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Crawley Borough Council

Cabinet

Agenda for the Cabinet which will be held in Committee Room A & B - Town Hall, on 25 October 2017 at 7.30 pm

Nightline Telephone No. 07881 500 227

Ann Maria Brown

Head of Legal and Democratic Services

Membership:

Councillors P K Lamb (Chair) Leader of the Council

S J Joyce (Vice-Chair) Cabinet Member for Housing

M G Jones Cabinet Member for Public Protection and

Community Engagement

C J Mullins Cabinet Member for Wellbeing A C Skudder Cabinet Member for Resources

P C Smith Cabinet Member for Planning and Economic

Development

G Thomas 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	3 - 14
	To approve as a correct record the minutes of the Cabinet held on 4 October 2017.	
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.	Business Rates Retention – 100% Business rates pilot application	15 - 18
	The Leader's Portfolio	
	To consider report FIN/425 of the Head of Finance, Revenues and Benefits.	
	The Cabinet is informed that the Chief Executive has agreed that this will be treated as an urgent item under Cabinet Procedure Rule 1.5, due to work not concluding with all potential West Sussex pooling local authorities until mid-October. In view of the need for the matter to have been dealt with as a matter of urgency, this item has been protected from the call in procedure, and the Cabinet is requested to note the action that has been taken.	
6.	Supplemental Agenda	
	Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.	

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Crawley Borough Council

Minutes of Cabinet Wednesday 4 October 2017 at 7.30pm

Present:

Councillors

P K Lamb (Chair of Cabinet and Leader of the Council)

S J Joyce (Deputy Leader of the Council and Cabinet Member for Housing)
M G Jones (Cabinet Member for Public Protection and Community Engagement)

C J Mullins (Cabinet Member for Wellbeing) A C Skudder (Cabinet Member for Resources)

P C Smith (Cabinet Member for Planning and Economic Development)
G Thomas (Cabinet Member for Environmental Services and Sustainability)

Also in Attendance:

Councillor C A Cheshire.

Officers Present:

Natalie Brahma-Pearl Chief Executive

Ann-Maria Brown Head of Legal and Democratic Services
Diana Maughan Head of Strategic Housing and Planning
Clem Smith Head Economic and Environmental Services

Chris Pedlow Democratic Services Manager

24. Disclosure of Interests

The following disclosure of interest was made by Councillor:-

Councillor	Minute Number	Subject	Type and Nature of Disclosure
Councillor P C Smith	Minute 32	Proposed Crawley Growth Programme	Personal Interest – Board Member for Manor Royal
		2017/21	Business Group

25. Minutes

The minutes of the meeting of the Cabinet held on 6 September 2017 were approved as a correct record and signed by the Chair, subject to an 'o' being added to the second word on the second line of page 9 minute 18, so the line would read 'income of and also help to meet the housing needs of Crawley residents.'

26. Public Question Time

The Cabinet received a question from Mr Crane from Bewbush, in relation to the financing of the proposed Town Hall redevelopment project. How is the scheme being funded i.e. reserves or through borrowing?

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The Leader in response commented that he could not comment on the exact detail due to the commercially sensitive nature of the information, but it was a combination of using reserves, both internal and external burrowing, and some HRA expenditure. All figures surrounding the development would be in the public domain in due course.

Mr Crane asked a supplementary question once all the debts had been paid and the cost recovered, what best and worst case scenario in terms of the period of time, for the Council to be creating a yield from the project? In response, the Leader stated that the Council doesn't structure its debts in that type of fashion, rather the debts get balanced against the life time worth of the asset. However, the commercial aspects such as the offices and the heat and power network that income gets used for revenue and ultimately services.

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

The Head of Legal and Democratic Services reported that no representations had been received in respect of any of the following agenda items: 16, 17, 18 and 19: Town Hall Redevelopment Scheme - Outcomes and considerations from the Overview and Scrutiny Commission, Disposal of Intermediate Tenure Units at Southern Counties Scheme, Authority to Appoint a Contractor for Kilnmead Car Park Development and Authority to Appoint a Contractor for Dobbins Place Development.

28. Matters Referred to the Cabinet

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

29. Report from the Chair of the Overview and Scrutiny Commission

The comments from the Overview and Scrutiny Commission had been circulated to all Cabinet Members. Details of those comments are provided under the minute to which the comments refer. It was also noted that item 16, *Town Hall Redevelopment Scheme - Outcomes and considerations from the Overview and Scrutiny Commission* on the Cabinet's agenda was a further report by the Commission's Chair to Cabinet, for their deliberation

30. Amending the Housing Allocations Scheme

The Cabinet Member for Housing presented report SHAP/60 of the Head of Strategic Housing and Planning which set out a number of proposed amendments to the current Housing Allocations Scheme to partly tackle the increased use by the Council of temporary accommodation (TA). It was noted that the drivers for the change were the levels of parental evictions, loss of private rental accommodation, the expected Homelessness Reduction Act 2017 and increasing cost to the Council of TA, along with other factors.

The Cabinet noted the Overview and Scrutiny Commission's comments on the report and its comments to the Cabinet following consideration of the matter at its meeting on 2 October 2017. The Cabinet confirmed it was happy to accept the Commission's suggestion that the Cabinet Member for Housing be added to second recommendation, so that he was consulted by the Head of Strategic Housing and Planning over the

implementation date for the amended scheme to commence, subject to its ratification by Full Council.

RESOLVED

- 1) That Full Council be recommended to approve the amendments to the Council's Housing Allocation Scheme as set out in Appendix A to these Minutes and
- 2) That Cabinet approves that subject to the approval by the Full Council of the amendments to the Council's Housing Allocations Scheme, to delegate to the Head of Strategic Housing and Planning in consultation with the Cabinet Member for Housing the date the amendments are to take effect (such date to be no later than 4 December 2017).

Reasons for Decision

- a) The Housing Allocations Scheme as currently drafted is limited in its ability to prevent the homelessness of those who lose their private rented accommodation or who have to leave their parental home through no fault of their own. Applicants are then often faced with homelessness and where a duty is owed will be placed into temporary accommodation (TA). The recommendations seek to reduce the number of applicants who become homeless and need TA by giving them a higher priority on the housing register.
- b) During the financial year 2015/2016 the rate at which accepted homeless applicants were housed led to a decline in the turnover and availability of TA. A temporary minor change to the Housing Allocations Scheme last year successfully demonstrated that a quota system can increase the ability to house homeless applicants. However as this was a temporary policy, it cannot remain in place and the recommendations seek to introduce a permanent quota system with the flexibility to react to changing housing demands.

31. Community Infrastructure Levy – Governance, Prioritisation and Spend Proposals

The Cabinet Member for Planning and Economic Development presented report PES/257 of the Head of Economic and Environmental Services to the Cabinet which defines how we were going to spend the Community Infrastructure Levy (CIL), which the Council had been collecting since last August. It was noted that the Neighbourhood Improvement Strand proposals included a Crowd funded element.

The Cabinet noted the Overview and Scrutiny Commission's comments on the report and its comments to the Cabinet following consideration of the matter at its meeting on 2 October 2017. The Cabinet were happy to agree that an Equalities Impact Assessment(EIA) be completed and that the Commission receive an update report 6 months following commencement of the Crowdfunding project trial.

RESOLVED

That Cabinet:

1) notes the total Community Infrastructure Levy (CIL) expected to be gathered by the Council from new developments in Crawley over the period to 2030 (as detailed in section 3.1 and Appendix A of report PES/257).

- 2) approves the following draft documents for public consultation for a two month period commencing 9th October 2017.
 - a. the proposed CIL strategic infrastructure spend priorities presented in the draft CIL Infrastructure Business Plan (Appendix D of report PES/257).
 - b. the proposed governance, allocation and spend procedure for the CIL Strategic infrastructure Strand, presented in Sections 4, 5 and Appendix E and for the proposed Neighbourhood Improvement Strand (Section 6) of report PES/257.
- 3) approve Option 3 (Section 6) as the preferred option for the future governance of the CIL Neighbourhood Improvement Strand (Appendix F) of report PES/257, and the implementation of a one year Crowdfunding pilot;
- 4) delegate authority to the Head of Economic and Environmental Services in consultation with the Cabinet Member for Planning and Economic Development to commence the procurement process for a provider to run the "Crowdfunder" platform, to finalise guidance, eligibility criteria, Terms and Conditions and to implement a one year pilot of the Neighbourhood Improvement Strand and its associated procedures as set out in sections 6.
- 5) That an update report, be sent to the Overview and Scrutiny Commission, 6 months after the commencement on the trial of crowdfunding project and that an equalities impact assessment be produced.

Reason for Decision

The Council was required to have in place robust governance and implementation arrangements for the spending of the Community Infrastructure Levy.

32. Proposed Crawley Growth Programme 2017-21

The Cabinet Member for Planning and Economic Development presented report PES/259 of the Head of Economic and Environmental Services to the Cabinet, which firstly sought their endorsement for the proposed Crawley Growth programme 2017-21 and the allocation of £2.8 million as the Council's contribution to the programme.

It was noted that the growth programme and wider investment package of £60.4m would aim to upgrade the living / business environment and transport connectivity across the Borough, especially in the town centre, in Manor Royal and to Crawley's three principal rail stations including the Gatwick station. The proposal should help create the conditions for 1,000+ new homes, 135,000 square metres of new commercial space and 7,000 more jobs by 2030.

The Cabinet Member for Planning and Economic Development was pleased to confirm to the Cabinet that £14.6m of Local Growth Fund (LGF) from the Local Enterprise Partnership (LEP), identified within the report had been secured. He thanked officers for all their hard work on this project and commented that it was pleasing to see good partnership work with West Sussex County Council for the benefit of our residents.

The Cabinet noted the Overview and Scrutiny Commission's comments on the report and were pleased that they were in full support of the initiative.

RESOLVED

That Cabinet endorses the Crawley Growth Programme and:

- 1) approves the allocation of £2.8 million of CBC capital funding from the existing capital programme for the Town Centre to the Crawley Growth programme.
- 2) following the formal approval by the LEP of the £14.6 million of LGF monies to:
- delegate the authority to the Head of Economic and Environmental Services (in consultation with Head of Legal and Democratic Services) to sign an agreed partnership agreement with West Sussex County Council.
- 4) delegates the authority to the Head of Economic and Environmental Services and the Head of Finance, Revenues and Benefits to approve the drawdown of the above budget for individual Growth Programme schemes, in consultation with the Leader and the Cabinet Member for Planning and Economic Development.

Reason for Decision

To confirm Crawley Borough Council's role in the delivery of the Crawley Growth programme and to seek formal approval to allocate £2.8 million of the Council's capital programme funding as a match funding contribution to the overall programme delivery.

33. Local Development Scheme

The Cabinet Member for Planning and Economic Development presented report SHAP/59 of the Head of Strategic Housing and Planning to the Cabinet which sought approval for a new Local Development Scheme (LDS), to replace the current scheme that covers the period 2015 – 2018.

The Local Development Scheme outlines the number and scope of the planning documents the Council intends to bring forward and sets the programme for how these will be progressed over the forthcoming three years. It was proposed that the new LDS would cover up to December 2020.

RESOLVED

That Cabinet approves the adoption of the revised Crawley Borough Council Local Development Scheme 2017 – 2020, as set out in Appendix A of report SHAP/59, to take effect from 5 October 2017.

Reason for Decision

Planning legislation requires the Council to prepare and maintain a Local Development Scheme (LDS), setting out the statutory planning documents it intends to produce to cover its area. The Council's current LDS covers the period July 2015 – June 2018 and is in need of updating.

34. Little Trees Cemetery – Burial Ground Regulations

The Cabinet Member for Environmental Services and Sustainability presented report HCS/04 of the Head of Community Services which sought approval for the formal adoption of burial ground regulations that were required prior to an opening of the new cemetery to ensure that it was able to run smoothly and efficiently.

The Cabinet noted that the intention was for Little Trees Cemetery to be opened by the end of the October, with burials already being scheduled for the next few weeks. Also

they were informed that there was potential for further development of the cemetery going forward.

The Cabinet commented that they were pleased that Crawley finally had a new cemetery and the plans for Little Tress were impressive and would be of benefit for our residents and their families for years to come.

RESOLVED

That Cabinet approves:

- 1) the adoption of the new Burial Ground Regulations for Little Trees Cemetery, and
- 2) delegates the authority to the Head of Community Services, in consultation with the Portfolio Holder for Environmental Services and Sustainability, to make changes to the Burial Ground Regulations, as and when required.

Reason for Decision

Burial Ground Regulations are required to ensure the smooth running of Little Trees Cemetery. They ensure consistency and avoid confusion in terms of what can and cannot be allowed to take place within the cemetery. Without clear regulations, there would be confusion and conflict and it is especially important to avoid this during bereavement of family and loved ones.

35. Local Discretionary Rate Relief Scheme

The Leader of the Council presented report FIN/421 of the Head of Finance, Revenues and Benefits which sought confirmation of the Council's approach for the use of the new Local Discretionary Rate Relief Scheme. It was noted that the scheme was introduced nationally, following the recent national business rate recalculation, to help support businesses that were affected by an increase in their business rates.

As part of the preparation for the introduction of the scheme the Council engaged in a consultation exercise on the proposed scheme, which was detailed in paragraph 13 of the report FIN/421.

RESOLVED

That Cabinet approves:

- 1) the adoption of a Crawley Borough Council Local Discretionary Business Rate Relief Scheme based on a percentage reduction as set out in the report FIN/421, and
- delegates to the Leader, the authority to determine future minor amendments to the scheme.

Reason for Decision

In order to distribute Government Grant in line with the recommendations and conditions given by the Government as outlined within this report.

36. Exempt Information – Exclusion of the Public

RESOLVED

The Committee is asked to consider passing the following resolution: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.

37. Town Hall Redevelopment Scheme – Outcomes and considerations from the Overview and Scrutiny Commission

(Exempt under paragraphs 3 and 5—Information relating to financial and business affairs of any particular person (including the Authority holding that information); and information in respect of which a claim to legal privilege could be maintained in legal proceedings)

Councillor Cheshire on behalf of the Overview and Scrutiny Commission, presented to the Cabinet report OSC/261, which detailed the comments, considerations and conclusions arising from the special Overview and Scrutiny Commission meeting on 6th September, which was an in-depth examination into the financing and feasibility of the Town Hall Redevelopment Scheme.

In considering the Commission's comments and recommendations, the Cabinet commented that they were impressed with the approach taken by the Commission to their investigation and felt that the meeting and the findings were of benefit to the project. As a result, the Cabinet were pleased to accept the two key proposals arising from the special Commission meeting.

RESOLVED

That Cabinet agrees:

- 1) that the Town Hall Working Group will receive regular finance updates and the Overview and Scrutiny Commission (if subsequently referred).
- 2) that whilst the risk register was regularly reviewed, this should be included on the Audit Committee agenda.
- 38. Disposal of Intermediate Tenure Units at Southern Counties Scheme (Exempt under paragraphs 3 Information relating to financial and business affairs of any particular person (including the Authority holding that information)

The Cabinet Member for Housing presented report SHAP/61 the Head of Strategic Housing and Planning Services which sought authority to dispose of the twenty-six (26) intermediate tenure units on the Southern Counties scheme. It was noted that the report contained a number of options for the Cabinet to consider in ensuring that the Council was taking the best approach in securing the properties as affordable housing.

RESOLVED

- 1) That the Cabinet approves the sale of the 26 intermediate tenure units as shared-ownership:
 - to a selected Registered Affordable Housing Provider for the purposes of shared-ownership achieving full recovery of the HRA's initial capital outlay, and

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- (ii) to delegate authority to the Head of Crawley Homes, the Head of Finance, Revenues and Benefits, and the Head of Legal and Democratic Services in consultation with the Cabinet Member for Housing, to progress into contract with the preferred Registered Provider (RP) to acquire these units from the Council for the purpose of Shared-Ownership tenure.
- 2) That the Cabinet also approves the following contingency approach should the above resolutions not be achievable, namely
 - (i) the sale of the 26 intermediate tenure units as shared-equity,
 - (ii) the marketing of these units on a shared-equity basis achieving full recovering of the HRA's initial capital outlay, and
 - (iii) that the delegated authority be given to the Head of Strategic Housing and Planning, the Head of Finance, Revenues and Benefits, and the Head of Crawley Homes in consultation with the Cabinet Member for Housing, to appoint the necessary agents to market and dispose of these units to qualifying buyers on a shared-equity basis.

Reason for Decision

- a) The cost to the Housing Revenue Account (HRA) to secure all the affordable housing units within this scheme is £15.1m. On-selling the (26) Intermediate Tenure units to a Registered Affordable Housing Provider will enable the HRA to recover almost £4.5m of this capital outlay to meet other capital programme commitments, while ensuring that these properties remain as affordable housing and can be offered as the most affordable of the low-cost home ownership products.
- b) Should it not prove possible to progress a Registered Provider bid to contract on the terms set out in the recommendations, marketing the units on a shared-equity basis will enable the HRA to recover the capital outlay. As such these properties would still provide a low-cost home-ownership offer but on less affordable terms than the shared-ownership offer.
- c) The Council's planning policy and the S106 Agreement entered into with the developer permits up to 30% of these affordable housing units to be Intermediate Tenure in the interests of creating balanced communities and addressing the spectrum of housing needs across the range of affordable tenures. This provides a means for the HRA to on-sell these units thereby recovering its capital outlay as early as possible to avoid impacting delivery of the capital programme
- 39. Authority to Appoint a Contractor for Kilnmead Car Park Development (Exempt under paragraphs 3 Information relating to financial and business affairs of any particular person (including the Authority holding that information)

The Cabinet Member for Housing presented report CH/175 of the Head of Crawley Homes which sought approval for the authority to enter into a Design and Build Contract for the construction of approximately 37 new affordable residential units at Kilnmead Car Park, Northgate, Crawley as part of the Council's own build housing programme.

RESOLVED

That Cabinet approves the appointment of W. Stirland Ltd under a single stage Design and Build Contract for the development at the Kilnmead Car Park site. The Contractor to work with the Council to undertake the detailed design and construction of the final scheme, (Subject to Planning Permission being granted).

Reason for Decision

- a) To provide housing for Crawley residents in need from the housing register.
- b) To continue the delivery of dwellings funded from the HRA as part of HRA business plan and the Council's RTB Receipts (one-for-one) funding programme

40. Authority to Appoint a Contractor for Dobbins Place Development (Exempt under paragraphs 3 – Information relating to financial and business affairs of any particular person (including the Authority holding that information)

The Cabinet Member for Housing presented report CH/174 of the Head of Crawley Homes which sought approval for the authority to enter into a Design and Build Contract for the construction of 6 new affordable residential Passivhaus units at Dobbins Place, Ifield, Crawley as part of the Council's own build housing programme.

RESOLVED

That Full Council be requested to agree a supplementary capital estimate of £350,000 to deliver the scheme. This can be funded from an underspend of £50,000 from the Gales Place scheme and £300,000 from the contingency from the Goffs Park scheme, therefore there is no overall increase in the capital programme. (Subject to Planning Permission being granted).

That Cabinet approves appointment of Westridge Construction Ltd under a single stage Design and Build Contract for the development at the Dobbins Place site. The Contractor to work with the Council to undertake the detailed design and construction of the final scheme. (Subject to Planning Permission being granted).

Reason for Decision

- a) To provide housing for Crawley residents in need from the housing register.
- b) To continue the delivery of dwellings funded from the HRA as part of HRA business plan and the Council's RTB Receipts (one-for-one) funding programme.

41. Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.48pm.

P K LAMB Chair Appendix A - Relating to Minute 30. Amending the Housing Allocations Scheme

Additional wording to be added to the Housing Allocations Scheme.

The following wording to be added to the existing wording of the Housing Allocations Scheme between existing paragraphs 5.1 and 5.2:

5.1.1 Main allocation quota

Except for the accommodation specifically excluded from quotas (see further under section 5.1.3), the following quota will apply to all other allocations under the Choice Based Lettings scheme:

Band A+ and Band A (applicants will be prioritised by Band and within each Band by priority housing date order)	80%
Band B, C and D (applicants will be prioritised in Band order and within each Band by priority housing date order)	20%

The proportion split of the above quota will be reviewed on an annual basis. The review will be conducted by the Housing Needs Manager to decide whether a different proportion split is likely to better meet the competing housing needs from transferring social housing tenants, applicants in reasonable preference groups and homeless households with a statutory rehousing duty living in temporary accommodation. If the review concludes that a different proportion split may better achieve this aim (for example, 85% of allocations for Band A+ and A and 15% for Bands B, C and D), the above proportions may be changed in line with the review findings by the Head of Strategic Housing and Planning following consultation with the Cabinet Member for Housing.

5.1.2 Temporary sub-quotas

From time to time the Council may introduce temporary sub-quotas within the main quota (5.1.1) to give additional preference for specific groups of people. Any temporary sub-quota will be in place for no longer than 6 months.

An example of a sub-quota is as follows (see **bold text** below):

Band A+ and Band A (applicants will be prioritised by Band and within each Band by priority housing date order), but this sub-quota will also apply:	
 Homeless applicants in temporary accommodation and transfers seeking to give up larger accommodation will be allocated 50% (of the 80%) (prioritised by Band and within each Band by priority housing date order) 	

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The 50% balance (of the 80%) will be allocated to all other Band A+ and Band A applicants (prioritised by Band and within each Band by priority housing date	
Band B, C and D (applicants will be prioritised in Band order and within each Band by priority housing date order)	20%

A decision to introduce a temporary sub-quota may be made by the Head of Strategic Housing and Planning following consultation with the Cabinet Member for Housing.

A decision to introduce a temporary sub-quota will be published on the Council's website, and all properties subject to a temporary sub-quota will be clearly labelled on the property advertisement.

5.1.3 Accommodation excluded from quotas

The following properties allocated via the Choice Based Allocations scheme will not be included in the quotas referred to in 5.1.1 and 5.1.2:

- sheltered accommodation;
- bungalows;
- accommodation designated for older people; and
- accommodation which has been adapted for people with disabilities.

Banding changes – the following wording to be added to paragraph 3.2.1 under the heading "BAND A+ (Emergency or urgent priority)":

Band A+ (court order to leave accommodation) - The applicant has been working closely with the Council's Housing Options Team to prevent homelessness and has received an outright possession order or notice of eviction from a court to leave or vacate their current accommodation, and the reason that the landlord sought possession was through no fault of the applicant. This applies to applicants who are homeless within the meaning of Part 7 of the Housing Act (as amended) and who are unable to secure any alternative accommodation.

Banding changes – the following wording to be added to paragraph 3.2.1 under the heading "BAND A (Very High Priority)":

Band A - The applicant has been working closely with the Council's Housing Options Team to prevent homelessness but has received a valid Section 21 Housing Act 1996 notice to leave or vacate their current accommodation and the reason that the landlord served the notice was through no fault of the applicant. This applies only to applicants who are homeless within the meaning of Part 7 of the Housing Act 1996 as amended and who are unable to secure any alternative accommodation.

Band A - The applicant is homeless or threatened with homelessness within the meaning of Part 7 of the Housing Act 1996 as amended, is unable to secure any alternative accommodation and:

• is forced to share their bedroom or sleeping area with their <u>dependent</u> child who is over 6 months;

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• they currently live with their parent/s or relations; and they have continuously lived their parent/s or relations for the 12 months prior to the birth of their child (and can evidence this).

Wording to be deleted from the Housing Allocations Scheme.

The following wording to be deleted from paragraph 3.2.1 on page 18:

Band A – The applicant has received a valid court order to leave or vacate their current accommodation through no fault of their own.

Crawley Borough Council

Report to Cabinet 25 October 2017

Business Rates Retention – 100% Business rates pilot application

Report of the Head of Finance, Revenues and Benefits - FIN/425

1. Purpose

1.1 On 2 September 2017, the Department of Communities and Local Government (DCLG) invited pilot bids for 100% localisation of Business Rates in 2018/19. All the councils in West Sussex are currently modelling detailed financial scenarios and considering whether to submit a bid.

2. Recommendations

To the Cabinet

2.1 The Cabinet is recommended to:

- a) Determine whether to submit a bid to the Department of Communities and Local Government (DCLG) for Crawley Borough Council to take part in the West Sussex wide 2018-2019 pilot for 100% business rate retention.
- b) Further if a decision is made to submit a Bid to delegate to the Head of Finance, Revenues and Benefits, in consultation with the Leader, the authority to accept the Pilot if the Council is successful.

3. Reasons for the Recommendations

- 3.1 To enable a bid to be prepared in line with the timescales set out by DCLG requires delegated authority to be granted. The deadline for submission is 27 October 2017.
- 3.2 If taxation receipts grow faster than spending on additional responsibilities, a successful bid should result in a greater share of local taxation being retained in the area, for the benefit of residents and service users.

4. Background

- 4.1 The current local government funding methodology includes 50% localisation of Business Rates. In two-tier areas, 40% is allocated to the Council and 10% to the County Council. In practice, however, a system of tariffs means that the Council actually retain much less, and most significantly we only retain 20% of any growth in business rates due to a 50% levy being applied to our 40% district share. West Sussex County Council retains 10% of growth.
- 4.2 In the current financial year the government is trialling 100% retention in unitary council areas, as a precursor to fulfilling their intention to fully localise business

rates. On 2 September 2017, the Department of Communities and Local Government (DCLG) invited further bids for pilot areas, this time specifically encouraging bids from two tier and rural authorities.

- 4.3 With 100% localisation, potentially all business rates collected could be retained, but pilot authorities would need to take on additional responsibilities, or lose other grant funding to offset the additional income. Should the value of additional responsibilities be less than the additional funding, a tariff would be applied to ensure the starting point would be fiscally neutral for the Government. However, levies would no longer be applied to growth, and so all of the growth in business rates would be retained (split between the county and district councils).
- 4.4 Councils wishing to be considered for pilot status in 2018-2019 must have submitted their bid to DCLG by 27 October 2017. It is likely that there will be a competitive process and not all bids will be successful. DCLG intends to announce the outcome of the bidding process in December 2017, probably at the same time as the annual Settlement.
- 4.5 To enable a bid to be prepared in line with the timescales set out by DCLG requires delegated authority to be granted. The West Sussex Finance Officers have already commenced preparatory work, which was reviewed by the chief executives at the West Sussex Chief Executives Forum on 6 October 2017.
- 4.6 By working with partner councils across West-Sussex there is benefit residents and businesses helps to provide great value services.

5. Description of Issue to be resolved

- 5.1 Matters that will need to be worked up as part of a bid include:
 - How gains will be used and the outcomes from the gains. DCLG have indicated that they expect at least some of the gain to be used to generate economic growth.
 - How risks will be mitigated.
- 5.2 Experience of having operated a business rate pool in parts of the county means that much of the existing risk mitigation and governance arrangements can be built upon as part of this joint submission.
- 5.3 DCLG will announce successful submissions in December 2017. It is anticipated that following this date, the final decision Depending on the deadline for acceptance it is intended that the final decision be made by the Head of Finance, Revenues and Benefits, in consultation with the Leader under delegation.

6. Information & Analysis Supporting Recommendation

6.1 Financial officers are preparing a West Sussex county-wide bid. Detailed financial modelling will be required to ensure pilot status will be financially beneficial to all authorities. If the initial modelling indicates that being a pilot is not financially advantageous, or is significantly risky a bid would not be submitted. The deadline for submission to DCLG is 27 October 2017.

7. Consultation

7.1 All district, borough and county councils in West Sussex will need to collaborate on a scheme for a bid to be successful. Finance officers and chief executives are therefore collaborating to enable a bid to be drafted. Each authority will need to consult their members according to their own constitutional requirements.

8. Resource and legal consequences

8.1 The submission of a bid does not require additional resources. A successful bid should generate additional revenue for the West Sussex councils, and help government shape the future roll out of fully localised business rates. Equally, however, if income from Business Rates falls, the Council could be more exposed to the downside risk. There are no legal implications identified at this stage.

9. Risk assessment

- 9.1 A successful bid should result in a greater share of local taxation being retained in the area, for the benefit of residents and service users.
- 9.2 There is, however, a potential risk that taxation receipts do not grow as fast as spending on the additional responsibilities. It is therefore essential that financial modelling is undertaken to establish which additional responsibilities are requested, and the risk is mitigated as far as possible.

10. Other considerations

10.1 There are no implications of any action proposed in respect of Equality & Diversity at this stage.

11. Background Papers

DCLG's invitation for pilots

