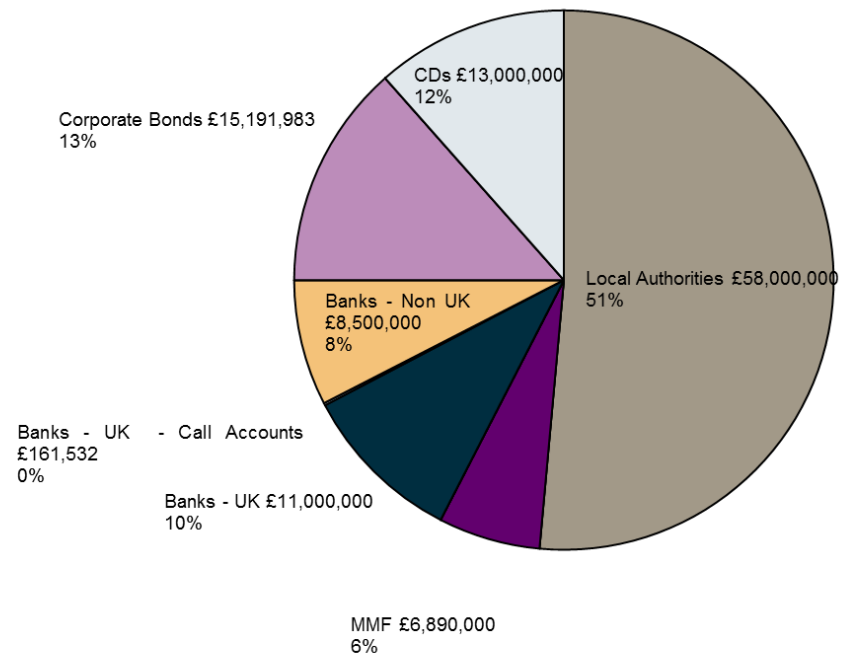
Compliance with Liquidity and Prudential Indicator Limits



Country Limits



Sector Diversification



Earmarked Reserves

	Balance at 1 April 2017 £'000	Transfers Out 2017/18 £'000	Transfers In 2017/18 £'000	Balance at 31 March 2018 £'000	Transfers Out 2018/19 £'000	Transfers In 2018/19 £'000	Balance at 31 March 2019 £'000
General Fund:							
Capital Programme	5,264	- 923		6,187	(2,240) -		3,947
Restructuring Impact Reserve	750	(55)	-	695	-	-	695
Vehicles and Plant	241	(74)	200	367	(258)	260	369
Insurance Fund	379	(1)	-	378	-	-	378
ICT Replacement	114	(95)	100	119	(19)	100	200
Specialist Equipment at K2 and Hawth	-	-	100	100	(200)	100	-
Risk Management	44	(17)	-	27	-	22	49
Quick Wins	39	(11)	-	28	(10)	-	18
Community Cohesion	3	(3)	-	-	-	-	-
Heritage Strategy	34	-	-	34	-	-	34
Pathfinder	33	(5)	1	29	(5)	-	24
Local Development Framework	442	-	65	507	-	33	540
Climate Change	-	-	-	-	-	-	-
Defra Water Management	-	-	-	-	-	-	-
Health & Wellbeing Grant	266	(30)	-	236	(22)	3	217
Connecting Communities	57	(5)	52	104	(48)	-	56
Homeless grant	26	(9)	64	81	-	-	81
Town Centre and Regeneration Reserve	377	(148)	21	250	(87)	-	163
Council tax support funding	-	-	-	-	-	-	-
Investment Acquisition	5,000	-	-	5,000	-	-	5,000
Waste Collection	281	(55)	-	226	-	-	226
Worth Park HLF	-	-	76	76	-	-	76
Social Housing Fraud	-	-	-	-	-	-	-
Preventing B&B over 6 weeks	50	(50)	-	-	-	-	-
Grant to voluntary organisations	75	-	-	75	-	-	75
Welfare Reform	91	-	35	126	-	74	200
Transparency	24	-	8	32	(37)	8	3
Shore gap fund	7	-	-	7	-	-	7
Tilgate Park Investment	41	(41)	57	57	(35)	10	32

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	Balance at 1 April 2017 £'000	Transfers Out 2017/18 £'000	Transfers In 2017/18 £'000	Balance at 31 March 2018 £'000	Transfers Out 2018/19 £'000	Transfers In 2018/19 £'000	Balance at 31 March 2019 £'000
Business Rates Equalisation	5,000	(1,794)	-	3,206	(570)	1,364	4,000
New Museum	33	-	35	68	-	17	85
Leap Project Small Business Grants	69	-	8	77	(52)	-	25
Leisure Management Contract	45	(45)	-	-	-	-	-
Journey to Work	-	-	32	32	(32)	-	-
Flexible Homelessness Grant	-	-	372	372	(372)	-	-
Town Centre Partnership	-	(5)	47	42	-	-	42
Town Centre Markets	-	-	14	14	-	-	14
EU Exit Funding	-	-	-	-	-	154	154
Park Improvement Fund	-	-	-	-	-	18	18
Clean Our High Streets	-	-	-	-	-	20	20
Business Rates Pool Cycling	-	-	-	-	-	70	70
Shop Fronts	-	-	-	-	-	21	21
Town Centre BID Feasibility	-	-	-	-	-	17	17
Homeless Accommodation Acquisition	-	-	-	-	-	374	374
Total	18,785	(2,443)	2,210	18,552	(3,987)	2,665	17,230

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Crawley Borough Council

**Report to Overview and Scrutiny Commission
24 June 2019**

**Report to Cabinet
26 June 2019**

Review of the Statement of Licensing Policy Gambling Act 2005 (2020 – 2022)

Report of the Head of Community Services – **HCS/14**

1. Purpose

- 1.1 To appraise Councillors of the need to review Crawley Borough Council's Statement of Licensing Policy as pertains to Gambling Act 2005 ("Statement of Licensing Policy").
- 1.2 To request authorisation from Cabinet to conduct the statutory consultation on the proposed revision of the Council's Statement of Licensing Policy.
- 1.3 To draw Councillors' attention to the proposed revised Statement of Licensing Policy – Gambling Act 2005 as set out in Appendix A which will be subject to Full Council approval and adoption later in the year following comments that may arise during the consultation exercise.

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 authorise the Head of Community Services to conduct the statutory consultation process in respect of the proposed revised Statement of Licensing Policy at Appendix A. (*Generic Delegation 5 will be used to enact this recommendation*)

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 3 year period 2020 – 2022.
- 3.3 To ensure our policy is revised for the coming 3 years as required by section 349 of the Gambling Act 2005 and that this is done in accordance with procedures compliant with statutory guidance regarding consultation.

4. Background

- 4.1 Section 349 of the Gambling Act 2005 requires a licensing authority to prepare and publish a statement of the principles that it proposes to apply in exercising its functions under the Gambling Act 2005 in the coming 3 year period.
- 4.2 There is comprehensive statutory guidance published by the Gambling Commission which has been used in the preparation of this report. The statutory guidance includes guidance in respect of preparing, revising and publishing a Statement of Licensing Policy. Local authorities must have regard to the Statutory Guidance.

5. Description of Issue to be resolved

- 5.1 The Council are responsible for the issuing of Licences for premises that are covered by the Gambling Act 2005. Licences for operators and game types together with controls concerning gambling machines are dealt with directly by the Gambling Commission. The Council must have regard to statutory guidance and its own statement of Licensing Policy regarding the Gambling Act 2005 when issuing any licence for a premises.
- 5.2 It is a statutory requirement that the Council review and publish its statement of Licensing Policy regarding Gambling Act 2005 at least every 3 years.
- 5.3 Whilst the Council has no actual role in setting prize machine limits a response was sent by the Council to the Gambling Commission in connection to their recent review of the Gambling Industry in support of the reduction of stakes for Fixed Odds Betting Terminals to £2.00 which is scheduled to become law in the future.
- 5.4 Details of the Gambling Commission's plans to amend controls concerning aforementioned consultation can be found at 8.1 under Background Papers.
- 5.5 The proposed changes to the current Statement of Licensing Policy are summarised in Appendix B for information.

6. Information & Analysis Supporting Recommendation

- 6.1 Before publishing its Statement of Licensing Policy for any three year period the Council must consult the persons listed in section 349(3) of the Gambling Act 2005 namely;
 - The Chief Officer of Police
 - One or more persons who appear to the Council to represent the interests of persons carrying on gambling businesses in the borough.
 - One or more persons who appear to the Council to represent persons who are likely to be affected by the exercise of the Council's functions under the Act.
- 6.2 The Statutory Guidance states that the list of persons to be consulted is deliberately wide so as to allow licensing authorities to undertake a comprehensive consultation

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exercise with anyone who may be affected by or otherwise have an interest in the Gambling Policy.

- 6.3 As part of the proposed 12 week consultation process details of the proposed revised Statement of Licensing Policy, together with an invitation to submit comments, be posted on the Council's website.
- 6.4 Following the statutory consultation process, the Council must then publish its revised Statement of Gambling Policy and advertise the publication by way of public notice, in accordance with legal requirements. The revised Gambling Policy will come into effect on the date specified in the public notice which must be at least 4 weeks from the date of publication of the revised statement and public notice.

7. Implications

- 7.1 The Council would be at risk of potential legal challenge regarding any matters pertaining to the Act should its policy be out of date.
- 7.2 There are no financial or staffing consequences that will arise from the changes to the policy as the fees are set by statute.

8. Background Papers

- 8.1 [Government response to the consultation on Gambling](#)
- 8.2 [Guidance to Licensing Authorities](#)

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APPENDIX A

Crawley Borough Council

**Consultation draft Statement of Licensing
Policy**

The Gambling Act 2005

For the Period 2020 – 2022



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1. Statement of Gambling Policy

Licensing Objectives

The Gambling Act 2005 (the Act) requires that the Council carry out its various licensing functions with a view to promoting the following Licensing Objectives:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

1.2 Introduction & Area Characteristics

The Council as Licensing Authority (LA) for the Borough of Crawley in accordance with Section 349 of the Act is required to publish a 'Statement of Licensing Policy' that sets out the policies the Council will generally apply to promote the Licensing Objectives when making decisions on applications made under the Act. The form of the statement is set out in the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2007. The Gambling Commission's Guidance to licensing authorities contains further information on the form of the Council's Policy document.

The Council's Policy Statement has to be reviewed and be published at least every 3 years. Any proposed amendments must be consulted upon as considered necessary.

The Council is responsible for granting premises licenses within the Borough in respect of: -

- casino premises
- bingo premises
- betting premises, including tracks and adult gaming centres
- family entertainment centres

"Gambling" is defined in the Act as either gaming, betting or taking part in a lottery:

- Gaming means a game of chance for a prize
- Betting means making or accepting a bet on the outcome of a race, competition or any other event; the likelihood of something occurring or not occurring or whether something is true or not.
- A lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated wholly or partly on chance,

The Gambling Commission is responsible for issuing personal licences to individuals and operators. This aspect falls outside of the remit of the Council as the Licensing Authority and as such, does not form a significant part of this Statement of Gambling Policy.

Crawley Borough Council is situated in the County of West Sussex, which contains 7 District Councils and 1 County Council in total. The Council area has a population of approximately 111,700 (2017 census) making it the second largest in the County in terms of population. In terms of area it is the second smallest, covering 17.36 square miles, and comprises of 14 neighbourhoods. A map of the District is contained at Appendix A.

1.3 Types of Licence

This document sets out the policies that the Council will apply when making decisions upon applications or notifications made for:

- Premises Licenses;
- Temporary Use Notices;
- Occasional Use Notices;
- Permits as required under the Act; and
- Registrations as required under the Act.

1.4 Licensable Premises and Permits

This Policy relates to all those licensable premises, notices, permits and registrations identified as falling within the provisions of the Act, namely: -

- Casinos;
- Bingo Premises;
- Betting Premises;
- Tracks;
- Adult Gaming Centres;
- Licensed Family Entertainment Centres;
- Unlicensed Family Entertainment Centres;
- Club Gaming Permits;
- Club Machine Permits;
- Alcohol licensed premises gaming machine permits / notices
- Prize Gaming Permits;
- Occasional Use Notices;
- Temporary Use Notices; and
- Registrations of small society lotteries.

1.5 General Principles

Nothing in this 'Statement of Policy' will:

- Undermine the rights of any person to apply under the Act for a variety of permissions and have the application considered on its individual merits; OR
- Override the right of any person to make representations on any application or seek a review of a licence or permit where they are permitted to do so under the Act.

The Council will look to grant applications without conditions unless it is considered conditions are needed to meet the requirements of the Licensing Objectives and any

conditions applied will not be overly onerous and will be proportionate to the scale of the application and the 'risks' involved. Conditions will generally be considered unnecessary if they are already adequately covered by other legislation.

All applicants for premises licences will be required to set out how they will promote the Licensing Objectives, as specified in Section 1.1 above, and what measures they intend to employ to ensure compliance with these Objectives.

When determining an application to grant, vary a premises licence or whether to review a premises licence, regard will be given to matters including the proximity of the premises to schools, vulnerable adult centres or hostels, or to residential areas with a high concentration of families with children.

Regard will also be given and consideration upon the size and scope of the gambling premises concerned. Each case will be determined on its merits.

Therefore, if an applicant can effectively demonstrate how they might overcome Licensing Objective concerns, this will be taken into account.

Licensing is about the control and regulation of licensed premises, where Temporary Use Notices or Occasional Use Notices are in place and are operated within the terms of the Act. Conditions may be attached to licences as considered appropriate.

When considering any conditions to be attached to licences, the Council will primarily focus on the direct impact of the activities taking place at licensed premises on members of the public living, working or engaged in normal activity in the area concerned. The Secretary of State may, by regulation, provide for specific conditions to be attached to a Premises Licence as either "mandatory" or "default" conditions. In determining an application, the Licensing Authority may not have regard to the expected demand for the facilities which it is proposed to provide.

In this respect, the Council recognises that, apart from the licensing function, there are a number of other mechanisms available for addressing issues of unruly behaviour that can occur away from licensed premises, including:

- Planning controls;
- Ongoing measures to create a safe and clean environment in these areas in partnership with local businesses, transport operators and other Council Departments;
- Regular liaison with the Police on law enforcement issues regarding disorder and anti-social behaviour;
- The power of the police, other responsible authorities or a local resident or business to seek a review of the licence.

Those making representations will be required to relate their objection to one or more of the Licensing Objectives, as specified in section 1.1 above, before the Licensing Authority will be able to consider it.

Where a person, whether or not directly affected by an application or living in the vicinity of a licensable premises under consideration, puts themselves forward as representing the interests of residents in the vicinity, the Licensing Authority will

normally ask them to provide written evidence that they are acting as representatives of others.

The Council, in undertaking its licensing function, will have due regard to the need to eliminate unlawful discrimination and to promote equality and good relations between persons of different racial groups.

1.6 Interested Parties

A person is an interested party in relation to an application for or in respect of a premises licence if in the opinion of the LA, the person:

- I. Lives sufficiently close to the premises to be likely affected by the authorised activities
- II. Has business interests that might be affected by the authorised activities
- III. Represents persons in (I) or (II)

Where an individual claims to represent a body or an individual, written confirmation of this will be required to demonstrate who and what is being represented.

1.7 Relevant Representations

Representations relating to an application need to be made by an interested party or Responsible Authority. The Council will normally only consider representations where they relate to the Act and Licensing Objectives, the Codes of Practice or the Statement of Principles. Any representations which are considered to be inadmissible, irrelevant, frivolous, or vexatious will not influence the Council's determination of matters.

Anyone making a representation should note that their details will be made available to the applicant. This is to allow for negotiation and in the interests of fairness. In the event of a hearing, representations and associated details will be included as part of a public document.

1.8 Advisory body for the Protection of Children from Harm

Crawley Borough Council, as the Licensing Authority, designates the Children's Safeguarding Unit as the competent authority to provide advice on the protection of children from harm.

The Children's Safeguarding Unit (formerly the Child Protection Agency) is the West Sussex County Council Social Services' child protection unit and operates throughout the county of West Sussex, covering the Borough of Crawley and has the specialist knowledge and expertise to fulfil this role.

1.9 Consultees

This Statement of Licensing Policy was subject to formal consultation with a range of responsible authorities and others, including:

- Chief Officer of Police for Crawley Borough, Sussex Police;

- West Sussex Fire & Rescue Service;
- The Children's Safeguarding Unit;
- Crawley Community Safety Partnership;
- One or more persons who appear to the LA to represent the interests of the persons carrying on the gambling business in the area.
- Persons operating or carrying out gambling business and functions
- Persons and businesses likely to be affected by authorised gambling within the Borough (For further information, see Appendix D)

A full list of those consulted is included at Appendix D.

1.10 Information Exchange

In fulfilling its functions and obligations under the Gambling Act 2005 the Council will exchange relevant information with other regulatory bodies and will establish protocols in this respect. In exchanging such information the Council will conform to the requirements of the Gambling Act, data protection and freedom of information legislation in accordance with the Council's existing policies.

Contact details of those persons making representations and details of the representations will be made available to applicants to allow for negotiation and, in the event of a hearing being held, will form part of a public document. Anyone making representation or applying for a review of a premises licence should be aware these details will be disclosed.

The Council will act in accordance with the provisions of the Act in its exchange of information which includes the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The LA will have regard to any relevant Codes of Conduct, Guidance and Regulations.

Should any protocols be established regarding information exchange with other bodies, then these can be made available on request.

In fulfilling its obligations under the Act, the LA will exchange relevant information with other regulatory bodies where there is evidence of non-compliance, and will establish protocols accordingly. In the exchange of information, the LA will be mindful of the requirements of data protection and Freedom of Information legislation.

1.11 Declaration

This LA is aware that when exercising its functions in relation to premises licensing, it should aim to permit the use of premises for gambling, in so far as it thinks it is:

- In accordance with any relevant Code of Practice issued by the Gambling Commission (the "Codes of Practice)
- In accordance with any relevant Guidance
- Reasonably consistent with the Licensing Objectives (subject to the above) and
- In accordance with this Policy (subject to the above).

2. Legislation, Policies and Strategies

2.1 Licensing Authority Functions

Licensing Authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licenses.
- Issue Provisional Statements,
- Regulate members clubs who wish to undertake certain gaming activities via issuing Club Gaming Permits and Club Machine Permits,
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres, (FECs)
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines.
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines.
- Register small society lotteries below prescribed thresholds.
- Issue Prize Gaming Permits,
- Receive and Endorse Temporary Use Notices,
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licenses issued and other information as required.
- Maintain registers of the permits and licenses that are issued under those functions.
- Enforce legislation in relation to premises.

It should be noted that Local Authorities will not be involved in licensing remote gambling at all. This will fall to the Gambling Commission via operating licenses.

This Policy Statement sets out the policies that the LA will consider when determining applications for:

- Premises licences
- Use Notices
- Permits as required under the Act
- Registrations as required under the Act.

It also relates to all authorisations identified as falling within the provisions of the Act:

- Bingo premises
- Betting premises
- Casinos
- Tracks
- Adult Gaming Centres (AGCs)
- Family Entertainment Centres (FECs)
- Club Gaming Permits
- Prize Gaming and Prize Gaming Permits
- Temporary and Occasional Use Notices

- Registration of Society Lotteries

2.2 Matters Outside of the Scope of the Policy

The LA will not be involved in the licensing of remote gambling as this falls under operating licence, regulated by the Gambling Commission as are personal licences for individuals. Spread betting is regulated by the Financial Services Authority, The National Lottery is regulated by the National Lottery Commission.

When determining an application, the Council cannot take into account:

- a) The likelihood of an applicant obtaining planning permission or building regulations;
- b) The expected demand for facilities;
- c) Irrelevant matters which are not related to gambling or the Licensing Objectives;
- d) Moral objections or nuisance.

2.2 Legislation

In undertaking its licensing functions under the Gambling Act 2005, the Council is also bound by other legislation, including:

- I. Section 17 of the Crime and Disorder Act 1988;
- II. Human Rights Act 1998;
- III. Health and Safety at Work etc. Act 1974;
- IV. Environmental Protection Act 1990;
- V. Anti-Social Behaviour, Crime and Policing Act 2014;
- VI. Equality Act 2010;
- VII. General Data Protection Regulations (GDPR) 2018.

However, the Statement of Gambling Policy is not intended to duplicate existing legislation and regulation regimes that already place obligations on employers and operators.

2.3 Relationship with Planning Policies

When determining an application, regard cannot, under the terms of the Act, be given to planning or building control permissions and/or any planning restrictions.

The issue of a Provisional Grant of a premises licence is a separate and distinct process to the granting of Planning Permission. Planning and Building Control permissions will have to be sought and approved before any development takes place.

2.4 National Strategies

The Council will also seek to discharge its responsibilities identified by other Government Strategies, so far as they impact on the objectives of the licensing function. Regard will also be had in relation to strategies to promote responsible gambling.

2.5 Local Strategies and Policies

The Council will consider applications with reference to other adopted local policies, including the following:

- I. The Council's Corporate Strategy;
- II. Community Safety Strategy;
- III. Sustainable Community Strategy;
- IV. General Enforcement Policy;
- V. Local Area Profiles;
- VI. Business Improvement Districts;
- VII. Licensing Policy Statement, Licensing Act 2003.

2.6 Integrating Strategies

By consulting widely prior to this Policy Statement being published, the Council endeavoured to secure proper integration with local crime prevention, planning, transport, tourism and cultural strategies.

However, any evaluation and/or granting of a premises licence or permit will be in keeping with Licensing Objectives contained within the Gambling Act 2005.

The Gambling Commission's Licence Conditions and Code of Practice (LCCP) require operators of gambling premises to undertake a risk assessment taking into consideration their local information. Specific information about localities within the Borough as regards deprivation is available at:

[Local Information about Deprivation](#)

National statistics can also be found at:

[National Statistics](#)

The Council recognises that licensing applications under the Act should not be seen as a re-run of the planning application process and there will be a clear separation of the planning and licensing regimes to avoid duplication and inefficiency.

In order to avoid duplication with other statutory regimes as far as possible the Council will not attach conditions to a licence unless they are considered necessary for the promotion of the Licensing Objectives. Conditions will generally be considered unnecessary if they are already adequately covered by other legislation.

3. Decision Making

3.1 Gambling Committee - Terms of Reference

A licensing sub-committee to determine matters under the Act shall be comprised of three Councillors of the Licensing Committee who will sit to hear applications where representations have been received from Interested Parties and Responsible Authorities. Ward councillors will not sit on a sub-committee involving an application within their ward.

The Licensing Committee will also sit to determine general licensing matters that have been delegated.

Where a Councillor who is a member of the Licensing Committee is making or has made representations regarding a licence on behalf of an interested party, in the interests of good governance they will disqualify themselves from any involvement in the decision-making process affecting the licence in question.

The licensing sub-committee will also refer to the Licensing Committee any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it under the Act.

The Licensing Committee will refer to the Full Council any matter it is unable to deal with because of the number of its members who are unable to take part in the consideration or discussion of any matter or vote on any question with respect to it.

Every determination of a licensing decision by the Licensing Committee or a licensing sub-committee shall be accompanied with clear reasons for the decision. The decision and the reasons for that decision will be sent to the applicant and those who have made relevant representations as soon as practicable. A summary of the decision shall also be posted on the Council's website as soon as possible after the decision has been confirmed, where it will form part of the statutory licensing register required to be kept by the Council.

3.2 Allocation of Decision making Responsibilities

The Council will be involved in a wide range of licensing decisions and functions and has established a Licensing Committee to administer them.

Appreciating the need to provide a speedy, efficient and cost-effective service to all parties involved in the licensing process, the Committee has delegated certain decisions and functions and has established a sub-committee to deal with them.

Many of the decisions and functions will be purely administrative in nature and the grant of non-contentious applications, including for example, those licences and permits where no representations have been made, have been delegated to Council officers. The Council's Licensing Team will deal with all other licence applications where either no representation have been received, or where representations have been received and it is agreed by the parties that a hearing is not necessary.

Decisions as to whether representations are irrelevant, frivolous or vexatious will be made by the Council's Team Leader for Health, Safety and Licensing. This Officer will make the decisions on whether representations, other decisions under the Act, or applications for licence reviews should be referred to a licensing sub-committee established to determine matters under the Act or to the Licensing Committee.

Where representations are rejected, the person making that representation will be given written reasons as to why that is the case.

The Table shown at Appendix B sets out the agreed scheme of delegation of decisions and functions to Licensing Committee, sub-committees and officers. This form of delegation is without prejudice to officers referring an application to a sub-committee, or to the Licensing Committee, or to Full Council, if considered appropriate in the circumstances of any particular case.

A hearing may be required to attach or exclude conditions to a licence, unless the applicant waives their right to a hearing.

3.3 Licensing Reviews

The Council will carry out a review of a premises licence where it has received a formal application for review in accordance with the Act that is relevant to one or more of the Licensing Objectives. Representations may be that activities, including the following, are taking place:

- a) Use of licensed premises for the sale and distribution of Class A drugs and the laundering of the proceeds of drugs crimes;
- b) Use of licensed premises for the sale and distribution of illegal firearms;
- c) Use of licensed premises for prostitution or the sale of unlawful pornography;
- d) Use of licensed premises as a base for organised criminal activity;
- e) Use of licensed premises for the organisation of racist, homophobic or sexual abuse or attacks;
- f) Use of licensed premises for the sale of smuggled tobacco or goods;
- g) The use of licensed premises for the sale of stolen goods;
- h) Children and/or vulnerable persons are put at risk.

Due consideration will be given to all relevant representations unless they fit the following:

- I. the grounds are frivolous;
- II. the grounds are vexatious;
- III. the grounds are irrelevant;
- IV. the grounds will not cause the Licensing Authority to revoke or suspend a licence or to remove, amend or attach conditions on the Premises Licence;
- V. the grounds are substantially the same as the grounds cited in a previous application relating to the same premises; or

- VI. the grounds are substantially the same as representations made at the time the application for a Premises Licence was considered.

A Premises Licence issued under the Act may also be reviewed by the LA on its own volition.

4. Local Standards

4.1 Applications

An application for a premises licence under the Act can only be made by a person who either holds an operating licence which authorises the activity in respect of which a premises licence is sought, OR has made an application for an operating licence which has not been determined.

Applications for the grant, transfer or variation of a premises licence must be accompanied by an assessment that demonstrates how the applicant will promote all the Licensing Objectives in the form of a written Operating Schedule.

4.2 Location

The Council is aware that demand issues (e.g. the likely demand or need for gambling facilities in an area) cannot be considered with regard to the location of premises but that considerations in terms of the Licensing Objectives can be.

The Council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

When determining an application to grant or vary a premises licence or whether to review a premises licence, regard will be taken as to the proximity of the premises to schools, vulnerable adult centres, or to residential areas with a high concentration of families with children. The proximity of premises etc. taken into consideration will vary depending upon the size and scope of the gambling premises concerned. Each case will, however, be determined on its merits.

With regard to these objectives, it is the LA policy, upon receipt of any relevant representations, to look at specific location issues including:

- The possible impact a gambling premises may have on any premises that provide services to children or young people, i.e. a school, or vulnerable adult centres in the area;
- The possible impact a gambling premises may have on residential areas; where there may be a high concentration of families with children;
- The size of the premises and the nature of the activities taking place;
- Any levels of organised crime in the area.

The Council will need to be satisfied that there is sufficient evidence that the particular location of the premises would be harmful to the Licensing Objectives.

Since 6 April 2016, it has been a requirement of the Gambling Commission's Licence Conditions and Codes of Practice (LCCP), under Section 10, for licensees to assess the local risks to the Licensing Objectives posed by the provision of gambling facilities at their premises. They must have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in this Statement of Principles.

The LCCP goes on to say licensees must review (and update as necessary) their local risk assessments:

- I. To take account of significant changes in local circumstance, including those identified in this policy;
- II. When there are significant changes at a licensee's premises that may affect their mitigation of local risks;
- III. When applying for a variation of a premises licence; and
- IV. In any case, undertake a local risk assessment when applying for a new premises licence.

The Council will expect the local risk assessment to consider as a minimum:

- Whether the premises is in an area subject to high levels of crime and/or disorder;
- The demographics of the area in relation to vulnerable groups;
- The location of services for children such as schools, playgrounds, toy shops, leisure centres and other areas where children are likely to gather.

In any case the local risk assessment should show how vulnerable people, including people with gambling dependencies, are protected.

Other matters that the assessment may include:

- The training of staff in brief intervention when customers show signs of excessive gambling, the ability of staff to offer brief intervention and how the manning of premises affects this.
- Details as to the location and coverage of working CCTV cameras, and how the system will be monitored.
- The layout of the premises so that staff have an unobstructed view of persons using the premises.
- The number of staff that will be available on the premises at any one time.
- If at any time the number of staff available on the premises is one, confirm the supervisory and monitoring arrangements when that person is absent from the licensed area or distracted from supervising the premises and observing those persons using the premises.

4.3 Assessment of Need

Unmet demand is not a criterion that will be taken into consideration when determining an application for a premises licence under the Gambling Act 2005.

4.4 Conditions

Conditions will be applied to licences that are proportionate and appropriate to the business, organisation or individual concerned. The Council will principally draw upon the advice issued by the Gambling Commission and attach conditions relative to the given circumstances of each individual case.

Conditions attached to the premises licences will, so far as possible, reflect local crime prevention strategies. For example, the provision of closed circuit television cameras, licensed door supervision and other controls may be appropriate in certain premises.

4.5 Enforcement & Inspection

The Council is a signatory to the Regulators' Code and will follow the principles set out in it. The Regulators' Code is based upon the principles of consistency, transparency and proportionality.

The Regulators' Code proposes that a graduated response is taken where offences against legislation are found or where licence conditions have been contravened. An isolated administrative offence such as failing to maintain certain records may be dealt with purely by way of a written warning. More serious offences or repeated offences that have been committed over a period of time may result in referral to a licensing sub-committee, the issue of a Formal Caution or a referral for prosecution.

Premises may be subject to a scheme of routine inspection, the frequency of which will be determined by the risks posed by the premises i.e. those premises considered to pose a greater risk will be subject to more frequent inspections than those posing a lower risk.

When determining risk, consideration will be given to:-

- I. the nature of the gambling activities carried out on the premises;
- II. the location of the premises in relation to schools etc.;
- III. the procedures put in place by the management to meet the Licensing Objectives.

Additional random monitoring visits may be made, at the discretion of the licensing team, where it is considered necessary to meet the needs of the Licensing Objectives or following receipt of complaint. The Borough will be monitored for unlicensed premises.

The Council will seek to work actively with the Police in enforcing the Act and associated legislation. It encourages the police to share information about licensees and licensed premises under the Crime and Disorder Act 1998.

The Council recognizes that certain bookmakers have a number of premises within our area. In order to ensure that any compliance issues are recognized and resolved at the earliest stage, operators will be requested to give the Council a single named point of contact, who should be a senior individual, and whom the Council will seek to contact first should any compliance queries or issues arise.

4.6 Casinos

There is no resolution to prohibit casinos in the Borough at present. However, the Council reserves its right to review this situation and may at some time in the future, resolve not to permit casinos.

Should the Council choose to make such a resolution, this will be a resolution of Full Council following considered debate and the reasons for making the resolution will be given.

4.7 Unlicensed Family Entertainment Centre (uFEC) gaming machine permits

Where a premise does not hold a premises licence but wishes to provide gaming machines, it may apply to this licensing authority for a permit. UFEC's may offer any number of category D machines only in reliance on a gaming machine permit.

An application for a permit may be granted only if the LA is satisfied that the premises will be used 'wholly or mainly' as an unlicensed Family Entertainment Centre and if the chief officer of police has been consulted on the application. (A permit will not therefore be granted for an entire complex, shopping centre, airport, etc.).

The application for a permit can only be made by a person who occupies or plans to occupy the premises to be used as an uFEC and, if the applicant is an individual, he or she must be aged 18 or over. Applications for a permit cannot be made if a premises licence is in effect for the same premises.

In considering the application, the licensing authority shall have regard to this Statement of Gambling Policy, the relevant guidance issued by the Gambling Commission and may also have regard to the Licensing Objectives (Schedule 10, paragraph 7 of the Act).

The LA may also consider asking applicants to demonstrate:

- A full understanding of the maximum stakes and prizes of the gambling that is permissible in uFECs;
- That the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act);
- That employees are trained to have a full understanding of the maximum stakes and prizes.

Relevant considerations to take into account would be the applicant's suitability, such as any convictions that they may have that would make them unsuitable to operate a family entertainment centre; and the suitability of the premises in relation to their location and issues about disorder.

Applications must therefore be completed and submitted on the Council approved application form, accompanied by the following:-

- Prescribed fee.

- A satisfactory plan outlining the layout of the proposed authorized premises inclusive of entrance/exit(s), fixed furniture/fittings, location of the various gaming machines and supervisory station(s)).
- Public liability insurance certificate for a minimum cover of £5 million.
- Operating Schedule outlining how the applicant proposes to promote the Licensing Objectives.
- The applicant (individual or each company director) will provide a recent (within one month of issue) DBS check together with a list of all staff names to be employed at the premises, such a list to be updated following the termination or employment of any new member of staff. A recent (within one month of issue) DBS check will be required for each employee before they take up their relevant post.

Given that the premises is likely to appeal particularly to children and young persons, the Licensing Authority will give considerable weight to matters relating to the protection of children from being harmed or exploited by gambling and to ensure that staff supervision adequately reflects the level of risk to this group.

- A permit shall cease to have effect at the end of the period of ten years beginning with the date specified unless it ceases to have effect before that time in accordance with legislation, or it is renewed.
- A permit shall lapse if the holder ceases to occupy the premises specified.
- A permit shall not take effect if on the date specified the person to whom the permit is issued is not an occupier of the premises as specified.
- A permit shall lapse if the licensing authority notify the holder that the premises are not being used as a family entertainment centre (premises used wholly or mainly for use of gaming machine not above category D as defined in the Act).
- A permit shall lapse if the holder ceases to exist, or goes into liquidation (within the meaning of section 247(2) of the Insolvency Act 1986).
- A permit shall cease to have effect if the holder gives to the licensing authority notice of surrender, and either the permit, or a statement explaining why it is not reasonably practicable to produce the permit.

4.8 Alcohol Licensed premises and gaming machine permits

There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority. The licensing authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the Licensing Objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);

- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises.

If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the Council must consider that application based upon the Licensing Objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “such matters as they think relevant”.

Where appropriate and depending on the individual circumstances of the premises the Council in general may consider granting a permit for more than 2 machines without the need to hold a hearing.

This Licensing Authority considers that “such matters” will be decided on a case by case basis. Generally, there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines.

Measures which will satisfy the LA that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be of help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare as well as the promotion of a Responsible Gambling Policy and self exclusion process.

It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

It should be noted that the LA can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

Alcohol licensed premises are able to provide some equal chance gaming. Licensees are referred to the advice provided by the Gambling Commission.

4.9 Door Supervisors (Security Industry Authority Registered)

The Gambling Commission advises in its Guidance for Local Authorities that LAs may consider whether there is a need for door supervisors in terms of the Licensing Objectives of protection of children and vulnerable persons from being harmed or exploited by gambling. This also needs to be considered in terms of preventing premises becoming a source of crime.

The Council will make a door supervisor requirement if there is clear evidence that the premises cannot be adequately supervised and that supervision is necessary and appropriate to promote the Licensing Objectives.

4.10 Betting Machines

While the Council has authority as to the number, nature and circumstances of use of betting machines, it will consider limiting the number where there is clear evidence that such machines have been or are likely to be used in breach in the Licensing Objectives. Where there is such evidence, this authority may consider, when reviewing the licence, the ability of staff to monitor the use of such machines.

5.0 Preventing Gambling from being a source of Crime and Disorder

The Council will, when determining applications, consider whether the grant of a premises licence is likely to result in an increase in crime and disorder.

The Gambling Commission, in its guidance for local authorities, has noted that

“disorder is intended to mean activity that is more serious and disruptive than mere nuisance. Factors to consider in determining whether a disturbance was serious enough to constitute disorder would include whether police assistance was required and how threatening the behaviour was to those who could see or hear it.”

This LA agrees with this statement.

Applicants are encouraged to discuss the crime prevention procedures in their premises with the Council and/or the Sussex Police before making a formal application.

In considering licence applications, the Council will particularly take into account the following:

1. The design and layout of the permit The training given to staff in crime prevention measures appropriate to those premises;
2. Physical security features installed in the premises. This may include matters such as the position of cash registers or the standard of CCTV that is installed;
3. Where premises are subject to age-restrictions, the procedures in place to conduct age verification checks;
4. The likelihood of any violence, public order or policing problem if the licence is granted.

6.0 Ensuring Gambling is Conducted in a Fair and Open Way

Generally, the Gambling Commission would not expect LAs to become concerned with ensuring that gambling is conducted in a fair and open way. This will normally be a matter for either the operator and/or management of the gambling business, and therefore subject to the Operating Licence, or will be in relation to the suitability and actions of an individual who holds a personal licence under the Act. Both of which are the responsibility of the Gambling Commission.

7.0 The Protection of Children and other Vulnerable Persons

7.1 Access to licensed premises

With limited exceptions, the access of children and young persons to those gambling premises, which are adult only environments, will not be permitted.

The Council will seek to limit the advertising for premises so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children.

The Council will consult with the Local Children Safeguarding Unit and / or Sussex Police on any application that indicates there may be concerns over access for children or vulnerable persons.

The Council will judge the merits of each separate application before deciding whether to impose conditions to protect children on particular categories of premises.

This may include such requirements as:

- I. Supervision of entrances;
- II. Segregation of gambling areas from areas frequented by children;
- III. Supervision of gaming machines in non-adult gambling specific premises.

7.2 Vulnerable Persons

The Council does not seek to prohibit particular groups of adults from gambling in the same way that it seeks to prohibit children but it will assume, for regulatory purposes, that 'vulnerable persons' includes:

- people who gamble more than they want to;
- people who gamble beyond their means; and
- people who may not be able to make an informed or balanced decision about gambling due to a mental impairment, alcohol or drugs.

8.0 Complaints against Licensed Premises

The Council will investigate complaints against licensed premises in relation to matters relating to the Licensing Objectives for which it has responsibility. In the first instance, complainants are encouraged to raise the complaint directly with the licensee or business concerned to seek a local resolution.

Where an interested party has made valid representations about licensed premises, or a valid application for a licence to be reviewed, the Council may initially recommend a conciliation meeting to address and clarify the issues of concern.

This process will not override the right of any interested party to ask that the licensing committee consider their valid objections, or for any licence holder to decline to participate in a conciliation meeting.

Due consideration will be given to all relevant representations unless they are considered to be irrelevant, frivolous, vexatious or repetitious.

9.0 Further Information

Further information about the Gambling Act 2005, this Statement of Gambling Policy and about the application process, including application forms and guidance notes can be obtained from:

Environmental Health and Licensing Team
Community Services
Crawley Borough Council
Town Hall
The Boulevard
Crawley
West Sussex
RH10 1UZ

Tel: 01293 438027
Fax: 01293 438604

Email: licensing@crawley.gov.uk
Website: www.crawley.gov.uk

Information is also available from the

Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Tel: 0121 230 6500
Website: www.gamblingcommission.gov.uk

Appendix A

Borough of Crawley



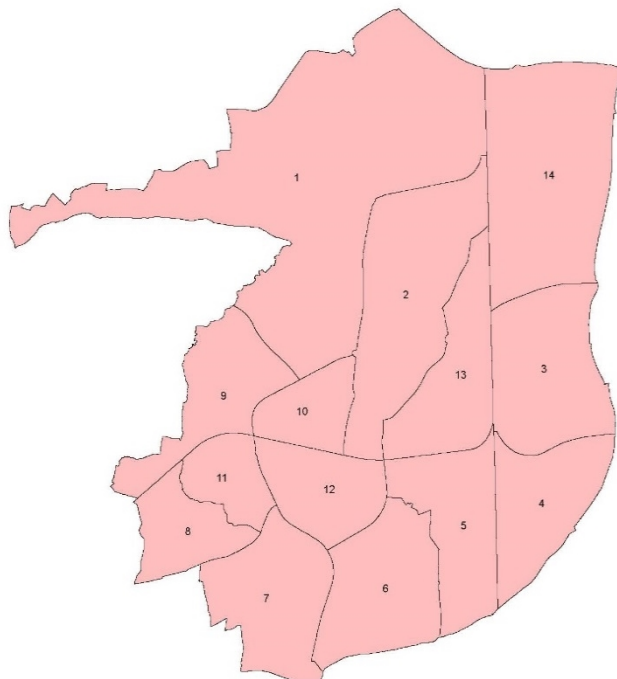
Shown within West Sussex

Geography

Status:	Borough
Region:	South East England
Admin. County:	West Sussex
Area:	44.97 km ²
Admin. HQ:	Crawley

Neighbourhoods of Crawley

1. Langley Green
2. Northgate
3. Pound Hill
4. Maidenbower
5. Furnace Green
6. Tilgate
7. Broadfield
8. Bewbush
9. Ifield
10. West Green
11. Gossops Green
12. Southgate
13. Three Bridges
14. Forge Wood



Appendix B

TABLE OF DELEGATIONS OF LICENSING FUNCTIONS

Matter to be dealt with	Full Council	Sub-committee of licensing committee	Officers
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee Setting - when appropriate		Portfolio Holder	
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		X	
Application for club gaming /club machine permits		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Cancellation of club gaming/ club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	
Determination as to whether a person is an Interested Party			X
Determination as to whether representations are relevant			X
Determination as whether a representation is frivolous, vexatious or repetitive			X

Appendix C

Contact Details for Relevant Authorities

<p><u>The Licensing Authority</u> Environmental Health and Licensing Crawley Borough Council Town Hall, The Boulevard Crawley West Sussex, RH10 1UZ</p>	<p><u>WSCC Fire & Rescue Service</u> Chief Fire Officer West Sussex Fire & Rescue Service Business Fire Safety Horsham Fire Station Hurst Road Horsham West Sussex RH12 2DN</p>
<p><u>HM Revenue & Customs</u> National Registration Unit Portcullis House 21 India Street Glasgow G2 4PZ</p>	<p><u>Chief Officer of Police</u> C.O Licensing Section Horsham Police Station Hurst Road Horsham West Sussex RH12 2DJ</p>
<p><u>Children's Safeguarding Unit</u> Room 24 Durban House Durban Road Bognor Regis PO22 9RE</p>	<p><u>Gambling Commission</u> Victoria Square House Victoria Square Birmingham B2 4BP</p>
<p><u>Crawley Borough Council</u> Planning Authority Crawley Borough Council Town Hall The Boulevard Crawley West Sussex RH10 1UZ</p>	<p><u>Crawley Borough Council</u> Health and Safety Crawley Borough Council Town Hall The Boulevard Crawley West Sussex RH10 1UZ</p>
<p><u>Crawley Borough Council</u> Environmental Health Crawley Borough Council Town Hall The Boulevard Crawley West Sussex RH10 1UZ</p>	

Appendix D
Consultees

Elected Members, Crawley Borough Council
The Gambling Commission
Sussex Police
West Sussex Fire & Rescue Service
Head of Economic and Environmental Services, Crawley Borough Council
Children's Safeguarding Unit, West Sussex County Council
HM Revenues and Customs
Crawley Local Strategic Partnership
Representatives of the licence holders for premises in the Borough who are affected
by this policy
Members of the public who are affected by this policy
Crawley and Gatwick Business Watch

APPENDIX E

GLOSSARY OF TERMS

APPENDIX E

Glossary of Terms

Within this Statement of Gambling Policy, the following words and terms are defined as stated:

Licensing Objectives:	As defined in section 1.1 (above).
Council:	Means Crawley Borough Council
District:	Means the area of West Sussex administered by Crawley Borough Council – see map in Appendix A
Licence:	As defined in section 1.4 below.
Applications:	Means applications for Licences or Permits defined in section 1.4 below.
Notifications:	Means notifications of Temporary Use Notices, Occasional Use Notices and licensed premises gaming machine notices
Act:	Means the Gambling Act 2005
Regulations:	Means Regulations made under the Gambling Act 2005
Premises:	Means any place and includes a vehicle, vessel or moveable structure
Code of Practice:	Means any relevant code of practice under Section 24 of the Gambling Act 2005
Mandatory Condition:	Means any specified condition provided by regulations to be attached to a licence
Betting Machines:	These are machines on the shop floor of the betting office through which a customer can place a bet without having to visit the counter, not to be confused with AWP's.
Responsible Authority:	For the purposes of the Gambling Act 2005, the following are responsible authorities in relation to premises: <ul style="list-style-type: none"> • The Licensing Authority (Crawley Borough Council) • The Gambling Commission • Sussex Police • West Sussex Fire & Rescue Service • Head of Planning Services, Development Control, Crawley Borough Council • Head of Environmental Services, Crawley Borough Council

- Children’s Safeguarding Unit, Social Services, West Sussex County Council (WSSCC)
- HM Revenues and Customs

Interested Party:

For the purposes of the Gambling Act 2005, a person is an interested party in relation to a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the application is made, the person:

- Lives sufficiently close to the premises to be likely to be affected by the authorised activities.
- Has business interests that might be affected by the authorised activities; this could also include, for example, trade associations, charities, faith groups and medical practices.
- Represents persons who satisfy either of the above; for example Residents’ and Tenants’ Associations.
- When considering whether a person is an “interested party,” each case will be judged on its merits taking into consideration the relevant circumstances, including those contained in the Gambling Commission’s Guidance to Local Authorities.

Applications
Authorisations
Authorised Local Authority Officer

Applications for licences and permits
As defined in paragraph 1.15 and 1.16.
A Licensing Authority Officer who is an authorised person for a purpose relating to premises in that authority’s area.

Authorised Person

A Licensing Officer and an officer of an authority other than a Licensing Authority, both of whom have been authorised for a purpose relating to premises in that authority’s area. The following are considered authorised persons:

- Inspectors appointed under the Fire Precautions Act 1971; • Inspectors appointed under the Health and Safety at Work, etc. Act 1974
- Inspectors or Surveyors of ships appointed under the Merchant Shipping Act 1995;
- A person in a class prescribed in regulations by the secretary of State.

Automated Roulette Equipment

2 types: a) Linked to a live game of chance, e.g. Roulette b) Plays live

	automated game, i.e. operates without human intervention
Automatic Conditions	Conditions attached automatically to premises licences or authorisations. The Licensing Authority has no discretion not to include or modify them.
AWP machines	Amusement with Prizes Machines eg. certain fruit machines
BACTA	British Amusement Catering Trade Association
Betting Intermediary	Offers services via remote communication, such as the internet.
Betting Ring Betting Machines Bingo Casino	An area that is used for temporary 'on course' betting facilities. A machine designed or adapted for use to bet on future real events (not a Gaming Machine) where a bet can be placed on the shop floor without the need to visit the counter. A game of equal chance. An arrangement whereby people are given an opportunity to participate in one or more casino games.
Casino Games	Games of chance that are not equal chance gaming.
Casino Premises Licence Categories	<ul style="list-style-type: none"> a) Regional Casino Premises Licence b) Large Casino Premises Licence c) Small Casino Premises Licence d) Casinos permitted under transitional arrangements
Casino Resolution	Resolution not to issue Casino Premises
Child	Individual who is less than 16 years old.
Club Gaming Machine Permit	Permit to enable the premises to provide gaming machines (3 machines of Categories B, C or D)

Code of Practice	Means any relevant code of practice under section 24 of the Gambling Act 2005
Complex Lottery	An arrangement where: <ul style="list-style-type: none">• Persons are required to pay to participate in the arrangement;• In the course of the arrangement, one or more prizes are allocated to one or more members of a class;• The prizes are allocated by a series of processes; and• The first of those processes relies wholly on chance
Council	Crawley Borough Council
Customer Lotteries	Lotteries run by the occupiers of business premises who sell tickets only to customers present on their premises. These lotteries may not be conducted on vessels.
Default Conditions	Conditions that will apply unless the Licensing Authority decide to exclude them. This may apply to all Premises Licences, to a class of Premises Licence or Licences for specified circumstances.
Delegated Powers	Decisions delegated either to a Licensing Committee, Sub-Committee or Licensing Officers.
Domestic Computer	Definition in forthcoming Regulations. Exempt from a Gaming Machine Permit.
Disorder	No set interpretation, however, likely to be connected to the way gambling is being conducted. In the case of gambling premises licences, disorder is intended to mean activity that is more serious and disruptive than mere nuisance.
Equal Chance Gaming	Games that do not involve playing or staking against a bank and where the chances are equally favourable to all participants

EBT	Electronic Bingo Ticket Minders. Electronic equipment operated by a Bingo Operators Licence for playing bingo
Exempt Lotteries	Lotteries specified in the Gambling Act as permitted to be run without a licence from the Gambling Commission. There are 4 types: <ul style="list-style-type: none"> • Small Society Lottery (required to register with Licensing Authorities. • Incidental Non Commercial Lotteries e.g. Raffle at a dance/church fair • Private Lotteries e.g. Raffle at a student hall of residence • Customer Lotteries e.g. Supermarket holding a hamper raffle
External Lottery Manager	An individual, firm or company appointed by the Small Lottery Society to manage a lottery on their behalf. They are consultants who generally take their fees from the expenses of the lottery.
Fixed Odds Betting Fixed Odds Betting Terminal Game of chance	General betting on tracks. A category B2 gaming machine A game of chance can include an element of chance and an element of skill. This does not include a sport.
Gaming Gaming Machine	Playing a game of chance for a prize. Machine covering all types of gambling activity, including AWP machines and betting on virtual events
Categories Max. Stake A Unlimited B1 £2 B2 £100 B3 £1 B4 £1 C 50p D 10p or 30p*	Max Prize £4,000 £500 £500 £250 £25 £5 or £8*
*When non-monetary prize only	
B2 machines are subject to change following Central government policy changes in 2018.	

Guidance

Guidance issued by the Gambling Commission dated May 2009.

Human Rights Act 1998 Articles:
1, 6, 8 and 10

Article 1: Protocol 1 – the right to peaceful enjoyment of possessions
Article 6: - the right to a fair hearing
Article 8: - the right of respect for private and family

GDPR

General Data Protection Regulations 2018

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Appendix B

Summary of Changes - Statement of Licensing Policy Gambling Act 2005

Revisions have been made for the purpose of:

- Updating statistical information
- Ensure that, as far as possible, the language used is easy to understand thereby maximising accessibility.
- Expanding on certain areas within the Statement to facilitate understanding and to support individuals looking to comment upon gambling matters, make representations, and/or signpost people to further information/relevant bodies.
- To take account of legislative changes, including the General Data Protection Regulations (GDPR) 2018

List of Amendments

1.2 Introduction & Area Characteristics

- Inclusion of an overview of the Statement Review process
- Revisions to statistical information. (supported by Appendix A)

1.6 Interested Parties

- Overview of what constitutes an “interested party.”

1.7 Relevant Representations

- Overview of what constitutes a relevant representation under the Act and the matters the LA considers when determining such.

1.9 Consultees

- Sentence included to state that the list of those consulted will be included at Appendix D

1.10 Information Exchange

- Section included regarding the General Data Protection Regulations (GDPR)
- Formulation of information sharing protocols
- Sharing of information

1.11 Declaration

Revisions to the declaration statement regarding matters to be aware of when exercising its functions in relation to premises licensing.

2.0 Legislation, Policies and Strategies

2.1 Licensing Authority Functions

- Policies to be considered by the LA under the Gambling Act 2005, including licences and authorisations

2.2 Matters Outside of The Scope of the Policy

- Section re-worded and added to facilitate understanding

3.0 Decision Making

3.2 Allocation of Functions

- Further detail included regarding frivolous, irrelevant, vexatious representations, and determination of the same.

4.4 Conditions

- Examples of conditions which can be attached to licences

Appendix E Glossary of Terms

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Crawley Borough Council

Report to Overview and Scrutiny Commission
24 June 2019

Report to Cabinet
26 June 2019

Crawley Growth Programme – next phase of projects, update to S106 allocations and funding governance

Report of the Head of Economy and Planning, PES/316

1. Purpose

- 1.1. To provide a progress update to Cabinet on the Crawley Growth Programme, to seek Cabinet approval to consult publically on the next tranche of Programme schemes and to allocate further S106 monies to a number of schemes within the Programme.

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. The Cabinet is recommended to:

- a) Approve going out to public consultation on the concept designs for the next tranche of Crawley Growth Programme schemes: I) Manor Royal to Three Bridges cycle route; II) Town Centre cycle route improvements; III) Bus shelter “super hubs”. (Appendices A to C)
- b) Approve expenditure of up to £783,000 from the existing CBC capital programme - Crawley Growth programme budget on the detailed design phase for the above 3 schemes, subject to consultation.
- c) Approve the allocation of £327,570 of received S106 developer contributions to West Sussex County Council, to be used for one of the Crawley Growth Programme schemes for which they are the lead authority (Appendix G).
- d) Approve the transfer of lead authority for the Town Centre Commercial Space development project from West Sussex County Council to Crawley Borough Council.

- 2.3. Request Full Council to:

- e) Approve that a further £600,842 of received S106 developer contributions is allocated to the CBC capital programme Crawley Growth programme budget and commit these funds to the specific projects as detailed in 7.2.2.
- f) Approve from within the existing Crawley Growth Programme budget, the allocation of £327,637 of received S106 developer contributions to the project schemes set out in section 7.2.2.
- g) Approve an increase to the overall Crawley Growth programme capital programme allocation of £6 million for the Town Centre Commercial Office Space project within the Crawley Growth programme, to be funded from contributions from existing funding commitments to the Crawley Growth Programme, subject to formal agreement with WSCC of a revised funding protocol.

3. Reasons for Recommendations

- 3.1. The recommendations as set out in a, b, d and g, will allow Crawley BC to progress the above projects mentioned to the next phase.
- 3.2. The report to Cabinet of 4 October 2017 informed Members that the Crawley Growth programme will be part financed by an allocation of £2,481,000 of S106 funding. To date Crawley BC has received from developers £1,946,958 of the intended S106 monies. Of this amount Crawley BC has already allocated £1,018,547 to the Crawley Growth Programme. The purpose of the recommendation e and f, is therefore to allocate received S106 funds to the Crawley Growth programme budget within the CBC capital programme so these funds can in turn be allocated to specific projects.
- 3.3. Recommendation c as described above will enable West Sussex County Council to allocate S106 monies to the delivery of the Manor Royal Highways improvements scheme, which is part of the Crawley Growth programme.

4. Background

- 4.1. In September 2017, Crawley BC and WSCC were awarded LEP funding for the Crawley Growth Programme. Significant progress has been made, both in terms of governance arrangements / protocols and individual scheme delivery.
- 4.2. On 4 October 2017, Cabinet were informed that the total cost of the Crawley Growth Programme is anticipated to be £60.4 million and that it will be funded from multiple sources including £29.081m to be funded from a number of private sector sources including Metrobus, Manor Royal BID, Gatwick Airport Ltd (GAL) and developer contributions
- 4.3. West Sussex County Council has taken on the role of lead delivery body for the Crawley Growth Programme and a Funding Agreement between WSCC and the LEP was signed to this effect. This sets out the obligations for overall delivery and financial management of the programme and provision of quarterly progress reports / financial claims to the Local Enterprise Partnership in order to draw down LGF monies against agreed expenditure.
- 4.4. In autumn 2017, Crawley Borough Council signed a funding agreement with West Sussex County Council and agreed the Crawley Growth programme governance, budget and delivery arrangements and the responsibilities of each authority for management of the programme, as well as confirming the payment by WSCC to CBC of Crawley Growth programme funds when required.
- 4.5. The overall co-ordination and strategic management of the Crawley Growth Programme is undertaken by the Crawley Growth Board, chaired by the Chief Executive of Crawley Borough Council alongside the Executive Director for Economy, Infrastructure and Environment at WSCC and attended by senior officer representatives from Crawley BC and WSCC.
- 4.6. The regular monitoring and oversight of the individual schemes within the Programme is undertaken by the Crawley Growth Programme Delivery Team, comprising officer representatives from Crawley BC, WSCC and scheme partners. The Delivery Team will review project updates (including projection initiation documents, risk registers, communication plans) and compile programme level reports and analysis to the Crawley Growth Board.
- 4.7. The Crawley Growth Programme includes the following key strategic partners and delivery bodies: Manor Royal BID, Gatwick Airport Ltd, Arora Group, Network Rail, Govia Thameslink Railway (GTR) Southern, Town Centre Partnership and town centre businesses.

- 4.8. To date the following CBC capital programme amounts from the Crawley Growth programme budget have been allocated to CGP schemes:

Crawley Growth Programme	Budget
Three Bridges Railway Station (incl. £393,759 S106)	£1,893,759
Queensway - The Pavement	£2,000,000
Town Centre Signage & Wayfinding	£180,000
Station Gateway	£5,300,000
Manor Royal Cycle Imps	£1,662,000
Manor Royal and Town Centre Superhubs	£4,000
Town Centre Cycle Imps	£954,000
S106 Allocated to programme through report PES/298	£587,595
S106 Allocated to programme through report FIN/449	£37,193
Total	£12,618,547

5. Progress to date

5.1. Key highlights include:

- **Queensway & The Pavement** – construction contractor appointed and works commenced on site January 2019; currently on schedule and within budget; anticipated completion October 2019.
- **Station Gateway (Arora scheme)** – extensive negotiations are progressing with key stakeholders (Arora, Network Rail, GTR, CBC & WSCC), including in regard to design work and legal agreements. Consultation on the proposed designs is hoped to commence by early July. Subject to process, Arora are expected to submit their reserved matters planning application by end July 2019.
- **Station Gateway (public realm & highway improvements)** – detailed designs being prepared for consultation, which will commence by early July. Planning application expected to be submitted for the upgrade of Friary Way / the Bus Station in autumn 2019.
- **Eastern Gateway (public realm and highway improvements)** – WSCC led scheme - preliminary designs complete; currently out to tender for a design and build contractor; contract award expected by end June 2019; detailed design work Jul-Dec 2019; expected construction period: Spring 2020 to June 2021
- **Haslett Avenue East / Three Bridges station- Traffic Signal Upgrades** - complete
- **Bus Shelter Real Time Passenger Information (RTPI) Installations** – completed with an additional 66 RTPI displays installed at bus shelters across the Crawley network
- **Worth Park Avenue Cycle Path to Three Bridges station** – complete
- **Manor Royal Highway Junction Improvements** – concept designs prepared; consultation completed. Awaiting confirmation of prelim designs.
- **Manor Royal Outdoor Media** – four digital signs installed across Manor Royal to promote BID events and sustainable transport schemes. Can be used to promote CBC services.
- **Three Bridges Station Improvements** – new bus shelter with Real Time Passenger Information installed opposite Station in May 2019, traffic modelling and design work progressing well. Proposals for detailed designs ready to be presented for consultation by September 2019, ahead of the submission of a planning application later in the autumn.
- **Town Centre Signage & Wayfinding** – digital sign installed in Queens Square May 2019; five new monolith signs in Memorial Gardens and a new High Street Conservation Area sign to be installed summer 2019; this will complete the town centre signage programme.

6. The Next Phase of CBC Led Projects

6.1. Cycling and Walking – Priority Schemes for Manor Royal and the Town Centre

- 6.1.1. The Crawley Growth Programme has allocated £3.092m to deliver a number of cycle route improvements at key locations in Manor Royal (£1.992m) and the Town Centre (£1.1m). The priority cycle route improvements identified for delivery through the Crawley Growth Programme are:

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I) the creation of a dedicated cycle route link between Manor Royal and Three Bridges Station, which connects Crawley's principal employment zone to a key transport hub (route MR-A).

II) Town Centre cycle route improvements, which will create a complete "orbital" ring cycle route around the town centre core (route TC-A).

The delivery of such sustainable transport infrastructure improvements will boost overall transport capacity and should enable increased modal shift from car usage to cycling and walking alternatives. This will in turn enable Manor Royal firms to grow and create more jobs.

- 6.1.2. Cycle route MR-A is proposed to comprise: I) dedicated cycle lanes with mainly light segregation on-carriageway on both sides of Hazelwick Avenue; II) Toucan crossings from Three Bridges station to link with the cycle route; III) Improved crossing opportunities, IV) Speed reductions on parts of Hazelwick Avenue to 30mph; V) Widening of the off-carriageway route from Hazelwick Avenue to the Woolborough Lane underpass. Traffic modelling has shown that overall the proposed scheme will have no negative impact on vehicular flows.
- 6.1.3. A summary overview of the corresponding concept design is provided in Appendix A. A full consultation package would be made available for the proposed public consultation in early July.
- 6.1.4. The anticipated cost of the MR-A scheme is estimated to be £1,405,606 to be funded by the Crawley Growth programme.
- 6.1.5. In considering which of the town centre cycle routes to progress, within the available budget, it was felt that that the highest priority should be to complete the Town Centre "orbital" ring route; TC-A. This will connect with cycling and walking schemes already being delivered by the Eastern Gateway and Station Gateway schemes and provide complete, coherent routes that are both safe and attractive, ultimately enabling cyclists to travel all the way around the town centre core.
- 6.1.6. It is therefore recommended that cycling and walking schemes at the western end of The Boulevard and at the Station Way Gyratory are prioritised (TC-A). These have been costed at an estimated total of £1,674,990. The delivery of the full scheme above is subject to additional funding being confirmed from the WSCC Signals Refurbishment programme, which would enable the Station Way Gyratory element. If it is not be possible to secure additional funding then the project would be scaled down in line with the approved budget and other funding options within the Crawley Growth programme will be considered.
- 6.1.7. A summary overview of the corresponding concept designs for the above are provided in Appendix B. A full consultation package would be made available for the proposed public consultation in early July.
- 6.1.8. It is proposed to go out to consultation on the concept designs for both the above priority cycle schemes by the end of June / July 2019. Subject to Cabinet approval of the detailed designs it is intended that planning applications would be submitted by the end of 2019. Subject to Planning permission, construction would take place between June 2020 and March 2021.
- 6.1.9. To date, £105,451 has been spent on provisional designs for both of the above schemes and it is anticipated that the cost for the next detailed design phase will be:
- I) Manor Royal to Three Bridges cycle route, £254,000; which is included in the total costs of £1,405,606, outlined in 6.1.4 which is within the existing CBC capital programme allocation of £1,662,000.
 - II) Town Centre cycle route improvements, £469,000; which is included in the total costs of £1,674,990, outlined in 6.1.5 and which is within the existing CBC capital programme allocation of £954,000.

6.2. Bus Shelter Superhubs

- 6.2.1. The Crawley Growth Programme has allocated £400,000 to deliver a number of ‘super’ bus shelters at key locations in Manor Royal and the town centre to enhance the passenger experience and give them access to a more attractive bus service, encouraging modal shift. These are known as bus shelter “super hubs” and they are in essence enlarged bus shelters which are designed and built to a higher specification whilst also being fitted out with additional amenities – extra seating, video screens etc. to encourage increased usage.
- 6.2.2. A design feasibility study for the superhubs has been carried out and has resulted in concept designs being developed that are both site specific and place sensitive. The project team is now working further on the scheme costs for in order to determine within the budget the number of bus shelter super hubs which can be delivered across key locations within Manor Royal, the Town Centre and Three Bridges Rail Station.
- 6.2.3. A summary overview of the corresponding concept designs for the above are provided in Appendix C. A full consultation package would be made available for the proposed public consultation in July. It is proposed to go out to consultation on the concept designs for the priority schemes in early July 2019.
- 6.2.4. It is anticipated that the costs for the next detailed design phase will be £60,000, which can be met from the proposed budget as detailed in 7.2.2 and appendix D and F.
- 6.3. The table below provides an overview of the total budget required for each of the above three schemes in order to implement the detailed design phase:

Next Phase of Projects	Cost
Manor Royal to Three Bridges cycle route	£254,000
Town Centre cycle route improvements	£469,000
Superhubs Next detailed design phase	£60,000
Total	£783,000

7. Programme Funding and Governance

7.1. S106 allocation to schemes within the Crawley Growth programme - update

- 7.1.1. To date, Crawley BC has received from site developers £1,946,958 of the S106 monies to be allocated to the Crawley Growth programme, of this amount Cabinet has already approved the allocation of £1,018,547 to schemes within the Crawley Growth Programme via the reports listed below.

Cabinet Report	Amount of S106 Approved
11 February 2015, SHAP/43	£393,759
27 June 2018, PES/298	£587,595
5 September 2018, FIN/449	£37,193

£1,018,547

- 7.1.2. The table below shows that of the above figure, £690,910 has already been committed to specific schemes through the standard S106 approval process, leaving £327,637 still to be committed. This is explained in the table below and shown in the outturn report FIN/472:

Scheme Costs	S106 Cont.
Three Bridges Station Improvements	£430,952
Manor Royal Cycle Route Improvements	£96,248
Manor Royal Bus Shelter Superhubs	£67,440
Town Centre Cycle Route Improvements	£96,270
Total S106 committed to specific projects	£690,910
<i>Allocated to programme- projects still to be specified</i>	<i>£327,637</i>
Total S106 currently incl. in CGP Capital Programme	£1,018,547

7.2. Proposal to add more S106 funds to the Crawley Growth Programme (CGP) and to allocate to schemes.

7.2.1. It is recommended to increase the overall Crawley BC capital programme allocation within the Crawley Growth Programme budget by a further £600,842 of S106 developer contributions, which have already been paid to the Council, It is proposed to commit both this additional £600,842 and the remaining £327,637, explained in the table above, to specific schemes. A list of the proposed individual site S106 contributions to be used for each scheme has been provided in Appendix D.

7.2.2. The table below illustrates the S106 funds already committed to specific schemes and the proposed distribution to project schemes of the remaining £327,637 and the additional £600,842 S106 monies. The relevant ward members have been consulted. These proposals would mean that the total amount of S106 funds committed to Crawley led CGP projects will increase to £1,619,389.

Scheme Costs	S106 already Committed	S106 already Allocated to programme	S106 Held to be added to the Programme	New Total
Manor Royal Cycle Imps	£96,248	£118,557	£112,096	£326,901
Bus Shelter Superhubs	£67,440	£187,507	£85,414	£340,361
Three Bridges Station	£430,952	£0	£0	£430,952
Town Centre Cycle Imps	£96,270	£21,573	£102,801	£220,644
Station Gateway	£0	£0	£300,531	£300,531
	£690,910	£327,637	£600,842	£1,619,389

7.3. Town Centre- Grade A Commercial Office Space Delivery

7.3.1. The Crawley Growth Programme includes an allocation of £6m to support delivery of much needed small business commercial office space. The rationale for this is the major shortage of good quality commercial office space in the town centre and the vital importance of balancing the town centre's residential growth with strong employment growth. A number of studies have identified a high demand for 21st century quality commercial office space in the town centre and much of the current provision does not meet modern requirements, some of which is being lost to office to residential permitted development.

7.3.2. In December 2017, WSCC was confirmed as the lead authority. It is now proposed that CBC becomes instead the lead partner for the delivery of proposals to secure Grade A commercial office space in Crawley Town Centre.

7.3.3. In March 2019, the Growth Board agreed that Churchill Court in Manor Royal, be added to the Crawley Growth Programme and that £6m of LGF would be allocated to support the acquisition. The site, acquired by WSCC, was recently refurbished to provide 2,540sqm of Grade A commercial space in Crawley. The site contributes towards the achievement of the overall target

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outcome for the Crawley Growth programme an additional 135,000sqm of commercial space to be delivered by 2030.

7.3.4. The addition of Churchill Court to the Crawley Growth Programme means that the West Sussex CC capital allocation to the Crawley Growth Programme will increase from £7.891m to £19.170m. This is subject to formal approval by WSCC, the process for which is underway and is due to complete by early July, as is the process for approval by WSCC for the transfer to CBC of the lead partner responsibility for the town centre commercial office space delivery.

7.3.5. As well as formal approval by WSCC, the recommendation for CBC to take on the lead partner role for the Town Centre commercial office space scheme is subject to the conclusion and sign off of a new funding agreement between the two authorities, which would provide CBC with a guarantee from WSCC that the corresponding additional £6m of funds will be made available to CBC to support the delivery of the Crawley Growth Programme.

7.4. Revised Funding Protocol

7.4.1. The report to Cabinet of 27 June 2018 – Crawley Growth Programme – Update (PES/298), outlined the intended funding sources for the projects being led by CBC. Appendix E contains a table showing the funding sources intended at that time.

7.4.2. The proposed additions and amendments to the Crawley Growth Programme outlined in this report, mean that the total Crawley BC budgetary responsibility will increase from £14.209m, as set out in Appendix E, to £20.209m as detailed in Appendix F. CBC's own capital contribution would remain unaltered at £5.4m. The increase of £6m is detailed in 7.3.

7.4.3. The ability to be flexible in the use of the funds across the CBC led projects continues to be important and amendments to move funds between projects would therefore be agreed by the Crawley Growth Board in conjunction with the CBC Head of Corporate Finance, provided the agreed overall Crawley Growth programme costs do not increase. Any such amendments would be captured in the corresponding quarterly budget monitoring reports to Cabinet.

7.4.4. Should the projects not be deliverable or should they progress under budget, the Growth Board will consider how funds are re-allocated and any key decisions will be taken through the appropriate decision making and governance processes within each organisation as required.

7.4.5. The table below illustrates the increase to WSCC's financial contributions to the overall Crawley Growth programme, as a result of the proposed funding amendments explained above.

Programme Funding	Breakdown Mar 18 (m)	Breakdown May 19 (m)
LGF	14.640	14.640
WSCC	7.891	19.170
CBC	5.400	5.400
S106 (CBC)	2.405	2.405
S106 (Held by WSCC)	0.113	0.113
CIL Report – PES/302	1.432	1.432
TOTAL	31.881	43.160

7.5. Proposal to transfer S106 funds to West Sussex County Council as lead authority for delivery of the Crawley Growth Programme

7.5.1. It is also proposed to transfer to West Sussex County Council a further £327,569 of S106 developer contributions, which have already been paid to CBC. This would provide a contribution to the Manor Royal Highways Junction improvements project, for which West Sussex County Council is the lead authority. A list of the proposed S106 contributions to be used for the project has been provided in Appendix G.

- 7.5.2. As a consequence of all of the above, the total amount of S106 allocated to date to the overall Crawley Growth Programme would become £1,946,958, which is the exact amount of S106 funding received from developers by Crawley BC to date for the Programme, as explained in section 3.2 of this report.

8. Financial Implications

- 8.1. Whilst these proposals require no direct additional revenue or capital funding commitment from Crawley Borough Council it should be noted that by assuming the lead partner role for the Town Centre Commercial Office Space delivery scheme the Crawley BC overall budgetary responsibility for the Crawley Growth programme will increase from £14.209m to £20.209m as illustrated in the table in Appendix F.
- 8.2. S106 resources proposed to be allocated to the Crawley Growth Programme through this report are secured from site developers through the planning process.

9. Legal Implications

- 9.1. Crawley Borough Council has signed a partnership agreement with West Sussex County Council, which confirms the Crawley Growth programme governance, budget and delivery arrangements and the responsibilities of each authority for management of the programme.
- 9.2. The Coast to Capital Local Enterprise Partnership has drawn up a programme delivery contract for the Crawley Growth Programme, which it has signed off with West Sussex County Council, as lead delivery body. The County Council has in turn sought to confirm the participation and commitment of Crawley Borough Council to delivery of the Growth programme through a partnership agreement, as described above.
- 9.3. Crawley BC taking on the lead partner role for the Town Centre Commercial Office space delivery scheme is subject to the sign off of an amended Funding Agreement between Crawley BC and WSCC, in order to confirm formally the change in project lead to CBC from WSCC and to confirm the additional £6m of Crawley Growth programme funding allocated to CBC will be made available to CBC to support the delivery of the Crawley Growth Programme.

10. Background Information

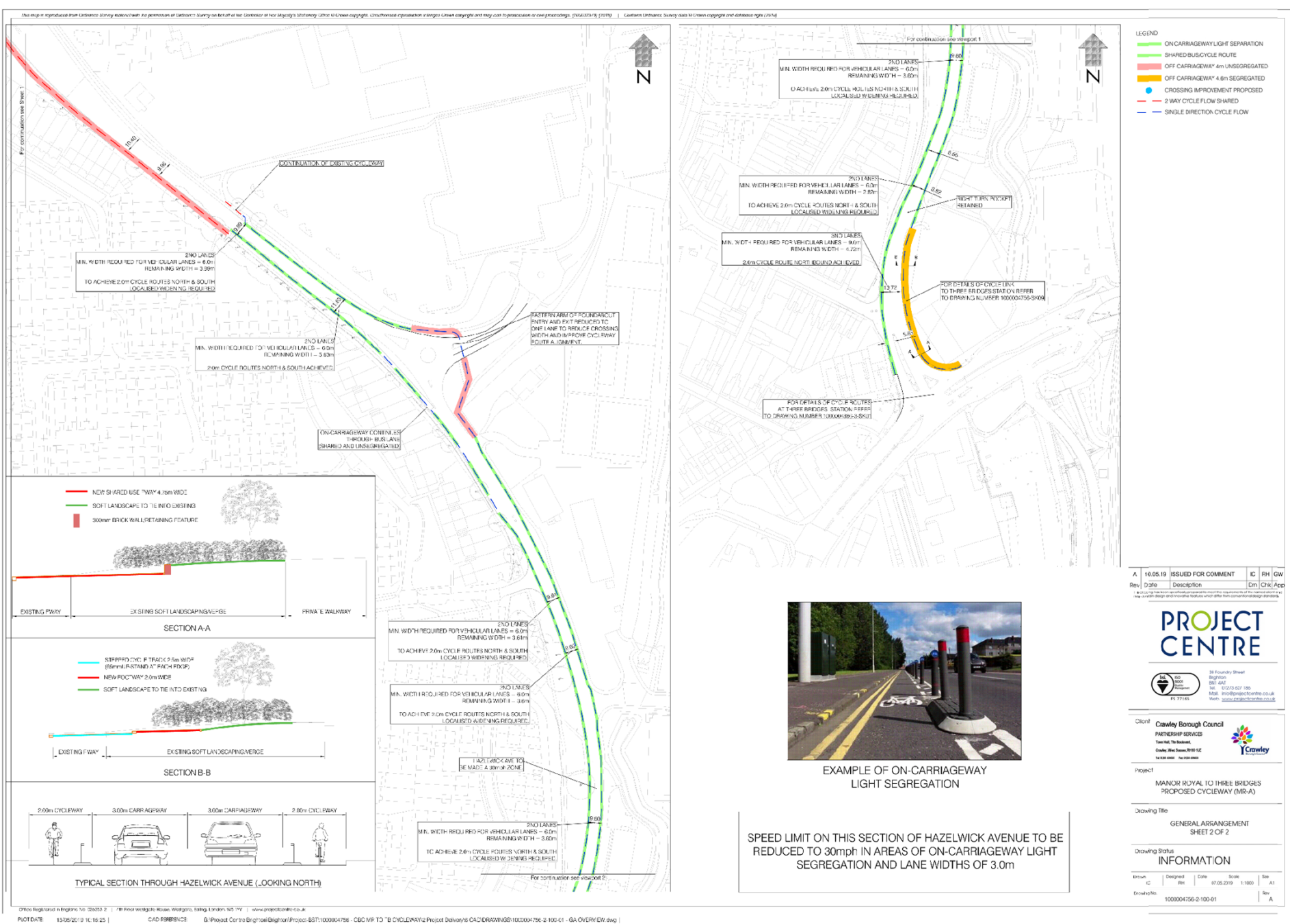
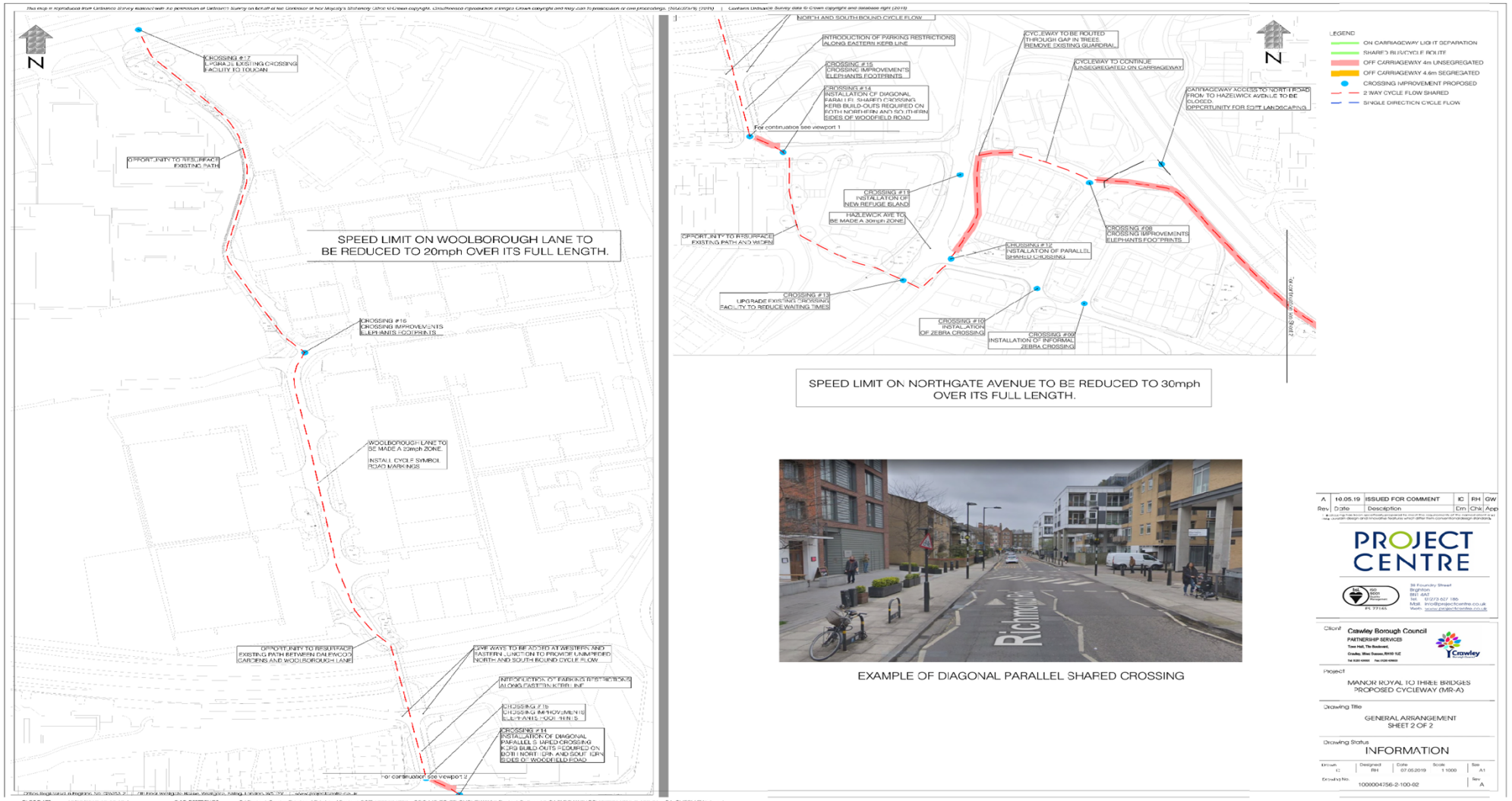
- [Report to Cabinet 4 October 2017 - Proposed Crawley Growth Programme 2017-21 \(PES/259\)](#)
- [Report to Cabinet 27 March 2017 Town Centre Regeneration Programme \(Phase 2\) Queensway & The Pavement \(PES/230\)](#)
- [Report to Cabinet 21 March 2018 - Three Bridges Station Improvement Scheme \(PES/280\)](#)
- [Report to Cabinet 27 June 2018 – Crawley Growth Programme – Update \(PES/298\)](#)
- [Report to Cabinet 2018/2019 Budget Monitoring - Quarter 1 \(FIN/449\)](#)

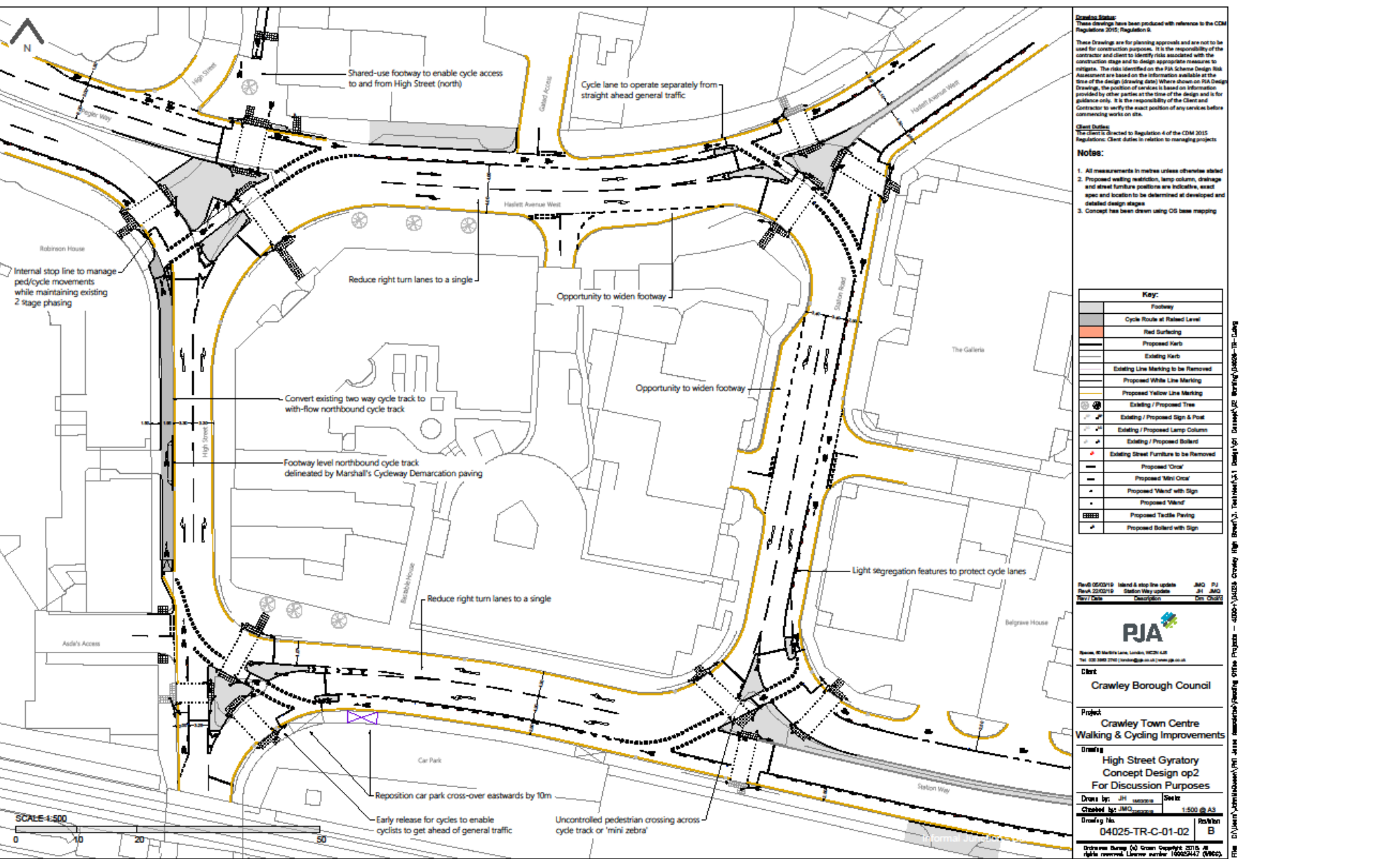
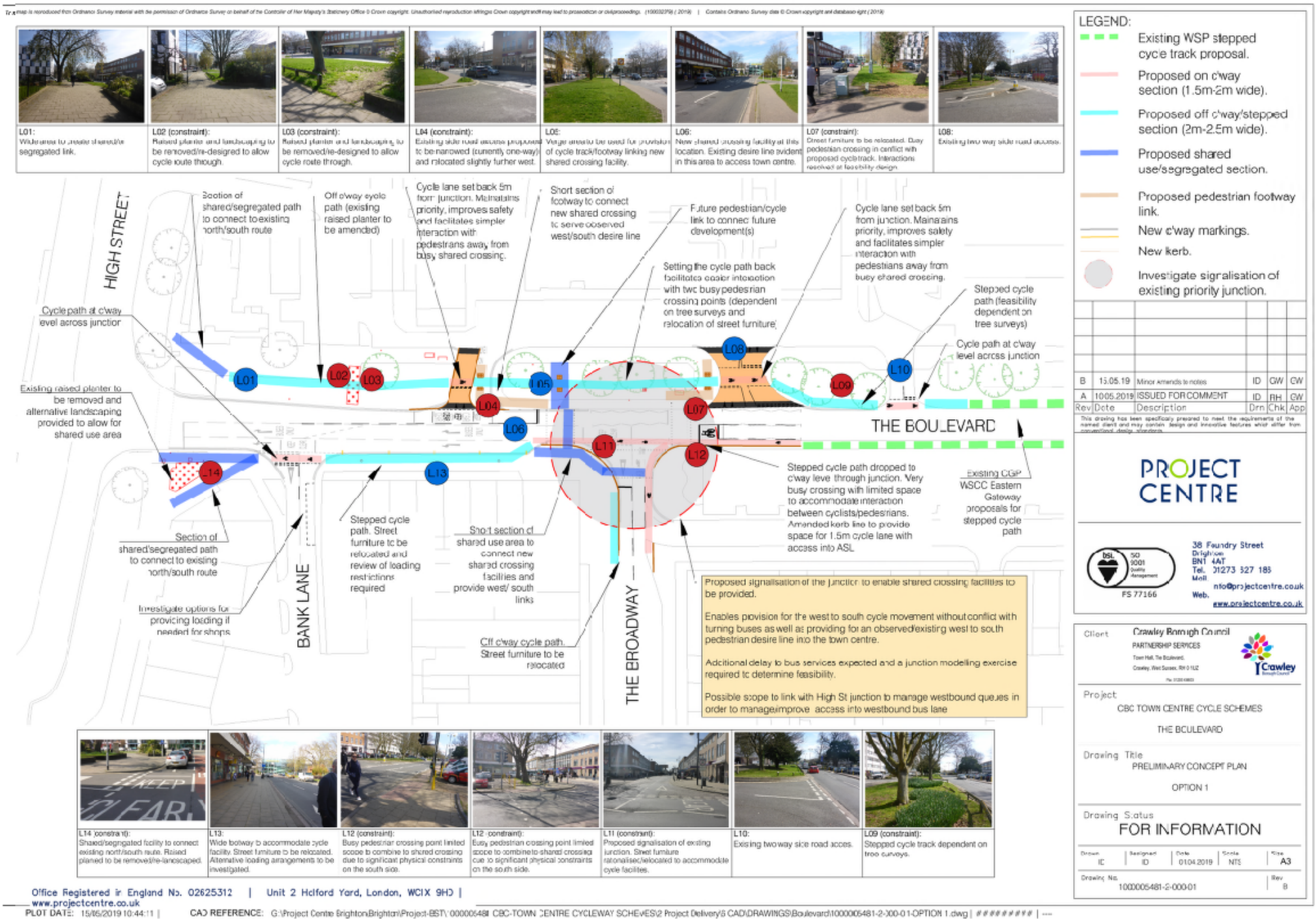
Report author and contact officer:

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Tel: 01293 438567 Email: Clem.Smith@crawley.gov.uk

Appendix A- MRA, concept designs

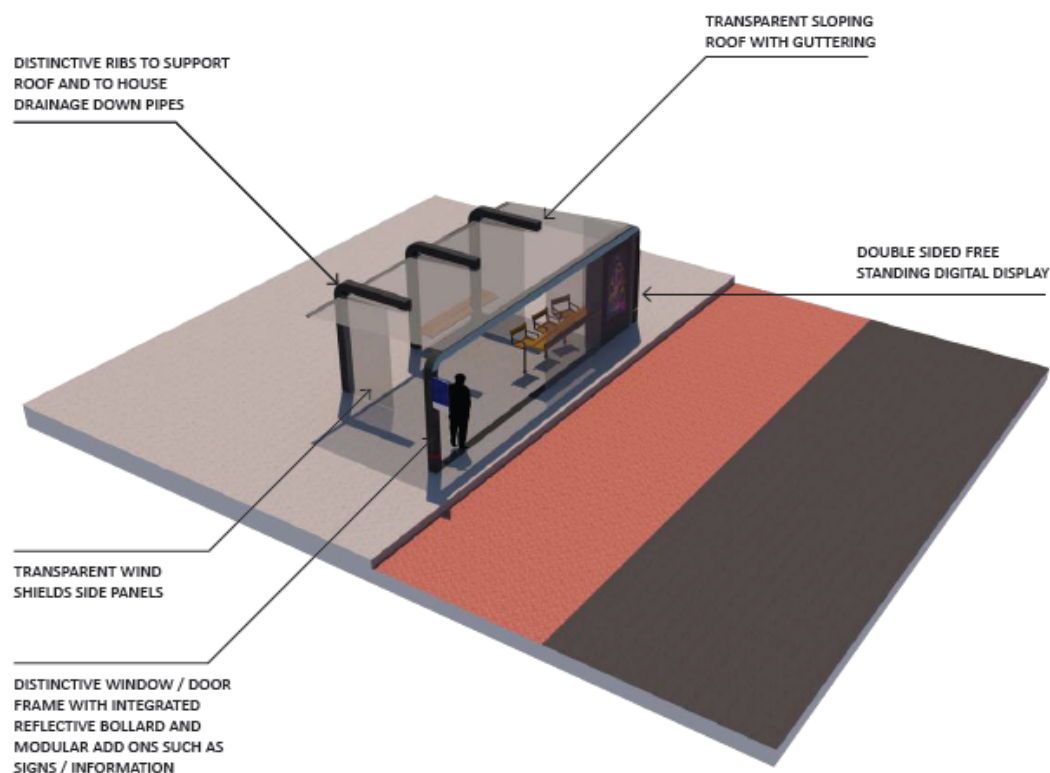




Appendix C- Superhub, concept designs

Shelter Scenario One

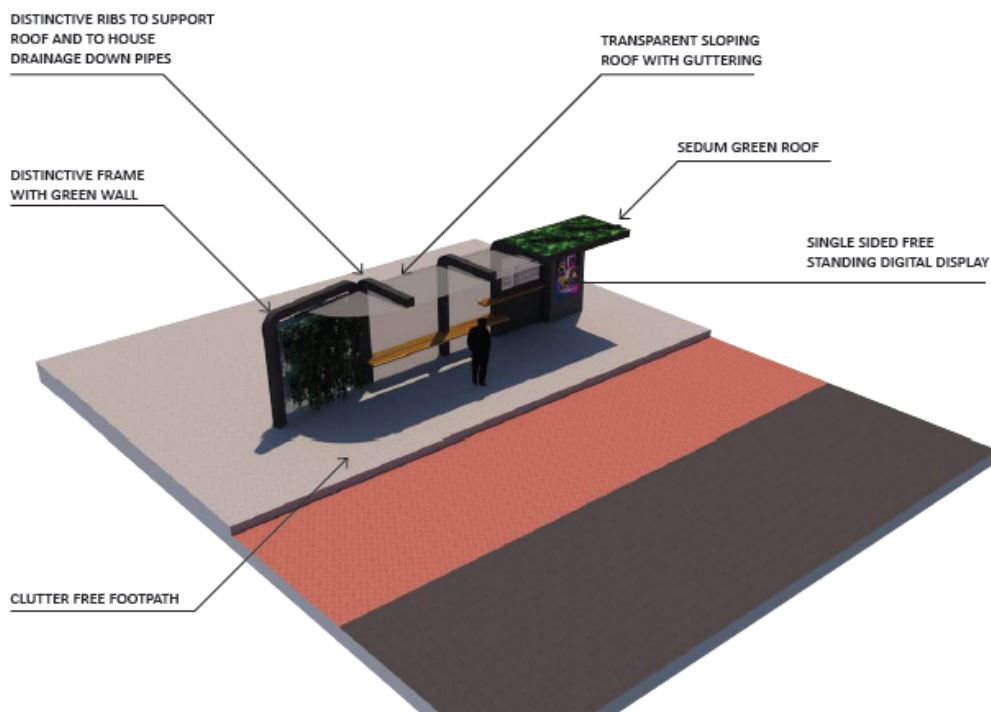
This shelter scenario provides a 'waiting room' with seating, technology and standing space that is accessed from all sides. Side panels, advertising screens and digital displays could be repositioned / rotated to suit requirements.



Shelter Scenario Two

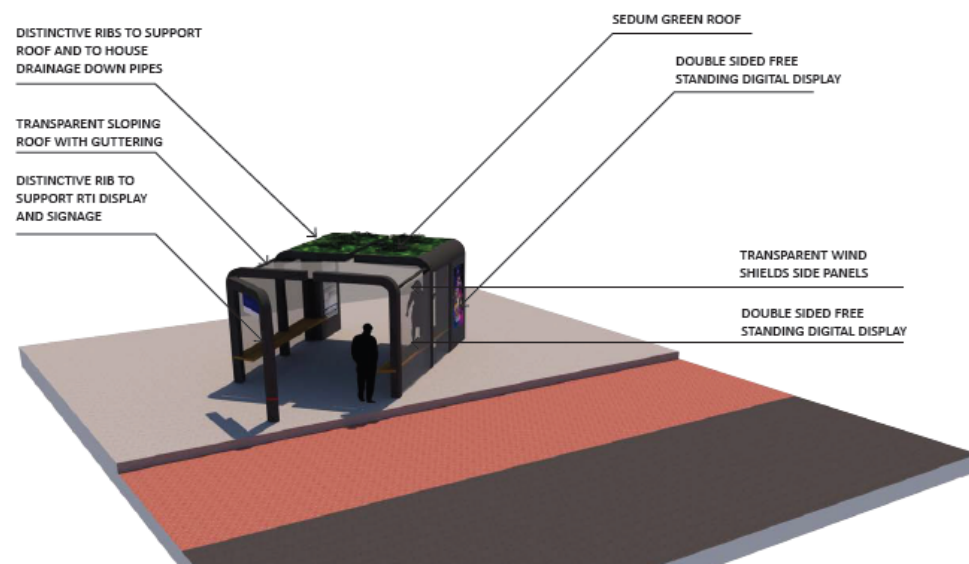
This option provides overhead shelter with seating, technology and standing space. It is to be used where the footpath space is limited. It allows for ease of movement along footpath and omits 'blindspots' by reducing street clutter and barriers.

Side panels, advertising screens and digital displays could be repositioned / rotated to suit requirements.



Shelter Scenario Three

This option provides a distinctive covered 'waiting room' with seating, technology and standing space. The orientation of the room funnels customers from adjoining public footpaths to the kerb side and bus entry. It also provides space for passengers to disembark while others wait to embark.



Appendix D – Proposed Allocations, CBC Led:

Manor Royal Walking & Cycling.

Contribution Type	Planning Application	Proposed Allocation	Justification
Transport	CR/2006/0179/FUL	£5,200.00	Towards costs of works and improvements to the transport infrastructure and sustainable transport within the Borough of Crawley
Transport	CR/2012/0134/OUT	£19,454.18	for the purposes set out in SPD 1.'
Transport	CR/2013/0255/FUL	£20,634.00	a contribution towards Transport necessitated by the Development
Transport	CR/2014/0352/FUL	£5,905.00	towards transport improvements in the vicinity of, and necessitated by, the Development in accordance with SPD1'
Transport	CR/2014/0760/FUL	£146,482.73	towards the provision of transport facilities necessitated by the Development
Transport	CR/2014/0824/FUL & CR/2015/0771/NCC	£32,976.55	towards the provision of the following: cycle enhancements between Ifield Avenue and County Oak Way; an on-street parking traffic order in County Oak Way; and infrastructure improvements to benefit the Development'
£230,652.46			

Superhubs.

Contribution Type	Planning Application	Proposed Allocation	Justification
Transport	CR/2000/0481/OUT	£67,969.00	a contribution toward public transport provision'
Transport	CR/2005/0245	£651.00	the sum of £5,400 (five thousand and four hundred pounds) as a contribution towards the costs of works and improvements to the transport infrastructure necessitated by the Development
Transport	CR/2007/0121/FUL	£30,000.00	towards the costs of works and improvements to public transport necessitated by the Development'
Public Realm MR	CR/2011/0264/FUL	£2,684.00	for the purposes set out in SPD1'
Public Realm MR	CR/2011/0394/FUL	£804.00	a contribution towards the costs of works and improvements to the Manor Royal Industrial Estate necessitated by the Development in accordance with SPD1.'
Public Realm MR	CR/2012/0093/FUL	£1,948.00	a contribution towards Manor Royal Improvements necessitated by the Development in accordance with SPD 1'
Public Realm MR	CR/2012/0134/OUT	£31,962.88	for the purposes set out in SPD1'
Public Realm MR	CR/2013/0255/FUL	£50,688.00	a contribution towards Manor Royal necessitated by the Development in accordance with SPD 1'
Public Realm MR	CR/2013/0400/FUL	£800.00	a contribution towards Manor Royal necessitated by the Development in accordance with SPD1.'
Transport	CR/2014/0760/FUL	£85,414.27	towards the provision of transport facilities necessitated by the Development in accordance with SPD1'
£272,921.15			

Town Centre Walking & Cycling.

Contribution Type	Planning Application	Proposed Allocation	Justification
Transport	CR/2012/0394/FUL	£9,418.69	towards Transport/TAD necessitated by the Development in accordance with SPD1'
Transport	CR/2014/0175/FUL	£2,100.00	towards Transport/TAD necessitated by the Development in accordance with SPD1'
Transport	CR/2014/0317/NCC	£10,054.37	towards the costs of works and improvements to sustainable transport initiatives and transport infrastructure necessitated by the Development
Transport	CR/2012/0134/OUT	£8,771.00	For the purposes set out in SPD 1.'
Transport	CR/2005/0714/FUL	£94,030.00	To be spent on 'works and improvements to the transport infrastructure necessitated by the Development'
£124,374.06			

Station Gateway.

Contribution Type	Planning Application	Proposed Allocation	Justification
Transport	CR/2005/0398/OUT, CR/2006/0647/FUL & CR/2008/0185/NCC	£2,925.00	towards the costs of works and improvements to sustainable transport and transport infrastructure necessitated by the Development'
Transport	CR/2005/0714/FUL	£100,000.00	To be spent on 'works and improvements to the transport infrastructure necessitated by the Development'
Transport	CR/2006/0185/COU & CR/2008/0190/FUL	£6,000.00	towards the provision of the transport facilities in Crawley'
Transport	CR/2006/0355	£7,398.00	as a contribution towards the costs of works and improvements to the transport sustainable transport within the Borough of Crawley necessitated by the Development.infrastructure
Transport	CR/2006/0714	£68.24	to be spent on improvements to transport infrastructure within the Borough of Crawley necessitated by the Development
Town Centre	CR/2011/0431/FUL & CR/2014/0362/NCC	£138,208.00	to be used by the Council to ensure public realm improvements within the town centre and/or future enhancements to the public realm
			to be used by the Council to provide town centre management and shopmobility facilities to serve the Site'
			for public realm which may include higher quality paving, higher quality street furniture, and nonstandard street lights;'
Town Centre	CR/2011/0487/FUL	£7,476.19	towards public realm necessitated by the Development in accordance with SPD1'
Transport	CR/2013/0517/OUT	£38,455.57	towards the costs of works and improvements to sustainable transport and transport infrastructure necessitated by the Development'
£300,531.00			

Appendix E

Table relating to 7.4.1 – Funding Sources originally proposed:

Scheme Costs	CBC Capital	S106	LEP Claimed	S106 Held to add	LEP to be claimed	Comb. Total	Anticipated Funds	Final Budget
Manor Royal Cycle Imps	1.662	0.096	0.000	0.000	0.000	1.758	0.116	1.874
Manor Royal Superhubs	0.000	0.067	0.000	0.000	0.000	0.067	0.113	0.180
Queensway	1.100	0.00	0.900	0.00	0.00	2.000	0.200	2.200
Three Bridges Station	1.500	0.431	0.000	0.000	0.000	1.931	1.006	2.937
Town Centre Cycle Imps	0.954	0.096	0.000	0.000	0.000	1.050	0.028	1.078
Town Centre Signage	0.180	0.000	0.000	0.000	0.000	0.180	0.000	0.180
Station Gateway	0.000	0.000	0.100	0.091	5.109	5.300	0.100	5.400
Town Centre Superhubs	0.004	0.000	0.000	0.000	0.000	0.004	0.028	0.032
Specific projects TBA	0.000	0.328	0.000	0.000	0.000	0.328	0.000	0.328
	5.400	1.018	1.000	0.091	5.109	12.618	1.591	14.209

Appendix F

Table relating to 7.4.2 – Funding sources and changes to overall budget based on amendments mentioned in this report.

Scheme Costs	CBC Capital	S106	LEP Claimed	LEP Funded to be claimed	WSCC Funded	Total Funded Budget	Anticipated S106/ CIL	Final Budget
Manor Royal Cycle Imps	0.516	0.327	0.123	0.000	0.971	1.937	0.055	1.992
Manor Royal Superhubs	0.009	0.272	0.000	0.000	0.000	0.281	0.019	0.300
Queensway	0.061	0.000	0.706	0.000	1.433	2.200	0.000	2.200
Three Bridges Station	1.262	0.431	0.041	0.203	0.000	1.937	1.000	2.937
Town Centre Cycle Imps	0.000	0.221	0.026	0.000	0.853	1.100	0.000	1.100
Town Centre Signage	0.180	0.000	0.000	0.000	0.000	0.180	0.000	0.180
Station Gateway	0.100	0.301	0.124	0.000	4.875	5.400	0.000	5.400
Town Centre Superhubs	0.013	0.068	0.000	0.000	0.000	0.081	0.019	0.1
Town Centre Commercial	3.259	0.000	0.02	2.721	0.000	6.000	0.000	6.000
Total	5.400	1.620	1.040	2.924	8.132	19.116	1.093	20.209

Appendix G – Proposed Allocations, WSCC Led:

Manor Royal Junction Improvements.

Contribution Type	Planning Application	Site Address	Amount Allocated to Schemes
Public Realm (MR)	CR/2014/0824/FUL & CR/2015/0771/NCC	£10,015.10	to be applied at the Council's discretion towards projects in the Manor Royal Business Improvement District, including (but not limited to) the park to the immediate south east of the Land, signage and wayfinding in the Manor Royal Business Improvement District as a whole and improvements to the roundabout at Betts Way and London Road'
Transport	CR/2014/0824/FUL & CR/2015/0771/NCC	£24,293.59	towards public realm improvements at County Oak Corner'
Public Realm (MR)	CR/2016/0176/FUL	£5,001.56	to be applied at the Council's discretion towards the provision of: a bus stop shelter for an existing bus stop in County Oak Way; a real time information screen at either the London Road or Fleming Way bus stop (within a reasonable distance of the retail units); and sustainable access improvements to benefit the development'
Transport	CR/2005/0639/OUT	£273,577.78	The provision of a 3.0 metre shared footway/cycleway along the A23 London Road and the geometric improvement of the A2011 Crawley Avenue approach to Hazelwick Avenue'
Public Realm (MR)	CR/2014/0437/FUL	£13,269.00	towards infrastructure improvements, public art and signage within the Manor Royal Business District necessitated by the Development in accordance with SPD1'
Public Realm (MR)	CR/2016/0005/FUL	£1,412.77	a contribution towards infrastructure improvements, public art and signage within the Manor Royal business district necessitated by the Development in accordance with SPD1.'
		£327,569.80	

Crawley Borough Council

Report to Overview and Scrutiny Commission 24th June 2019

Report to Cabinet 26th June 2019

District Heat Network – Operations, Maintenance and Billing Contract

Report of the Head of Major Projects and Commercial Services - **HPS/20**

1. Purpose

- 1.1 This report seeks approval to commence procurement for the appointment of an Operations, Maintenance and Billing Contractor for the Town Centre District Heat Network (DHN). It is further recommended that authority to appoint the contractor, once the tender exercise is complete, is delegated to the Head of Major Projects and Commercial Services and the Head of Corporate Finance, in consultation with the Cabinet Member for Environmental Services and Sustainability and the Leader.

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 submit to the Cabinet.

- 2.2 To the Cabinet

- 2.2.1 The Cabinet is recommended to:

- a) Approve the undertaking of a procurement exercise to enable the appointment of an operations, maintenance and billing contractor for the town centre DHN.
- b) Delegate authority to the Head of Major Projects and Commercial Services to undertake the procurement exercise to appoint the Operations, Maintenance and Billing contractor for the town centre DHN in accordance with the Council's Procurement Code. (Generic Delegation 7 will be used to enact this recommendation)
- c) Delegate authority to the Head of Major Projects and Commercial Services and the Head of Corporate Finance, in consultation with the Leader of the Council and the Cabinet Member for Environmental Services and Sustainability to enter into a contract with the most advantageous bidder, once the tender exercise is complete.

3. Reasons for the Recommendations

- 3.1 Operations, maintenance and billing functions associated with a District Heat Network are specialist functions, appropriate experience for which does not currently exist 'in house'. The recommendations will enable a procurement exercise to be undertaken to appoint a suitable qualified and experienced contractor to undertake these functions on behalf of the Council.

4. Background

- 4.1 On 8th February 2017, the Cabinet considered report DEC/02 on the town hall redevelopment site and made recommendations to Full Council. The Council approved recommendations to facilitate the development of a town centre District Heat Network through the development of an energy centre and associated plant as part of the town hall redevelopment with the capability of being expanded in due course. The report noted that the development of the DHN would be subject to approval of a separate business case in due course.
- 4.2 The DHN Business Case was considered by Cabinet on 31st October 2018 (Report Number HPS/15) and Cabinet made recommendations to Full Council to approve a capital budget for the development of the town centre DHN. Planning approval for the DHN was granted in November 2018
- 4.3 The Developed Design pack (Stage 3) was completed in March 2019 and this was issued as part of the design and build tender material for the appointment of the contractor to construct the DHN. The design and build tenders have been submitted and are currently being evaluated. Once the agreed design and build contractor has been confirmed, the Business Case will be reviewed to ensure compliance with the business case approved by Cabinet and Council in October and November 2018 respectively.

5. Description of Issue to be resolved

- 5.1 The Design and Build of the DHN is programmed for practical completion in June 2020, in time to serve the town hall redevelopment phase 1 residential scheme (the affordable housing block). It will be helpful for the Council to have appointed a suitably experienced Operations, Maintenance and Billing Contractor in advance of the practical completion to enable this contractor to form part of the testing, commissioning and sign off of the DHN plant.
- 5.2 To enable the Operations, Maintenance and Billing contractor to be appointed by June 2020, the Council will need to advertise the tender opportunity by August 2019. Approval is therefore sought to commence the tender process to ensure progress is made in accordance with the project programme. Delegating authority to appoint the contractor once the tender exercise is complete will shorten the overall tender and appointment programme to ensure the contractor is appointed in advance of the design and build practical completion.

6. Information & Analysis Supporting Recommendation

- 6.1 Operations, maintenance and billing functions associated with a DHN are specialist functions for which the Council does not currently hold relevant expertise 'in house'.

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With very few exceptions, DHN operations, maintenance and billing is undertaken by specialist contractors. Such contractors are typically able to deploy significantly greater resource in developing common operating procedures and customer service standards than single site operators. This scale will typically provide efficiency savings and ensure greater consistency and compliance.

7. Implications

- 7.1 There are no immediate implications associated with the recommendations to commence procurement and to delegate the approval of the contractor appointment. The recommendations enable the DHN project to progress in accordance with the project programme and ensure the contractor is appointed to assist with the testing and commissioning process.
- 7.2 The tenders for the Design and Build of the DHN are currently being evaluated. Once the tender evaluation is complete, a review of the business case will be undertaken to ensure the capital costs and projected revenue returns accord with those provided in the Business Case in October and November 2018. At that point, should either the capital cost or the projected revenue return not be acceptable to the Council, the option to cancel the DHN project remains open. In that scenario, the heating systems for the respective commercial and residential schemes associated with the town hall redevelopment would be redesigned to stand alone schemes. The Operations, Maintenance and Billing Contractor procurement would cease at that point. It is anticipated that the outcome of the DHN Design and Build tender and the capital and revenue business case implications will be understood by July 2019.

8. Background Papers

None

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Crawley Borough Council

Report to Overview and Scrutiny Commission 24th June 2019

Report to Cabinet 26th June 2019

Housing Infrastructure Fund (HIF) Agreements

Report of the Head of Strategic Housing – SHAP/78

1. Purpose

- 1.1 The Council has been successful in having two schemes approved by Homes England to receive up to £6.4m in grant funding from the Housing Infrastructure Fund (HIF). After a lengthy administrative process the Council is reaching the point of needing to enter into the funding agreement with Homes England and as such approval is sought for receipt of funding subject to terms and conditions.
- 1.2 Delegated authority is being sought to permit Officers to finalise the terms of the grant funding and to enter into the Grant Determination Agreement (GDA) with Homes England, and other associated agreements as may be necessary to meet the grant funding conditions, if the terms are to Council's satisfaction.

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 submit to the Cabinet.

- 2.2 To the Cabinet

- 2.2.1 The Cabinet is recommended to:

Delegate authority to the Head of Strategic Housing Services and the Head of Corporate Finance in consultation with the Cabinet Member for Housing, to enter into the necessary agreements with respect to the Housing Infrastructure Fund approved for Forge Wood and Telford Place, if on satisfactory terms to the Council (*Generic Delegation 7 will be used to enact this recommendation*).

- 2.2.2 That Cabinet requests that Full Council:

Approve an amended supplementary capital estimate of up to £6,423,280 (£4,423,280 and £2,000,000), funded from the Housing Infrastructure Fund as outlined in paragraph 3.2.

3. Reasons for the Recommendation

- 3.1 The Housing Infrastructure Fund is grant funding awarded to the Council by Homes England to provide the infrastructure required to unlock housing development. The funding is subject to the Council meeting specified conditions and obligations, including contracting with developers to deliver the infrastructure as well as delivering the 'unlocked' housing.
- 3.2 The value of the grant funding to be received across both schemes amounts to £6,423,280 (£4,423,280 and £2,000,000), and for reasons of State Aid compliance the terms of the funding comes with arrangements to claw-back any added surplus emerging from each respective scheme against the projected cash-flows.
- 3.3 The Council will have an obligation to 'ring-fence' any claw-back that may be received for recycling back into housing delivery in the borough. These claw-back arrangements are still in the process of being finalised with Homes England.
- 3.4 Due to the value of the funding involved, and the associated obligations, Officers require delegated authority to enter into the necessary agreements.

4. Background

- 4.1 Homes England invited bids for potential housing schemes with marginal viability due to the costs of providing infrastructure, and the Council secured approval for Forge Wood Phases 2B and 2C due to the costs of providing an acoustic barrier, as well as for Telford Place due to the added costs of providing new highways access, and carrying out site decontamination and public realm works.
- 4.2 The approved funding is based on the obligation to deliver the infrastructure as well as the subsequent housing, and is subject to satisfying Homes England's pre-contract conditions, which has been achieved, followed by satisfying necessary pre-funding conditions, with the respective commitments only coming into force upon drawing-down of the grant funding.
- 4.3 Due to public money going into private developments in this way, the structure and terms of the funding is required to be State Aid compliant, meaning the grant is effectively awarded to the Council, and the Council carries the State Aid risk of providing this funding to the respective schemes.
- 4.4 For this reason the terms of the grant funding requires any 'surplus' coming out of each respective scheme to be 'clawed-back' by the Council as a public body, up to the value of the HIF funding provided, and to be 'ring-fenced' for recycling back into housing delivery in the borough.
- 4.5 The value of the surplus is identified against the respective scheme cash-flows that have been submitted as part of the bidding process. Any improvement to scheme viability through increased income and/or reduced costs will manifest as surplus, and this will be received by the Council as claw-back for recycling into housing.
- 4.6 The recycled claw-back is expected to be 'ring-fenced' for the purposes of housing delivery in the broadest sense, not necessarily limited to affordable housing, which can include land acquisition, property acquisition, infrastructure provision to unlock housing, or direct build, and there is no defined time-limit in spending this claw-back.

5. Description of Issue to be resolved

- 5.1 Entering into the Grant Determination Agreement with Homes England does not expose the Council to any commitment at this initial stage, and it is only at the point of drawing down the grant funding that the commitment will come into effect.
- 5.2 The Council has utilised independent legal advice in the drafting of the respective legal agreements including seeking State Aid advice to ensure that both schemes are in line with Market Economic Operating Principles, making them both State Aid compliant.
- 5.3 At Forge Wood the Council will be required to enter into agreement with the developers and Homes England (as land-owner) to agree the terms of the claw-back before entering into the Grant Determination Agreement with Homes England (as funder) for £4,423,280 in HIF funding. This HIF allocation must be spent by 31st March 2021.
- 5.4 As the procurement process for a developer partner for Telford Place is still underway, the Council will be required to have secured the developer partner in agreement with the terms of the grant funding before the £2,000,000 in HIF funding can be drawn down. This HIF allocation must be spent by 31st March 2022.
- 5.5 The 'ring-fencing' of any surplus capital received by the Council, for the purposes of facilitating the provision of housing in the borough, will remain Council's contractual obligation into future years.

6. Information & Analysis Supporting Recommendation

- 6.1 Due to the value of the grant to be received, and the consequent obligation to recover up to the same value if the schemes viabilities improve to that extent, with restrictions on the future use of these funds in future years, Officers require delegated authority to enter into such terms with Homes England and the respective developer partners.

7. Implications

- 7.1 The Council has a unique opportunity to secure external grant funding, without which the two schemes mentioned will in all probability remain unviable and prove challenging to deliver due to the costs associated with providing the necessary infrastructure.
- 7.2 The financial implications are mostly concerned with external legal costs, which are being borne by each respective scheme as an acceptable cost within the available scheme budgets. Telford Place costs will be picked up within Council's approved scheme budget, while the developers at Forge Wood will cover their own costs through that scheme budget.
- 7.3 The staffing implications can be met within existing resources within Strategic Housing, Corporate Finance, and Partnership Services.
- 7.4 Legal implications are contained within the terms of the Grant Determination Agreement, which is based on satisfying the funding criteria, and any un-remedied breach would place the funding at risk. External legal consultants have been

appointed to protect the Council's interests on all aspects concerned with this funding arrangement.

8. Background Papers

None

Report author and contact officer: Russell Allison, Housing Enabling & Development Manager, ext: 8749.

Crawley Borough Council

**Report to Cabinet
26th June 2019**

Financial Outturn 2018/19 Budget Monitoring - Quarter 4

Report of the Head of Corporate Finance - **FIN/472**

1. Purpose

- 1.1 The report sets out a summary of the Council's outturn for the year for both revenue and capital spending for the financial year 2018/19. It identifies the main variations from the approved spending levels and any potential impact on future budgets.

At Quarter 3 there was a projected transfer to reserves from the general fund of £405,000, the actual transfer to reserves was £425,181, this was transferred to the General Fund reserve.

At Quarter 3 there was a projected surplus on the Housing Revenue Account of £397,000, the actual additional transfer for investment in the maintenance and building of future housing was £401,000.

With regards to capital spending, £45.211m was spent in the year, this included £26.085m on new housing development. The revised budget is £48.663m.

2. Recommendations

- 2.1 The Cabinet is recommended to:

- a) **Note the outturn for the year 2018/19 as summarised in this report.**
- b) **Note the allocation of S106 to specific schemes within the Crawley Growth Programme as outlined in paragraph 8.12.**
- c) **Note the Crawley Growth Programme elsewhere on this agenda will impact upon the capital programme.**
- d) **Agree a supplementary capital estimate of £40,000 which will be funded from S106 contributions for the Memorial Gardens as outlined in paragraph 8.13 of the report.**

3. Reasons for the Recommendations

To report to Members on the outturn for the year compared to the approved budget for 2018/19.

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 update reports 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 final outturn for 2018/19.

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the variances in the relevant Portfolio.

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

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

	Variance at Quarter 4 £'000		Variance at Quarter 3 £'000
Cabinet	(6)	F	5
Public Protection & Community Engagement Resources	(23)	F	(47)
Housing	(76)	F	(89)
Environmental Services & Sustainability	(435)	F	(105)
Wellbeing	(185)	F	(4)
Planning & Economic Development	74	U	5
	445	U	66
Investment Interest	(175)	F	(236)
Other year end financing	1	U	-
Tilgate Investment reserve transfer	10		-
Grant for Business Rates Levy Surplus	(55)	F	-
TOTAL SURPLUS	(425)	F	(405)

In addition £9,766 was transferred to the reserve for investment in Tilgate Park and Nature Centre as part of the five year plan.

The Government announced in the 2019/20 finance settlement that the Business Rates Levy Account was in surplus and that it was to redistribute this surplus to local authorities. Crawley's share was £54,993.

5.2 **Significant variances over £20,000**

5.2.1 **Cabinet**

There was an adjustment of £20,000 in respect of pension costs relating to previous years as advised by the pension administrator Capita, they had charged another organisation in error.

5.2.2 **Public Protection & Community Engagement**

There was an underspend of £22,000 to voluntary organisations grants paid.

5.2.3 **Resources**

Previously reported underspends due to IT Business Support vacancies have been reduced through the purchase of additional hardware.

An underspend of £23,000 on Print Services was due to outsourcing costs not being incurred. The outsourcing costs were estimated in anticipation of the demolition of the Town Hall.

5.2.4 **Environmental Services & Sustainability Services**

There was additional income from car park management fees of £47,000, and increased revenue from the issue of licences of £28,000. Future target income will be reviewed to reduce the budget gap.

There were savings of £47,000 in staff and expenses in respect of the regeneration of the shrub beds and savings, this was due to delays getting the team set up. The service is now fully operational.

Budgeted expenditure on landings at Snell Hatch cemetery were delayed due to the weather resulting in an underspend of £33,000. This is in the process of being completed in Quarter 1 2019/20.

5.2.5 **Housing Services**

The Homelessness Reduction Act had anticipated additional costs which have been mitigated, to some extent, by changes made to the Council's allocations policy and unexpected grant funding which came in at the end of the year in respect of Homelessness support.

Additional Government Grant in respect of the management of Universal Credit transfer to the DWP was received late in the financial year. In addition there were more overpaid benefit cases raised and recovered.

Due to West Sussex County Council's significant budget reductions on 'Housing Related Support' we will be moving money from this underspend to the Council's reserves to address increasing costs around homelessness provision in the coming year.

5.2.6 Wellbeing

Installation of a security fence and equipment at Metcalf Way Vehicle workshop was an additional cost in Quarter 4 of £20,000.

Additional hire costs whilst waiting for delivery of new vehicles and costs associated with a tipper being stolen totalled £35,000.

An overspend of £34,000 was incurred in the maintenance and replacement of bridges, footpaths and walls. These were emergency works required on health and safety grounds and were identified as part of the Shrub Bed project.

Under recovery of income of £21,000 from Manor Royal District maintenance due to less work being requested.

Extra income was received in the quarter of £39,000 from the revised contract with Everyone Active (K2 Crawley).

5.2.7 Planning & Economic Development

Planning income has fallen considerably over the year despite the 20% fee increase applied at the end of 2017/18 (this was an increase recommended by Central Government). Brexit uncertainty is considered a large factor in this fee drop and the unfavourable variance of £94,000 at the end of the financial year which is £68,000 less income than projected at Quarter 3. The Head of Economy and Planning will be reviewing the situation and looking for mitigations in the new financial year.

Commercial Property underachieved income of £315,000 relates to a delay in settling a number of rent reviews and lease renewals. These were expected to be completed before the end of the year, which would have resulted in additional income for the Council, as any uplift in rent is backdated to the review date in the lease. These are now likely to be settled in 2019/20. Further details will be reported in Q1 2019/20 Budget Monitoring.

Staff vacancies in the Forward Planning department resulted in savings of £29,000.

5.2.8 Investment Interest & Other Income

Income from the shared equity scheme is volatile as it is linked to house prices. There has therefore been a shortfall of £61,000 income than previously projected.

There were several payments from the Government at the end of the financial year, these have been carried forward for future use. In addition, there was an unringfenced grant of £54,000 (Business rates levy surplus) received and a surplus on the Business Rates Equalisation Reserve of £569,000 was transferred to the General Fund reserve as per the Budget Strategy report.

Total transfer to the General Fund Balances was therefore £995,000 in 2018/19, and £9,766 to the Tilgate Park Investment Reserve.

6. Virements

Virements up to £50,000 can be approved by Heads of Service under delegated powers and reported to Cabinet for information. Virements over £50,000 require approval from Cabinet.

There were no virements in the period.

7. Council Housing Service – Revenue

7.1 The table below provides details of the 2018/19 HRA variances.

HOUSING REVENUE ACCOUNT

	Q4 Variation £000's		Q3 Variation £000's
Income			
Rental Income	(178)	F	(197)
Other Income	(130)	F	(110)
Interest Received on balances	18	U	0
	(290)	F	(307)
Expenditure			
Employees	(157)	F	(82)
Repairs & Maintenance	85	U	8
Other running costs	(39)	F	(16)
Support services	0	-	0
	(111)	F	(90)
Net (Surplus) / Deficit	(401)	F	(397)
Available to fund future investment in housing	401		397

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

- 7.2 Rental income - Additional Rental income from Voids let at target rent and less RTBs than forecast.
- 7.3 Other income - Additional income recovered from leaseholders and recovered costs on repairs.
- 7.4 Employees - Savings in various departments due to vacancies in Lifeline and Leasehold. Savings were also made in the areas of reduced agency costs and general reductions in expenditure in Sheltered Housing and Policy and Engagement.
- 7.4 Repairs and Premises costs – Increased expenditure due to asbestos surveys and external redecorations.
- 7.5 Other running costs – Savings in Policy and Engagement costs and Budget Review savings were offset by an increase in dwellings insurance premiums

8. Capital

- 8.1 The table below shows the 2018/19 capital outturn and proposed carry forward into 2019/20. Further details on the Capital Programme are provided in Appendix 2 to this report.

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	Original Budget 2018/19	Revised Budget 2018/19	Outturn 2018/19	Under/ (overspend)	Re-profiled to/(from) future years
	£000's	£000's	£000's	£000's	£000's
Cabinet	2,267	2,545	2,120	0	425
Environmental Services & Sustainability	1,430	863	825	5	33
Housing Services	7,251	1,862	1,870	0	(8)
Planning & Economic Development	1,124	1,512	1,267	0	245
Resources	519	183	94	0	89
Wellbeing	1,993	1,511	1,472	139	(100)
Total General Fund	14,584	8,476	7,648	144	684
Council Housing	43,802	40,187	37,562	326	2,298
Total Capital	58,386	48,663	45,210	470	2,982

The original budget was £58.386m this was revised during the year and reduced to £48.663m

8.2 There is slippage on the Queens Square Improvement project, this sum will be used for the future maintenance of the square. Negotiations are in place in order to ring-fence these sums.

8.3 The flooding budgets are being reviewed and our consultants the Project Centre have provided a report with recommendations. This has been discussed by the Capital Project Assurance Group (CPAG) and it has been agreed that the next steps were to complete a business case template suitable for assessing flooding work (based on the report findings) and use that to reprioritise the programme. This is underway and it is anticipated that this will be completed in June 2019. Once this reprioritisation has been completed and agreed by CPAG and the portfolio Holder, we will be able to update the programme as to which schemes will remain in 2019/20 and which ones will be pushed further back in the programme.

8.4 The Disabled facilities grant for 2019/20 funded by the Government Better Care Fund has now been released we have added £860,494 to the capital programme. The full year budget is now £1,153,113. The service is demand led and dependant on referrals from West Sussex Council Occupational Therapists Service (OTs). Referrals are dealt with as soon as they are received from OTs and it is anticipated that we spend the whole budget within year. In addition £150,000 HNIP (Heat Networks Investment Project) has been received and added to the Heat Network budget.

8.5 Crawley Growth Programme (CGP)–

Queensway and the Pavement:

The project is progressing well and in some areas, is ahead of the agreed programme. This has been aided by the favourable weather conditions experienced during the first

Agenda Item 12

few months of construction. This scheme remains on track to be delivered on time and within budget of £2,200,000.

Manor Royal and Town Centre Cycle Improvements:

This is a three year project running from March 2018 to March 2021. The first phase of the project is the concept design stage which has now just been completed.

Station Gateway:

There have been protracted negotiations between Crawley Borough Council, Arora and WSCC with Network Rail and GTR in regard to the detailed designs process for the proposed new railway station forecourt. These have taken longer than forecast, which caused a delay in the commencement of the detailed design programme. The detailed designs are currently being worked on and are expected to be finalised in the autumn, ahead of a full planning application for the Friary Way/Bus Station area. The precise timing for the delivery of the Station Gateway improvement works will be clarified in the autumn but the improvement works will not commence until 2020/21 at the earliest.

Three Bridges Station:

The Three Bridges Station project is being delayed due to the need to do further traffic modelling than was originally planned creating a delay in the scheduling. There is a need to get the traffic modelling correct before the project can move forward.

- 8.6 Work on a number of ICT projects is ongoing resulting in £85,000 being slipped to 2019/20. These include on-line self-service, mobile working, and VPN replacement. Some of these are now linked to the Windows 10 rollout which will be completed by December 2019.
- 8.7 The Council were able to take early delivery of vehicles that are part of our vehicle replacement programme requiring £131,090 to be brought forward from 2019/20 budget. This spend was approved as part of the vehicle replacement programme in Quarter 2 of 2018/19. This has resulted in hire vehicles being returned which will reduce revenue expenditure.
- 8.8 Revealing the Tree – The Crawley Museum whole scheme budget agreed with the Heritage Lottery Fund (HLF) was set out as a traditional procurement with separate elements shown for respective design team consultant fees. In seeking to ensure a competitive tender process, the tender progressed as a two stage design and build. Meaning that some of the budget items were then absorbed by the main contractor. In addition to this the budget included a number of contingency amounts that were agreed by Project Management with the HLF that were not required. The project has been delivered with an underspend of £136,380 which results in savings to both Crawley Borough Council and the Heritage Lottery Fund.

The project has been well received with visitor number increasing from approximately 1,000 per annum to 7,857 in the first 10.5 months of opening. The full opening year visitor figure is likely to be between 8,500 and 9,000 against a forecast of 7,000.

- 8.9 Crawley Homes Planned Maintenance
There have been a higher level of Kitchen and Bathroom installations due to voids and repairs, which can be attributed to the ageing condition that are now beyond repair. The previous decent homes programme commenced approximately 10 years ago with over 4,500 kitchens being installed. However the remaining stock that were not included will now require more investment to replace on-going failures.

The Sheltered housing capital budget has seen an overspend due to the main passenger lift failing at Carey House after the Quarter 3 report resulting in an unforeseen replacement cost of £65,000. Budgets have been re-profiled accordingly.

8.10 New Build Schemes-

HRA Developments:

The contract has now been awarded for the delivery of 3 smaller HRA developments (151 London Road; Woolborough Road; 257/259 Ifield Road). These developments have been linked together to achieve Value for Money, but there has been a delay in obtaining information from the Contractor for the contract particulars. The Contractor is now in the pre-construction phase with commencement in May/June.

Bridgefield House:

Our predictions for this scheme have been based on the cash flow predictions given to us by the Developers. In this case, the Developers did not get sign off for the external materials planning condition when predicted, therefore the contractor revised their programme and cashflows to reflect this after Quarter 3 monitoring had been completed.

They are now still on programme (in fact still slightly in advance) but they were hoping to be well advanced on the programme at the end of Quarter 4 rather than the current position.

Forge Wood Phase 3:

This phase of Forge Wood has been delivered ahead of schedule. The developers have revised the way they are working around the site which has meant that more of Crawley's units were available for occupation earlier than predicted.

- 8.11 In the fourth quarter of 2018/19 five Council Houses with a sale value of £982,400 were sold, compared to five in the fourth quarter last year. Of these receipts, £258,198 was paid over to the Government with the balance being retained by the Council with £232,954 available for general capital investment and £491,584 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.]

The total number of properties sold in 2018/19 was 41, compared to 52 in 2017/18.

- 8.12 The total cumulative 1-4-1 receipts retained is £29,676,223 which can be used to fund 30% of any expenditure on new affordable housing. It cannot be used on schemes supported by HCA Funding or for shared ownership/equity schemes.
- 8.13 In June 2018 the Cabinet approved the increase of the capital programme allocation to the Crawley Growth Programme by £587,595, of received S106 developer contributions.

The schemes below have now been through the established Crawley Borough Council S106 approval process and have been allocated to specific schemes within the Crawley Growth Programme, leaving a balance of £327,637 of S106 to be identified to the programme.

Manor Royal Super hubs - £67,439.74

Planning Application	Site Address	Amount Allocated to Schemes
CR/2011/0660/FUL	Eastleigh House, 78 Gatwick Road	£5,738.00
CR/2014/0764/OUT	Thales, Gatwick Road (Parcel 2)	£14,124.10
CR/2011/0408/FUL	Aerotron, Westley House, Jenner Road	£3,048.00
CR/2014/0760/FUL	Land Off London Road & Fleming Way	£25,588.23

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CR/2014/0760/FUL	Land Off London Road & Fleming Way	£18,941.41
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Manor Royal Walking and Cycling - £96,248.77

Planning Application	Site Address	Amount Allocated to Schemes
CR/2005/0449/FUL	177-185 Woodfield Rd	£32,400.00
CR/2007/0239/FUL	Crawley Business Quarter Plot E	£7,002.21
CR/2014/0261/FUL	Dualit, County Oak Way, Langley Green	£1,511.00
CR/2009/0325	Hazelwick Mill Lane	£2,465.00
CR/2006/0714	Hazelwick Mill Lane	£6,323.82
CR/2006/0355	174/180 Woodfield Road	£11,402.00
CR/2005/0580/FUL	Glaxosmithkline Manor Royal	£31,200.00
CR/2005/0245	56-60 Tinsley Lane	£3,944.74

Town Centre Walking and Cycling - £96,269.94

Planning Application	Site Address	Amount Allocated to Schemes
CR/2005/0714/FUL	Fairview (Old Crawley Leisure Centre), Three Bridges	£34,987.00
CR/2005/0398/OUT, CR/2006/0647/FUL & CR/2008/0185/NCC	Land At The Junction Of Pegler Way And Ifield Road, West Green, Crawley	£22,075.00
CR/2008/0395/FUL & CR/2009/0111/FUL	Haslett Avenue West & 29-35 High Street, Northgate	£39,000.00
CR/2006/0714	Hazelwick Mill Lane, Three Bridges	£ 207.94

- 8.14 The Memorial Gardens Play Improvements wish to deliver an accessible large central Multi-play feature that also affords access for wheelchair users as well as a larger number of wheelchair accessible features and equipment. The improvement within the Memorial Gardens will give the opportunity to restore the historic Alice in Wonderland mosaic that is at present being stored at Tilgate Park but used to reside in Queens Square, into a picnic area within the Memorial Gardens. These works will need an increase in the capital budget of £40,000 which will all be funded from S106 monies. Cabinet are therefore **Recommended** to approve and additional £40,000 for Memorial Gardens Play Improvements funded from S106.

Planning Application	Site Address	Amount Allocated to Schemes
Cr/2011/0431/ful & cr/2014/0362/ncc	Land To The East And South Of Pegler Way And To The West Of High Street Comprising 100 High Street (Bar Med) And Former Sussex House And Car Park, West Green	£20,000
Cr/2005/0714/ful & cr/2010/0073/ncc	Crawley Leisure Centre Site, Haslett Avenue, Three Bridges, Crawley	£9,653
Cr/2008/0627/ful	Barley House, Barley Close, Southgate	£7,547

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Cr/2012/0361/ful	22 The Boulevard, Northgate, Crawley	£1,285
Cr/2012/0442/ful	9 Caffins Close, Northgate, Crawley	£1,211
Cr/2012/0507/ful	6 Woodfield Road, Northgate, Crawley	£304

9. Background Papers

2018/19 Budget and Council Tax FIN/434

Treasury Management Strategy 2018/19 FIN/433

Budget Strategy 2019/20 – 2023/24 FIN/417

2018/2019 Budget Monitoring – Quarter 2 FIN/456

2018/2019 Budget Monitoring - Quarter 3 FIN/466

Contact Officer: - Karen Hayes, Head of Corporate Finance.

Direct Line: - 01293 438263.

REVENUE MONITORING SUMMARY 2018/19 GENERAL FUND

	Original Budget £000's	Latest Budget £000's	Outturn £000's	Variance £000's	
Cabinet	1,263	1,397	1,391	(6)	F
Public Protection & Community Engagement	1,659	1,777	1,754	(23)	F
Resources	1,285	1,400	1,324	(76)	F
Environmental Services & Sustainability	5,882	6,015	5,830	(185)	F
Housing	2,589	2,976	2,541	(435)	F
Wellbeing	8,314	9,722	9,796	74	U
Planning & Economic Development	(2,815)	(1,417)	(971)	445	U
Total Portfolio	18,176	21,870	21,664	(206)	F
Depreciation	(3,596)	(3,940)	(3,940)	0	
Renewals Fund	400	400	400	0	
Investment Interest	(848)	(863)	(1,038)	(175)	F
New Homes Bonus	(1,467)	(1,467)	(1,467)	0	
Transfer to Tilgate Park Investment reserve			10	10	
Grant - Business Rates Levy Surplus		0	(55)	(55)	F
Year-end Financing	0	(1,971)	(1,970)	1	U
Transfer to General Fund Reserve			425	425	
Sub Total	12,665	14,029	14,029	(0)	
Funded by -	0				
Council Tax	(6,930)	(6,930)	(6,930)	0	
RSG	(575)	(575)	(575)	0	
NNDR	(5,160)	(6,524)	(6,524)	0	
Sub Total	(12,665)	(14,029)	(14,029)	0	
Transfer from Business Rates Equalisation Reserve	0	0	570	570	
Net Transfer (from) / to General Fund Reserve	0	0	995	995	

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Main Variations identified for 2018/19 - General Fund

Appendix 1 (ii)

	Q4 Variation £000's	Q3 Variation £000's	
<u>Cabinet</u>			
Insurance Premiums – changes in discount rate on claims	24	24	ongoing
Back dated pensions adjustment for previous years	20	-	one-off
Vacancies in the Finance team	(56)	(37)	one-off
Vacancy - Transformation Officer	(25)	(14)	review
Minor variations – various small variations across portfolio	31	32	
	(6)	5	
<u>Public Protection & Community Engagement</u>			
Vacant Community Development Manager post	(7)	(16)	review
Unfilled hours NASB team	(21)	(23)	review
Underspend to voluntary organisations	(22)	-	review
Minor variations	27	(8)	
	(23)	(47)	
<u>Resources</u>			
Vacancy in HR for part of the year, now fully staffed	(26)	(7)	one-off
Unfilled hours in Legal - to be filled pending staffing restructure	(41)	(30)	under review
Additional air conditioning units in Town Hall (can be re-used once decanted)	21	22	one-off
Vacancies in IT Business Support	(4)	(52)	one-off
Print Services savings – savings in outsourcing	(23)	-	one-off
Minor variations – various areas	(3)	(22)	
	(76)	(89)	
<u>Environmental Services & Sustainability</u>			
Car parking – increased management fee income	(47)	-	review
Snell Hatch Cemetery – landings	(33)	-	one-off
Licensing – increased revenue	(28)	-	one-off
Shrub Beds – savings in casual staff and expenses	(47)	-	one-off
Environmental Health standby allowance misreported Q1	(15)	(15)	review
Minor variations (various)	(15)	11	
	(185)	(4)	
<u>Housing</u>			
Benefits – increased income from the DWP for Universal Credit	(94)	(54)	ongoing
Increased recovery of overpaid benefits	(60)	(40)	ongoing
HMRC – funding for data matching exercise	(30)		one-off
Temporary Accommodation – effective management /allocations policy	(250)	-	review
Minor variations	(1)	(11)	
	(435)	(105)	

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Wellbeing

Vacant posts in the community facilities team	(20)	(19)	one-off
Additional staff –equipment to clean Queen’s Square	35	35	one-off
Vacant post and unfilled hours in Play	(16)	(23)	one-off
Vacant Post, Metcalf Way vehicle workshop	(25)	(20)	one-off
Metcalf Way – Security equipment and fence	20	-	one-off
Replace stolen equipment at Bewbush satellite site	9	9	one-off
Patch working – hire of vehicles and settlement for stolen tipper	35	-	one-off
Maintenance – overspend on infrastructure	34	-	one-off
MR District Maintenance – under recovery of income	21	-	ongoing
K2 Leisure – Additional income from new leisure contract	(39)	-	ongoing
Minor Variations	20	23	

	Q4 Variation £000's	Q3 Variation £000's	
	74	5	
<u>Planning & Economic Development</u>			
Additional income for pre-planning application advice	(15)	(15)	ongoing
Reduced planning application fee income	94	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.	52	35	one-off
Variations in commercial property income	345	30	one-off
Forward Planning - vacancy savings	(29)	-	one-off
Minor variations	(2)	(10)	
	445	66	
TOTAL GENERAL FUND VARIANCES	(206)	(169)	
Investment interest above budget	(175)	(236)	one-off
Transfer to Tilgate Park Investment Reserve	10	-	
Grant – Business rates Levy Surplus	(55)	-	
Year-end Financing	1	-	
TRANSFER TO GENERAL FUND RESERVE	(425)	(405)	

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate £'000s	Outturn £'000s	Variation £'000s
Income			
Rental Income	(44,697)	(44,875)	(178)
Other Income	(2,022)	(2,152)	(130)
Interest received on balances	(209)	(191)	18
Total income	(46,928)	(47,218)	(290)
Expenditure			
Employees	3,608	3,451	(157)
Repairs & Maintenance	10,515	10,600	85
Other running costs	2,133	2,094	(39)
Support services	2,673	2,673	0
	18,929	18,818	(111)
Net (Surplus) / Deficit	(27,999)	(28,400)	(401)
Use of Reserves:			
Debt Interest Payments	8,309	8,309	0
Depreciation, Revaluation & Impairment	6,437	6,437	0
Financing of Capital Programme & Transfer to Housing Reserve for future investment	13,253	13,654	401
Total	27,999	28,400	401

Main Variations Identified - Housing Revenue Account

	Q4 Variation £'000s	Q3 Variation £'000s
Income		
<u>Rental Income</u>		
Dwellings rental income - Voids re-let at target rent	(197)	(197)
Investment Property income	19	-
<u>Other Income</u>		
Additional Income recovered from leaseholders	(90)	(83)
Recoverable work by repairs	(31)	(23)
Interest rates below budgeted	18	-
Minor variations	(9)	(4)
	(290)	(307)
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 staff expenditure	(36)	(27)
Leasehold staff vacancies during the year	(19)	-
Agency staff budget not spent	(34)	-
Minor variations	(11)	2
	(157)	(82)
Repairs & Maintenance		
Asbestos surveys	26	-
External redecorations	62	-
Minor Variations	(3)	8
	85	8
Other Running Costs		
People downsizing	(12)	(10)
Dwellings Insurance premium	20	20
Policy & Engagement running costs	(26)	(16)
Budget review savings	(19)	(19)
Minor variations	(2)	9
	(39)	(16)
TOTAL VARIANCES	(401)	(397)

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Queens Square Improvement	128,366	518,366	122,878		395,488	395,488		
Town Centre General							71,100	
High Street Safety Improvements	10,276	10,276	968		9,308	9,308		
Solar PV CBC Operational Buildings	126,220	14,171	14,171				60,000	
New Town Hall Design	2,001,951	2,001,951	1,981,714		20,237	3,020,237		
Contingencies							800,000	
TOTAL CABINET PORTFOLIO	2,266,813	2,544,763	2,119,731		425,032	3,425,033	931,100	
New Cemetery	71,964	5,964	5,875		89	66,089		
K2 Heat Network (Heat & Power)	360,000	260,000	268,275		(8,275)	101,837		
Shrub Bed Removal	62,000	32,000			32,000	62,000		
Cycle Paths	25,300	25,300			25,300	25,300		
Boulevard Cycle Path							94,000	
Crawters / Manor Royal Cycle Path	57,597	10,000	4,622		5,378	69,976		
Orchard Street Car Park	135,000	25,000	33,087		(8,087)	291,913		
Heat Network	173,983	323,983	408,282		(84,299)	1,165,701	2,788,100	
Community Safety Initiatives			(5,056)	5,056				
Ifield Drive	5,920					5,920		
Camber Close	30,282		439		(439)	14,843		
Lavant Close	34,325	568	1,256		(688)	15,906		
Fisher Close	19,746		1,554		(1,554)	8,319		
Scallows Close	33,194		695		(695)	15,902		
Flooding Emergency Works	3,104	36,739	17,706	(6,163)	25,196	192,373		
Creaseys Drive Broadfield Flood Works	52,477	20,000	13,837	6,163				
Cheals Broadfield Pond	1,455		1,300		(1,300)	156		
Titmus Lake Tilgate & Furnace Green	42,000					42,000		

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Stafford Bridge Ifield Green							78,900	
Waterlea Furnace Green Flood Works	102,112	102,112	64,550		37,562	37,562		
Billington Drive Maidenbower	28,000					28,000		
Broadfield Brook Flood Works	115,000	10,000	8,065		1,935	31,935		
Balcombe Road Pound Hill Flood Works	34,700							
River Mole Flood Works	30,000					30,000		
Telemetry Measuring Equipment	4,465	4,465	536		3,929	3,929		
Northgate Flood Attenuation Works						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	7,289		
TOTAL ENVIRONMENT SERVICES & SUSTAINABILITY PORTFOLIO	1,429,913	863,420	825,023	5,056	33,341	2,391,950	2,961,000	
Housing Enabling							1,220,000	
Temp Accommodation Acquisitions						273,700		
Open House Moving Acquisition	941,355	942,120	942,120			14,235		
Affordable Housing Town Hall	5,000,000					5,600,000	2,180,798	4,128,750
Disabled Facilities Grants	1,255,125	900,000	913,185		(13,185)	1,153,113		
Home Insulation Grants								
Improvement/Repair Loans	54,634	20,000	15,086		4,914	25,000	25,000	44,248
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	7,251,114	1,862,120	1,870,391		(8,271)	7,066,048	3,425,798	4,172,998
Investment Property Acquisitions						7,000,000	5,000,000	
Manor Royal Business Group						200,000		

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
<u>Crawley Growth Programme</u>								
Queensway	643,379	643,379	715,013		(71,634)	1,003,654	211,470	
Town Centre Signage Wayfinding	176,817	176,817	133,415		43,402	43,402		
Manor Royal Cycle Improvements		200,000	104,230		95,770	1,654,019		
Town Centre Cycle Improvements		92,000	28,457		63,543	1,021,813		
Manor Royal Super Hub			9,540		(9,540)	57,900		
Station Gateway		191,133	103,377		87,756	87,756	2,508,867	2,600,000
Growth Programme S106						327,637		
Town Centre Super Hub		4,000	3,180		820	820		
Three Bridges Station	304,409	204,409	169,783		34,627	884,627	787,193	
Crawley Growth Programme	1,124,605	1,511,738	1,266,995		244,743	5,081,626	3,507,530	2,600,000
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	1,124,605	1,511,738	1,266,995		244,743	12,281,626	8,507,530	2,600,000
ICT Capital - Future Projects	310,400					250,400		
On Line Self Service		60,000	36,643		23,357	23,357		
New Website And Intranet	115,529					115,529		
Relocation Of Data Centre	9,030	9,030	9,030					
Mobile Working (ICT)	80,000	80,000	37,990		42,010	42,010		
VPN Solution Replacement		30,000	10,754		19,246	19,246		
ICT Transformation						461,000		
ICT Replacements	4,200	4,200			4,200	4,200		
HRA Database						75,000	400,000	67,000
TOTAL RESOURCES PORTFOLIO	519,159	183,230	94,417		88,813	990,742	400,000	67,000
Vehicle Replacement Programme	148,544	127,037	258,127		(131,090)	408,416		

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Travellers Prevention Measures		18,104	17,450	654				
Refurb Playgrounds Future Schemes						39,600		
Skate Park Equipment						46,000		
Memorial Gardens Improvements		3,500	3,500			33,400		
New Museum Tree (HLF)	514,369	514,369	377,989	136,380				
Wakehams Play Refurbishment	65,000						65,000	
West Green Play Refurbishment	5,000	5,000	4,715	285				
K2 Crawley Replace Artificial Turf Pitch	185,000	184,407	184,407			4,323		
K2 Crawley Expansion of Fitness Area	6,348							
Tilgate Park	70,000	15,000	14,978		22	154,710		
Nature Centre Wildlife Centre	60,000	20,000	20,514		(514)	143,817		
Tilgate Park & Nature Sustainable Heat	249,000					289,000		
Ditchling Hill Play Refurbishment	65,000	65,000	64,795	205				
Ewhurst Road Play Refurbishment	65,000	2,500	1,416		1,084	73,584		
Gainsborough Road Play Refurbishment	65,000	65,000	64,591	409				
Three Bridges Play Area	61,500	69,086	69,086					
Tilgate Park Access Road	11,245	11,245			11,245	11,245		
Vehicle Workshop Heat Plant Repairs	19,000	19,000			19,000	19,000		
Adventure Golf						420,000		
Adventure Playgrounds						200,000	200,000	
Memorial Gardens Play Improvements	30,000					170,000		
Kidborough Road Gossops Green			1,416		(1,416)	68,584		
Stoney Croft			1,416		(1,416)	23,584		
2 Type A Play Areas Broadfield		26,000	25,726	274				

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
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 Additional Parking	161,844	158,117	155,208		2,909	2,909		
K2 Climbing Wall	180,000	180,000	178,996	1,004			140,000	
Hawth Rep Light/Sound Desk	31,000	27,787	27,787			31,213		
TOTAL WELLBEING PORTFOLIO	1,992,850	1,511,152	1,472,117	139,211	(100,176)	2,243,385	517,000	
TOTAL GENERAL FUND	14,584,454	8,476,424	7,648,674	144,267	683,483	28,398,784	16,742,428	6,839,998
TOTAL HRA IMPROVEMENTS	10,944,000	10,944,000	11,476,634		(532,634)	9,097,366	9,030,000	9,030,000
151 London Road (New Build)	250,000	50,000	11,154		38,846	426,846		
Bridgefield House	10,239,101	7,000,000	4,770,512		2,229,488	12,843,589	1,875,000	
Acquisitions Buy Back Of Dwellings	589,400	589,400	263,449	325,951		1,000,000	1,000,000	1,000,000
Kilnmead	3,000,000	2,845,999	2,847,889		(1,890)	1,984,747		70,000
Gales Place (HRA New Build)	25,540	19,541			19,541	19,541		
Forge Wood	1,938,340					2,622,370		
Apex Apartments	2,850,916	2,950,916	2,568,952		381,965	381,965		
Telford Place Development	100,000	50,000	53,225		(3,225)	53,460	5,540,418	15,266,174
Woolborough Road Northgate	886,427	40,000	5,797		34,203	1,152,203		
Goffs Park - Depot Site	5,228,933	5,773,999	5,597,278		176,721	727,651		
83-87 Three Bridges Road	2,346,640	1,641,640	1,508,379		133,261	436,411		

Appendix 2 Capital Programme

Scheme Description	Original Budget 2018/19 £	Latest Budget 2018/19 £	Outturn £	Under/(Over Spend) £	Slippage £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Dobbins Place	1,404,341	1,605,523	1,605,890		(367)	(367)	24,000	
Barnfield Road	291,274	271,274	256,201		15,073	35,073		
Forge Wood Phase 2	1,371,176	1,385,999	1,362,235		23,764	7,073,240		
257/259 Ifield Road	650,000	40,000	3,997		36,003	877,003		
Forge Wood Phase 3	1,586,080	3,686,080	3,933,522		(247,442)	820,808		
Forge Wood Phase 4		1,282,248	1,270,364		11,884	974,009	1,049,591	
Purchase Of Edinburgh House						3,500,000		
Prelims	100,000	10,000	26,510		(16,510)		473,490	
TOTAL OTHER HRA	32,858,168	29,242,619	26,085,354	325,951	2,831,315	34,928,549	9,962,500	16,336,174
TOTAL HRA	43,802,168	40,186,619	37,561,987	325,951	2,298,681	44,025,915	18,992,500	25,366,174
TOTAL CAPITAL PROGRAMME	58,386,623	48,663,043	45,210,662	470,218	2,982,164	72,424,699	35,734,928	32,206,172
FUNDED BY								
Capital Receipts	7,936,281	5,266,880	1,792,216	144,267	169,294	21,665,980	3,383,898	44,248
Capital Reserve	25,000		2,239,996		(64,062)	25,000	5,000,000	
Disabled Facilities Grant	1,255,125	900,000	913,185		(13,185)	1,153,112		
Lottery & External Funding	295,000	1,588,379	1,242,246		(71,634)	705,943	3,879,204	2,600,000
MRR	34,761,371	31,930,190	30,046,775	228,166	1,996,495	35,125,064	16,895,796	17,422,447
Replacement Fund/Revenue Financing	304,543	143,037	902,210			571,417		
Section 106	768,507	578,128	596,463		130,435	887,572	399,326	
1-4-1	13,040,796	8,256,429	7,477,571	97,785	834,820	12,290,611	6,176,704	3,139,477
Borrowing								9,000,000
TOTAL FUNDING	58,386,623	48,663,043	45,210,662	470,218	2,982,164	72,424,699	35,734,928	32,206,172

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Crawley Borough Council

**Report to Cabinet
26 June 2019**

Energy Procurement Contract Arrangements

Report of the Head of Major Projects & Commercial Services - **HPS/19**

1. Purpose

- 1.1 The Council has participated in a flexible energy procurement arrangement since 2008 under a Framework contract with LASER (Local Authority Energy Buying Group) which is due for renewal on 1st October 2020.
- 1.2 These contractual arrangements cover the supply of gas and electricity to the Council's operational buildings and have achieved significant savings for the Council.
- 1.3 This report contains proposals for the Council's continued participation in these arrangements over the next contract period running from 1st October 2020 to 30th September 2024.

2. Recommendations

- 2.1 The Cabinet is recommended to:

Approve the Council's continuation in the LASER Framework Contract for energy procurement for the period from 1st October 2020 to 30th September 2024.

3. Reasons for the Recommendations

- 3.1 LASER benchmarks their purchasing performance each year and shares this information with its customers. This benchmarking exercise indicates that LASER has been able to deliver prices to customers at 4.6% below the market average over the last 4 years. Based on current consumption this level of performance would equate to a total saving in energy costs over the next 4 year contract period of £98,000 assuming similar performance levels.
- 3.2 Given the estimated savings achieved through a flexible procurement strategy, it is recommended that the Council continue its arrangement with LASER and participate in the framework contract for the 4 year period from 1st October 2020 to 30th September 2024.
- 3.3 The Pan Government Energy project recommended that to spread market risk, and avoid buying during periods of peak market pricing, "all public sector organisations adopt aggregated, flexible and risk-managed energy procurement" as provided under the LASER framework.

4. Background

- 4.1 The Council has had a long standing arrangement with LASER (Local Authority Energy Buying Group) who purchase energy on the Council's behalf under a framework agreement. LASER currently manages the energy procurement for 160 local authorities including West Sussex, Horsham and Mid Sussex; with a total annual spend of £450 million.
- 4.2 Historically these energy contracts were tendered under fixed price arrangements which, in a relatively stable market, secured best value for the Council. However, wholesale energy price volatility over short periods in recent years made this an increasingly high risk strategy and in common with most LASER Members in 2008 the Council switched to a system of flexible energy procurement.
- 4.3 A wholesale flexible procurement arrangement enables the buyer to purchase blocks of energy at varying times both before and within the contracted supply period. The arrangement removes the risk of settling a LASER Members requirement on a single day. Aggregating the volumes of members within the arrangement enables effective market hedging.

5. Description of Issue to be resolved

- 5.1 LASER has now completed the tender process for the next flexible energy framework contract which will run from 1st October 2020 to 30th September 2024 and requires confirmation from its Member authorities that they wish to participate in the new contract. The successful suppliers under this contract are:-

Electricity	-	Npower
Gas	-	Total Gas & Power

- 5.2 The framework contract covers electricity and gas supplies to the Council's operational sites with an estimated value over the 4 year contract term of £2,140,000 i.e. £1,600,000 (Electricity) and £540,000 (Gas).
- 5.3 An early commitment is required by LASER from authorities wishing to participate in the new contract due to its nature which may involve energy purchasing on the wholesale market 12 months or more prior to the contract start date. LASER cannot commence forward purchase on behalf of Council sites until a commitment to join the framework contract has been received.

6. Information & Analysis Supporting Recommendation

- 6.1 Gas and electricity market prices are highly volatile. Market price movements of 10% in a week are not unprecedented. Purchasing all energy requirements on a single day therefore carries the risk of buying when energy market prices are high, with a potentially significant associated budget risk.
- 6.2 Market testing of other public sector energy buying groups and procurement methods such as fixed pricing was undertaken prior to the move to flexible energy contracts with LASER. No financial or other benefits were identified which would have resulted from a switch from LASER and their procurement performance since then has been better or in line with that of other energy buying groups.

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- 6.3 The current contract with LASER has performed extremely well, with overall achieved energy prices 4.6% lower than average market prices. The Council's continued participation in the contract also provides continuity of supply and allows us to remain with our existing energy suppliers.
- 6.4 In addition, the new framework contract offers additional services available to participants including battery storage, data collection, electric vehicle charging, energy efficiency and renewable energy consultancy.
- 6.5 Participation in the LASER framework arrangement requires no maximum or minimum commitment and sites can be added or removed from the procurement arrangement at any time during the contract period.

7. Implications

- 7.1 The Council needs to comply with EU Procurement Regulations 2015 in putting in place a contract for energy procurement from 1st October 2020.
- 7.2 The procurement process undertaken by LASER is compliant with the EU procurement Regulations 2015 and there are provisions for the Council as a Local Authority to utilise LASER as the intermediary to enter into contractual relations with the energy supply marketplace.

8. Background Papers

- 8.1 None.

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