

Crawley Borough Council

Cabinet

Agenda for the **Cabinet** which will be held in **Ashurst Main Hall - The Charis Centre**, on **Wednesday, 24 November 2021** at **7.00 pm**

Nightline Telephone No. 07881 500 227



Chief Executive

Membership:

Councillors

P K Lamb (Chair)
I T Irvine
G S Jhans

M G Jones

C J Mullins
P C Smith

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

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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 are reminded that it is a requirement to declare interests where appropriate.	
3. Minutes	7 - 10
To approve as a correct record the minutes of the Cabinet held on 29 September 2021.	
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) 17, 18 & 19: <i>Crawley Innovation Centre – Draft Business Case, Acquisition of Properties for Temporary Accommodation and CBC Parking Services Agreement with NHS Property Services Ltd</i> 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. Budget Strategy 2022/23 – 2026/27	11 - 38
<i>The Leader's Portfolio</i>	
To consider report FIN/537 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.	

	Pages
<p>8. Treasury Management Mid Year Review 2021-2022</p> <p><i>The Leader's Portfolio</i></p> <p>To consider report FIN/538 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	39 - 50
<p>9. 2021/2022 Budget Monitoring - Quarter 2</p> <p><i>The Leader's Portfolio</i></p> <p>To consider report FIN/535 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	51 - 70
<p>10. Crawley Homes Rent Overcharge</p> <p><i>Housing Portfolio</i></p> <p>To consider report DCE/11 of the Deputy Chief Executive, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	71 - 82
<p>11. Unsupervised Play Investment Programme</p> <p><i>Wellbeing Portfolio</i></p> <p>To consider report HCS/33 of the Head of Community Services, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	83 - 90
<p>12. Climate Emergency Action Plan</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report PES/390 of the Head of Economy and Planning, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	91 - 142
<p>13. One Town - Crawley Economic Recovery Plan - Consultation Findings and Final Version</p> <p><i>Planning and Economic Development Portfolio</i></p> <p>To consider report PES/391 of the Head of Economy and Planning, which was referred to the meeting of the Overview and Scrutiny Commission held on 22 November 2021.</p>	143 - 188
<p>14. Town Centre District Heat Network (DHN) Phase 2</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>To consider report HPS/29 of the Head of Major Projects and Commercial Services.</p>	189 - 192

	Pages
<p>15. Supplemental Agenda</p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	
<p>16. Exempt Information – Exclusion of the Public (Subject to Agenda Item 5)</p> <p>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.</p>	
Part B Business (Closed to the Public)	
<p>17. Crawley Innovation Centre - Draft Business Case</p> <p><i>Planning and Economic Development Portfolio</i></p> <p>Exempt Paragraph 3 <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i></p> <p>To consider report PES/392 of the Head of Economy and Planning, which was referred to the meeting of the Overview and Scrutiny Commission on 22 November 2021.</p>	193 - 248
<p>18. Acquisition of Properties for Temporary Accommodation</p> <p><i>Housing Portfolio</i></p> <p>Exempt Paragraph 3 <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i></p> <p>To consider report SHAP/84 of the Head of Strategic Housing Services.</p>	249 - 256
<p>19. CBC Parking Services Agreement with NHS Property Services Ltd</p> <p><i>Environmental Services and Sustainability Portfolio</i></p> <p>Exempt Paragraphs 3 & 5 - <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i> - <i>Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</i></p> <p>To consider report HCS/35 of the Head of Community Services.</p>	257 - 260

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Crawley Borough Council

Minutes of Cabinet

Wednesday, 29 September 2021 at 7.00 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
I T Irvine	Cabinet Member for Housing
G S Jhans	Cabinet Member for Environmental Services and Sustainability
M G Jones	Cabinet Member for Public Protection and Community Engagement
C J Mullins	Cabinet Member for Wellbeing
P C Smith	Cabinet Member for Planning and Economic Development

Also in Attendance:

Councillor D Crow, R D Burrett and T G Belben

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Chris Pedlow	Democracy & Data Manager
Matt Lethbridge	Community Services Manager
Nigel Sheehan	Head of Projects and Commercial Services
Kate Wilson	Head of Community Services

Apologies for Absence:

Absent

Councillor R S Fiveash

1. Disclosures of Interest

No disclosures of interests were made.

2. Minutes

The minutes of the meeting of the Cabinet held on 8 September 2021 were approved as a correct record.

3. Public Question Time

There were no questions from the public.

4. **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.

5. **Community Grants Procedure & Outcomes Framework**

The Cabinet Member for Public Protection and Community Engagement introduced report [HCS/29](#) of the Head of Community Services. The report sought approval for updated community grants procedure and outcomes framework, which built on the decision that Cabinet took last year, including some alterations to strengthen the process going forward. The changes included adding a further fourth priority – Community Spirit and altering the small grants scheme to enable a booster pot that would enable a more adaptable approach and adding a new aim for the small grants scheme of “*Foster greater levels of community connectivity and cohesion*”.

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 27 September 2021, which included the Commission having sought clarity on the support that would be provided to third sector organisations and community groups with the new online application process. Questions were also raised during the Commission’s discussion on the report over the crowdfunding threshold and how the monitoring of the success of the new process would occur.

Councillor Crow was invited to speak to the item. He welcomed the report and the new priorities and hoped that there would be a light touch review after a year to ensure that the scheme was proving to be effective in its support.

RESOLVED

That the Cabinet

- a) approves the Community Grants Procedure and Outcomes Framework including the associated proposal, process, priorities and outcomes and decision making delegations as set out in sections 5.1 to 5.20 of report [HCS/29](#)
- b) approves a ring fenced sum of £140,569 for the new Community Advice and Support Service (CASS) contract from the strategic grants & commissioning allocation as set out in section 5.6 of report [HCS/29](#)
- c) delegates authority to the Cabinet Member for Public Protection and Community Engagement in consultation with the Head of Community Services, and Head of Legal, Governance and HR to enter into an Inter-Agency Agreement to support continued partnership working, and approve the award of the CASS contract following an appropriate procurement process.
- d) delegates the negotiation, approval and completion of all relevant legal documentation, following the awarding of the contract to the Head of Community Services, Head of Legal, Governance and HR, Head of Corporate Finance, in

consultation with the Cabinet Member for Public Protection and Community Engagement.

Reasons for the Recommendations

The recommendation supports the Council to achieve a balanced budget position for 2022/23 onwards.

It responds to the approach agreed at Cabinet on 3 February 2021, to develop a strategic/commissioned and small grants funding programme with a focus on high quality outcomes that, with the new priorities, better responds to particular needs of our community.

6. Leisure Contract - Extension of Variation Order

The Cabinet Member for Wellbeing presented report [HPS/28](#) of the Head of Major Projects and Commercial Services. The report set out the arrangements the Council had entered into with Everyone Active (EA) following the initial lockdown in March 2020 and recommended that the Cabinet extends the variation order to facilitate the continued opening of the leisure centres over the period 1 October 2021 – 31 March 2022. It was noted pleasingly that the number of users using the facilities at K2 Crawley were slowly but surely increasing and it was hoped that this pattern would continue.

Councillor Crow was invited to speak on the item and commented that he acknowledged that there were no real alternatives for the Cabinet to consider, but to continue in the proposed approach of the contract variation, however the increasing users was a positive.

RESOLVED

That the Cabinet approves the extension of the contract variation with Everyone Active under the terms set out in section 5.7 of report [HPS/28](#).

Reasons for the Recommendations

The recommendation facilitates the continued re-opening of the leisure centres providing the opportunity to grow customer base and membership numbers while adhering to the Government's Procurement Policy Note 02/20 (Supplier Relief Due to Coronavirus).

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.12 pm

P K LAMB
Chair

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Agenda Item 7

Crawley Borough Council

Report to Overview & Scrutiny Commission
22 November 2021

Report to Cabinet
24 November 2021

Budget Strategy 2022/23 – 2026/27

Report of the Head of Corporate Finance, **FIN/537**

1. Purpose

- 1.1 The 2022/2023 General Fund and Housing Revenue Account Budgets and the updated capital programme will be determined by the Full Council in February 2022. This report sets out the projected financial position for 2022/23 to 2026/27 for the General Fund and the underlying assumptions.
- 1.2 The report also sets the policy framework for the budget process, recognising that there are a range of options for capital investment, income generation, savings and Council Tax levels; none of which can be considered in isolation. The overall objective in the past has been to work towards a balanced General Fund budget over a three year period, this however due to the impact of the pandemic this was increased to four years in [Budget Strategy](#) report to Cabinet in November 2020.
- 1.3 This report also includes the Housing Revenue Account's capital investment programme to be considered ahead of the Budget report to Cabinet and Full Council in February 2022.

2. Recommendations

2.1 To the Overview & 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 asked to recommend to Full Council the approval of the Budget Strategy 2022/23 to 2026/27 and to:

- (a) **Note the uncertainties around Government funding prior to the settlement in December and the delay in Local Government Funding reforms such as business rates retention and the future of New Homes Bonus.**
- (b) **Note, for the purpose of projections, the current budget deficit of £138,566 for 2022/23 before use of reserves, on the basis of a Council tax increase of 2.31% which is £4.95 on a Band D in property 2022/23.**

Agenda Item 7

- (c) **Work towards balancing this over a four year period, including putting back into reserves when the Budget is in surplus. There may be a need to use reserves over the next three to four years to balance the budget together with ongoing savings, efficiencies and additional income through the transformation programme.**
- (d) **Note elsewhere on this Agenda there is a report on the Climate Change Emergency Action Plan. The costs identified in 2022/23 are included within existing budgets, however there will be a need to fully cost the plan over the coming years and decisions will be required on how to fund the plan.**
- (e) **Note that savings previously agreed and included in the Budget Strategy are required to ensure a sustainable budget.**
- (f) **Delegate to the Leader of the Council in consultation with the Chief Executive and the Head of Corporate Finance to approve a discretionary business rates scheme to distribute the share to Crawley Borough Council of the £1.5b business rates relief as outlined in section 5.3.**
- (g) **Note that items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations and schemes will also be considered that are spend to save or spend to earn but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.**
- (h) **Agree the inclusion of new capital schemes in future budgets with the value of £948,460 as identified in Table 8.**
- (i) **Reduce the Gigabit capital programme of £2.7m to £1.35m funded from the West Sussex business rates pool to avoid duplication with Towns Fund Gigabit scheme as identified in section 9.3.**
- (j) **Approve the revised Crawley Homes capital investment plan in Appendix D which includes the financial year 2024/25 and the garage repairs capital budget which was transferred to the General Fund.**
- (k) **Note that the Budget is aligned to the Council's Corporate Priorities.**

3. Reasons for the Recommendations

- 3.1 To continue with the implementation of the Council's budget strategy and to deal with the Council's projected budget deficit which is higher than previously projected due to the impact of the pandemic on future Council tax and Business rates income projections and also impacting other income sources such as fees and charges.
- 3.2 To reaffirm the criteria for capital programme bids.
- 3.3 To note that until the Local Government Finance Settlement is known in December 2021 these projections are highly likely to change.

4. Background

- 4.1 In February 2021, the Council set its Revenue Budget and Capital programme for 2021/22. As a consequence of the pandemic, the Government implemented a one-

Agenda Item 7

year Spending Review for 2021/22. The Council, as with all other Local Authorities, received a one-year funding settlement for the year. In addition two grants were received that were unexpected, these were the Lower Tier Services grant of £363,916 and a Local Council Tax Support Grant of £168,916. Despite this due to the impact of the pandemic on income levels there was still a requirement to budget to use reserves in 2021/22 of £155,606.

- 4.2 The Chancellor of the Exchequer announced that a Comprehensive Spending Review (CSR) would start in September 2021 and the Autumn Budget was announced on 27th October 2021.
- 4.3 In this autumn budget, £4.8bn of funding for all Councils was announced to address pressures that Councils are facing, this £4.8bn was to cover a three year period. This will be front loaded so almost all the increase in grant will be in 2022/23 and little in the two following years. It is not known how much of the funding will be ring-fenced for Social Care grant. The target date for the provisional individual settlement figures is 5 December 2021; this makes it difficult to project forwards at this stage. Initial assessments show that core spending power (which includes Council tax increases) will increase by around 1% in real terms but we are awaiting further individual details.
- 4.4 The Comprehensive Spending review was a three-year setting of Departmental Spending Limits, but it is not yet known whether this will translate to a three year settlement. The budget however did say that there will additional support for people at risk of rough sleeping and homelessness.

Local Government Finance Reforms

There has been no announcement about **local government funding reforms** (Fair Funding Review or business rates changes) and we assume that they have been pushed back to at least 2023-24. With business rates the decision to continue with 100% pilots for three years means that there is unlikely to be a baseline reset until 2025/26.

New Homes Bonus – as part of the Funding Settlement for 2020/21, the Secretary of State for MHCLG announced a one-year allocation of New Homes Bonus (plus the legacy payments from previous years). The Government's rationale for a single year payment in 2020/21 was their intention to consult on a new method of incentivising housing growth in spring 2020.

Again, with the onset of the Pandemic, there has not yet been any consultation on a new method of incentivising housing growth. It is not possible, therefore, to say what this is, however the projections in this report assume that New Homes Bonus will be the final legacy payment only in 2022/23.

The CSR and budget announcement was silent on New Homes Bonus, again making it very difficult to make accurate projections.

- 4.5 The 2022/23 General Fund and Housing Revenue Account Budgets and the revised capital programme will be set by the Full Council in February 2022. This will be informed by the recommendations of the Cabinet and Full Council in February 2022 and will take into account the efficiencies, increased income identified through the work of the commercialisation group, which dovetails with the Council's [Transformation Plan](#). At the same meeting the Treasury Management Strategy will address the financing of the capital programme, taking into consideration the capital strategy included within this report.

Agenda Item 7

- 4.6 Many of the underlying financial assumptions in this report apply equally to the Housing Revenue Account as to the General Fund (for example inflation and employee related costs). However, the financial position of the Housing Revenue Account (HRA) is heavily influenced by the financing regime introduced in April 2012.
- 4.7 Under this regime the Council has taken on debt of £260.325m and determined a repayment profile which gives it the capacity to spend capital sums to achieve some of its objectives for housing. This includes a comprehensive stock investment programme and the building of new Council homes.
- 4.8 The impact of the housing rents error dating back to 2014 will be accounted for in the current financial year, however there will be a reduced income budget in future years for Crawley Homes as a result.
- 4.9 The Cabinet Member for Housing has delegated responsibility for rent setting. The guidance is CPI + 1%, this would be an increase of 4.1%. However there is increased costs associated with responsive repairs as highlighted in the Quarter 2 monitoring report elsewhere on this agenda; impact of this in the next financial year is likely to be in the region of £1.1m.

5. Key Assumptions

- 5.1 Although the autumn budget announcement of £4.8bn additional funding for local government over the next three years was welcome, it is not yet known how this will be distributed among Local Authorities. This is a real term increase and is certainly more generous than some previous reviews (excluding the last two one-year spending reviews). Even so, there is a triple hit on finances with rising inflation, higher wages costs and continuing pressures as a result of the impact of Covid-19.
- 5.2 For the purposes of the development of the Council's Budget Strategy, it is assumed that the Government will simply roll-forward the 2021/22 settlement into 2022/23 adjusted for inflation, that there will be support as we saw in the current year in the form of Lower Tier Services Grant. Assuming this the table below provides a summary of the forecast funding.

Table 1 Forecast of core funding to 2026/2027

	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Revenue Support Grant	60	60	61	63	0	0	0
New Homes Bonus	1,831	1,108	263	0	0	0	0
Lower Tier Services Grant	0	363	436	0	0	0	0
Local Council Tax Support Grant	0	169	0	0	0	0	0
Sub-total	1,891	1,700	760	63	0	0	0
Estimated share of NNDR	5,163	4,306	5,236	5,276	5,111	4,622	4,715
Total 'core funding'	7,054	6,006	5,339	5,176	5,111	4,494	4,715

Agenda Item 7

The assumptions above uses a modelling tool provided by Pixel our advisors on Local Government funding.

5.3 Retained Business Rates

Growth in business rates income is dependent on securing economic development and additional employment. In the past there has been annual growth but the impact of the pandemic on Crawley as an airport town has seen a reduction in retained business rates in the current year 2021/22. The projections assume that there will be a slow reversal of this loss over the timeline of this strategy.

Economists have commented that the impact of the COVID-19 pandemic will go on for several years. The [Centre for Cities](#) report states that Crawley will be the most vulnerable large town in the country as a result of the pandemic.

Any in year variations from the budget will be transferred to/from the business rates equalisation reserve. In 'normal' years, this reserve is held at a maximum of £5m.

However, in 2020/21 the government announced business rate reliefs after the setting of the budget which amounted to £36.5m. The government compensated the Council for their share of the relief (£21.9m) which was recognised in 2020/21, but the resulting deficit on the collection fund would need to be repaid in 2021/22 through to 2023/24. As a result, the business rates equalisation reserve is currently £21.8m. 2021/22 also had business rate reliefs announced after the setting of the budget and these are projected to total £20.6m for the year. The Council's share is £8.2m and the resulting deficit on the collection fund will be repaid in 2022/23. Table 2 below sets out the projections for the retained business rates and the resulting impact on the equalisation reserve.

The budget announced further reliefs for the retail, hospitality and leisure sector up to a maximum of £110,000. The council will be compensated for these reliefs given. Businesses will again have to apply for the reliefs to ensure they do not reach the maximum of £110,000, and this results in a lot of additional work for the small business rates team. The Chancellor also announced a freeze on the Business Rate Multiplier; businesses will not see an increase next year in their business rates bill. The statement from the Chancellor did say that 'Local authorities will be fully compensated for all measures announced in the review'.

Table 2 Business rates projections and use of equalisation reserve

	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
CBC share of business rates	45,074	50,327	51,686	53,081
Additional s.31 reliefs	8,243	0	0	0
Renewable energy	5	5	5	5
Tariff payable to Government	-42,592	-43,446	-44,619	-45,823
Levy payable to Government	-2,069	-1,400	-2,047	-2,152
Surplus/deficit from prior years	-16,193	-4,979	-1,265	0
Sub total	-7,532	507	3,760	5,111
Use of Equalisation reserve	11,838	4,729	1,515	0
Total budget for year	4,306	5,236	5,275	5,111
Balance on Equalisation reserve	9,983	5,254	3,739	3,739

Government did announce that there would be £1.5bn available for Councils to distribute as reliefs to businesses in order to support them to pay their business rates.

Agenda Item 7

This is being worked as part of the [Covid MCC Appeals relief scheme](#). Royal assent is expected before Christmas. A discretionary scheme will be required to be written with input from the business rates and economic development team. This will be an across West Sussex scheme with Crawley officers inputting into the joint scheme. The final scheme will be delegated for approval to the Leader of the Council in consultation with the Chief Executive and the Head of Corporate Finance.

The new Communities secretary announced on 7th November 2021 that the plans to allow councils to retain 75% of their business rates has been abandoned as it would conflict with the Government's 'levelling up agenda' and now the Government would 'proceed with caution' on the issue. Instead the Government will now look at the mechanism for redistributing funding to the authorities most in need. It is not known how this will impact on Crawley Borough Council.

5.4 Council Tax

The Council's share of a council tax band D is currently £213.84. Councillors approved an increase of 2.37% which is £4.95 when setting the budget this year. Current council tax referendum principles limit district and borough councils to a maximum of 2% or no more than £5 per annum (whichever is the greater) without the need for a referendum. However the announcements in the budget did not make it clear if there was still an ability to increase by up to £5.00; there was simply mention of a 2% increase. Until clarification is given the assumptions in the plan are therefore £4.95 per annum on a Band D property.

Due to the pandemic there has been an increase in the number of council tax customers claiming Council Tax reduction (formally Council tax benefit). It is likely to increase over the coming months due to the end of furlough and changes to Universal Credit increases the amount of Council Tax reduction that claimants can claim. The impact of this is that we will collect less council tax in future years. This will also impact on our preceptors, West Sussex County Council and the Police and Crime Commissioner.

5.5 New Homes Bonus

- 5.5.1 The Government introduced the New Homes Bonus (NHB) in 2011 to give local authorities additional money for each new residential property created in the area. At that time Local Authorities would receive a sum equivalent to the average national Council Tax for a property in that band for each of the following six years. In 2017/18 this was reduced to each year for four years. For 2021/22, the sum for each new dwelling receivable was £1,454.10 with £363.52 per property going to West Sussex County Council.
- 5.5.2 There is an additional payment of £350 for each year if the property falls into the definition of affordable housing. This additional element is paid a year in arrears. In two tier areas the District or Borough Council receives 80% of the bonus and the County Council 20%.
- 5.5.3 The New Homes Bonus for 2021/22 is £1.108m and is estimated to reduce to £262,551 in 2022/23 and then zero for future years as legacy payments stop. At this stage it is assumed that there will no new payments of New Homes bonus in the next financial year.

Agenda Item 7

6. Budget Projections 2022/23 to 2026/27

6.1 The table below summarises the budget projections based on the assumptions above.

Table 3 Budget projections

	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Base budget	13,462	13,210	12,842	12,575	13,135
Investment interest	492	523	765	766	766
Net budget	13,954	13,733	13,607	13,341	13,901
Funded by:					
Council Tax	7,818	8,150	8,490	8,847	9,215
New Homes Bonus	263	0	0	0	0
Retained Business Rates	5,236	5,276	5,111	4,622	4,715
Revenue Support Grant	62	63	0	0	0
Lower Tier Services Grant	0				
Grant	263				
Total projected income	13,815	13,489	13,601	13,469	13,930
Budget Gap (- surplus)	139	244	6	-128	-29

The projected gap is £138,566 in the next financial year, this reduces to a gap of £5,529 by 2024/25 and a surplus in the following year.

There is a projected reduction in business rates income as a result of the proposed business rates reform and the increase in the number of businesses' closing.

6.2 Table 4 - Summary of assumptions

	2022/23	2023/24	2024/25	2025/26	2026/27
Pay Award	2.00%	2.00%	2.00%	2.00%	2.00%
Running costs	0.00%	0.00%	0.00%	0.00%	0.00%
Contracts - RPI	4.90%	2.70%	2.70%	2.70%	2.70%
CPI	3.10%	2.00%	2.00%	2.00%	2.00%
Customer receipts	3.20%	2.00%	2.00%	2.00%	2.00%
Tax Base change	2.06%	2.00%	2.00%	2.00%	2.00%
Council tax increase (for estimating purposes) - £4.95	2.31%	2.26%	2.21%	2.16%	2.12%

The tax base includes an allowance of the numbers of new builds but also a provision for variations in the numbers of claimants for Council Tax Reduction. This is based on external advice and looks at the local plan.

6.2.1 Pay Award / National Insurance

Local Government pay is negotiated nationally and the Council has no direct influence on the settlement. The budgeted increase was 0% in the current financial year with the exception of those on lower grades where a payment of £250 would be made. This was based on Government announcements. Subsequent to the budget

Agenda Item 7

being set an offer of a 1.75% pay increase has been rejected by the unions. This would cost an additional £300,000 for the General Fund in the current year, this has been fed into the budget projections; once a final offer is agreed projections will be updated.

The Chancellor in the budget announced there will be a 'return to normal pay setting process' for public sector workers with the Government seeking 'recommendations from Pay Review Bodies where applicable'. The MTF5 assumes a 2% pay award going forward and there is additional provision for the Crawley Allowance which increases in line with RPI which is much higher than previous projections.

The Government is increasing National Insurance Contributions by 1.25% from April 2022 onwards to fund the NHS and social care reform. The increase in NICs is referred to as the Health and Social Care Levy. In the proposals in September 2021, the Treasury confirmed that authorities will receive compensation for the additional contributions in respect of their direct employees. It is likely that the £4.8bn additional funding for Local Authorities includes this compensation. As a result no provision for this increase has been included within the budget projections.

6.2.2 Investment Interest

The Council has traditionally relied heavily on investment interest to support the revenue budget. However, interest rates have fallen to an all-time low and the level of interest received has reduced.

An average investment rate of 0.40% has been assumed for 2022/23, increasing to 0.50% in 2023/24 and 2024/25. Interest rate projections will be kept under constant review during the year.

Expenditure on the capital programme results in reduced investment income as there are fewer resources available for investment. However, delays in the capital programme will result in higher balances available than anticipated for investment. There will be a borrowing requirement for the New Town Hall, and average borrowing rates of 0.65% have been assumed.

6.2.3 Pensions

The actuarial revaluation of the pension fund managed by West Sussex County Council has recommended a 1.0% decrease in employers' contributions per annum from 2020/21 and for the following two years. This results in a saving of £416,500 by year three for the General Fund. The pension fund is fully funded as it has exceeded targets over the last three years, the saving in 2022/23 is £145,000.

6.2.4 General Inflation

In recent years many budgets have been frozen or reduced which has compensated for those budgets that have increased by more than the base assumption (for example energy and fuel). Assumptions are shown in the table 4 above. No allowance has been made for inflation on other general running expenses.

6.2.5 Fees and Charges

An average increase in income budgets of CPI or 2%, whichever is the highest. The September CPI rate is 3.1% and this has been included in the budget strategy. However an agreed saving suggestion was a review of fees and charges to ensure that they do cover the cost where appropriate of the provision of the service. As part of the transformation programme there are reviews of some fees and charges to

Agenda Item 7

ensure that where appropriate costs are covered. The outcome of these will be reported in the budget report in February 2022.

A provision for lost income due to the pandemic of £413,000 has been included within the budget strategy. As budgets are formed over the coming months this will be refined.

Following the position statement from Natural England on water neutral planning applications it is yet unknown how this will impact upon income for planning applications. No provision for reduced income has been included within the budget projections at this stage.

6.2.6 New Town Hall Assumptions

Within the financial projections the assumptions around letting the upper floors of the New Town Hall are –

Table 5

Financial Year	Number of floors
2022/23	0.5 (assume one floor for 6 months)
2023/24	Two floors fully let
2024/25	Three floors fully let
2025/26	Four floors fully let
2026/27	Four and a half floors

Assumptions currently assume that the building would never be fully let. If it was, a reserve would be set aside from additional income from the final floor to cover lost income during void periods and future repairs to the shared space. Assumptions around the letting of floors will be updated once the building is complete and there is more confidence in the market.

There are sufficient reserves to cover void periods in the short time. Budget assumptions also include the provision for New Town Hall reception staff, these costs would be charged to tenants based on the space usage.

6.3 Modelling for future years at this stage is difficult. The impact on Business Rates and Council tax is significant. There will also be demands on services such as benefits and homelessness (however further grant support was announced for this in the budget).

As people claim Universal Credit they are entitled to Council Tax reduction, this results in less Council Tax collectable to support our services.

The cost of supply of materials has resulted in costs increasing significantly, this can be seen in the Quarter 2 budget monitoring report shown elsewhere on this agenda. There is also the increased cost of utilities and fuel to factor into future budgets.

As referred to above our income streams are likely to continue to be impacted by any longer-term downturn in the economy and any future outbreaks. The cash flow and budgetary impact on the council will be significant. There continues to be a growing gap between funding and service pressures, driven by demographic change, unfunded burdens such as net zero. This places additional pressures on council services.

The economic impacts of the pandemic are already deep and will be ongoing, with aviation, leisure, hospitality, non-food retail and our visitor economy all seriously

Agenda Item 7

affected. The direct impact of hardship, poverty, job losses and relationship breakdown on our communities have and will generate a greater demand for shelter, food and community intervention.

Elsewhere on this Agenda there is a report on the Climate Change Emergency Action Plan. The costs identified in 2022/23 are included within existing budgets, however there will be a need to fully cost the plan over the coming years and decisions will be required on how to fund the plan.

7. Reserves

Appendix A explains why we hold reserves and gives more details of the types of reserves we hold.

Local government has had reduced financial resources from the Government and it is clear that this is going to continue for several years.

For both the Housing Revenue Account and the General Fund, the Council needs sufficient funds to be able to sustain services. In the case of the Housing Revenue Account the reserves are sufficient and no changes are proposed.

7.1 General Fund Reserve

Use of reserves will be required in 2022/23 to 2024/25, as previously explained, this is because expenditure will have occurred on the New Town Hall but before the upper floors are let. The General Fund reserve is currently £5.46m. The [Budget Strategy 2019/20 – 2023/24 FIN/417](#) agreed that the General Fund reserve should not go below £2.5m. However due to the pandemic the recommendation is to have a minimum of £3m available to mitigate any impact in the next financial year around costs of recovery. This leaves **£2.46m** available to use to offset future budget gaps. More details given in section 8.2.

7.2 Earmarked Reserves

The level of reserves should be regularly reviewed. The Corporate Management team did a thorough review in 2020 and a result no changes are recommended at this stage. Appendix B shows these reserves. A large balance in earmarked reserves for business rates equalisation is not a true reserve but is an accounting adjustment as identified in section 5.3 above.

8. Budget Process and Savings Strategy

8.1 The Savings Strategy developed during 2020 had three strands: These together achieved ongoing savings of £2.132m to ensure that future budgets were sustainable and to avoid any s114 notice. These were -

1. Identify potential for permanent savings by the Corporate Management team as part of the challenge of budgets process.
2. Work to bring forward larger savings items identified by officers, the ones that are public facing formed part of public consultation. This consultation commenced on 8th October 2020 with a closing date of 5th November 2020.

Agenda Item 7

3. Undertake a number of thematic and service reviews to improve services and drive future efficiencies, these reviews are in early stages and will be reported to future Overview and Scrutiny and/or Cabinet meetings.

The outcome of these reviews resulted in savings and efficiencies of £1,819,450 in the current year increasing to £2,132,450 per annum from 2022/23. Member approved savings are identified below and are included within this budget strategy.

Table 6

Saving	2021/22 £	Future years £
Corporate Management Team – challenge of budget review.	506,450	506,450
Member approved savings – see table below	506,000	819,000
Appropriation of garages from HRA to General Fund (FIN/511)	807,000	807,000
Total savings identified to meet future budget gaps	1,819,450	2,132,450

The approved full year savings of £819,000 are shown in Table 7 below

Table 7

Saving	Full Year effect from 2022/23 £
Community and Voluntary Sector	212,000
Superloos	52,000
Adventure play	210,000
Pitch and Putt / fine turf pitches	28,000
Fees and charges	137,000
Essential users / standby (internal and not part of public consultation)	100,000
Neighbourhood Services (internal and not part of public consultation)	80,000
Total	819,000

Not approved – waste collection changing to fortnightly household waste - £250,000.

- 8.2 At this stage due to the previous difficult decisions taken by the Members of the Council no savings are being suggested to be sought for 2022/23, however as efficiencies through the Transformation Plan are identified they will be factored into future budget projections. Reserves have been increased intentionally whilst the New Town Hall is being built and before floors are let. As a result there will be a short term reliance upon the use of these reserves. Budgets will be closely monitored over the coming months taking into consideration potential lettings of the New Town Hall and any further impacts on our budgets outside of our control.
- 8.3 If there is a slower than anticipated take up of floor letting for the New Town Hall which would be as a result of the impacts of the pandemic and the new ways of office working, savings may have to be sought in future. Where budgetary proposals identify the need for the reduction of, or closure or discontinuance of a service, appropriate consultation will need to be carried out. The Council will also have to have due regard to the public sector equality duty under section 149 of the Equality Act 2010 in making their decisions. The equalities impact will be addressed on proposals as they are developed.

Agenda Item 7

9. Capital Funding

- 9.1 Future bids for capital should be based on expenditure required to maintain the Council's assets, for environmental obligations such as flood prevention and for disabled facilities grants. In addition bids will be for spend to save projects or spend to earn investment income but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value. Due to commitments within the capital programme future large capital schemes will result in borrowing.

The Treasury Management Strategy which will be reported to Cabinet and Full Council in February 2022 will address these borrowing requirements.

Attached as Appendix C is the Capital Strategy.

- 9.2 The All Member Seminar on 19th October 2021 discussed capital bids outlined below and agreed them in principle.

Table 8

Scheme	Value £	Funding Stream
Replacement Chiller unit at K2	155,000	Renewals fund
Park Tennis – phase 1	160,460	£21,000 Lawn Tennis Association, £139,460 useable capital receipts
Little Trees Cemetery – Muslim burial ground	333,000	Useable capital receipts
Kingsgate car park	300,000	Useable capital receipts
Total	948,460	

The Park tennis investment initial works identified above would be to renovate courts including nets and posts where required, new fencing, new access controlled gates. This would be at West Green, Southgate and Maidenbower as phase 1 and will result in new charges of £45 per annum per household or £7.50 on a pay per play basis.

Cabinet are requested to approve the inclusion of £948,460 of new capital schemes in the 2022/23 capital budget as outlined in Table 8.

9.3 Towns Fund

The Council was identified as one of 101 places to receive funding as part of the £3.6bn Towns Fund. The maximum allocation to Crawley was £21.1 million subject to the outcome of the Comprehensive spending review and that all conditions are met. The schemes identified were -

- Crawley innovation centre –establishing Crawley's first advanced engineering and digital technologies fusion centre
- Invest in Skills - infrastructure for vocational training and higher education
- Green business infrastructure grants - to attract green technology and construction businesses
- New "Commercial Eastern Gateway" in the town centre – to design and enable a hub for professional services
- A transformed bus station and sustainable transport interchange
- An investment programme in priority arterial and segregated cycle track - to link key employment destinations.
- Manor Royal Gigabit Business Park –an incentive programme for Manor Royal businesses to connect to full fibre and 5G infrastructure

Agenda Item 7

- Designing a new Cultural Quarter in the town centre – to unlock employment and business growth in the cultural and creative industries
- Manor Royal business environment improvement programme - business environment upgrades and modernisation
- Crawley home “green retrofitting” programme - to design, launch and deliver home “green retrofit” grants.

Detailed project business cases are being worked on for submission to the Government before the grants are released. Therefore at this stage the schemes are not being added to the capital programme. Of this £21.1m £19m is in respect of capital schemes and £2.1m for revenue costs associated with these schemes. Future reports will give details and request that the schemes are added to budgets.

In the current financial year we have received 5% of this funding £1,055,000. Should schemes come forward in the current year to use this sum requests will be made as part of the budget monitoring process or as part of the budget report. If this sum is not spent by 31st March the Department of Levelling up, Housing and Communities has requested that it is used to fund an existing capital scheme and that the same sum is set aside for funding the Towns Fund programme.

As identified above one of the Towns Fund schemes is for the Manor Royal Gigabit Business Park. Within the existing capital programme there is a budget for Gigabit of £2.7m. This was to be funded from £1.35m from the West Sussex Business Rates pool and £1.35m other external funding. This scheme included Manor Royal. To avoid duplication with the Towns Fund it is recommended to reduce this Gigabit scheme to £1.35m to be funded from the business rates pool.

10. Housing Revenue Account

- 10.1 Full Council on 22 February 2012 ([FIN/257](#)) approved the payment of £260.325m to the Department for Communities and Local Government as part of the Government's abolition of the previous housing subsidy regime. The money was borrowed via a series of loans from the Public Works Loan Board. The repayment dates vary between 2022/2023 and 2037/2038. Based on the current capital programme, it will be necessary to replace some of these loans and this will be reported in the Treasury Management Strategy.
- 10.2 The net effect of these changes was that the HRA had budgeted for significant surplus over the following years. This was to enable the Council to make capital investments that will help it achieve its corporate housing objectives. Investments already approved include the provision of housing at Breezehurst Drive, Bridgefield House and Forge Wood. Changes to Right to Buy discounts and the announcement in the July 2015 budget that rents will decrease by 1% per annum for 4 years from 2016/17, resulted in fewer resources available to meet all aspirations.
- 10.3 The HRA 30 year plan is constantly being updated, and is reported to the affordable housing group. This takes both revenue and capital budget projections and shows resources available for future investment in housing. The impact of the rents error going back to 2014 is being fed into this plan.
- 10.4 The debt cap has subsequently been removed. This would allow an increase in borrowing in order to build more housing. In addition the transfer of garages to the General fund resulted in more resources being available
- 10.5 Attached at Appendix D is the capital investment plan for Crawley Homes for approval in future capital budgets, this is funded from the HRA, and this includes £10.5m in 2024/25. Garages were transferred to the General Fund as part of budget setting for

Agenda Item 7

the current financial year. Works are undertaken by Crawley Homes. Appendix D shows updated budgets for garages. Table 9 below shows changes between Appendix D and the Quarter 2 budget monitoring report elsewhere on this agenda.

Table 9 changes to Capital programme budget.

	2022/23	2023/24	2024/25
	£	£	£
HRA Improvements	2,768,604	-395,288	10,500,000
Garages (General Fund)	0	-138,897	338,897

HRA funded from Major repairs reserve and grant funding. Garages funded from garage income.

Cabinet are requested to approve the revised Housing Revenue Account and General Fund garages capital investment programme for inclusion in future Budgets.

11. Risk Management

- 11.1 The risks associated with the Council's Budget Strategy as previously set out. The Covid-19 Pandemic has had a significant impact on the Council's activities and continues to do so. This represents a further risk to the financial position of the Council.
- 11.2 The key risks for the Council highlighted in this report is the future funding provided by the Government for both revenue and capital spending and the impact of Covid-19. These matters taken together pose a significant business risk to the Council and requires effective action to be taken. As identified above there is rising costs of inflation, costs of pay award, supply costs and issues and increasing costs of utilities.
- 11.3 There will also be costs associated with the Climate Emergency action plan that will have to be factored into future budgets. Therefore there may be a need, to put in place plans to make savings/increased income to achieve a balanced budget in the longer term and this will inevitably impact on the Council's ability to maintain existing service levels.
- 11.4 There remains a great deal of uncertainty regarding the timing and implications of reforms including the Fair Funding review and the outcome of the Spending Review.

12. Background Papers

[Autumn Budget and Spending Review 2021 documents](#)

Cabinet Reports 25 November 2020

[Budget Strategy 2021/22 - 2025/26 FIN/508](#)

[Appropriation of Garages from the HRA to the General Fund - FIN/511](#)

Cabinet Reports 3 February 2021

[2021/2022 Budget and Council Tax FIN/514](#)

[Treasury Management Strategy 2021/22 FIN/517](#)

Agenda Item 7

Cabinet Reports 30 June 2021

[Treasury Management Outturn for 2020/21 FIN/527](#)

Cabinet Reports 8 September 2021

[2021/2022 Budget Monitoring – Quarter 1 FIN/531](#)

Cabinet Reports 8 February 2012

[2012/2013 Budget and Council Tax FIN/257](#)

Agenda Item 7

Appendix A – Reserves

There are two purposes for holding reserves. The first is to have sufficient funds to be able to maintain services, both in the short and medium term. The second is to earmark funds for specific purposes. There should be plans to spend earmarked reserves, even if the amount and timing of that spending is uncertain. In accordance with CIPFA guidance, earmarked reserves are held for a number of purposes:

- Sums set aside for major schemes such as capital developments or asset purchases.
- Insurance reserves.
- Reserves for unspent revenue grants.

The nature and purposes of these reserves means that from year to year funds will flow in and out as projects progress, grants are received, insurance costs are incurred and on the other hand capital receipts are set aside for future capital investment, insurance funds are topped up to prudent level or authorities seek to set aside funds which will allow them to invest to generate future revenue savings. Some authorities will have accumulated reserves as part of a plan to ease future budget reductions and to allow longer term savings to come to fruition. However, it is not a proper use of reserves to just draw down to support revenue budgets with no clear plan for how the gap will be bridged in future years when reserves are no longer available.

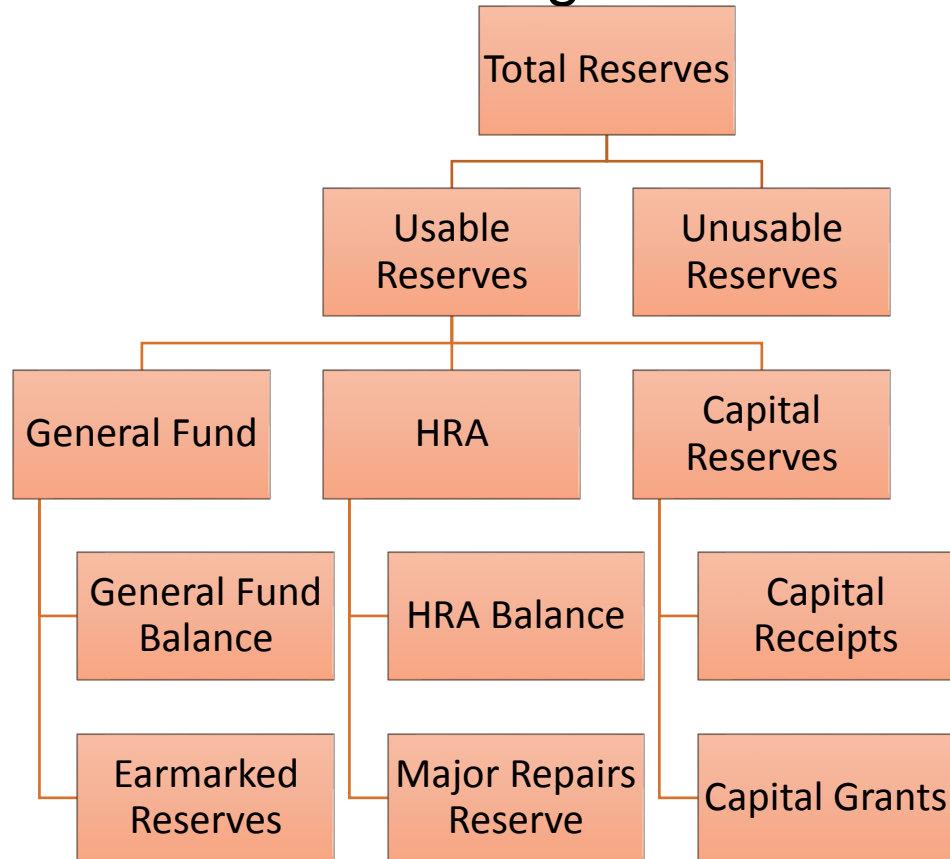
Councils manage money by dividing it between two pots of reserves - useable reserves and unusable reserves (an explanation of these terms can be found below).

Managing money in this way means that we can budget successfully for what we need to deliver services now whilst building up funds that will grow over time and so protecting services in the future.

The level of reserves should be regularly reviewed. This is particularly true in the current situation. Local government has had reduced financial resources from the Government and it is clear that this is going to continue for several years.

For both the Housing Revenue Account and the General Fund, the Council needs sufficient funds to be able to sustain services. In the case of the Housing Revenue Account the reserves are sufficient and no changes are proposed.

Agenda Item 7



Useable reserves: This is money that each council has set aside for specific purposes an example is insurance reserves.

Unusable reserves: The unusable reserves pot contains funds that cannot be used to provide services or used for day to day running costs. The unusable reserves hold funds that have 'unrealised gains or losses'. This means that we have assets such as buildings whose value changes over time. There may also be commitments linked to these assets such as loans or maintenance needs. The funds held in the unusable reserves fund can only be unlocked and turned into usable money if the assets are sold.

General fund / HRA balance: This is a contingency fund - money set aside for emergencies or to cover any unexpected costs that may occur during the year, such as unexpected repairs. There is a requirement to keep such reserves at an appropriate level.

Earmarked reserves: This is money that has been set aside for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings.

Capital receipts: This is the name given to the income received when assets are sold (such as land or buildings). Capital receipts can only be used to buy or fund capital expenditure. Capital expenditure is the money spent on buying assets that have a lasting value. These assets could be land, buildings or large pieces of equipment such as vehicles. Capital expenditure can sometimes also be used to fund grants to people or organisations.

Agenda Item 7

Capital grants: Capital grants are sums of money given to councils by the government. This money can only be used as capital expenditure, in other words this money can only be used to buy assets of lasting value.

Major Repairs Reserve

The major repairs reserve controls an element of capital resources required to be used on Housing Revenue Account (HRA) assets or for capital financing purposes. This can be used for repairs to existing stock, provision of new stock or repaying debt.

A statement by the Chief Executive of the Chartered Institute of Public Finance and Accountancy (CIPFA) - Councils are topping up their reserves where they can, reflecting the absence of a long-term funding settlement for the sector, continued uncertainty around the spending review and Fair Funding Review and an expectation that the long hard winter of austerity is set to continue,' he said.

'Local government reserves play a crucial role in good public financial management. They exist so that a council can invest in service transformation for the future or else allow them to respond to unexpected events or emerging needs. Critics have been quick to criticise these pots of money held by councils, arguing that services should not be failing while councils hold reserves. But taking away capital and technical sums such as insurance, usable revenue reserves usually only amount to about a month's turnover on operations. And always remember as one-off resources, they can only be spent once, while service demands will continue year on year.'

Agenda Item 7

Appendix B Earmarked Reserves

	Balance at 31/03/2021	
General Fund		
Capital Programme	2,241,908.94	Fully committed for our existing capital programme
Restructuring Impact Reserve	400,000.00	This has been set aside for redundancy/compensation payments £400,000 is adequate. May be required in part as part of the essential users review.
Vehicles, Plant and equipment	1,015,098.54	Committed - will be used for vehicle replacements including refuse vehicles
Insurance Fund	377,897.25	Reserve required - we are not allowed to not have this
ICT Replacement	170,435.32	Committed
Specialist Equipment at K2 and Hawth	166,157.38	Committed
Risk Management	174,520.00	We use this for emergencies, also for works the shrub bed team are doing when finding damaged walls and bridges. Will be used for works at Kingsgate car park
Heritage Strategy	16,108.14	Planning team use
Prevent Operational (Pathfinder)	24,298.01	Ring-fenced
Local Development Framework	442,899.69	Fully committed, funds non staffing work for Local Plan. Need to look at the impact of water neutrality.
Health & Wellbeing Grant	171,171.73	Committed
Connecting Communities	47,319.28	Committed, has been reviewed by Community Services
Homeless Grant	141,270.89	Committed to the cost of Homelessness/purchase of property
Town Centre and Regeneration Reserve	125,308.89	Fully committed, funds some staff within the Economic Development Team
Waste Collection	227,419.54	This is for any works to refuse vehicles as we have extended the contract any unused will be set aside to support re-procurement / Environment bill.
Worth Park HLF	33,038.52	Heritage Lottery Funding ring-fenced - we cannot use for anything other than Worth Park Tennis?
Voluntary Sector transition funding	23,561.98	Underspend from last year into a reserve to enable additional payment this year with the new grants methodology impacting on organisations
Welfare Reform	430,118.00	Need to keep £100k for benefit subsidy audit, balance is being used to backfill within revs and benefits due to the additional works as a result of the pandemic and IT solution for service.
Transparency	9,336.00	Was to be used for FOI database but could use in part to fund the Legal case management system
Shore Gap Fund	6,299.53	Earmarked for Homelessness
New Museum	60,155.54	Committed
EU Exit Funding	137,934.00	Gvt funding for EU Exit implications - may have to use in part due to supply additional costs
Transformation and project delivery	200,000.00	Pump priming spend to earn projects
Business Rates Pool Cycling	114,750.00	Committed including the Town Hall sustainable transport plan
Homeless Accommodation Acquisition	1,529,250.10	Will be used to purchase accommodation
Queens Square	380,628.80	For repairs and maintenance of the square (paving) / WSCC contribution
Supported Accommodation	120,000.00	For Open House and other supported accommodation to assist with budget cuts. Council be used for temporary accommodation.
Town Funds	133,679.00	Committed for staffing and projects
HMO licences (payment of licences in advance)	20,697.01	Gets drawn down in future years to support the service - to fund the 5 yearly review
Parks Improvement fund	87,000.00	s106 tree maintenance future year maintenance of trees
Council Tax Income Guarantee reserve	81,410.00	Gvt funding to be split over 3 years and included within the budget projections, money received for shortfall in Council Tax
Covid-19 Reserve	644,679.62	Agreed at all Member seminar
Total CBC reserves - excluding Business Rates Equalisation	9,754,351.70	
Business rates equalisation reserve	6,848,929.00	We have large variations in business rates due to the value that we bill, also the way we account for business rates means that we have large in year fluctuations, we need to use this though due to Covid over the next 3 years - see Table 2
Business rates equalisation reserve - not CBC - accounting adjustment	14,972,181.00	

Agenda Item 7

Covid Grants reserve (Government monies)	1,813,280.00	
Total Earmarked Reserves held	33,388,741.70	

Agenda Item 7

Appendix C

Capital Strategy

1. Purpose

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

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

2. Background

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

3. Objectives of the Capital Strategy

- 3.1 The objectives of the Capital Strategy are to:
- Prioritise and deploy capital resources in advancement of the Corporate Objectives and the criteria within the Budget Strategy which are –
 - Items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations,
 - and schemes will also be considered that are spend to save or spend to earn,
 - But that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.

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

The council is also committed to building affordable housing for local people. This can be through the Housing Revenue Account by building Council Housing; or

Agenda Item 7

through enabling Registered Social Landlords through the General Fund, where the council would have nomination rights for this housing.

- a. The Capital Strategy considers all aspects of the Council's capital expenditure and extends to areas where the Council is able to influence others through the use of its capital resources (for example housing enabling with Registered Social Landlords). It forms part of the Council's integrated revenue, capital and balance sheet planning.
- b. The Strategy covers capital expenditure, capital financing and asset management and is one of the key strategies alongside the more operational strategies and policies for these and other areas including Treasury Management, Property Investment and service areas such as housing and other spending areas. It also gives an overview of how associated risk is managed and the implications for future financial sustainability.
- c. The Strategy provides a set of objectives and a framework, within CIPFA Codes and legislation, by which new capital projects are evaluated and decisions made whilst ensuring funding is targeted towards meeting priorities.

The Capital Strategy:

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

Project Initiation

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

Prioritisation on capital projects

- g. Capital projects will be assessed based on the criteria in section 3.1 above.
- h. The business case put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability.

Agenda Item 7

Formal approval process

- i. Project proposals will be direct reports for recommendations to Cabinet. The Cabinet report will outline how the scheme is funded. If part of the annual budget process these schemes will have Full Council approval.

Monitoring and evaluating schemes

- j. The finance system is used as a tool for budget management, this is accessed by both finance staff and capital project managers to give up to date information on project spend. Quarterly monitoring and reporting of slippage is undertaken to ensure that full use of resources and effective treasury management is undertaken.
- k. A sub group of the Corporate Projects Assurance Group – the Capital Programme Board oversees a range of capital projects, the group will –
 - Receive updates at the end of each quarter from the relevant budget holders to challenge the current budget and spend.
 - Challenge any over or underspend and provide advice to prevent further variances in spend.
 - Review the future years capital programme and challenge if the schemes will be delivered and what governance arrangements are in place.
 - Post project reviews are also fed back and learning is included in future schemes.The Council will assign a project manager to each project to oversee planning, delivery, management and governance including risk management of the capital project.

Funding the Strategy

- l. Funding must be appropriate for the project and will come from:
 - Capital receipts – from the sale of assets or finance lease receipts
 - Government grants
 - Third party grants and contributions
 - Community Infrastructure Levy
 - Other developer contributions
 - Reserves
 - Revenue contributions (see below)
 - External (prudential) borrowing
- m. The revenue budget has an annual budget of around £564,000 for programmed repairs, there is a three year plan of how to spend this money. This is based on condition surveys and includes works at K2 Crawley, the Hawth, car parks, depots, parks and pavilions and community centres. The Corporate Projects Assurance Group reviews these plans.
- n. In addition there are annual contributions from Revenue to the renewals funds. Annually there is a contribution of £100,000 for both IT equipment replacement and specialist equipment at the Hawth and K2 Crawley, together with an annual contribution of £200,000 for vehicle replacements. Delegation is given to Heads of Service for replacement of vehicles and to Cabinet Member for IT equipment. The specialist equipment for leisure services forms part of the approved capital programme through Cabinet.

Agenda Item 7

4. External Factors Influencing the Capital Strategy

4.1 Water neutrality

A Position Statement in September 2021 from Natural England, the government's advisors on the environment, has been received which advocates that until an agreed water neutrality strategy is in place and secured, decisions on planning applications within Southern Water's Sussex North Water Supply Zone, where there would be an increased water demand implication, the planning applications should be deferred. Most of Crawley is situated within the Sussex North supply except for Maidenbower, Gatwick Airport and land to the north of Manor Royal.

Natural England has advised that the emerging Local Plan policies should achieve water neutrality. A water neutrality strategy is being prepared for all the Local Authorities involved by JBA Consulting as required by Natural England that assess the in-combination impacts of planned development across the whole area, and will suggest approaches to offset these impacts. New developments will be required to achieve water neutrality through provision of ambitious water efficiency measures coupled with a contribution towards the retro-fitting to existing developments to offset impacts.

4.2 Climate Emergency Action Plan

In July 2019, Full Council declared a Climate Emergency and made a commitment to reduce the Council's carbon emissions by at least 45% by 2030 and zero by 2050.

Included in the agenda the Cabinet is being asked to approve the Climate Emergency Action Plan to 2030 which sets out the Council's overall aim to reduce the Council's carbon emissions generated by its activities as per the Climate Emergency declaration.

This will be subject to a fully funded plan being developed for continued delivery from 2023/24.

The key areas identified for action are:

- Energy – demand reduction & low carbon heat and cooling
- Renewable Energy & Storage
- Low carbon transport – demand reduction & transition to low carbon modes
- Waste & Water – reduction (linked to procurement), recognising the hierarchy of practice.
- Procurement - supply chain tracing to minimise and reuse, develop 'closed loops' and sustainable sourcing for products and services
- Green & Blue Infrastructure – natural systems for biodiversity and carbon stores.

5. Debt and Borrowing and Treasury Management

5.1 The council's approach to borrowing is set out in [Treasury Management Strategy 2020/21 FIN/493](#). The Council will consider external borrowing in the Treasury Management Strategy which will be submitted to Cabinet in February 2021.

6. Commercial Activity

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

Agenda Item 7

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

- i purchase price of less than £8m (there is no current provision in the capital programme).
- ii preferably freehold, but if leasehold then at least 125 years left on lease, or the ability to purchase an extension to the lease length.
- iii an income flow of at least 8 years duration, before either a lease renewal or tenant's option to break.
- iv a covenant check of the tenant confirms the ability to perform the conditions of the lease, including payment of rent.
- v the investment should be in such a condition that any further short term capital investment would be limited.
- vi whilst Crawley may be a preferable location, other locations within East and West Sussex and Surrey will be considered.

The Table below lists the investment properties that the Council owns and their value at 31st March 2021.

Name	Valuation
Ashdown House – High Street	£ 9,170,300
Atlantic House – Three Bridges	£ 4,909,100
Ask – High Street	£ 1,182,700
Kingsgate Car Park *	£ 5,635,600
Sub Total	£20,897,700
Voluntary Organisations (Station Road)	£ 1,416,800
Telford Place Car Park	£ 1,162,100
Other	£ 1,171,700
Total	£24,648,300

* Transferred out of investment properties in October 2021 as NCP relinquished their lease.

7. Future Capital programme

The 2022/23 and future capital programme will be included as part of the Budget and Council tax report which will be considered by Cabinet and Full Council in February 2022. Future use of council property including asset management planning is included within the Council's Transformation programme.

8. Implications

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

Agenda Item 7

Appendix D – Crawley Homes capital investment plan.

Scheme Description		Latest Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
Prior Contract Spend April - June		Q2			
Decent Homes	2,281,574	4,759,017	4,800,000	2,300,000	2,300,000
Renovations	515,377	1,172,646	650,000	650,000	650,000
Insulation	3,255,274	1,392,648	2,500,000	2,200,000	2,200,000
Renewable Technology/Carbon Efficiency	158,123	238,123	250,000	250,000	250,000
Compliance Works	2,188,938	911,985	1,750,000	1,450,000	1,450,000
Boilers & Heating	1,206,083	850,000	1,500,000	1,800,000	1,800,000
Electrical Test & Inspection	58,394	465,508	350,000	350,000	350,000
Adaptations For The Disabled	1,928,351	830,000	1,250,000	1,300,000	1,300,000
Hostels	390,458	30,677	200,000	200,000	200,000
TOTAL HRA IMPROVEMENTS	11,982,572	10,650,604	13,250,000	10,500,000	10,500,000

Shown in The Q2 report elsewhere on this Agenda

10,650,604 10,481,396 10,895,288 -

TOTAL HRA Improvements Budget amendment / roll on*		0	2,768,604	-395,288	10,500,000
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* Funded from Major Repairs Reserve and grants

General Fund

Garages (funded from garage income)	250,000	191,185	500,000	200,000	338,897
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Shown in The Q2 report elsewhere on this Agenda

191,185 500,000 338,897 -

General Fund budget adjustment / roll on - - **-138,897** **338,897**

Agenda Item 7

Comments for 2021/22
General Note 2020/21: Some planned works were unable to commence during 2021/22 due to Covid lockdown. Programme works have been further delayed due to skilled labour & sub-contractor shortages. Most Programmes are now up and running, but budget slippage will be inevitable.
Decent Homes: Decent Homes cost code holds data for Kitchens, bathrooms, Windows, Doors, Roofing. Roofing has continued on reactive basis. Kitchen & Bathroom works have increased due to the high void turnover, as Kitchen & bathroom replacements are programmed during void properties where/when required. There has also been a notable increase in roofing works during 21/22.
Renovations: Renovation works continue on external works projects including, handstanding, paths, forecourts, retaining walls etc. Most of the external works projects have generally continued unaffected by Covid, apart from occasional material shortages.
External Wall Insulation: EWI works have continued in Broadfield and Bewbush to insulate our poor performing timber framed properties. The current programme has been delayed, as there is a chance of securing grant funding through the governments SHDF (social housing decarbonisation fund) therefore by delaying the project to next financial year could realise the Council significant grant funding towards the EWI project work.
Renewable Technology/Carbon Efficiency: Planned schemes for emergency and LED lighting have been completed. Our Netzero decarbonisation pilot projects have got underway following the installation our first battery storage trial unit linked to solar PV.
Compliance Works (asbestos, rewires, emergency lights etc.): Rewires have continued to be affected by Covid delays. More electrical repairs have been instructed to ensure safety is met ahead of future rewire programmes. Budget will be slipped so rewire programme will continue next year. Again both contractors are looking at additional sub-contractor resource.
Electrical Test & Inspection: Currently overspending the budget allocation. Any overspend is mitigated from underspends in other areas. This is mainly to do with catching up on previous years testing programme again delayed due to Covid,
Boilers & Heating: The replacement of Gas boilers has seen a lowered than anticipated spend during 2021/22. We have only been replacing absolute boiler failures as we need to consider future heating source as part of the Netzero/decarbonisation programmes. This could result in higher demand in future years, but again it is hoped that future 'heat pump' installation works could attract further grant funding
Adaptations For The Disabled: The spend on general adaptations (i.e.: ramps, stair lifts, wet rooms etc.) has remained reasonably constant during 2021/22. There have been no adapted building extensions starting on site during 2021/22, therefore an underspend has been identified and will be carried out for future years programmed works. Works to install additional scooter store/pods has continued in particular around some sheltered schemes.
Hostels (including extension/refurbishment of the Orchards): Refurbishment of the Orchards has been further delayed as Hostel was being used by Open House for homeless accommodation. Discussions have again commenced with our planning colleagues and contractors pricing will be confirmed next financial year.
Revenue Budget to note: External Decorations Both contractors have experienced Covid delays during the spring/summer due to labour shortages, furlough as we now approach inclement weather the full programme will not be realised.
Garages: Work to garages is ongoing - some slippage due to roofing work delays and sub-contractors on furlough, plus issues with some material shortages earlier in the year.

Comments for 2022/23
General Note 2021/22: The planned works for 2022/23 will be sufficiently resourced to account for work slipped from 21/22 subject to no further lockdown, or national restrictions over the winter and into next financial year, that would have an impact on the delivery of next years programmed works.
Decent Homes: The budget for 2022/23 has increased taking into account previous years spend data/forecasts. This is due to the increase in roofing works, and the additional spend in high cost voids including Kitchen, Bathroom and Window replacements
Renovations: This planned work element will continue during 22/23 to estimated budget
External Wall Insulation: The EWI programme will continue during 2022/23. Both Mears & Wates are looking to use additional sub-contractors next financial year to catch up with the current delayed programme. The Council has made a bid for SHDF (social housing decarbonisation funding) and if successful could realise £690k of additional funding.
Renewable Technology/Carbon Efficiency: This is one major area of work that will see a consistent growth to the planned works team and budget. We will continue to work in collaboration with our partner contractors to identify where we can invest in new technology. Further work will be ongoing to meet our carbon reduction targets. Other works planned is the continuation of the decarbonisation programme
Compliance Works: The budget for 2022/23 has increased taking into account the rewire requirements. There will undoubtedly be a small impact on the revenue/repairs budgets until full programmes can be completed.
Electrical Test & Inspection: This planned work element will continue during 22/23. Budgets have been realigned to meet future electrical testing demand.
Boilers & Heating: This planned work element will continue during 22/23, along side our considered approach to scale down gas boiler replacements as we agree new heat sources. The installation of heat pumps, will replace the need for gas boilers, again part of the decarbonisation programme.
Adaptations For The Disabled: The adaption programme and OT referrals will continue 22/23. There are two adapted building extension currently in planned/tender stages and will commence on site during 2022/23. Further scooter store pods will be developed as demand requires
Hostels (including extension/refurbishment of the Orchards): Orchards project construction/refurbishment to commence on site and complete during 2022/23
Revenue Budget to note: External Decorations: The External Decorations will continue during 2022/23. Both Mears & Wates are looking to use additional sub-contractors if required next financial year to catch up with delays to the painting programme.
Garages: This planned work element will continue during 21/22 to estimated budget including work slipped from 20/21

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Agenda Item 8

Crawley Borough Council

Report to Overview and Scrutiny Commission
22 November 2021

Report to Cabinet
24 November 2021

Treasury Management Mid-Year Review 2021/2022

Report of the Head of Corporate Finance, FIN/538

1. Purpose

- 1.1 This report provides an update on the Council's Treasury Management Strategy for the two first quarters of 2021/2022.

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

That the Cabinet is recommended to note the report and the treasury activity for the first two quarters of 2021/2022

3. Reasons for the Recommendations

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

4. Interest rate forecasts

- 4.1 The Council's treasury advisor, Arlingclose Limited, has provided the following forecast:

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

5. Annual Investment Strategy

- 5.1 The Treasury Management Strategy for 2021/22, which includes the Annual Investment Strategy, was approved by this Council on 24 February 2021. It sets out the Council's investment priorities as being:

Agenda Item 8

- Security of capital;
- Liquidity;
- Yield; and
- Ethical investment policy

6. Compliance with Treasury and Prudential Limits

- 6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy.
- 6.2 During the financial year to date the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 2.

7. Investment Portfolio 2021/22

- 7.1 The Council has received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. This was received and temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds.
- 7.2 The Council held £124.366m of investments as at 30 September 2021 (£109.094m at 31 March 2021). Summary table below:

INVESTMENT PORTFOLIO	Actual 31 March 2021 £000	Net Movement £000	Actual 30 September 2022 £000	30 September 2021 Income Return %	31 September 2021 Weighted Average Maturity Days
Treasury investments					
Banks & building societies (unsecured)	494	172	666	0	1
Government (incl. local authorities)	92,000	10,700	102,700	0.51	184
Money Market Funds	16,600	4,400	21,000	0.01	1
TOTAL TREASURY INVESTMENTS	109,094	15,272	124,366	0.41	152

A full list of investments held as at 30th September 2021 is in appendix 2.

- 7.3 The Head of Corporate Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2021/22.
- 7.4 Investment performance for the financial year to date as at 30 September 2021:

Agenda Item 8

Investments managed in-house	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2021	4.57	A+	12%	154	0.43
30.09.2021	4.56	A+	17%	152	0.41
Similar Las	4.66	A+	69%	32	0.08
All LAs	4.69	A+	69%	10	0.08

In the strategy set at the start of the year, the Council projected that there would not be a rise in interest rates. At the time, base rate was 0.1% and the expectation is that it will remain at this level for the rest of the year, though zero or negative rates cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

The Council has not invested at negative rates so far, though some rates in the market are negative. It has been difficult to invest and in some cases investments have been made at 0%. The average rate on the Council's investments is 0.41% for the first half of the year - mostly down to investments that were taken out before the rate cuts. As these mature, the average rate will fall.

8. Non-Treasury Investments

8.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

8.2 The Council held £21.3m of such investments in:

- Directly owned property (£20.9m – see Appendix 2)
- Loan to The Hawth (£0.4m)

9. Borrowing

9.1 The Council borrowed £260.325m in March 2012 for HRA self-financing. The average borrowing rate is 3.19%. There has been no requirement for further borrowing in 2021/2022.

10. Implications

10.1 The Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by

Agenda Item 8

legislation and various regulations. The Council is obliged to comply with these. There are no other legal implications arising in this report.

- 10.2 The financial implications are addressed throughout this report.
- 10.3 Risks are highlighted throughout this report, but Appendix 3 addresses the risk to security, liquidity and yield of the Council's investment strategy.

11. **Background Papers**

[Treasury Management Strategy for 2021/2022 – Cabinet, 3 February 2021 \[report FIN/517 refers\]](#)

Quarterly Budget Monitoring 2021/2022 Quarter 2 – Cabinet, 24 November 2021 [report FIN/535 refers]

[Budget and Council Tax for 2020/21 - Cabinet, 25 November 2020 \[report FIN/508 refers\]](#)

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

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

[DCLG Guidance on Local Government Investments \(Second Edition\)](#)

Report author and contact officer: Carey Manger, Finance Business Partner (01293 438021)

Agenda Item 8

Economic background: The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.

Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% q/q (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.

The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Financial markets: Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

Agenda Item 8

Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, led to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10-year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Credit review: Credit default swap spreads were flat over most of the period and are broadly in line with their pre-pandemic levels. In late September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but are now falling back. The gap in spreads between UK ringfenced and non-ringfenced entities continued to narrow, but Santander UK remained an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 53bps and Lloyds Bank plc the lowest at 32bps. The other ringfenced banks were trading between 37-39bps and Nationwide Building Society was 39bps.

Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

Fitch also revised the outlooks for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable from negative. The rating agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

As ever, the institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review.

Detailed holdings at 30 September 2021

APPENDIX 2

Counter Party	Deal Ref	Issue	Maturity	Days to Mature	Interest Rate	Nominal (£m)	Total (£m)	Limit (£m)	Rating
UK BANKS									
Lloyds Bank plc	20		01/10/2021	1	0.000%	0.666	0.666	10.000	A-
CENTRAL GOVERNMENT									
DMADF Cash Account	2681	02/09/2021	05/10/2021	5	0.010%	2.700			
	2683	15/09/2021	19/10/2021	19	0.010%	5.000	7.700	unlimited	AA-
United Kingdom Gilts	2672	18/06/2021	31/01/2024	853	0.125%	5.000	5.000	unlimited	AA-
LOCAL AUTHORITIES									
Blackburn with Darwen BC	2643	13/09/2021	12/09/2022	347	0.200%	5.000	5.000	15.000	A+
Cambridgeshire CC	62	03/01/2020	04/01/2022	96	1.600%	3.000			
	2627	18/01/2021	17/01/2022	109	0.400%	2.000	5.000	15.000	A+
Cherwell District Council	2654	16/08/2021	16/08/2022	320	0.100%	5.000	5.000	15.000	A+
Cheshire West and Chester Council	2604	02/11/2020	01/11/2021	32	0.300%	5.000	5.000	15.000	A+
Derbyshire County Council	2605	29/10/2020	28/10/2021	28	0.250%	5.000	5.000	15.000	A+
Dumfries & Galloway Council	60	02/12/2019	02/12/2021	63	1.350%	5.000	5.000	15.000	A+
London Borough Of Hillingdon	2623	21/12/2020	20/12/2021	81	0.250%	5.000	5.000	15.000	A+
Kingston-Upon-Hull City Council	36	02/12/2013	02/12/2021	63	2.750%	5.000	5.000	15.000	A+
London Borough of Islington	2652	07/05/2021	06/05/2022	218	0.100%	5.000	5.000	15.000	A+
City of Liverpool	2651	21/06/2021	20/06/2022	263	0.150%	5.000	5.000	15.000	A+
Monmouthshire County Council	2644	23/06/2021	23/12/2021	84	0.100%	5.000	5.000	15.000	A+
North Lincolnshire Council	63	01/04/2021	01/04/2022	183	1.750%	3.000	3.000	15.000	A+
North Lanarkshire Council	2639	05/03/2021	06/12/2021	67	0.080%	2.000	2.000	15.000	A+
Redcar & Clevedon Borough Council	2626	02/12/2020	02/12/2021	63	0.300%	5.000	5.000	15.000	A+
Rotherham Metropolitan BC	2645	18/06/2021	16/06/2023	624	0.450%	5.000	5.000	15.000	A+
Slough Borough Council	2620	30/10/2020	29/10/2021	29	0.300%	2.000			
	2621	19/11/2020	19/11/2021	50	0.300%	3.000	5.000	15.000	A+
Surrey Heath Borough Council	2650	14/06/2021	14/12/2021	75	0.060%	3.000	3.000	15.000	A+
Uttlesford District Council	2641	14/09/2021	13/09/2022	348	0.200%	5.000	5.000	15.000	A+
Woking Borough Council	2619	19/10/2020	18/10/2021	18	0.300%	5.000	5.000	15.000	A+
Wyre Forest District Council	61	10/12/2019	10/12/2021	71	1.400%	2.000	2.000	15.000	A+
MONEY MARKET FUNDS									
Aberdeen Liquidity Fund	5		01/10/2021	1	0.010%	7.000	7.000	15.000	AAA
The Public Sector Deposit Fund	6		01/10/2021	1	0.023%	7.000	7.000	15.000	AAA
Federated Prime Rate Cash Man	1		01/10/2021	1	0.010%	7.000	7.000	15.000	AAA

 152

 124.366

Counter Party	Deal Ref	Issue	Maturity	Days to Mature	Interest Rate	Nominal (£m)	Total (£m)	Limit (£m)	Rating
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INVESTMENT PROPERTIES

Ashdown House							9.170		
Ask High Street							1.183		
Atlantic House							4.909		
Kingsgate Car Park*							5.636		

							20.898		

							145.264		

* Lease surrendered without notice after 30 September. It will now be run as a Council owned car park after essential works are carried out.

Agenda Item 8

Prudential and Treasury Indicators as at 30th September 2021

APPENDIX 3

Treasury Indicators	2021/22 Strategy £'000	30 September Actual £'000
Authorised limit for external debt	276,325	270,325
Operational boundary for external debt	296,325	260,325
Investments *	44,330	124,366
<p>* Capital expenditure was budgeted at £78.4m for 2021/22. £21.1m has been spent to 30 September. The revised estimate is £51.2m. See Quarter 2 Budget Monitoring for further details.</p>		
Maturity structure of fixed rate borrowing - upper and lower limits:		
Under 12 months	0% - 10%	6%
12 months to 2 years	0% - 10%	4%
2 years to 5 years	0% - 20%	14%
5 years to 10 years	0% - 40%	31%
10 years to 20 years	0% - 55%	45%
20 years to 30 years	0% - 10%	0%
30 years to 40 years	0% - 10%	0%
40 years to 50 years	0% - 10%	0%
Weighted average life of investments	Avg. 0.70 years Max 1.20 years	0.42
Upper limit for principal sums invested over 364 days	50,000	5,000

Agenda Item 8

APPENDIX 4

Prudential Indicators	2021/22 Strategy £'000	Quarter 2 Forecast £'000
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General Fund

Capital expenditure	45,319	33,699
Capital Financing Requirement (CFR)	16,000	30,698
Annual change in CFR	16,000	30,698*
In year borrowing requirement	16,000	30,698

HRA

Capital expenditure	33,070	17,522
Capital Financing Requirement (CFR)	260,325	240,627
Annual change in CFR	0	(19,698)*
In year borrowing requirement	0	0

* includes the transfer of garages between the HRA and General Fund of £19,698,000.

Revisions to CIPFA Codes

In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
 - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances - existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark - over at least 10 years and ideally cover the authority's full debt maturity profile.
 - Excluding investment income from the definition of financing costs.
- Incorporating ESG issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making

MHCLG Improvements to the Capital Finance Framework: MHCLG published a brief policy paper in July outlining the ways it feels that the current framework is failing and potential changes that could be made. The paper found that "while many authorities are compliant with the framework, there remain some authorities that continue to engage in practices that push the bounds of compliance and expose themselves to excessive risk".

The actions announced include greater scrutiny of local authorities and particularly those engaged in commercial practices; an assessment of governance and training; a consideration of statutory caps on borrowing; further regulations around Minimum Revenue Provision (MRP) and ensuring that MHCLG regulations enforce guidance from CIPFA and the new PWLB lending arrangements.

A further consultation on these matters is expected soon.

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Agenda Item 9

Crawley Borough Council

Report to Overview and Scrutiny Commission

22nd November 2021

Report to Cabinet

24th November 2021

2021/2022 Budget Monitoring - Quarter 2

Report of the Head of Corporate Finance, **FIN/535**

1. Purpose

- 1.1 The report sets out a summary of the Council's actual revenue and capital spending for the second Quarter to September 2021. It identifies the main variations from the approved spending levels and any potential impact on future budgets.

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) **Agree to note the projected outturn for the year 2021/2022 as summarised in this report.**
b) **Note the updated proposed spend of Contained Outbreak Management Fund (COMF) grant funding as outlined in section 10.**

3. Reasons for the Recommendations

- 3.1 To report to Members on the projected outturn for the year compared to the approved budget.

4. Background

- 4.1 As part of the Budget Strategy, the Council has in place 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 monthly 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.

Agenda Item 9

- 4.3 This report outlines the projected outturn for 2021/2022 as at the end of September 2021.
- 4.4 As discussed in the budget report and Budget Strategy, due to the pandemic it is very difficult to accurately forecast our financial position for the year.

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the projected variances in the relevant Portfolio at Quarter 2.

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

	Variance Projected at Quarter 2		Variance Projected at Quarter 1
	£'000's		£'000's
Cabinet	344	U	331
Public Protection & Community Engagement	(17)	F	(15)
Environmental Services & Sustainability	324	U	318
Housing	(6)	F	18
Wellbeing	930	U	911
Planning & Economic Development	(56)	F	17
Resources	(24)	F	(3)
Sub Total	1,495	U	1,577
Investment Interest	(258)	F	(48)
Sales, Fees and Charges Grant Q1	(316)	F	(250)
Use of Approved Coronavirus Budgets	(934)	F	(1,008)
(SURPLUS)/DEFICIT	(13)		271

This will require a transfer from reserves of £142,000 in order to balance the budget.

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

Significant Quarter 2 variances over £20,000

5.2 Cabinet

There are no significant variations to report this quarter.

5.3 Public Protection & Community Engagement

There are no significant variations to report this quarter.

5.4 Environmental Services & Sustainability Services

There are no significant variations to report this quarter.

Agenda Item 9

5.5 Housing Services

There are no significant variations to report this quarter.

5.6 Wellbeing

There are no significant variations to report this quarter.

5.7 Planning & Economic Development

Additional income has been recognised following the improved offer for the surrender of the lease on Kingsgate car park. The total projected underspend within the asset management team is now £109,000.

5.8 Resources

There are no significant variations to report this quarter.

5.9 Investment Income

Additional income of £209,800 is being recognised from interest on deferred receipts from shared equity properties due to sale of additional shared equity homes and a larger movement in the house price index than forecast.

5.10 Additional Funding – Sales, fees and charges Quarter 1.

Government is continuing with the repayment of 75p of every £1 lost after deducting 5% of the budgeted income from sales fees and charges, for quarter 1 only. The Council has now submitted its claim and revised this projection to £316,000.

6. Coronavirus Budget

6.1 The Budget Strategy and budget report allowed for lost sales, fees & charges and additional expenditure pressures due to Covid of £1.113m. This is set up of £813,000 Covid related budget and £300,000 set aside for lost income. The below table sets out the proposed use of those funds and any remaining balance.

	Q2 Projection Variance	Q1 Projection Variance
Covid Related Variations	£000's	£000's
Environmental Services & Sustainability Services		
Parking Reduced Income	134	132
Port Health Reduced Income	109	105
Licensing Reduced Income	56	55
	299	292
Wellbeing		
PPE (Neighbourhood services)	40	43
Community Centres Reduced Income	260	259
K2 Crawley Reduced Income & Additional Support	579	592
	879	894
Planning & Economic Development		
Planning Reduced Income	42	42

Agenda Item 9

Building Control Reduced Income	30	30
	72	72
Subtotal	1,250	1,258
Sales, Fees & Charges Grant Q1	(316)	(250)
Use of Approved Coronavirus budgets	934	1,008
Coronavirus budget remaining	179	105

7. Virements

7.1 Virements up to £50,000 can be approved by Heads of Service under delegated powers and reported to Cabinet for information. There have been no virements in this quarter.

8. Council Housing (Crawley Homes) – Revenue

8.1 The table below provides details of the 2021/2022 HRA variances.

HOUSING REVENUE ACCOUNT

	Q2 Projected Variation £000's		Q1 Projected Variation £000's
<u>Income</u>			
Rental Income	3	U	0
Other Income	(3)	F	(4)
Interest Received on balances	(166)	F	(98)
	(166)	F	(102)
<u>Expenditure</u>			
Employees	87	U	81
Repairs & Maintenance	1,206	U	6
Other running costs	45	U	10
Support services	0		0
	1,338	U	97
Net (Surplus) / Deficit	1,172	U	(5)
Transfer to the Housing Investment Reserve	(1,172)		5

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

8.2 Interest

Additional income of £64,000 is being recognised from interest on deferred receipts from shared equity properties due to larger movements in the house price index than forecast.

Agenda Item 9

8.3 Repairs and maintenance

As identified at Quarter 1, there is a significant forecast overspend on the responsive repairs contracts. The total projected overspend on responsive repairs is currently £1.2m due to the following factors:

- During the first lockdown, only emergency works were undertaken. Once restrictions were lifted, there was a large backlog of non-essential works.
- Tenants did not report repair works during the Covid-19 pandemic, but have now reported them as they feel more comfortable having repairs operatives into their homes.
- Increased demand has led to sub-contracting more work.
- The cost of materials has increased by 40%.
- Voids have increased to around 70 per month, up from 35 to 40 per month.
- Decent Homes work undertaken in 2010 now requiring repairs.
- Ongoing costs of providing PPE for operatives and staff.

Some of these costs will be ongoing and as a result there will be additional costs of repairs in future years as outlined in the Budget Strategy Report elsewhere on this agenda.

9. Capital

- 9.1 The table below shows the 2021/22 projected capital outturn and proposed carry forward into 2022/23 and 2023/24. Further details on the Capital Programme are provided in Appendix 2 to this report.

Agenda Item 9

	Latest Budget 2021/22	Spend to Q2 2021/22	Estimated Outturn 2021/22	Under/ (over) spend	Re-profiled to/(from) future years
	£000's	£000's	£000's	£000's	£000's
Joint Responsibility	24,761	10,577	24,761	0	0
Cabinet	330	79	191	0	139
Environmental Services & Sustainability	263	72	263	0	0
Housing Services	5,983	2,682	5,856	0	127
Planning & Economic Development	508	106	572	0	(64)
Resources	1,189	33	710	0	479
Wellbeing	1,584	758	1,345	0	239
Total General Fund	34,618	14,307	33,698	0	920
Council Housing	20,022	6,758	17,522	0	2,500
Total Capital	54,640	21,065	51,220	0	3,420

- 9.2 The building works have now been completed at Geraint Thomas House: this is phase one of the Affordable Housing within the Town Hall project. Crawley Borough Council's final contribution to this phase was less than anticipated giving an underspend of £127,000 for the phase.
- 9.3 In June there was a [Significant Operational Decision](#) made to sign a funding agreement to accept £250,000 of funds from the Coast to Capital Local Enterprise Partnership (LEP) to fund the cost of a business case for the Crawley Fusion Innovation Centre: once completed this will be presented to Cabinet and Full Council for consideration. This has now been added to the capital programme.
- 9.4 ICT budgets have been re-profiled to match the business plan and workloads of the teams giving a total slippage from 2021/22 of £479,079 to future years. The detail is shown in Appendix 2.
- 9.5 The vehicle programme will slip £199,501 from 2021/22 into 2022/23. The Council are still in the procurement stage for the remaining vehicles within the existing programme, however, due to shortage of computer chips, manufacturers are quoting up to 12 months for delivery of factory order vehicles.

Agenda Item 9

9.6 Housing (Crawley Homes HRA)

HRA Improvements

Decent Homes

This area of the programme is forecast to be overspent in 2021/22 due to the current high demand for void works mainly requiring kitchens and bathrooms. In addition to this, roofing projects have been carried forward from previous years. This has resulted in £2,477,443 being slipped forward from 2022/23 to the current financial year, 2021/22.

Insulation

The external wall insulation programme has been delayed in the current year as it is hoped that the council is able to attract government funding through the Social Housing Decarbonisation Fund (SHDF) for the future external wall insulation programme. This gives a slippage of £1,862,627 from 2021/22 to 2022/23.

Boilers and Heating

There is a lower demand for gas boiler replacements in 2021/22, giving a slippage of £356,083 into 2022/23. Now that the Council will be changing to the new 'heat-pump' technology this budget will be required in future years.

Adaptation for the Disabled

Part of this budget is to adapt properties by building extensions. The work is carried out after instructions from the WSCC Occupational Therapy Team. The Council has had no referrals that will be completed in 2021/22: there are two extensions being planned, but the works will not be completed until 2022/23. This has resulted in slippage of £1,098,351 from 2021/22 to 2022/23.

Carey House

Carey House will now be delivered in 2022/23 giving a slippage of £129,159 from 2021/22. The delay has been due to enhanced design requirements to future proof the energy and heating installation in line with the Council's decarbonisation programme. This has resulted in a requirement for additional structural design to be undertaken.

Milton Mount Major Works 2

The works at Milton Mount have been delayed to allow the detailed design to be fully scrutinised ahead of leasehold consultation. Following the statutory consultation period further scrutiny of the project was carried out after leaseholder feedback. There is now slippage of £847,909 into 2022/23.

Prelims

The budget for prelims is available for feasibility of projects that could eventually become full capital programme schemes. Several projects are progressing at a slower pace than anticipated due to external factors. As a result, £252,547 has been moved into the next financial year.

- 9.7 From 1st April 2021, the reporting of the use of Right to Buy 1-4-1 receipts to the Department for Levelling Up, Housing and Communities (DLUHC) has moved to an annual return. Other changes are that these receipts now need to be used within 5 years of receipt instead of 3 years, and can be used to fund up to 40% of new affordable homes including shared ownership dwellings. This was as a result of responses to [Government consultation](#) on Right to Buy receipts.
- 9.8 Within the second quarter of 2021/22 **nine** Council Houses with a sale value of £1,633,600 compared to fifteen in the second quarter of last year. Of these receipts a

Agenda Item 9

proportion will be paid over to the Government with the remainder being retained by the Council being set aside as 1-4-1 receipts and general capital receipts. The values of each will be calculated within the annual return. [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.]

10. Contain Outbreak Management Fund (COMF)

10.1 An [urgent decision](#) was taken by the Chief Executive on 8th July 2021 in consultation with the leader of the Council to allocate £642,362 of grant funding: this was included on the Councillor Information bulletin, dated [13th July 2021](#). The grant is ring-fenced for public health purposes to tackle Covid-19, working to break the chain of transmission and to protect the most vulnerable.

10.2 The funding was made of two elements, £167,553.74 direct grant to the council and £474,808 allocated from [West Sussex County Council](#) for redistribution. The purpose of the grant is to provide support to the Councils, as detailed, towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of COVID-19.

Area/ Activity -

- Testing
- Tracing
- Compliance measures
- Communication and marketing
- Support for the clinically extremely vulnerable
- Support for wider vulnerable groups, including rough sleepers
- Support for those self-isolating
- Targeted intervention for specific cohorts within the community
- Specialist support i.e. behavioural science
- Utilisation of local sectors (Academic, volunteers etc.)
- Support for educational outbreaks
- Other.....

The allocation approved was outlined in the table below, however due to problems in recruiting to fixed term posts there will be £45,000 that will not be fully spent by the 31st March which is the deadline to spend all of the grant.

There has been a further allocation from West Sussex County Council of £112,828 since the decision to allocate the monies.

There has been very large demands on the homelessness team, therefore the balance of £157,828 (£45,000 + £112,828) will be allocated for homelessness prevention.

Cabinet are asked to note the change amended allocation of COMF grant as outlined in the table below.

Agenda Item 9

	Original allocation £	Revised allocation £	Difference £
Compliance measures	460,000	420,000	-40,000
Support to the wider community including rough sleepers	114,362	272,190	157,828
Targeted intervention for specific cohorts within the community	68,000	63,000	-5,000
Total	642,362	755,190	112,828

- 10.3 The release of the grant is dependent on the County Council providing a monitoring return on how the COMF allocation for 2020/21 has been used. There is also a requirement for Crawley Borough Council to report in the monthly Government 'Delta return' on Covid spend.

11. Background Papers

[Budget Strategy 2021/22 – 2025/26 FIN/508](#)
[2021/2022 Budget and Council Tax FIN/514](#)
[Treasury Management Strategy 2021/22 FIN/517](#)
[2021/2022 Budget Monitoring – Quarter 1 FIN/531](#)
[Treasury Management Outturn for 2020/21 FIN/527](#)

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Agenda Item 9

Appendix 1 (i)

REVENUE MONITORING SUMMARY 2021/22 GENERAL FUND

	Latest Budget £000's	Projected Outturn £000's	Variance £000's
Cabinet	1,064	1,408	344
Public Protection & Community Engagement	1,459	1,442	(17)
Environmental Services & Sustainability	5,011	5,335	324
Housing	2,636	2,630	(6)
Wellbeing	9,303	10,233	930
Planning & Economic Development	(3,277)	(3,333)	(56)
Resources	430	406	(24)
	16,626	18,121	1,495
Depreciation	(3,456)	(3,456)	0
Renewals Fund	683	683	0
NET COST OF SERVICES	13,853	15,348	1,495
Investment Interest	(398)	(611)	(213)
Interest Paid	117	72	(45)
Council Tax	(7,411)	(7,411)	0
RSG	(60)	(60)	0
NNDR	(4,306)	(4,306)	0
New Homes Bonus	(1,108)	(1,108)	0
Local Council Tax Support Grant	(363)	(363)	0
Lower Tier Services Grant	(169)	(169)	0
Sales, Fees & Charges Grant Q1	0	(316)	(316)
Use of Approved Coronavirus Budgets	0	(934)	(934)
Net contribution from / (-to) Reserves	155	142	(13)

Agenda Item 9

Main Variations identified for 2021/22 - General Fund Appendix 1 (ii)

	Q2 Projected Variation £'000s	Covid Related Variation £'000s	Other Variation £'000s	Q1 Projecte Variatio £'000s
<u>Cabinet</u>				
Unrealised Car Allowance/Out of Hours Savings	100	0	100	100
Pay Award (1.75%) Provision	300	0	300	300
Insurance Tender Savings	(100)	0	(100)	(100)
Minor Variations	44	0	44	31
	344	0	344	331
<u>Public Protection & Community Engagement</u>				
Minor Variations	(17)	0	(17)	(15)
	(17)	0	(17)	(15)
<u>Environmental Services & Sustainability</u>				
Parking Reduced Income	134	134	0	132
Port Health Reduced Income	109	109	0	105
Licensing Reduced Income	56	56	0	55
Minor Variations	25	0	25	26
	324	299	25	318
<u>Housing</u>				
Minor Variations	(6)	0	(6)	18
	(6)	0	(6)	18
<u>Wellbeing</u>				
PPE (Neighbourhood services)	40	40	0	43
Community Centres Reduced Income	260	260	0	259
K2 Crawley Reduced Income & Additional Support	579	579	0	592
Minor Variations	51	0	51	17
	930	879	51	911
<u>Planning & Economic Development</u>				
Commercial Property Income (Lease Renewals)	(109)	0	(109)	(57)
Planning Reduced Income	42	42	0	42
Building Control Reduced Income	30	30	0	30
Minor Variations	(19)	0	(19)	2
	(56)	72	(128)	17
<u>Resources</u>				
Minor Variations	(24)	0	(24)	(3)
	(24)	0	(24)	(3)

Agenda Item 9

TOTAL GENERAL FUND VARIANCES

Investment Interest

Sales, Fees & Charges Grant

Use of Approved Coronavirus Budgets

TOTAL VARIANCES

	1,495	1,250	245	1,577
	(258)	0	(258)	(48)
	(316)	(316)	0	(250)
	(934)	(934)	0	(1,008)
	(13)	0	(13)	271

Agenda Item 9

Appendix 1 (iii)

QUARTER 2

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate £'000s	Projected Outturn £'000s	Variation £'000s
Income			
Rental Income	(46,908)	(46,905)	3
Other Income	(1,640)	(1,643)	(3)
Interest received on balances	(150)	(316)	(166)
Total income	(48,698)	(48,864)	(166)
Expenditure			
Employees	3,768	3,855	87
Repairs & Maintenance	11,606	12,812	1,206
Other running costs	2,063	2,108	45
Support services	3,096	3,096	0
	20,533	21,871	1,338
Net (Surplus) / Deficit	(28,165)	(26,993)	1,172
Use of Reserves:			
Debt Interest Payments	8,309	8,309	0
Depreciation, Revaluation & Impairment	6,216	6,216	0
Transfer to/(from) Housing Reserve	13,640	12,468	(1,172)
Total	28,165	26,993	(1,172)

Agenda Item 9

Appendix 1 (iv)

Main Variations Identified - Housing Revenue Account

	Q2 Variation £'000s	Q1 Variation £'000s
Income		
Shared equity deferred receipt interest	(166)	(98)
Minor Variations	0	(4)
	(166)	(102)
Employees		
Pay award (1.75%) Provision	60	60
Unmet Vacancy Provision	21	21
Minor Variations	6	0
	87	81
Repairs & Premises Costs		
Repairs & Maintenance increased demand and material cost	1,200	0
Minor Variations	6	6
	1,206	6
Other Running Costs		
Voids Contract Cleaning	50	0
Minor Variations	(5)	10
	45	10
TOTAL VARIANCES	1,172	(5)

2021/22 Qtr. 2 Capital Appendix

Note – Slippage is moving budgets between years. If the figure is not in brackets then we are moving the budget to future years, if it is in brackets we are bringing it forward from later years.

Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
New Town Hall Redevelopment - Joint responsibility	23,953,975	10,334,923	23,953,975	0	0
Manor Royal BID - Towns Fund	371,949	242,001	371,949		
Town Centre	435,000		435,000		
Joint responsibility	24,760,924	10,576,924	24,760,924	0	0

Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
£	£	£	£
3,000,000	0	0	0
3,000,000	0	0	0

Garages	330,082	79,797	191,185		138,897
Cabinet	330,082	79,797	191,185	0	138,897

500,000	338,897		
500,000	338,897	0	0

Environmental Services and Sustainability					
New Cemetery	18,694	12,441	18,694		
Cycle Paths	25,300		25,300		
Crawters / Manor Royal Cycle Path	65,665		65,665		
Flooding Emergency Works	108,206	27,284	108,206		
Telemetry Measuring Equipment	4,605		4,605		
Crabbett Park Pound Hill Flood Works	33,000	32,192	33,000		
Leat Stream Ifield Flood Alleviation	7,289		7,289		
Solar PV CBC Operational Buildings					
TOTAL ENVIRONMENTAL SERVICES & SUSTAINABILITY PORTFOLIO	262,759	71,917	262,759	0	0

171,728			
60,000			
231,728	0	0	0

Housing Enabling (General Fund)					
Temp Accommodation Acquisitions	1,000,000		1,000,000		
Affordable Housing Town Hall	2,258,298	2,131,298	2,131,298		127,000

1,400,000			
	3,265,750		

Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
Longley House	1,700,000		1,700,000		
Disabled Facilities Grants	1,000,000	544,834	1,000,000		
Improvement/Repair Loans	25,000	6,110	25,000		
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	5,983,298	2,682,242	5,856,298	0	127,000

Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
£	£	£	£
	1,700,000		
868,451			
25,000			
2,293,451	4,965,750	0	0

Planning and Economic Development					
Manor Royal Business Group					
Crawley Fusion Innovation Centre	250,000	63,351	250,000		
<u>Crawley Growth Programme</u>					
Queensway	57,929	16,821	92,323		(34,394)
Town Centre Signage and Wayfinding	10,000	5,788	10,000		
Town Centre General					
Manor Royal Cycle Improvements	50,000		50,000		
Town Centre Cycle Improvements	20,000	10,125	50,000		(30,000)
Manor Royal Super Hub					
Station Gateway					
Town Centre Super Hub					
Town Centre Acquisition	95,000		95,000		
Three Bridges Station	25,000	9,854	25,000		
Total Crawley Growth Programme	257,929	42,588	322,323	0	(64,394)
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	507,929	105,939	572,323	0	(64,394)
Resources					
Gigabit					
ICT Capital - Future Projects	108,079				108,079

	200,000		
100,000			
12,016			
	71,100		
310,632	1,415,303		
949,673			
263,028			
250,720	1,588,172		3,176,344
			74,231
2,362,000	3,543,000		
479,092	958,186		
4,727,161	7,575,761	0	3,250,575
4,727,161	7,775,761	0	3,250,575
2,700,000			
105,400	2,679		

Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage	Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
	£	£	£	£	£	£	£	£	£
New Website And Intranet	53,576	1,170	53,576						
Digital Works	10,000				10,000	10,000			
ICT Transformation Future	75,000				75,000	25,000	50,000		
Unified Communications/Telephony	17,593	17,593	17,593						
Power and UPS	20,000				20,000		20,000		
ICT Cloud	464,000	14,055	314,000		150,000	150,000			
Income Management System	60,000		60,000						
Commercial Property System	25,000		25,000						
Sharepoint	50,000		50,000						
Agile Working	120,000		20,000		100,000	100,000			
Channel Shift	51,000		35,000		16,000	16,000			
Legal Case Management System	35,000		35,000						
Hardware Renewals	100,000		100,000						
TOTAL RESOURCES PORTFOLIO	1,189,248	32,818	710,169	0	479,079	3,106,400	72,679	0	0

Wellbeing									
Vehicle Replacement Programme	299,501	67,500	100,000		199,501	199,501			
Refurb Playgrounds Future Schemes	39,360				39,360	39,360			
Skate Park Equipment					46,000	46,000			
Memorial Gardens Improvements					33,400	33,400			
Tilgate Park	130,643	125,874	130,643						
Nature & Wildlife Centre	121,703	75,798	121,703						
Allotments	40,000		40,000		45,000	45,000			
Adventure Playgrounds	275,000		275,000		125,000	125,000			
Memorial Gardens Play Improvements	16,933		16,933						
Chichester Close	45,000	43,195	45,000						
Dormans Play Area	35,447	295	35,447						

Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
Newbury Road	38,131	36,855	38,131		
Ninfield Court	15,000		15,000		
Rushetts Road	9,923	8,561	9,923		
Southgate Playing Fields	47,619		47,619		
Perkstead Court Play Area Bewbush	20,000		20,000		
Hawth Agreement	400,000	400,000	400,000		
K2 Crawley Climbing Wall	50,000		50,000		
TOTAL WELLBEING PORTFOLIO	1,584,260	758,078	1,345,399	0	238,861

Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
£	£	£	£
488,261	0	0	0

TOTAL GENERAL FUND	34,618,500	14,307,715	33,699,057	0	919,443
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14,347,001	13,153,087	0	3,250,575
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Housing - HRA (Crawley Homes)					
Improvements -					
Decent Homes	2,281,574	2,036,049	4,759,017		(2,477,443)
Renovations	515,377	451,989	1,172,646		(657,269)
Insulation	3,255,274	712,228	1,392,648		1,862,627
Renewable Technology/Carbon Efficiency	158,123	30,993	238,123		(80,000)
Compliancy Works	2,188,938	212,188	911,985		1,276,953
Boilers & Heating	1,206,083	289,892	850,000		356,083
Electrical Test & Inspection	58,394	169,767	465,508		(407,114)
Adaptations For The Disabled	1,928,351	372,138	830,000		1,098,351
Hostels	283,773	21,458	30,677		253,096
TOTAL HRA IMPROVEMENTS	11,875,887	4,296,702	10,650,604	0	1,225,284

1,862,627	2,122,557		
869,839	2,042,731		
1,800,000	1,800,000		
80,000	80,000		
1,450,000	1,450,000		
1,276,083	1,800,000		
350,000	50,000		
2,348,351	1,300,000		
444,396	250,000		
10,481,296	10,895,288	0	0

Other HRA (Crawley Homes)					
HRA Database	399,748	110,384	399,748		
151 London Road (New Build)	27,156	26,820	27,156		

Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£
Bridgefield House	28,659	2,259	28,659		
Acquisition Of Land Or Dwellings	578,250	80,000	578,250		
Kilnmead	6,555	1,340	6,555		
Forge Wood					
Telford Place Development	58,924	18,924	48,924		10,000
Woolborough Road Northgate	500	109	500		
Goffs Park - Depot Site	2,969	2,969	2,969		
83-87 Three Bridges Road	996	996	996		
Dobbins Place	2,500		2,500		
Forge Wood Phase 2	4,116,859	1,963,336	4,116,859		
75/259 Ifield Road	500		500		
Forge Wood Phase 4	179,271	152,162	152,160		27,110
Purchase Of Properties					
Perryfields	16,541	13,041	28,041		(11,500)
Carey House	129,159				129,159
Fairlawn House	10,000	1,480	10,000		
Milton Mount Major Works	1,722,105	12,774	874,196		847,909
Breezehurst Phase 2	188,728	19,728	188,728		
Orchards Hostel	19,485	10,985	19,485		
Contingencies	168,308		168,308		
Prelims	489,117	44,083	216,570		272,547
TOTAL OTHER HRA	8,146,330	2,461,390	6,871,104	0	1,275,225

TOTAL HRA	20,022,217	6,758,092	17,521,708	0	2,500,509
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TOTAL CAPITAL PROGRAMME	54,640,717	21,065,807	51,220,765	0	3,419,952
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Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
£	£	£	£
1,800,000			
		1,235,388	
4,514,550	7,683,285	3,473,312	4,967,636
1,859,109			
6,865,082	2,770,846	2,797,956	
3,500,000			
256,500	323,835	11,283	
129,159			
200,000			
847,909			
8,782,448	5,663,733	500	210,820
277,200	41,800		
	1,137,311		
272,547			
29,304,504	17,620,810	7,518,439	5,178,456

39,785,800	28,516,098	7,518,439	5,178,456
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54,132,801	41,669,185	7,518,439	8,429,031
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Scheme Description	Budget 2021/22	Spend to Date	Projected Outturn	Under / (Over Spend)	Slippage
	£	£	£	£	£

FUNDED BY					
Capital Receipts	(17,055,983)	(11,825,013)	(16,410,304)		(645,679)
Capital Reserve	(953,576)		(953,576)		
Better Care Fund (formally DFGs)	(1,000,000)	(544,834)	(1,000,000)		
External Funding	(466,307)	(80,172)	(500,701)		34,394
HRA Revenue Contribution	(18,591,548)	(6,082,326)	(16,137,469)		(2,454,078)
Replacement Fund/Revenue Financing	(1,440,883)	(79,797)	(1,102,725)		(338,157)
Section 106	(1,021,975)	(108,885)	(1,051,975)		30,000
1-4-1	(3,110,445)	(2,344,780)	(3,064,015)		(46,432)
Borrowing	(11,000,000)		(11,000,000)		
TOTAL FUNDING	(54,640,717)	(21,065,807)	(51,220,765)	0	(3,419,952)

Budget 2022/23	Budget 2023/24	Budget 2024/25	Future Years
£	£	£	£

(1,253,958)	(7,745,472)		(109,465)
(868,451)			
(6,510,056)	(2,779,344)		(3,076,344)
(33,732,049)	(23,783,589)	(5,262,908)	(3,624,919)
(1,622,501)	(138,897)		
(592,035)	(720,000)		(64,766)
(6,553,751)	(6,501,883)	(2,255,531)	(1,553,537)
(3,000,000)			
(54,132,801)	(41,669,185)	(7,518,439)	(8,429,031)

Agenda Item 10

Crawley Borough Council

**Report to Overview and Scrutiny Commission
22 November 2021**

**Report to Cabinet
24 November 2021**

Crawley Homes Rent Overcharge

Report of the Deputy Chief Executive, **DCE/11**

1. PURPOSE

- 1.1 In April 2021 the Council became aware of a historic overcharge of some Crawley Homes rents. Since that discovery the Council has worked at pace to develop solutions for what is a complex and significant issue, that allow for refunds to be provided. These solutions have been agreed and implemented under existing delegated powers. The purpose of the report therefore is to provide a formal public record and the reasons behind the rental overcharge; the actions being taken to rectify this and the associated financial impact; and ask that Full Council approve the necessary financial changes.

2. RECOMMENDATIONS

- 2.1 To the Overview & Scrutiny Commission:

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

- 2.2 The Cabinet is recommended to:

- a) Note and comment on the reasons behind, and the actions being taken to rectify, the rent overcharge
- b) Endorse that Full Council makes the necessary financial provision for both for the refund of rent and the lower income anticipated within the Housing Revenue Account in both the current and future years

- 2.3 Request Full Council to:

- a) Note and comment on the reasons behind, and the actions being taken to rectify, the rent overcharge
 - b) Agree the necessary financial provision for both for the refund of rent and the lower income anticipated within the Housing Revenue Account in both
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Agenda Item 10

the current and future years. The cost in the current and future financial years will result in less resource to fund future housing.

- c) Note that the cost of the refunds made to tenants/DWP will impact in the current financial year the sum that will be transferred to the major repairs reserve for investment in future housing stock. This will be reported in the Quarter 3 Budget Monitoring Report

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 In April 2021 the Council was contacted by the Regulator for Social Housing following a first mandatory data return about the setting of target rents. The Council was identified as an outlier in that its target rents were higher than the Government's formula rent and valuations suggested they should be.
- 3.2 Forensic investigation identified that the issue dates back to changes to the Tenancy Agreement agreed in October 2013 and implemented in April 2014. One of the changes implemented was to move from charging rent based on a 48-week year to a 52-week year. Actual rents were changed but the target rents on the system were not. This has affected 2,259 tenancies, of which 1,757 are current tenancies.
- 3.3 Existing tenancies were not affected by this change, and neither have new tenancies within properties built since April 2014. New tenancies since April 2014 within properties that pre-date April 2014 have consequently been overcharged in the region of 8%.
- 3.4 Tenants have paid the rent they would have signed up to pay as part of their Tenancy Agreement, but that rent level was set higher than it ought to have been. Given that rents have been set as part of a valid Tenancy Agreement and that all subsequent actions have been taken in line with that Tenancy Agreement, the Council has acted legally throughout.
- 3.5 The Leader and Cabinet Member were informed at the end of April 2021 and were clear that this needed to be resolved consistent with natural justice and transparency, and as quickly as possible. The Leader of the Opposition Group was also informed and agreed this needed to be resolved in a way that had the least possible impact on residents, and that wider communication should be at a time when the Council was ready to rectify the problem.
- 3.6 Given the scale and complexity of the issue it has taken a number of months to put everything in place in order to proceed. All members and all affected tenants have been informed and from mid-November steps are being taken to reset the rents at the correct level and to refund all tenancies affected. These steps have been taken under existing delegated powers, but it is important that there is an official record of the steps being taken and the need

Agenda Item 10

to make the necessary financial adjustments.

4. BACKGROUND

Complexity & Scale

- 4.1 The number of tenancies affected has been significant. The following table sets out the key headlines:

Year	Current	Former	Total	HB	Evicted	NOSP	SPO
2014-15	203	137	340	299	7	9	3
2015-16	187	92	279	259	0	6	0
2016-17	258	92	350	300	2	14	1
2017-18	217	80	297	243	4	17	2
2018-19	251	53	304	201	1	15	0
2019-20	348	37	385	183	0	12	0
2020-21	259	11	270	92	0	0	0
2021-22	34	0	34	8	0	0	0
TOTALS	1,757	502	2,259	1,585	14	73	6

- 4.2 Within these numbers are a wide variety of circumstances. In total 16 different tenancy scenarios were identified that informed the design of the solution taken:

Agenda Item 10

Current or Former Accounts		Account rent payment type
1	Current	In receipt of Housing Benefit (HB) <u>currently</u> , either part or full.
2	Current	<p>In receipt of HB historically and now cash receipting (and has never been in receipt of Universal Credit (UC) housing costs)</p> <p>In receipt of HB historically and now cash receipting (but in receipt of UC housing costs either full or part currently).</p> <p>In receipt of HB historically and now cash receipting (and has been in receipt of part UC housing costs at some point but not currently)</p> <p>In receipt of HB historically and now cash receipting (and has been in receipt of full UC housing costs at some point but not currently)</p>
3	Current	In receipt of full HB historically, HB ceased at some point, and now rent is paid by APA in full. There is no gap between the HB payment and APA payment.
4	Current	In receipt of full HB historically, HB ceased at some point, and rent was paid by SO (possibly APA) and now rent is paid by APA in full. There is no gap between the HB payment and SO/APA payment.
5	Current	In receipt of full HB historically, HB ceased at some point, and rent was paid by cash receipting for a period and now rent is paid by APA in full.
6	Current	In receipt of part or variable HB historically, HB ceased at some point, and rent was paid by SO in part (possibly APA) and now rent is paid by APA in part (so basically no gap).
7	Current	In receipt of part or variable HB historically, HB ceased at some point, and now rent is paid in part by APA. There was a gap between when the HB stopped and when the APA payment started which was not covered by a SO payment.
8	Current	Never been in receipt of HB, always cash receipting. These accounts may have gone on to UC at any point since 2014 (few of these) or after June 2018 (many of these).
9	Former	In receipt of HB at tenancy termination, either part or full.
10	Former	<p>In receipt of HB historically but was cash receipting at termination (and was never in receipt of UC housing costs).</p> <p>In receipt of HB historically but was cash receipting at termination (and was in receipt of UC housing costs either full or part at termination).</p> <p>In receipt of HB historically but was cash receipting at termination (and was in receipt of part UC housing costs at some point but not at termination).</p> <p>In receipt of HB historically but was cash receipting at termination (and was in receipt of full UC housing costs at some point but not at termination).</p>
11	Former	In receipt of full HB historically, HB ceased at some point, and then rent was paid by APA in full. There is no gap between the HB payment and APA payment.
12	Former	In receipt of full HB historically, HB ceased at some point, and rent was paid by SO (possibly APA) and then rent was paid by APA in full. There is no gap between the HB payment and SO/APA payment.

Agenda Item 10

13	Former	In receipt of full HB historically, HB ceased at some point, and rent was paid by cash receipting for a period and then rent was paid by APA in full at the termination date.
14	Former	In receipt of part or variable HB historically, HB ceased at some point, and rent was paid by SO in part (possibly APA) and at termination rent was paid by APA in part (so basically no gap).
15	Former	In receipt of part or variable HB historically, HB ceased at some point, and then rent was paid in part by APA until termination of tenancy. There was a gap between when the HB stopped and when the APA payment started which was not covered by a SO payment.
16	Former	Never been in receipt of HB, always cash receipting. These accounts may have gone on to UC at any point since 2014 (few of these) or after June 2018 (more of these).

- 4.3 This scale brings with it a level of complexity. Officers had to undertake analysis and rectification through the Council's software providers, often requiring bespoke script and creation of duplicate databases to test approaches and solutions. Doing so required significant time and planning for capacity that the Council was not always in control of. This was the only way to make sure this problem is not compounded by more errors.
- 4.4 Over 70% of these tenancies were in receipt of Housing Benefit. For each of the tenancies, the list produced by the housing system needed to be run through the Housing Benefit system. Similarly, this was not straightforward, requiring significant testing, reformatting and manual inputting to achieve. Through this work the Council now understands how much is owed to the tenant and how much to the Department for Work & Pensions (DWP).
- 4.5 Tenancies with residents in receipt of Universal Credit is more complex again as the Council does not administer this benefit. The calculations determining levels of Universal Credit are also more complex. Data sharing mechanisms have needed to be agreed to share 661 records that are UC claimants. UC have informed the Council that they will not be able to look at closed accounts. They are also unable to explore accounts prior to 6 June 2018. Tenants will therefore benefit from the full refund in those scenarios. Work continues with DWP to agree the optimal approach for live accounts.
- 4.6 The process for rectification is similarly complex:
- Regulations require a 28-day period prior to implementation of a change of rent. This applies to decreases as well as increases. Following legal advice, a decision has been taken to make the 28-day notice but to accept payment of the lower rent level ahead of the implementation date. This will reduce the gap between notification and resetting rent levels.

Agenda Item 10

- There is a 10-day notice period required prior to a change of Direct Debit. This is not moveable. The date chosen for implementation has been chosen to minimise the complications related to this requirement.
- Because Housing Benefit has been charged at an incorrect level, each account affected will need to be recalculated on the revised corrected rents. The tenant will be advised of their new entitlement. A full audit of all the charges will be logged and will be subject to external audit.
- It is not possible to simply refund all existing tenants at once. There is also a risk that in doing so automatically we will issue refunds contrary to what might be a resident's wishes. The solution is therefore to place the refund first on the rent account so that residents can see it is there, and then to have a further discussion about the refund arrangements. This will require some time to work through.
- Former tenants will need to be traced and contacted to determine their wishes and ensure bank details are correct. For some former tenancies there will be added complications, for example people having passed away or having separated, requiring a case-by-case approach.

Legal Position

- 4.7 Legal advice received is that the Council's unilateral mistake, which benefitted the Council, does not create a criminal offence. The tenancies affected commenced after April 2014 were subject to a Tenancy Agreement that both parties signed. The rent paid has been consistent with that Tenancy Agreement.
- 4.8 Local authorities have only been subject to the Rent Standard under the auspices of the Regulator for Social Housing since 1 April 2020. Strictly, it is the failure to comply with the Standard from that date that the Council needs to address. The Council's priority from a legal perspective must therefore be to satisfy the Regulator that it has addressed this issue adequately, and to obtain written confirmation of the same from the Regulator.
- 4.9 Although the Council may not have to repay the full amount legally, such is not consistent with the concept of natural justice, and it is not the position this Council is taking. It is important that the Council continues to act in line with the Tenancy Agreement/contract law when rectifying this situation to avoid the Council being subject to future legal challenge even if its intentions are good.

Agenda Item 10

Regulatory Considerations

- 4.10 Officers have been in regular contact with the Regulator for Social Housing who have informally supported the approach being taken by the Council. A key consideration was both the Council's work with DWP and the approach being taken towards tenants. A final report will need to be submitted setting out the final position reached. This will be a copy of the report that goes to Cabinet/Full Council (see Communications Plan). Once received the Regulator for Social Housing will make its formal determination.

Evictions & Possession Notices

- 4.11 As with the legal position set out above, advice received is that the Council has acted legally in enforcing the Tenancy Agreement and in the way it undertook possession proceedings. As a result, there is no risk in relation to any challenge for these actions. Any decision to offer recompense or compensation therefore would be because the Council believes it is the right thing to do, rather than something it must do.

5. DECISIONS TAKEN

- 5.1 The processes set out in Section 6 have been designed to ensure:

- Consistency with natural justice and transparency
- Minimum possible impact on tenants affected by ensuring that the rent and benefit solutions are aligned and as automated as possible
- Shortest possible turnaround time from the point of announcing this to minimise tenant uncertainty and angst, and also the added demand upon services therefore impacting on other functions
- Compliance with legal and regulatory expectations and guidance.

- 5.2 There are a number of further decisions that have been taken as part of finalising the process:

- **Refunds**

At the outset a decision was taken to provide a refund in full. There was no obligation to do so legally. The Council was outside of the regulatory framework until April 2020, and so would only have had to offer a refund to that date.

- **Compensation/Interest to Tenants**

Legal advice taken is against making pro-active payments of compensation. Doing so would create numerous legal, practical and resource issues. This is because the Council has acted both legally and properly through a valid Tenancy Agreement. Instead, the Council is (a) taking steps set out in this note to address the issue to the Regulator's

Agenda Item 10

satisfaction; (b) dealing with any complaints individually, in accordance with the Council's internal complaints procedure; and (c) in the event of a subsequent complaint to the Ombudsman, rely upon the action the Council is now taking to dissuade the Ombudsman from proceeding further.

- **Eviction Cases & Possession Orders**

Again the Council has acted both legally and properly in relation to evictions and possession orders. The decisions taken are not at risk. The legal advice taken is to look at each case individually. Were the Council to decide to address an eviction case, it would offer the former tenant a tenancy of another property. This would need to be in accordance with the Council's Allocations Policy and the current policy contains sufficient discretion for this to happen.

Only 14 cases of eviction have taken place within the tenancies affected. Of these, five evictions had ASB as the primary cause. Of the nine rent arrears evictions, only in one case would the overcharge have made a material difference. None of the other cases are even marginal. This leaves just one case to address, and this will be undertaken in due course.

- **Refund to Rent Account first for current tenancies**

There have been two considerations here. The first is logistics and ensuring that the refund appears where tenants can see the amount as quickly as possible. The second is the Council needs to understand the wishes of the tenants in terms of how the amount is refunded, such as where there are more complex arrangements or changes in circumstances among tenants since the tenancy was created. The best solution is therefore to place the refund on the rent account first and then address the provision of any refund in due course.

- **Refund to former tenancies**

Refunds to former tenants will be more complicated and will therefore be addressed once we are on top of live tenancies. For instance, there are potential complications with some that may involve separations within a household, or tenants that have deceased, where the Council will need to take a case-by-case approach.

- **Consideration of rent arrears**

By paying the refund initially into the rent account, any arrears that might be owed will be automatically addressed. There may be challenge here where a tenant decides they wish for the full amount to be refunded into their bank account, however the Council would be reasonable in settling

Agenda Item 10

the arrears first prior to any refund. This is also in the best interests of sustaining the tenancy.

- **Consideration of wider corporate debt**

A number of the tenancies will owe money to the Council in other areas of operation e.g., Council Tax debts. However the Council has taken the view that this must be kept separate to the issue of rent and will not take this into consideration.

6. PROCESS FOR RECTIFYING

6.1 The key steps and milestones have been and are as follows:

- Rent notification letters informing those tenants affected were sent on 3 November. Media briefings were provided on 4 November. This will be the first any tenants know that there is an issue with their rent. This letter fulfils the legal requirement to make a change in rent.
- A dedicated [webpage](#) also went live on 4 November providing a route for further information, frequently asked questions and a secure route for contact. The information available on the webpage will develop over time.
- Between 8 and 12 November corrections are being made (at the time of writing) to both the housing and Housing Benefit systems, and in so doing will determine new rent levels, the level of refunds due to the tenant, and the level of repayment back to the Department for Work & Pensions (DWP).
- The Council is also working with DWP on Universal Credit to automate this process as much as possible for the tenant. The Council does not have control of this and at the time of writing we await final information on the exact solution.
- Refund amounts will be placed on rent accounts by week commencing 15 November for most tenants.

6.2 Once this has been completed the process of arranging refunds, adjusting Direct Debits, resetting Tenancy Agreements and working with the tenants affected will begin. A further letter will be sent to all tenancies affected week commencing 15 November confirming:

- New weekly rent level and Housing Benefit entitlement
- How much total credit overpayment has been applied, with a breakdown of how much of the overpayment was due to the DWP (for Housing Benefit)
- An update regarding repayment of overpaid Universal Credit Housing Costs
- Current balance of rent account – which may result in a possible refund

Agenda Item 10

- Details of how to request a refund of any balance owed
- 6.3 Housing Officers will then contact all tenancies requesting a refund to arrange this. It is estimated that it will take 4 weeks to complete for existing tenancies. This time would be a minimum given the likelihood of complications. To achieve this Housing Officers will prioritise this area of work over all tasks bar lettings, mutual exchanges and emergencies.
- 6.4 Further work will be required for former tenants, especially where we no longer have an address for them. There will also be additional complexities for some former tenancies, for example where someone has passed away or where there has been a change in household circumstances. It is therefore likely to take longer to process all refunds to former tenants. Current tenants will therefore be prioritised.
- 6.5 From a tenant perspective, this is how the refund will work for each cohort:
- All existing tenants will initially have the refund placed on their rent account, so that they can see that the refund has been made immediately. The tenant will then have the choice for that money to remain on the rent account or be transferred to their bank account
 - Former tenants will also be contacted in time, however, if we do not hold their move on address, or if they have moved on again since, work might be required to establish their whereabouts
 - Existing and former tenants who have not been on benefits throughout the period will receive the refund in full
 - Existing and former tenants who are, or who have been, on Housing Benefit will receive a refund based on the net amount after Housing Benefit is removed
 - Universal Credit claimants with closed accounts (that is have been on UC but are no longer) will not need to declare this to DWP
 - The situation for those with existing UC accounts is more complicated and is currently being worked on. Tenants will benefit from the full refund for the time prior to 6 June 2018 as the DWP system cannot see further back than that.
 - Tenants who have been recipients of both Housing Benefit and Universal Credit over time will have both of the above measures applied as appropriate.
 - Evicted tenants will be assessed on a case-by-case basis (see 5.2 above).

Agenda Item 10

7 IMPLICATIONS

Financial

- 7.1 During the week commencing 8 November the Council has been undertaking the adjustments on the housing and housing benefit systems. The total refund is expected to be in the region of £3.3m. From this amount around up to £1.7m is overpayment of Housing Benefit and will be repaid to DWP. At the time of writing the Council is unable to say with any accuracy the scale of refund to DWP for overpaid Universal Credit Housing Element.
- 7.2 Once the amounts due to DWP have been discounted, the remainder will be the total refund to current and former tenancies. The amount each tenant will receive will vary greatly depending upon the level of benefit support received towards the payment of rent, and the length of the tenancy.
- 7.3 In addition to the one-off refund, the resetting of the rents affected to a lower but correct level will reduced overall income to the Housing Revenue Account. At the time of writing the Council is not yet in a position to confirm the exact amount but based on earlier work it is estimated that the reduction in income will be in the region of £700-800k per year.
- 7.4 The cost of both the refund and the reduction in future income will be borne by the surplus within the Housing Revenue Account. These are the monies used to increase the housing stock within Crawley Homes. The impact will therefore be to reduce the future number of Crawley Homes properties that can be built or purchased. There will be no impact upon the services that tenants received.
- 7.5 There is currently no provision for these costs and so Full Council will be asked to agree the necessary financial provision for both for the refund of rent and the lower income anticipated within the Housing Revenue Account. This will result in lower income being transferred to the Major Repairs Reserve annually to provide new housing.

Legal

- 7.6 The legal implications are set out in paragraphs 4.7 to 4.11 and are taken account of fully within the decisions taken as set out in Section 5.

8 BACKGROUND PAPERS

None

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Crawley Borough Council

Report to Overview & Scrutiny Commission
22 November 2021

Report to Cabinet
24 November 2021

Unsupervised Play Investment Programme

Report of the Head of Community Services, **HCS/33**

1. Purpose

- 1.1. This paper sets out the investment priorities and necessary capital programme for Unsupervised Play in Crawley for the period 2021/22 – 2022/23.

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

- a) **Approve the proposed Investment Programme for Unsupervised Play for 2022/23 as set out in Appendix B adding £218,000 to the capital programme fully funded from S106 contributions.**
- b) **Delegate authority to the Cabinet member for Wellbeing in consultation with the Head of Community Services, to conduct review stage/s and agree where necessary to reprioritise the order of delivery for the relevant phase of the investment programme.**

3. Reasons for the Recommendations

- 3.1. The recommendations are made to agree a programme of improvement projects for Unsupervised Play facilities and set the priorities for capital spend, ensuring the continued up keep in the quality and condition of assets.
- 3.2. It establishes a formal process for the regular review of the investment programme; and where necessary to reprioritise the order of investments if any project conditions change over time and where health and safety risks vary the urgency.

Agenda Item 11

4. Background

- 4.1 Crawley has over 80 playgrounds and recreation facilities across the borough. There are three main categories of unsupervised play facilities ranging in play value. The playground categories are scaled further in some cases to recognise their differences in size and scope. There are also a range of other free to use facilities that typically sit under the same remit as play, these reach wider age groups as well as provisioning sports & fitness: outdoor gyms, BMX track, Multi Use Games Areas, Skate Park.
- 4.2 These facilities are maintained, tested and inspected by a dedicated 'in house' team and subject to annual external inspection.
- 4.3 An in depth review of the Unsupervised Play Investment Programme was conducted in 2020, this covered in detail the investments between 2014/15 and 2019/20 and included review of the Play Investment Strategies from 2007 through to 2014.
- 4.4 The performance between 2014 and 2019/20 had proven very successful, many of the highest priorities had been met with a total spend of £1.2 Million across a 5 year programme.
- 4.5 With an overrun toward the end of the programme, reprioritisation was needed in order to bring forward other higher priority sites that had emerged in the latter part of the programme. Some play facilities had deteriorated further than a number of programmed sites, which in comparison were not displaying a need for capital investment at that time.
- 4.6 A cross party working group 'Unsupervised Play Area Investment Programme Working Group' (UPIPWG) and its Terms of Reference, was agreed at Annual Council, to;
 - 4.6.1 Provide all party support for a coordinated approach to investment in unsupervised play areas.
 - 4.6.2 Consider the short term reprioritisation of the remaining seven play areas in the current programme, with the view to postponing and / or bringing other key sites forward.
 - 4.6.3 Agree prioritisation criteria and; apply the criteria to the current stock and; agree a new unsupervised play area investment programme.
 - 4.6.4 Consider variations to the agreed programme in future years should circumstances require.
- 4.7 The 2020/21 investments were actioned by a [Cabinet Decision](#) and a [Key Decision](#), this short period of investment was also crucial in restoring continuity in the delivery of play investment projects after disruption due to the Covid-19 pandemic.
- 4.8 The capital investment required to convert Cherry Lane and Millpond Adventure Playgrounds into unsupervised play areas is being funded outside of this programme.
- 4.9 In addition to the short term reprioritisation the 'Unsupervised Play Area Investment Programme Working Group' (UPIPWG) was formed as the consulting group for the production of the investment programme as set out in this report.
- 4.10 The review and assessment process has been conducted using similar methods as previous investment programmes, with sites being assessed based on safety, condition and service life.
- 4.11 Prioritisation also takes into account factors such as play value, size and usage, linked to the guiding rule of safety, condition and life expectancy. Ensuring that expenditure is in accordance with the S106 agreement is also considered.

Agenda Item 11

5. Description of Issue to be Resolved

- 5.1. In order to continue the investment programme and address the highest priority sites, it is recommended to agree the next two years of investments set out in the programme in Appendix B.
- 5.2. Approve the proposed Investment Programme for Unsupervised Play for 2022/23 as set out in Appendix B adding £218.000 to the Capital Programme.

6. Implications

Timeline

- 6.1. The programme is forecasted based upon an established delivery process, when taking into account the consultation, procurement, manufacturing and construction stages this currently governs the number of sites that can be delivered in any given year.
- 6.2. Other conditions influence the delivery timelines such as time of year for construction with typically slower progress during autumn/winter; also the time of year that consultation is conducted, as well as any specific local requirements that are established through consultation.
- 6.3. It should be noted, due to the likely start position in the year for the investments listed in 2021/22, project completions are now likely to occur toward the end of 2021/22 and moving into 2022/23. This presents a short interruption to the continuity of the capital programme however the schemes in 2022/23 then will follow in close succession throughout the year.

Asset Portfolio

- 6.4. For this phase of review the work has focussed in greater detail on the highest priorities between 2021 and 2023.

Financial

- 6.5. The table in 6.7 sets out the financial projections for 2021/22 and 2022/23.
- 6.6. The budget 2021/22 and 2022/23 can be met in full by S106 contributions, subject to the necessary approval procedure for the release of S106 monies.

Agenda Item 11

6.7. Proposed Investment Programme

Scheme Description			Scheme Budget	Current Budget 2021/22	2022/23
Play Schemes Included in Capital Programme	Neighbourhood	Ward			
Chichester Close	Tilgate	Tilgate	45,000	45,000	
Dormans Play Area	Gossops Green	Gossops Green & NE Broadfield	45,000	35,447	
Newbury Road	Pound Hill	Pound Hill South & Worth	39,339	38,131	
Ninfield Court	Bewbush	Bewbush & North Broadfield	15,000	15,000	
Rushetts Road	Langlely Green	Langlely Green & Tushmore	9,923	9,923	
Southgate Playing Fields	Furnace Green	Furnace Green	47,619	47,619	
Perkstead Court Play Area Bewbush	Bewbush	Bewbush & North Broadfield	20,000	20,000	
Additional Schemes to be approved					
Halley Close	Broadfield	Broadfield	15,000		15,000
Curteys Walk	Bewbush	Bewbush & North Broadfield	15,000		15,000
Meadowlands	West Green	Northgate & West Green	65,000		65,000
Brideake	Bewbush	Bewbush & North Broadfield	17,000		17,000
Wakehams	Pound Hill	Pound Hill North & Forge Wood	55,000		55,000
Puffin Road	lfield	lfield	18,000		18,000
Browness Close	lfield	lfield	18,000		18,000
Plantain Crescent	Broadfield	Bewbush & North Broadfield	15,000		15,000
Total				211,120	218,000

6.8. Request that £218,000 be added to the capital programme for the additional play schemes in 2022/23 fully funded from S106 contributions.

6.9. Issues within the supply chain currently present risks to the delivery of future programmes on time and on budget, specifically due to longer lead in times and higher costs for equipment and parts.

7. Information & Analysis Supporting Recommendation

7.1. In preparing recommendations for the future provision of play facilities, the review and analysis is based upon data sources listed below:

1. Play Value Assessments and Usage analysis.
2. S106 Open Space Developer Contributions
3. Annual Inspection data and supporting condition assessments of existing play facilities
4. Financial performance data from capital programme records.
5. Consultation trends and project completion data.

The recommendations are based upon the feedback and consultation with:

1. Unsupervised Play Area Investment Working Group
2. Economic Regeneration for allocation of S106 contributions
3. Head of Community Services and Cabinet Member for Wellbeing
4. Finance Team/Senior Finance Business Partner

7.2. The assessment in relation to the use of S106 contributions has been conducted by the Regeneration Programme Manager who manages the allocation of S106 contributions.

Agenda Item 11

- 7.3. The Investment programme, assessment rationale and the prioritisation has been supported by the Unsupervised Play Investment Programme members Working Group, with Cross Party appointments.
- 7.4. With the ability to reprioritise investments based on changing conditions this would ensure the most effective use of funds on the facilities most in need of improvement. It would reduce complaints, and would also lead to improved community engagement in crucial areas due to the process of consultation and visible action.
- 7.5. Such a process would also enable greater continuity in project delivery and therefore greater consistency in financial terms.

8. Background Papers

- 8.1. [2021/2022 Budget Monitoring – Quarter 1 report FIN/531](#).
[Play Facilities Investment Proposals 2014-2019 CTY/100](#)
2021/2022 Budget Monitoring – Quarter 2 report FIN/535
[2020/21 Budget Monitoring – Quarter 3 report FIN/516](#)

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Agenda Item 11

APPENDIX A.

TABLE 2: COMPLETED PROJECTS 2014-2019 INVESTMENT PLAN and REVISED PRIORITY PROJECTS 2020-2021								
Project Site	Neighbourhood	Ward (current boundaries)	Type	Programme Year	Completion Year	Play Value	Allocated Budget	Actual Spent
Broadfield Barton	Broadfield	Broadfield	B	2014/15	2017/18	TBC	£55,000	£61,746
Coxcombe Walk	Bewbush	Bewbush & North Broadfield	A	"	2015/16	"	£13,000	£16,148
Glanville Walk	Bewbush	Bewbush & North Broadfield	A	"	2015/16	"	£20,000	£20,000
Knapp Close	Pound Hill	Pound Hill South & Worth	B	"	2015/16	"	£65,000	£66,300
Wisborough	Bewbush	Bewbush & North Broadfield	A	"	2016/17	"	£13,300	£13,300
Abbotsfield	Ifield	Ifield	A	2015/16	2015/16	"	£13,300	£10,840.26
Grier Close	Ifield	Ifield	A	"	2015/16	"	£2,000	£2,000
Morecombe Close	Bewbush	Bewbush & North Broadfield	A	"	2015/16	"	£2,210	£2,210
West Green Playing Field	West Green	Northgate & West Green	C	"	2016/17	"	£90,000	£81,065
Cowfold Close	Bewbush	Bewbush & North Broadfield	A	"	2016/17	"	£17,400	£16,625
Cherry Lane	Langley Green	Langley Green & Tushmore	C	2016/17	2016/17	"	£90,000	£89,931
Furnace Green Playing Field	Furnace Green	Furnace Green	B	"	2016/17	"	£65,000	£61,008
Lutens 1&2	Bewbush	Bewbush & North Broadfield	A/B	"	2016/17	"	£40,000	£43,437
Maidenbower Rec Gnd	Maidenbower	Maidenbower	B	"	2016/17	"	£30,000	£27,996
Oak Path (Bashford Way)	Pound Hill	Pound Hill South & Worth	A	"	2016/17	"	£18,000	£16,691
Pecombe Court	Bewbush	Bewbush & North Broadfield	A	"	"	"	£13,000	£10,192
Kilnmead	Northgate	Northgate & West Green	A	"	2017/18	"	£13,000	£17,861
Halnaker Walk	Bewbush	Bewbush & North Broadfield	B	2017/18	2017/18	"	£49,000	£46,494
Gainsborough Road	Tilgate	Tilgate	B	"	2018/19	"	£65,000	£71,558
Ditchling Hill	Southgate	Southgate	B	"	2018/19	"	£65,800	£65,428
Pondwood Road	Three Bridges	Three Bridges	B	"	2018/19	"	£69,086	£69,945
Chadwick Close	Broadfield	Broadfield	A	2018/19	2018/19	"	£13,000	£13,000
Farnham Close	Broadfield	Broadfield	A	"	2018/19	"	£13,000	£13,000
Kidborough Road	Gossops Green	Gossops Green & North East Broadfield	B	"	2019/20	"	£65,000	£69,910
Ewhurst Playing Field	Ifield	Ifield	B	"	2019/20	"	£75,000	£75,000
Stonecroft	Ifield	Ifield	B	"	2019/20	"	£25,000	£25,000
Memorial Gardens	Northgate	Three Bridges	C	2018/19	2019/20	"	£210,000	£210,000
Medlar Close	Langley Green	Langley Green & Tushmore	B	2019/20	2020/21	"	£65,000	£55,077
Tilgate Park	Tilgate	Tilgate	C+	2020/21	2020/21	"	£189,000	£189,000
Newbury Road	Pound Hill	Pound Hill South and Worth	A+	2020/21	2021/22	"	£39,339	£39,339
Chichester Close	Tilgate	Tilgate	B	2020/21	2021/22	"	£45,000	£45,000
Rushetts Road	Langley Green	Langley Green & Tushmore	B	2020/21	2021/22	"	£9,923	£9,923
Dormans	Gossops Green	Gossops Green	B	2020/21	2021/22	"	£45,000	£45,000
Ninfield	Bewbush	Bewbush & North Broadfield	A	2021/22	2021/22	"	£15,000	£15,000
PROGRAMME TOTAL							£1,618,358.00	£1,615,024.26

Agenda Item 11

APPENDIX B.

Next Priorities based on revised 2021 assessment							
Project Site	Neighbourhood	Ward	Type	Play Value	Allocated Budget	Spend in 2021-22	Total Spend on Scheme to date
2021/22							
Chichester Close	Tilgate	Tilgate	B		45,000	43,195	43,195
Dormans Play Area	Gossops Green	Gossops Green & NE Broadfield	B		45,000	295	9,848
Newbury Road	Pound Hill	Pound Hill South & Worth	A+		39,339	36,855	38,063
Ninfield Court	Bewbush	Bewbush & North Broadfield	A		15,000		
Rushetts Road	Langley Green	Langley Green & Tushmore	B		9,923	8,561	8,561
Southgate Playing Fields	Furnace Green	Furnace Green	B	39/129	47,619		
Perkstead Court Play Area	Bewbush	Bewbush & North Broadfield	A	15/77	20,000		
Total					221,881	88,906	99,667
2022/23							
Halley Close	Broadfield	Broadfield	A	19/77	15,000		
Curteys Walk	Bewbush	Bewbush & North Broadfield	A	14/77	15,000		
Meadowlands	West Green	Northgate & West Green	B	28/129	65,000		
Brideake	Bewbush	Bewbush & North Broadfield	A	17/77	17,000		
Wakehams	Pound Hill	Pound Hill North & Forge Wood	B	30/129	55,000		
Puffin Road	lfield	lfield	A	21/77	18,000		
Browness Close	lfield	lfield	A	21/77	18,000		
Plantain Crescent	Broadfield	Bewbush & North Broadfield	A	21/77	15,000		
Total					218,000	0	0

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Agenda Item 12

Crawley Borough Council

Report to Overview and Scrutiny Commission
22 November 2021

Report to Cabinet
24 November 2021

Climate Emergency Action Plan

Report of the Head of Economy and Planning – *PES/390*

1. Purpose

- 1.1. This report requests Cabinet to approve in principle the Climate Emergency Action Plan. This will enable the Council to reduce the carbon emissions generated by its activities in line with the commitments made in the Climate Emergency Declaration by Full Council in July 2019.
- 1.2. The Climate Emergency Action Plan outlines a set of proposals as to how the Council will reduce its carbon emissions by at least 45% by 2030 and to zero by 2050 as recommended by the Inter-governmental Panel on Climate Change (IPCC).

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) Approve the 'Core Principles for Action' document (Appendix A) which underpins the Climate Emergency Action Plan.
- b) Approve the Climate Emergency Action Plan delivery programme for 2022/23 (Appendix B), to enable the council to start delivery of the carbon reduction measures identified.
- c) Approve in principle the overall Climate Emergency Action Plan to 2030 (Appendix B) to enable the council to reduce the carbon emissions generated by its activities by at least 45% by 2030 and to zero by 2050, subject to consideration next year of a full funding plan being developed for continued delivery from 2023/24.

3. Reasons for the Recommendations

- 3.1. In July 2019, Full Council declared a Climate Emergency and made a commitment to reduce the council's carbon emissions by at least 45% by 2030 and to zero by 2050.

Agenda Item 12

- 3.2. The Council believes that all governments (national, regional and local) have a duty to limit the negative impacts of Climate Breakdown; and has committed to aim for zero carbon emissions as soon as possible and, in doing so, to show leadership and encourage local residents, stakeholders and businesses to do the same.
- 3.3. The Council has recognised that as a society we are now beyond taking small measures while generally carrying on with 'business as usual'. Deep cuts in greenhouse gas emissions are needed quickly to stabilise rising temperatures alongside rethinking agriculture and land use to restore ecosystems. This will impact on all aspects of our lives.
- 3.4. Decisions made across national, regional and local authorities now will determine whether or not we are subject to catastrophic climate and ecological impacts or can transition to a stable and sustainable world. Although these decisions have to be taken at all levels of society, they need to be taken significantly by local authorities like the council, which has a critical lead role to play in driving down carbon emissions at the local level.
- 3.5. The Climate Emergency Action Plan outlines the actions the Council needs to set in motion now in order to deliver on this commitment.

4. Background

- 4.1. As part of the Climate Emergency Declaration, the Full Council asked the Overview and Scrutiny Commission (OSC) to convene a Scrutiny Panel to look into and make recommendations focusing upon the workings and activities of Crawley Borough Council relating to carbon emissions and to report to Council as soon as was practicable.
- 4.2. A Scrutiny Panel was subsequently set up by the OSC in September 2019 to take the work forward with the Panel meeting from November 2019 to October 2020. The Scrutiny Panel reported back to OSC and Cabinet in February 2021 with a comprehensive list of recommendations on the four main themes of transport, commercial and business, blue and green infrastructure and domestic buildings.
- 4.3. The Scrutiny Panel asked that the officer-led Climate Emergency Advisory Group creates a Climate Emergency Action Plan for the council, taking into account the Scrutiny Panel's views and recommendations. This Action Plan should identify resources, sources of funding and timescales required for completion in order to ensure the council remains on target to reduce carbon emissions generated by council activities by at least 45% by 2030 and to zero by 2050.

5. Description of Issue to be Resolved

- 5.1. It is very clear that the effects of global heating arising from human activity are being felt throughout the world and these effects are gathering momentum. Fires, storms, high temperatures and floods are hitting communities across continents. The effects can be direct, where extreme weather events result in loss of life, homes and services, and indirect, where global supply chains are interrupted impacting vital supplies of food and other resources.
- 5.2. Whilst impacts are being increasingly reported in the northern hemisphere, communities in the global south are suffering more comprehensively as, in particular, water levels rise, and droughts drive land loss and migration.

Agenda Item 12

- 5.3. The UK is experiencing more extreme weather with increased flooding, as seen recently in London and the South East, and droughts, together with more frequent heatwaves.
- 5.4. Following publication of the recent key 2021 IPCC report on the science of climate change, the head of the UN has described the world as on 'Code Red for humanity'.
- 5.5. It is only through recognising the scale of the challenge and forging ahead with deep cuts in carbon emissions that we can hope to stabilise rising temperatures and change course to a brighter and sustainable future.
- 5.6. The Climate Emergency Action plan sets out the steps the council needs to take to play its part in delivering the change needed.

6. Information & Analysis Supporting Recommendation

- 6.1. Through the Climate Emergency Declaration, the council has recognised it needs to decarbonise. This means that the town and the council will need to move away from using fossil fuels and cut carbon dioxide and other greenhouse gases that generate climate heating. Whilst Crawley Borough Council is clearly not responsible for all of the town's greenhouse gas emissions, it has significant emissions from its own activity and must reduce these at least in line with the targets. It is also in a position to influence and encourage others to do the same and must be seen to be taking a lead.
- 6.2. In order to identify and quantify the sources of the council's greenhouse gas emissions consultants, Anthesis, were commissioned to assess council energy and emissions data, much drawn from previous work undertaken by the Sustainability Team, and to provide a report to guide council action.
- 6.3. The Scrutiny Panel approved this report and the establishment of the Climate Emergency Advisory Group to draft the Climate Emergency Action Plan. The Group is drawn from varied staff across most council services to identify relevant activity and potential changes. The Action Plan aims to address the Council's own emissions, identifying current and planned activity and where further action must be taken. It also points the way to influencing and encouraging the wider community to take action too.
- 6.4. Experience, both within the council and elsewhere, shows that leadership, organisational culture and good communications have as much a part to play as the technical requirements, in effecting the major changes needed to address the climate emergency.
- 6.5. The Action Plan reflects this and establishes governance, with a Climate Emergency Board of senior managers, chaired by the CEO, to agree and guide proposals through authority requirements and maintain accountability. The Board is also an important group for influencing bodies beyond the council at a decision-making level.
- 6.6. A report on progress toward decarbonisation will be taken to the Overview and Scrutiny Commission and then Cabinet every six months.
- 6.7. The officer Climate Emergency Advisory Group will continue to plan and champion activity on the climate and ecological emergency across the council.
- 6.8. Delivering carbon reduction and ecological improvement will need to be embedded across council services, including within existing budgets where possible. It is

Agenda Item 12

important that key services to residents are protected and the response to the emergency is firstly a change of approach. Wider projects will require external funding. Accountability and reporting will be embedded within normal corporate decision-making rather than separately.

- 6.9. To normalise climate and ecological thinking within the council organisation will need development of staff 'carbon literacy' and skills. An engagement and training programme for staff is included in the Action Plan. This will require good, ongoing communications for all parts of the organisation and to keep the wider external business and resident community informed of our progress and opportunities for involvement.
- 6.10. Core principles for action on carbon reduction, based on the recommendations in the Anthesis report and wider climate and ecological evidence, underpin the Action Plan. The Principles identify key areas for action and explain the approach needed for each area. These are:
- Energy – demand reduction & low carbon heat and cooling
 - Renewable Energy & Storage
 - Low carbon transport – demand reduction & transition to low carbon modes
 - Waste & Water – reduction (linked to procurement), recognising the hierarchy of practice.
 - Procurement - supply chain tracing to minimise and reuse, develop 'closed loops' and sustainable sourcing for products and services
 - Green & Blue Infrastructure – natural systems for biodiversity and carbon stores.
- 6.11. The Core principles for action are explored in more detail in Appendix A.
- 6.12. The Action Plan (in Appendix B) addresses each of these areas largely by undertaking investigations, audits and plans in the first year through 2022/23 and targeting measures in the following years aimed at maximising impact and optimising resource use.

7. Financial Implications

- 7.1. The delivery programme for 2022/23 will be delivered within existing budgets and resources.
- 7.2. It is not currently possible to fully understand the financial requirements to deliver the plan over the remaining years to 2030. For many of the actions, the council will need to carry out further feasibility work and studies first to develop a more detailed plan, for example:
- To understand the costs to deliver deep retrofits of council owned buildings for energy efficiency and decarbonised heat source, detailed building audits will need to be carried out first.
 - To deliver on the commitment to stop the use of biocides (glyphosate), the council will need to develop new work methods and systems for weed control, in order to understand the resource (staff and cost) implications.
- 7.3. This enabling work during 2022/23 will feed into the development of a full funding plan for delivery of the Action Plan over subsequent years.
- 7.4. This enabling work will also position the council to be ready to attract partnership funding, for example the Public Sector Decarbonisation Fund for public building retrofits. When these funding opportunities are announced, timescales for applying

Agenda Item 12

are always tight, and the council needs to be ready with 'shovel-ready' projects in order to lever in this type of resource.

8. Equality Implications

- 8.1 The Council must have regard to section 149 of the Equality Act 2010. The public sector equality duty requires public authorities to have due regard to the need to:
- a) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under that Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and,
 - c) foster good relations between those who share a protected characteristic and those who do not share it, which involves having due regard, in particular, to the need to:-
 - (i) tackle prejudice; and,
 - (ii) promote understanding.
- 8.2 An Equalities Impact Assessment (EIA) has been carried out and does not identify any action that needs to be taken as a result of the plan. Any changes to service delivery that result from implementing the Action Plan may themselves need to be assessed separately for their impact on people with protected characteristics, and at this stage a separate EIA may be required.
- 8.3 The EIA is attached as Appendix C.

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Crawley Borough Council

Climate and Ecological Emergency Action Plan – September 2021

Core Principles for Action

Introduction -The Global Climate Change and Ecological Emergency

Human activity is disrupting our climate and people across the world are suffering the impacts of global heating now. We have all seen media reports this summer of the high temperatures and devastating fires in Greece, North America, Siberia and Australia, and on flooding in China, Germany and even in this country. While unprecedented droughts, fires and floods are leading to broken food supplies and migration of populations in the global south. Although these are reported less prominently they are becoming an increasingly worrying reality.

This is happening at a current 1.1 degree Celsius increase over pre-industrial temperatures. Current and planned activity so far will take the temperature to well over 3-4 degrees this century¹ and condemn most of the planet to become uninhabitable.

Following publication of the recent key 2021 IPCC² report on the science of climate change, the head of the UN has described the world as on 'Code Red for humanity'.

Ecological destruction is related to climate change, but in itself is likely to be just as damaging to humanity. The UK is one of the most ecologically depleted countries in the world³ and its biodiversity is declining. As well as affecting our quality of life and health, nature supports food production, material sourcing and mitigation of extreme weather conditions. Nature also sequesters carbon in its trees and soils. These provide a store which, if destroyed, further releases carbon, adding to global heating.

We are in the decisive decade.

We are now beyond taking small measures while generally carrying on with 'business as usual'. Deep cuts in greenhouse gas emissions are needed quickly to stabilise rising temperatures alongside rethinking agriculture and land use to restore ecosystems. This will impact on all aspects of our lives.

Decisions we make now will determine whether or not we are subject to catastrophic climate and ecological impacts or can transition to a stable and sustainable world. These decisions must be taken at all levels of society, and as a local authority we have a critical lead role to play in driving down carbon emissions at the local level and encouraging others to follow suit.

¹ *United Nations Emissions Gap Report 2019*

² *UN Intergovernmental Panel on Climate Change is an international grouping of scientists whose final reports are required to be endorsed by governments across the world and are therefore regarded as relatively conservative*

³ *The annual State of Nature² report www.nbn.org.uk/stateofnature2019*

A. Purpose:

This paper outlines the core principles to underpin action on carbon reduction that will be adopted in developing the Climate Emergency Action Plan. They have been agreed by the Climate Emergency Advisory Group.

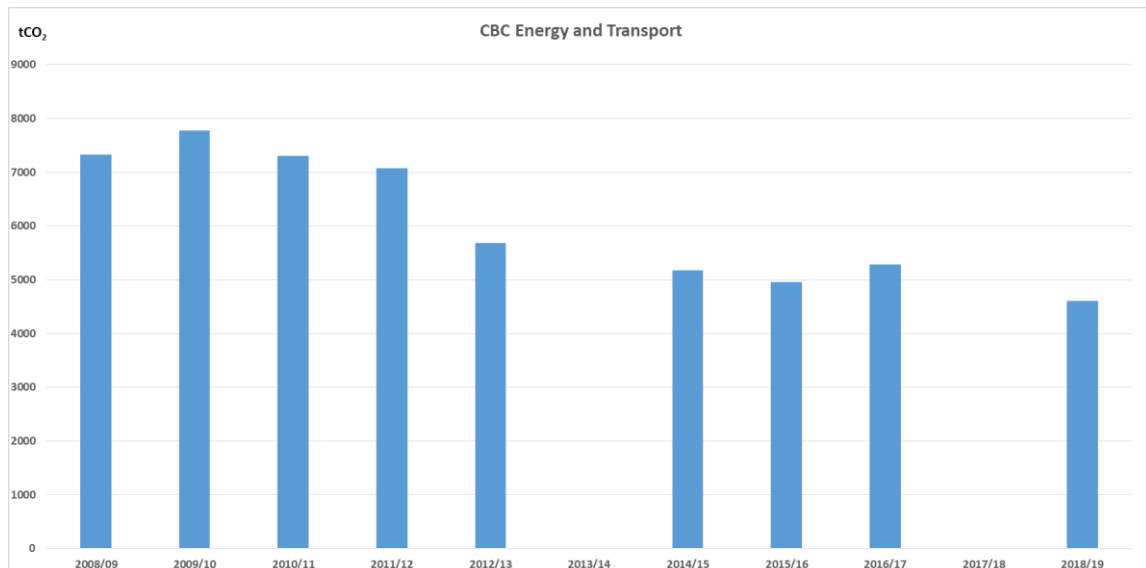
B. Our commitment:

Crawley Borough Council (CBC) declared a Climate Emergency in July 2019, and pledged to reduce carbon emissions from our workings and activities by at least 45% by 2030 and to zero before 2050.

C. Action on climate so far:

CBC has been working to reduce its carbon emissions since 2009, most recently through the Carbon and Waste Reduction Strategy 2012 – 2050.

CBC's Scope 1 (on-site direct) and Scope 2 (off-site indirect energy supply) carbon emissions from energy use in buildings and transport have been determined and reported annually since 2009 (apart from 2014 and 2018). The figure below shows the generally downward trend in emissions over the past 10 years.



These carbon reductions were achieved through, for example:

- Crawley Homes - energy efficiency *retrofit* programme (loft, cavity and solid wall insulation, and solar PV installation)
- Crawley Homes - energy efficient *new build* homes including Passiv Haus
- LED lighting upgrades in the Town Hall, Orchard Street Car Park, Community Centres, K2 and the Hawth
- Solar PV installations at K2, the Hawth and three Community Centres
- New Combined Heat and Power (CHP) at K2

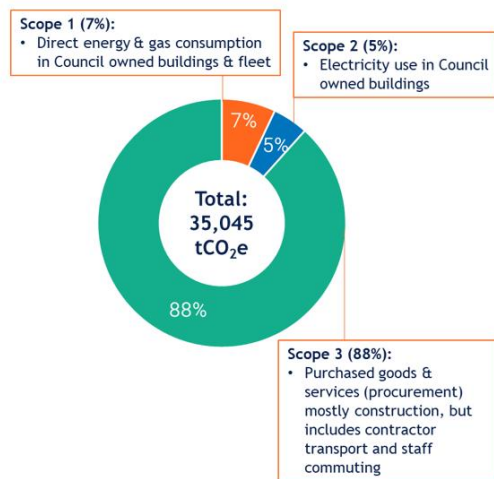
- The District Heat Network installation that will contribute 100 tCO₂ towards the borough's carbon reductions from 2022 onwards, with 30% of the reductions associated with the new Town Hall.

Additionally, behaviour change campaigns, particularly tackling transport and waste, have been run periodically, with harder-to-measure impacts.

The carbon emissions from CBC electricity use will additionally have reduced annually in line with the general decarbonisation of the electricity supply through the national grid.

D. New Baseline Audit:

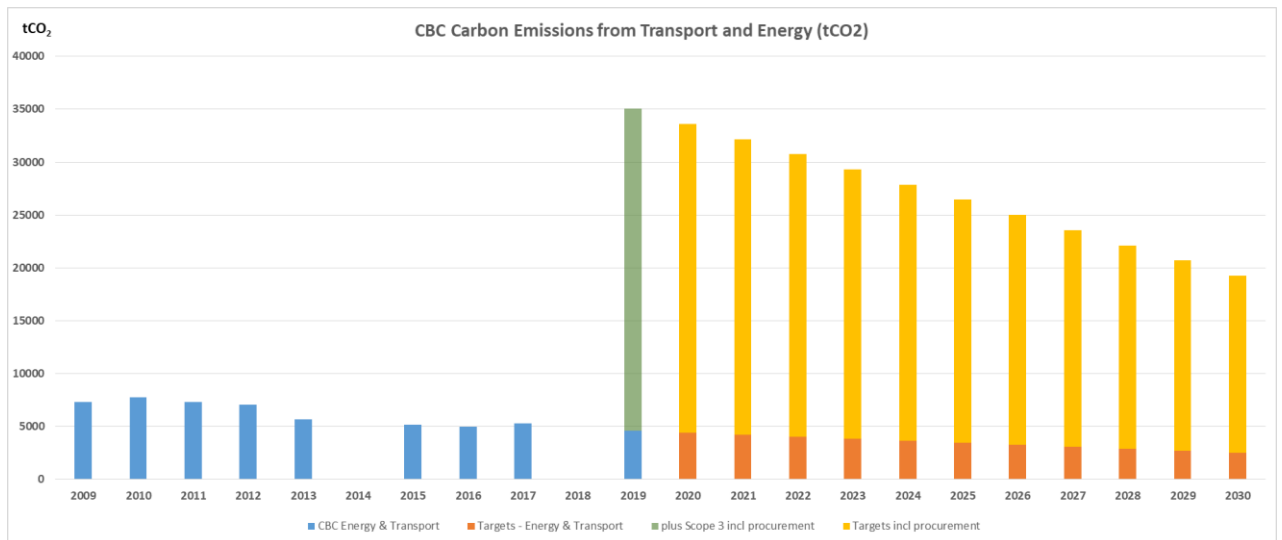
After the declaration of the Climate Emergency, a new baseline audit (Appendix A) was commissioned in early 2020. The declaration asked us to look at the Council's workings and activities, so the audit was extended to cover a wider scope than in previous years. It also included our Scope 3 (indirect, supply chain and transport) emissions to highlight CBC's wider impact through the consumption of goods and services.



In order to meet our carbon reduction targets of at least 45% reduction by 2030 (working from the new 2019 baseline), we need to reduce our emissions by

- 1434 tCO₂ total per annum
- of which 189 tCO₂ per annum is from buildings energy use and CBC business transport

This carbon reduction trajectory is illustrated in the figure below, showing the significance of Scope 3 emissions.



Crawley Borough Council commissioned consultancy Anthesis to help with the audit and produce a [‘Climate Emergency Support’](#) evidence base, which was presented to CMT. This sets out the scale of change needed to meet our own carbon reduction targets as a Council, and models possible carbon emission reduction pathways for the borough as a whole to help us plan our own Climate Emergency response.

Anthesis used the SCATTER tool⁴ to test different packages of interventions. These illustrated the potential to decarbonise buildings, transport, waste and generate renewable energy across the borough and helped us develop the core principles to underpin action critical to delivering on our carbon reduction commitments.

Since the Borough’s climate emergency declaration, emerging climate research means national and international reduction targets have been increased. This strengthens Crawley BC’s explicit commitment to declaration targets being regarded as minima and for action to exceed these wherever possible.

⁴ SCATTER - which stands for Setting City Area Targets and Trajectories for Emissions Reduction – is an interactive tool funded by BEIS that uses a wide range of national and local public data sets to help local authorities understand and report on area-wide greenhouse gas emissions.

E. Core Principles for Action:

Our carbon emissions can be grouped into six key areas for action within each of which there are a number of core principles that are critical to the successful delivery of our carbon reduction targets.

The key areas for action are:

1. Energy – demand reduction & low carbon heat and cooling
2. Renewable Energy & Storage
3. Low carbon transport – demand reduction & transition to low carbon modes
4. Waste & Water – reduction (linked to procurement), recognising the hierarchy of practice.
5. Procurement - supply chain tracing to minimise and reuse, develop ‘closed loops’ and sustainable sourcing for products and services
6. Green & Blue Infrastructure – natural systems for biodiversity and carbon stores.

The core principles for carbon reduction within each key area should be considered as underpinning development of the detailed actions in the Climate Emergency Action Plan, guiding the direction and timeframe for future work.

1. Energy - Demand Reduction & Low carbon heat and cooling

Core Principles:

- 1.1. Reduce energy demand
- 1.2. Transition to low carbon heat and cooling
- 1.3. Stop investing in technologies now that leave a carbon legacy
- 1.4. Promote & support innovation in delivery of low and zero carbon energy

- 1.1 Reduce energy demand** – this should always *come first*, as measures that can be undertaken now, without the need for significant, unknown or unproven advances in technology. As an organization, this means we need to proactively manage our buildings to reduce energy demand through fabric improvements, including insulation, good operational practices and monitoring.

Economically, this usually makes sense, whether at an individual, organisation or borough level. Our energy demand and bills can be reduced and borough costs associated with installing new generation assets, new grid connections and grid reinforcement works can be minimised. Energy savings can also often be achieved more quickly by implementing demand side behaviour changes or ‘quick win’ efficiency measures.

- 1.2 Transition to low carbon heat and cooling** - decarbonising heating will be one of the key challenges we have to overcome to meet our carbon targets. Conversion of the existing gas network to hydrogen, or ‘green gas’ is considered unlikely to occur by the 2030 timeframe, (although a wider UK Government

strategy for heat is expected this year). Reducing our gas demand and moving to low carbon heating and cooling technologies for our buildings will be key.

- 1.3 **Stop investing in technologies now that leave a carbon legacy** – We can only achieve the carbon reductions needed if we recognise and stop pursuing the path that has led us to the climate emergency. We also know that retrofitting to correct old systems will be far more costly in the long run than investing in low carbon technologies now. The legacy of carbon embodied in infrastructure also needs to be recognised which means that durability, selecting lower carbon materials and conserving structures will be important considerations. The sooner we adopt a low carbon culture, the greater will be the carbon savings.
- 1.4 **Promote & support innovation in delivery of low and zero carbon energy** – CBC should lead by example to exert wider influence to deliver carbon reductions across the borough. This means adopting low carbon systems in council operations, broadcasting these measures and supporting initiatives to enable transition for businesses and residents. Identifying new skills, training practices and product design through the planned Innovation Centre will support this and skilled jobs.

2. Renewable Energy & Storage

Core Principles:

- 2.1. Invest in renewables on CBC estate - support increased reliance on electricity and ambient energy for heating and transport, including thermal systems
- 2.2. Support renewables with battery and thermal storage
- 2.3. Investment in off-site renewables - consider contributing to national grid or community energy networks

- 2.1. **Invest in renewables on our own estate** - moving away from gas for our heating, and also a shift towards electric for our transport will mean an increase in our reliance on electricity. CBC will subscribe to a green, renewables grid tariff. However, although decarbonisation of the national electricity grid has increased rapidly in recent years, with 2019 being the first year that renewable energy sources provided more electricity to UK homes and businesses than fossil fuels, the renewable contribution varies and the electricity grid is not predicted to be 100% by 2030. Generating renewable energy on site will not only help us reach our target, but will also help us reduce our operating costs over the longer term. Thermal systems such as solar or heat pumps reduce electricity demand too.
- 2.2. **Support renewables with battery and thermal storage** - batteries can help us maximise the use of energy that we generate ourselves, and save money by reducing the amount of energy we have to buy from the grid. With the added option of selling excess energy back to the National Grid, combining solar panel installations with battery storage also has the potential to generate revenue. Thermal energy storage such as water tanks or building fabric mass reduces loss.
- 2.3. **Investment in off-site renewables** – As buildings and vehicles are switched to using electricity, it is important to make sure that that electricity comes from renewable sources. As well as investing in renewables on our own estate, CBC should consider contributing towards a greener national grid or community supply

networks by investing in off-site renewables, ideally within the local area to ensure local resilience and continuity of supply. This may be an investment opportunity.

3. Low Carbon Transport and Equipment

Core Principles:

- 3.1. Reduce total mileage travelled
- 3.2. Necessary travel/transport will be by low carbon modes, always prioritising active and shared travel
- 3.3. Rationalise and decarbonise tools and machinery

- 3.1. **Reduce total mileage travelled** – as with energy for buildings, we first need to reduce the amount of fossil fuels we use by reducing the need for travel and transportation. The aim will be to reduce the number of vehicles required – which represent significant embodied energy as well as cost.
- 3.2. **Necessary travel/transport will be by low carbon modes** prioritising walking, cycling, public transport and using low carbon vehicles only, where necessary. This provides a flexible transport mix that is fit for purpose and has added benefits for staff health and wellbeing and air quality. We will investigate the most appropriate technologies across our fleet. A particular challenge is specialist vehicles, like the waste fleet which contributes a significant proportion of transport emissions.
- 3.3. **Decarbonise tools and machinery** – in line with decarbonising vehicles, we will review options for decarbonising tools and machinery. This will involve seeking mechanical rather than power tool solutions and a review of processes using powered equipment.

4. Waste & Water

Core Principles:

- 4.1. Prioritise minimising resource use, reducing waste creation including reduction in water use
- 4.2. Apply the circular economy approach and follow the waste hierarchy of resource reduction and reuse before recycling, including use of waste water

- 4.1. **Prioritise minimising resource use, reducing waste creation including reduction in water use** – avoiding unnecessary products, especially disposables and packaging and consider durability, longevity and sharing economy. Ensure systems conserve water, noting that water supply and disposal demand significant energy.
- 4.2. **Adopt circular economy principles and follow the waste hierarchy** of resource Reduction and Reuse *before* Recycling, including use of waste water – despite some mainstream recognition of the three ‘R’s, the focus still tends to be on recycling and disposal. A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and

regenerating natural systems. We need to embed these principles into our everyday operation and decision making.

5. Procurement

Core Principles:

- 5.1. Minimise carbon emissions throughout the supply chain and support development of supplier and partner good practice, including financial services and investments
- 5.2. Ensure sustainable sourcing in the supply chain for biodiversity and ensure reliable monitoring
- 5.3. Avoid disposable products

- 5.1. **Minimise carbon emissions throughout the supply chain** – CBC can have strong influence over the carbon emissions from its own procurement spend through the guidelines and strategy for procuring goods and services. The council has an opportunity to work with existing and future suppliers to reduce their emissions to align with the council’s own ambitions, and thereby supporting reductions in the council’s consumption emissions. This will be most impactful in the construction sector.
- 5.2. **Ensure sustainable sourcing in the supply chain for biodiversity** – to minimise impacts on ecosystems and avoid scarce resources and products from extractive industries, seeking out recycled and reused products and those from reused and recycled materials. This will demand regular monitoring and guidance.
- 5.3. **Avoid disposable products** – in line with the principle of waste reduction and resource optimisation, the purchase and use of single use disposable items must be eliminated as far as possible.

6. Green & Blue Infrastructure

Core Principles:

- 6.1. Protect and enhance our natural land and water environment - maximise opportunities for biodiversity gain and carbon sequestration
- 6.2. Establish green/blue climate change mitigation and adaptation actions alone or alongside projects affecting the built or natural landscape

- 6.1. **Protect and enhance our natural land and water environment** (green and blue infrastructure) to maximise opportunities for biodiversity gain and carbon sequestration, seeking opportunities to develop local, connected wildlife habitat projects acknowledging wider social and environmental benefits. Key to success is recognition of complex needs and benefits of natural ecosystems.
- 6.2. **Establish green/blue climate change mitigation and adaptation actions** – for example through green space and wetland management, urban trees and other vegetation for shade, reducing urban heat island effects and flood management, SUDS across the estate and beyond.

Applying principles to develop the action plan:

Alongside these core principles are a number of overarching actions needed to develop and implement a robust Climate Emergency Action Plan and an ongoing responsibility of the council will be to hold government and other authorities to account in enabling everyone to play their part in meeting climate targets.

Overarching Enabling Actions		
Output	Action	When?
Climate Emergency Advisory Group	Identify key officers to champion the development of the action plan, programme and key projects	COMPLETED October 2020
Climate Emergency Action Plan	Apply core principles to develop, finalise & adopt plan Identify key officers from across the council to take ownership of key actions Establish mechanism for embedding carbon reduction in council-wide decision making processes (eg Climate Change Impact Assessment, assessment wheel,..)	24 Nov 2021 Cabinet Oct 2021 Through 2021/22
Climate Emergency Board	Establish board chaired by CEO to agree actions and ensure the plan's priority pathway through political processes and authority service delivery	December 2021
Monitoring Framework	Establish a means of monitoring and reporting progress in carbon reductions against the action plan. Embed in corporate decision making Update report on progress toward decarbonisation to be taken to OSC and Cabinet every six months.	December 2021
Funding Plan	Develop a viable funding route to deliver the climate emergency action plan, embedding delivery and costs within existing services, projects and budgets where possible, ensuring key services facing the most demand and which serve our residents are not adversely affected.	For 2023/24 budget and beyond to 2030
Staff Climate Literacy	Develop and implement staff engagement and training programme focussing on skills enabling staff to incorporate carbon reduction actions into their work and service delivery. Offer training to members.	Start roll-out for 2022/23 and ongoing
Communications & Influencing	Develop a Carbon Emergency communications and engagement plan to engage and influence internally with staff and members and externally with residents, businesses and other stakeholders.	November 2021

Overarching Enabling Actions		
Output	Action	When?
Climate Risk Assessment	Assess current and future risks to the organisation and across the borough from climate change	December 2021

F. Next Steps

The detailed Climate Emergency Action Plan will be developed using the outlined core principles. The Climate Emergency Advisory Group will need to draw on advice, expertise and commitment from other colleagues from across the council to develop and then implement the plan.

The practical implications for each service within the council will mean reviewing most aspects of service delivery, particularly procurement. Whilst there will be additional costs for some products, this should not be automatically assumed and minimising resource use should be recognised as a means to reducing carbon.

An evaluation tool is being developed to help guide all kinds of project development and embed carbon reduction in council-wide decision making processes. The Sustainability Team is also a key source of advice and guidance at any stage.

The Climate Emergency Action Plan is expected to be taken to Cabinet for approval on 24 November 2021.

Louise Skipton-Carter
Sustainability Manager

November 2021

Appendix 1: Carbon Audit – 2018/19

Emission Source	Activity Data	FY1819			
		Unit	tCO2e	% of total emissions	
Scope 1					
Buildings & Other Assets: Council Operated	Natural Gas	3,030	MWh	557	1.59%
	Total			557	1.59%
Buildings & Other Assets: Contractor Operated (K2 & The Hawth)	Natural Gas	7,478	MWh	1,375	3.92%
	Total			1,375	3.92%
Vehicle Fleet	HGV Rigid >3.5-7.5t	1,000	miles	0.79	0.00%
	HGV Rigid >7.5-17t	9,834	miles	10	0.03%
	HGV Rigid >17t	99,549	miles	153	0.44%
	Pool Cars	5,008	miles	1.46	0.00%
	Fuels (Diesel)	337,148	Litres	337	0.96%
	Fuels (Unleaded)	13,682	Litres	32	0.09%
Total			534	1.52%	
Total Scope 1 Emissions				2,466	7.04%
Scope 2					
Buildings & Other Assets: Council Operated	Purchased Electricity	3,508	MWh	993	2.83%
	Total			993	2.83%
Buildings & Other Assets: Contractor Operated (K2 & The Hawth)	Purchased Electricity	2,464	MWh	630	1.80%
	Total			630	1.80%
Total Scope 2 Emissions				1,623	4.63%
Scope 3					
Buildings & Other Assets: Council Operated	Natural Gas - WTT	3,030	MWh	77	0.22%
	UK Electricity - T&D	3,508	MWh	85	0.24%
	Water Supply	52,216	m3	18	0.05%
	Water Treatment	52,216	m3	37	0.11%
Total			217	0.62%	
Buildings & Other Assets: Contractor Operated (K2 & The Hawth)	Natural Gas - WTT	7,478	MWh	179	0.51%
	UK Electricity - T&D	2,464	MWh	53	0.15%
	Water Supply	49,264	m3	17	0.05%
	Water Treatment	49,264	m3	35	0.10%
Total			284	0.81%	
Contractor Vehicles	Vans (Class II)	52,577	miles	10	0.03%
	Vans (Class II)	23,199	Litres	62	0.18%
	Total			73	0.21%
Grey Fleet	Average Car: Petrol	59,867	Miles	27	0.08%
	Average Car: Diesel	89,801	Miles	17	0.05%
	Motorbikes	60	Miles	11	0.03%
Total			55	0.16%	
Employee Commute	Walk / Bicycle	980,169	Miles	-	0.00%
	Private On-Road Transport	3,690,966	Miles	1,063	3.03%
	Public On-Road Transport	357,957	Miles	64	0.18%
	Public Off-Road Transport	441,069	Miles	31	0.09%
Total			1,158	3.30%	
Procurement Spend	Input/Output	£64	million GBP	29,171	83.24%
	Total			29,171	83.24%
Total Scope 3 Emissions				30,957	88.33%
Total Emissions				35,045	

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Draft Climate Emergency Action Plan

SHORT TERM = over financial years 2021/22 and 2022/23

MEDIUM TERM – from 2023/24 to 2026/27 – subject to agreement of the detail and a funding plan

LONG TERM – 2027-2030 - subject to agreement of the detail and a funding plan

Overarching Enabling Actions – through 2022/23				
Action		When?	Action Owner	Resource Requirements
Climate Emergency Advisory Group	Identify key officers to champion the development of the action plan, programme and key projects.	COMPLETED Start Oct 2020	Clem Smith/LSC	Staff time - Key officers from across council services nominated to advisory group
Climate Emergency Action Plan	Apply core principles to develop, finalise and adopt plan.	Cabinet - 24 Nov 2021	Sustainability Team/ Climate Emergency Advisory Group	Staff time
	Identify key officers to take forward key actions.	October 2021	CMT	Staff time
	Establish mechanism for embedding carbon reduction in council-wide decision making processes (eg Climate Change Impact Assessment, assessment wheel,...).	Through 2021	Sustainability Team/ Climate Emergency Advisory Group	Staff time
Climate Emergency Board	Establish board chaired by CEO to agree actions and ensure the plan's priority pathway through political processes and authority service delivery.	December 2021	CEO	Staff time
Monitoring Framework	Establish a means of monitoring and reporting progress against the action plan.	December 2021	Climate Emergency Board	Staff time
	Embed in corporate decision making.			

	Update report on progress toward decarbonisation to be taken to OSC and Cabinet every six months.			
Funding Plan	Develop a realistic and viable funding route to deliver the climate emergency action plan - embedding delivery and costs within existing services, projects and budgets where possible, ensuring key services facing the most demand and which serve our residents are not adversely affected.	Develop plan in 2022/23 for 2023/24 budget	Action Owner/Finance/Climate Emergency Board	Staff time
Staff Climate Literacy	Develop & implement staff engagement & training programme focussing on skills enabling staff to incorporate carbon reduction actions into their work and service delivery. Offer training to members.	Start rollout for 2022/23 and then ongoing	Sustainability/HR	MEDIUM <ul style="list-style-type: none"> • Additional staff resource (either inhouse or external): to develop & deliver training as essential skill to relevant staff • Initial investment of £5K from training budget
Communications & Influencing	Develop a Carbon Emergency communications and engagement plan. To engage and influence internally with staff and members and externally with residents, businesses and other stakeholders.	November 2021	Sustainability/ Communications	LOW <ul style="list-style-type: none"> • Staff time • Some resources for community and stakeholder engagement
Climate Emergency Risk Assessment	Assess current and future risks to the organisation and across the borough from climate change.	December 2021	Corporate Risk	

1. Energy - Demand Reduction & Low carbon heat and cooling

Principles:

1.1 Reduce energy demand

1.2 Transition to low carbon heat and cooling

1.3 Stop investing in technologies now that leave a carbon legacy

1.4 Promote & support innovation in delivery of low and zero carbon energy

Estate wide energy demand reduction						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Commence development of an estate wide carbon reduction plan	Start carrying out energy audits across all council owned buildings, starting with those identified to have highest energy consumption (K2 & the Hawth).	Nigel Sheehan	SHORT	HIGH K2 & the Hawth = 2,289 tCO ₂ e = 7% of total emissions Other buildings = 1,767 tCO ₂ = 5%	Energy audits will identify the scale of carbon reduction that is achievable – procurement route for audits to be determined	MEDIUM <ul style="list-style-type: none"> Staff time (within existing capacity) and cost £5K - £20K per audit depending on complexity Available Budget: £19K from Sustainability Budget (2012/22) will cover 1 to 3 audits Additional Budget Requirement: For additional audits
Link Carbon reduction plan to maintenance plan	Link the proposed carbon reduction interventions into ongoing maintenance and repair plans.	Nigel Sheehan	SHORT and ongoing	HIGH	HIGH	LOW <ul style="list-style-type: none"> Existing budgets or invest to save Staff time

Reduce energy use through transformed working practices	Reduced energy use through roll-out of modern laptops and new MFDs. Move servers to the cloud to vastly reduce carbon footprint in terms of hardware.		COMPLETE SHORT From 2021	No of MFDs more than halved MEDIUM	HIGH	MEDIUM
2023/24 onwards						
Begin implementing estate wide carbon reduction plan	Identify potential carbon reduction and energy efficiency interventions based on energy audits and develop and implement an estate-wide retrofit plan to meet a minimum of 45% CO ₂ reduction by 2030.	Nigel Sheehan	MEDIUM to LONG	HIGH K2 & the Hawth = 2,289 tCO ₂ e = 7% of total emissions Other buildings = 1,767 tCO ₂ = 5%	COMPLEX – Energy audits will identify the scale of carbon reduction that is achievable – it may not be possible to reach zero carbon or cost is prohibitive – and regeneration may be more appropriate	HIGH <ul style="list-style-type: none"> • May need additional staff to manage project • Resource requirements will be identified from audits • Assess additional resource requirement to decide when commitment can be made

Low carbon heat and cooling						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Plan switch from gas	As part of the energy audits, review the heating/hot water systems in council owned buildings, and develop a plan	Nigel Sheehan	SHORT	HIGH	COMPLEX – Energy audits will identify the appropriate technology – building	Part of the above building audits

	to retrofit with low carbon alternatives (heat pumps, hybrid heat pumps, DHN) by 2030. Link retrofit plans into existing planned maintenance and repair plans.			Ongoing	HIGH	must first undergo energy efficiency retrofit to reduce energy demand	Resources to be agreed
2023/24 onwards							
Implement switch from gas	No new gas boilers to be installed by 2025 at the latest. Implement retrofit plan to low carbon heat. Switch Town Centre DHN from gas to low-carbon source as part of phase 2 expansion.	Nigel Sheehan	MEDIUM	Enabling action			
			MEDIUM /LONG	MEDIUM	COMPLEX		HIGH – assess additional resource requirement
			MEDIUM	MEDIUM	MEDIUM		HIGH – assess additional resource requirement
District Heat Networks	Explore other potential heat networks across Crawley and conduct technical feasibility, potentially linked to new developments.	Nigel Sheehan	MEDIUM	HIGH	COMPLEX		MEDIUM <ul style="list-style-type: none"> Staff time May be able to attract funding from other partners Resources to be agreed

Zero carbon construction						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Zero carbon new build	All new builds should be constructed to zero carbon standards to eliminate the need for costly retrofit within the timescale of this plan.	Nigel Sheehan	SHORT TERM By 2025 at latest	HIGH	HIGH	MEDIUM Assess additional resource requirement for builds planned in 2022/23 to decide when commitment can be made

Crawley Homes						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Energy Efficiency Programme	<p>Ongoing programme of retrofit insulation (cavity wall insulation, external wall insulation (timber framed properties) and top-up loft insulation) across property portfolio.</p> <p>Ongoing programme of LED lighting installation in communal areas of flats and sheltered blocks.</p> <p>Installation of A-rated replacement boilers.</p>	Head of Crawley Homes	Ongoing	MEDIUM	HIGH	Already in budget

Low carbon heating trial	Air source heat pump at 151 London Road.		COMPLETE	LOW		
Net Zero Collective	Crawley Homes joined the 'New Zero Collective' to develop a blueprint for deep retrofit of the full portfolio of properties with zero carbon heating/cooling taking fabric first approach, starting with 10 property types.	Head of Crawley Homes	SHORT Ongoing through 2022/23	HIGH	HIGH	10 properties at a cost of £20K per property in 2021/2022 and 2022/23 – Funds already earmarked within Crawley Homes budgets.
Determine energy/carbon efficiency policy for New Builds	Review underway of all new build energy/carbon efficiency specifications to determine pathway to zero carbon new build.	Head of Crawley Homes	2021/22	HIGH	HIGH	MEDIUM Assess additional resource requirement for builds planned
2023/24 onwards						
Net Zero Collective	Learning from first 10 property types to inform retrofit action plan and commence delivery for some of portfolio. Retrofit or regenerate remaining portfolio.	Head of Crawley Homes	MEDIUM LONG	HIGH HIGH	COMPLEX COMPLEX	HIGH Resources to be agreed HIGH Resources to be agreed

Wider Influencing						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Local Plan 2021-2037 Energy Efficiency Standards	Policies SDC1 & SDC2 of the 2021 submission draft Local Plan incorporate tighter standards for energy efficiency and use of low/zero carbon energy sources for new-build developments.	Clem Smith	2022	For new homes Code for Sustainable Homes Level 4 Standard involves a 19% reduction in CO2 emissions compared with current Building Regulations standards. It is anticipated that in practice this will typically involve solar PV (or a low/zero carbon heat source) as standard. This may be overtaken by improved national standards depending on timeline for introduction of the government's 'Future Homes Standard'.	HIGH	Staff Time

2. Renewable Energy & Storage

Principles:

2.1 Invest in renewables on own estate to help with increased reliance on electricity for heating and transport

2.2 Support renewables with battery and thermal storage

2.3 Investment in off-site renewables - consider contributing to a greener national grid or community energy networks

Own Estate						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Investigate Solar PV on own estate	As part of energy audit, explore opportunities for installation of solar PV across own estate.	Nigel Sheehan	SHORT	HIGH Can also lead to reduced energy bills	HIGH	As part of energy audits
Investigate battery storage	Combine PV with battery storage to improve efficiency of PV and reduce reliance on the grid.	Nigel Sheehan	SHORT	MEDIUM Can also lead to reduced energy bills	HIGH	As part of energy audits
2023/24 onwards						
Install Solar PV & battery storage on own estate	As identified by energy audits, plan installation of solar PV & battery storage.	Nigel Sheehan	MEDIUM	HIGH Can also lead to reduced energy bills	HIGH	As part of energy audits Resources to be agreed

Crawley Homes						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Battery Storage in communal blocks	Fit battery storage to run all communal power in blocks with Solar PV.	Head of Crawley Homes	From 2021/22	Trial at Connemara House in Bewbush has shown that blocks can become 98% off grid power, with additional savings of 620kw, and a potential 7 further blocks available. These installs could then extend to community centres.	UNDERWAY	Cost for 5kW storage approx. £7K – being covered from existing budgets
Additional sites for Solar PV	Review all Crawley homes sites for additional or new PV and battery installations.	Head of Crawley Homes	2022/23	HIGH	HIGH	MEDIUM

Wider Influencing						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Manor Royal Central Energy Management Company	Continue to work with WSCC and MRBD on the Re-Energise project to create an energy supply for the business district that is more	Clem Smith (Sustainability)	2022-2023	HIGH	COMPLEX	MEDIUM to HIGH Funding earmarked in the Crawley Towns Fund programme (Green Business

	sustainable, secure and locally generated - reducing the carbon footprint and lowering the cost for businesses.					Infrastructure grants) to help established the Management Company, which would be subsequently be run by MR BID.
Planning Developments	Encourage renewables for new developments. Planning permission for these developments will include solar PV incl: <ul style="list-style-type: none"> - MOKA (42.5kWp) - Station Gateway (11kWp) - Geraint Thomas House (32kWp) - Longley House (25kWp). 	Clem Smith (Planning)	Anticipated completion 2021-26 (potentially later for Station Gateway)	HIGH This will reduce demand for electricity from fossil fuels. Projected energy saving is as follows (from planning submission): <ul style="list-style-type: none"> - MOKA – not given but could be 40,000kWh pa) - Station Gateway (8263kWh pa) - Geraint Thomas House (28292kWh pa) - Longley House (13729kWh pa) 	Influencing role	Staff time

2023/24 onwards						
Consider investing in off-site renewables	Investigate opportunities to contribute to a greener grid by investing in off-site renewable (eg solar farms) to reduce the carbon associated with any electricity bought from the grid.	Nigel Sheehan	MEDIUM	HIGH		MEDIUM to HIGH Need to identify funding routes Resources to be agreed

3. Low Carbon Transport and Equipment

Principles:

3.1 Reduce total mileage travelled

3.2 Necessary travel/transport will be by low carbon modes, always prioritising active and shared travel

3.3 Rationalise and decarbonise tools and machinery

2% of total emissions - 662 tCO₂e

Reduce Transport Demand						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Reduce transport mileage	Review work travel policy and establish sustainable travel hierarchy (eg avoid travel (virtual meeting), active travel, public transport, pool car, private car) to reduce essential and grey fleet mileage. Review operational fleet mileage and look for operational efficiencies in distances travelled and through eco-driver training.	Heads of Service	2022/23	HIGH Savings in fuel costs and carbon emissions Target x% reduction in transport mileage per annum	HIGH	LOW
Establish Essential Travel Allowance	Review essential car user policy and consider replacing with essential	CEO/HR	2022/23	MEDIUM	COMPLEX	LOW Cost of essential travel allowance

	travel allowance that enables choice of sustainable transport options in preference to single use car journeys. Consider incentives for switch of remaining car mileage to low carbon vehicles.			Potential reduction of 55 tCO2e		replaces essential car user allowance
2023/24 onwards						
Waste Collections	Implementation of National Waste Strategy requirements to increase recycling as a percentage of household waste gives opportunity to review waste rounds.	Nigel Sheehan	MEDIUM 2024	HIGH Potential impact on refuse vehicle mileage (dependent upon final Strategy recommendations)	COMPLEX Need community support	LOW Resources to be agreed

Decarbonise Transport & Machinery						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Deliver updated Fleet Replacement Strategy	Develop plan to transition to low carbon or active transport options for complete fleet by 2030; alongside plan for fleet charging infrastructure	Nigel Sheehan	SHORT	HIGH Potential 369 tCO2e pa by 2030	HIGH EVs should achieve price parity, but need to consider additional cost of charging infrastructure	MEDIUM Potentially additional budget requirement from 2022/23

Contractor fleets	Through Crawley Homes Alliance agreement with Partnership contractors, collaborate and support the transition of the contractor fleet to low carbon by 2030.	Head of Crawley Homes	2021 onwards	MEDIUM Influencing role through contract not direct control Potential 73 tCO2e	MEDIUM	LOW
2023/24 onwards						
Fleet recharging infrastructure	Deliver charging infrastructure required with roll-out of low carbon fleet vehicles.	Nigel Sheehan	MEDIUM	HIGH	MEDIUM	MEDIUM Resources to be agreed
Review Pool Car requirements	In light of review of essential car user allowance and emerging evidence from staff travel plan, develop plan for low carbon pool vehicles including Car Club options, EVs, cargo bikes and electric bikes.	Nigel Sheehan	MEDIUM	MEDIUM Potential 1.5 tCO2e	HIGH	LOW to MEDIUM Resources to be agreed
Waste Fleet	Switch waste vehicles to electric or hydrogen when next replaced (opportunity to tie in with new waste contract in Feb 2024) and by 2030 at the latest.	Nigel Sheehan	MEDIUM 2024	HIGH Potential 164 tCO2e pa by 2030	COMPLEX Technological solutions for waste vehicles are still evolving and charging/refuelling infrastructure is complex	HIGH <ul style="list-style-type: none"> • Currently high price premium for electric or hydrogen vehicles. • Potential high cost of charging/refuelling infrastructure

Transition machinery from fossil fuel use	Continue review of powertools and other machinery (eg mechanical sweepers) and develop plan to decarbonise these on replacement.	Kate Wilson	MEDIUM	LOW	HIGH	MEDIUM Resources to be agreed
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Staff Commute						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Staff Travel Action Plan	Following completion of staff travel survey, Travel Action Plan being developed which will detail actions to enable and encourage staff to switch to active and low carbon commutes.	Chief Exec/HR?	SHORT Implementation of action plan from early 2022	HIGH 3% of total Emissions = 1,158 tCO2e	HIGH Behaviour change achievable through a combination of influencing, supported by incentives and deterrents (sticks and carrots)	LOW to MEDIUM Additional budget requirement: TRICS survey - £5K (in year 1, 3 and 5)

Wider Influencing						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Planning Developments	Various town centre developments are coming forward with no parking or low levels of car parking –	Clem Smith	ongoing	HIGH	Enabling action	Staff time

	including some with car club schemes / contributions.					
Local Plan 2021-2037	Elements of the plan contribute to climate change mitigation and adaptation, including through securing developer contributions towards sustainable transport and requirements for EV charge points as part of residential parking provision.	Clem Smith	ongoing	HIGH	Enabling action	Staff time

4. Waste & Water

Principles:

4.1 Prioritise minimising resource use, reducing waste creation including reduction in water use

4.2 Adopt the circular economy approach and follow the waste hierarchy of resource reduction and reuse before recycling

Own Estate						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Paper Use Reduction	Review service delivery to move more service transactions online to reduce paper use and printing – part of Transformation Programme.	Simon Jones	SHORT	LOW	HIGH	MEDIUM Staffing, in particular ICT support to set up new services online
2023/24 onwards						
Waste reduction plan & resource efficiency plan	Review waste streams at all sites and identify waste reduction, re-use and recycling opportunities.	Nigel Sheehan	MEDIUM	MEDIUM 107 tCO ₂ from own estate	HIGH	Staff time (additional resource needed to deliver project) Should be cost neutral Resources to be agreed
Water reduction plan	As part of energy audits, investigate water reduction opportunities across the council's estate (low water toilets, low flow taps, etc). Investigate grey water systems	Nigel Sheehan	MEDIUM MEDIUM	LOW LOW	HIGH HIGH	LOW Staff time MEDIUM – Resources to be agreed

Service Delivery						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2023/24 onwards						
Waste Services	Introduce weekly food waste collection by 2024 (anticipated to be mandatory).	Nigel Sheehan	MEDIUM	HIGH	COMPLEX Requires new waste collection regime and disposal options	MEDIUM Cost of weekly food waste collection may be offset by reduced residual waste collection Resources to be agreed
	Remove all biodegradable waste from going to landfill by 2025.		MEDIUM			
	Plan to increase residential recycling rates to 70% by 2030.		LONG			
	Work with WSCC to increase materials collected and recycling at flats.		SHORT			

Wider Influencing						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Local Plan Policy 2021-2037	Local Plan policy includes Policy SD3 which has a requirement for new dwellings to include efficient water fittings to achieve a	Clem Smith	Dec 2021	HIGH	Enabling action	Staff time

	daily water consumption level of 100 litres per person.					
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5. Procurement - 83% of total emissions - 29,171 tCO2e

Principles:

5.1 Minimise carbon emissions throughout the supply chain and support development of supplier and partner good practice, including financial services and investments

5.2 Ensure sustainable sourcing in the supply chain for biodiversity and ensure reliable monitoring

5.3 Avoid disposable products

Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Mandate carbon emissions reporting from suppliers	Build monitoring of suppliers' carbon performance into contract management processes. Develop reporting framework to enable this.	Karen Hayes (Procurement)/ Sustainability (Monitoring & Performance)	SHORT	HIGH	COMPLEX	Staff time and new systems
Procurement requirements to include requirements on carbon savings	For new procurements, build in criteria to the tender process and contract management to control carbon performance. Review Social Value Charter to reflect this.	Karen Hayes (Procurement)/ Sustainability (Monitoring & Performance)	SHORT	HIGH	HIGH	Staff time
Avoid disposable products	Carry out inventory of disposable use, and develop approach to avoid them.	Ian Duke	SHORT	MEDIUM	HIGH	Staff time for review and development of new approaches

Specific Procurements Timeline						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Cloud based servers	Moving applications and systems to cloud and virtualising other hardware. Need to consider renewable energy for cloud provider.	Simon Jones	2021	MEDIUM	HIGH	Staff time
2023/24 onwards						
Waste & Recycling Collections Contract	Review contract specification to reduce carbon impacts.	Nigel Sheehan	Jan/Feb 2024	HIGH Potential to have a big impact on lower carbon emissions in terms of types of collection vehicles procured and type of collection service specified – possible move to less frequent collections of residual waste and the introduction of government mandatory food waste collections.	HIGH	MEDIUM Resources to be agreed

6. Green & Blue Infrastructure

Principles:

6.1 Protect and enhance our natural land and water environment - maximise opportunities for biodiversity gain and carbon sequestration

6.2 Establish green/blue climate change mitigation and adaptation actions alone or alongside projects affecting the built or natural landscape

Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Wildflower meadows	Increase greenspace management for natural wildflower meadows to encourage biodiversity and pollinating insects.	Kate Wilson	SHORT Evolving annually	MEDIUM	MEDIUM/HIGH Public, political and stakeholder consultation required for large scale policy change to grass cutting policy to accommodate more wildflower meadows (2024/25 onwards)	Staff time Equipment Wildflower Seeds
Recycling plants and recycling green waste as mulch	Reduce and supress weeds by using mulch to enrich soils and avoid soil disturbance. Recycle plants by splitting/dividing herbaceous plants in Worth Park, Goffs Park and Tilgate.	Kate Wilson	SHORT/MEDIUM Planting of herbaceous plants this Autumn. Spitting and dividing to be	MEDIUM Reduces herbicide use and increases nutrients to the soil and surrounding health of plants. Green waste is	HIGH	Staff time Training

			carried out over a 3year cycle	disposed by the council and we then repurchase on a lower cost through mulch that is recycled green waste that we incorporate back into the shrub beds. Saving on cost of plants/ watering and power tool use as plants only need to be trimmed with non-power tools (saving on fuel emissions)		
Rapid phase out of all biocides. Review use of any other chemicals.	Manage natural environment by ecologically regenerative processes. Continue to reduce chemical use where possible, Neighbourhood Services to carry out study to explore alternative options.	Kate Wilson	SHORT MEDIUM for roll-out	HIGH	COMPLEX Study will appraise various alternative options to glyphosate before a commitment can be made to fully replace glyphosate. This study will review how alternative options impact resource,	Staff time for study and to develop new work practices

					appearance and costs.	
2023/24 onwards						
Conserve existing tree, scrub, grassland and wetland.	Value and manage soils, water courses and scrub for biodiversity. Advise and support services impacting on natural sites, eg flood management, highways maintenance.	Kate Wilson	SHORT Evolving annually	MEDIUM	HIGH Programme developed and funding secured. Reliance on key partners to deliver programme of work. Gatwick Greenspace & Woodland Trust.	Staff time Training Key partners Resources to be agreed
Develop plan to increase Tree Planting	Increase native tree cover and scrub as well as looking into tree planting diversity for a better eco system. Extend existing corridors and woodland/scrub sites where possible.	Kate Wilson	SHORT to MEDIUM	HIGH	HIGH Tree survey currently being carried out, and this will inform timescales and potential for increased tree planting.	MEDIUM Staff time Funding for maintenance Resources to be agreed

Wider Influencing						
Action		Action Owner	When?	Potential Impact	Deliverability	Resource Requirements
2022/23						
Public communications	Information and dialogue on importance of	Kate Wilson/ Communications				MEDIUM Comms, community engagement

and engagement campaign	management for biodiversity. Involvement and 'ownership' in developing new and existing natural, biodiverse spaces.					Gatwick Greenspace/ allotment volunteers group Gossops Green
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EQUALITY IMPACT ASSESSMENT

Name of activity:	Climate Emergency Action Plan	Date Completed:	27 October 2021		
Directorate / Division responsible for activity:	Economy and Planning	Lead Officer:	Louise Skipton-Carter		
Existing Activity	<input type="checkbox"/>	New / Proposed Activity	<input checked="" type="checkbox"/>	Changing / Updated Activity	<input checked="" type="checkbox"/>

What are the aims / main purposes of the activity? (Why is it needed? What are the main intended outcomes?)

The Climate Emergency Action Plan sets out the ambition and planned activity to enable the Council to reduce the carbon emissions from its workings and activities in line with the commitments made in the Climate Emergency Declaration, that is reduce carbon emissions by 45% by 2030 and to zero by 2050.

What are the main actions and processes involved?

The actions for the whole organisation are set out in the Climate Emergency Action Plan. They cover the six key areas for action across every service:

1. Energy – demand reduction & low carbon heat and cooling
2. Renewable Energy & Storage
3. Low carbon transport – demand reduction & transition to low carbon modes
4. Waste & Water – reduction (linked to procurement), recognising the hierarchy of practice.
5. Procurement - supply chain tracing to minimise and reuse, develop 'closed loops' and sustainable sourcing for products and services
6. Green & Blue Infrastructure – natural systems for biodiversity and carbon stores.

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

The Climate Emergency Action Plan will benefit staff, residents and local businesses, as the Council will contribute towards the meeting of the UK's legally binding national Carbon Reduction Targets. This is needed so that we can try to avoid catastrophic climate and ecological impacts, and transition to a stable and sustainable world.

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

The action plan has been developed and approved by the Climate Emergency Advisory Group in collaboration with colleagues from across the Council.

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

Protected characteristics / groups	Is there an impact (Yes / No)	If Yes, what is it and identify whether it is positive or negative
Age (older / younger people, children)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Disability (people with physical / sensory impairment or mental disability)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Gender reassignment (the process of transitioning from one gender to another.)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Marriage & civil partnership (Marriage is defined as a 'union between a man and a woman'. Civil partnerships are legally recognised for same-sex couples)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Pregnancy & maternity (Pregnancy is the condition of	No	<u>Neutral</u>

being pregnant & maternity refers to the period after the birth)		The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Race (ethnicity, colour, nationality or national origins & including gypsies, travellers, refugees & asylum seekers)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Religion & belief (religious faith or other group with a recognised belief system)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Sex (male / female)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Sexual orientation (lesbian, gay, bisexual, heterosexual)	No	<u>Neutral</u> The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.
Whilst Socio economic disadvantage that people may face is not a protected characteristic; the potential impact on this group should be also considered	Yes	<u>Positive Impact</u> Investment in energy efficient retrofit of homes will benefit residents at risk of fuel poverty. Minimising resource use is being used as a first approach to reducing carbon, and this could lead to cost savings. Switching to low carbon transport modes could contribute towards improved air quality. Switching to active travel may benefit those in transport poverty, with associated health and wellbeing benefits <u>Negative Impact</u> Whilst the council may face additional costs to deliver some parts of the plan, this should not be automatically assumed and minimising resource use should be recognised as a

	first approach to reducing carbon and costs. A full funding plan is being developed through 2022/23
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What evidence has been used to assess the likely impacts? (e.g. demographic profiles, research reports, academic research, benchmarking reports, consultation activities, staff surveys, customer surveys, public surveys, complaints, grievances, disciplinary cases, employment tribunal cases, ombudsman cases, media reports)

Crawley Borough Council commissioned consultancy Anthesis to help with the audit and produce a 'Climate Emergency Support' evidence base, which was presented to CMT. This sets out the scale of change needed to meet our own carbon reduction targets as a Council, and models possible carbon emission reduction pathways for the borough as a whole to help us plan our own Climate Emergency response.

Anthesis used the SCATTER tool to test different packages of interventions. These illustrated the potential to decarbonise buildings, transport, waste and generate renewable energy across the borough and helped us develop the core principles to underpin action critical to delivering on our carbon reduction commitments.

What resource implications are there to deliver actions from this EIA? (Quantify: people, time, budget, etc.)

None

Outcome following initial assessment

Does the activity have a **positive** impact on any of the protected groups or contribute to promoting equality, equal opportunities and improving relations within target groups?

No

Neutral

The aim of the Action Plan is to embed delivery and costs within existing services, projects and budgets where possible, to ensure that key services facing the most demand and which serve our residents are not adversely affected.

Does the activity have a **negative impact** on any of the protected groups, i.e. disadvantage them in any way.

No

There are no negative impacts on protected groups

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

Action Plan (Has the EIA identified any positive or negative impact on any of the protected groups which requires action? E.g. adjustments to the approach or documents, changes to terminology, broadening parameters of policy, etc. If so record any actions to be undertaken and monitored)			
Impact identified	Action required	Lead Officer	Deadline
Any changes to service delivery that result from implementing the strategy may themselves need to be assessed separately for their impact on people with protected characteristics	As and when changes are to be introduced, a separate equalities impact assessment may be required	Action Owner	Before changes are implemented

Monitoring & Review	
Date of last review or Impact Assessment:	26 October 2021
Date of next 12 month review:	Review if changes are made to the Action Plan
Date of next 3 year Impact Assessment (from the date of this EIA):	Review if changes are made to the Action Plan

Date EIA completed:	26 October 2021
Signed by Person Completing:	Louise Skipton-Carter
Date Sent to HR and Equalities Team:	28 October 2021
Approved by Head of Service:

NB – The original signed hard copy & an electronic copy should be kept within your Department for audit purposes. Send an electronic copy to the OD Officer in HR & Development. Also, please complete the summary document overleaf. This will be included on the Council’s website.

The EIA Toolkit provides guidance on completing EIAs & HR&D can provide further advice.

Crawley Borough Council Equality Impact Assessment



Completed Equality Impact Assessment	Key findings	Future actions
<p>Directorate / Division: Economy & Planning</p> <p>Function or policy name: Climate Emergency Action Plan</p> <p>Officer completing assessment (Job title): Sustainability Manager</p> <p>Date of assessment: 26 October 2021</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

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Agenda Item 13

Crawley Borough Council

Report to Overview and Scrutiny Commission
22 November 2021

Report to Cabinet
24 November 2021

“One Town” - Crawley Economic Recovery Plan Consultation Findings and Final Version

Report of the Head of Economy and Planning, *PES/391*

1. Purpose

- 1.1 This report requests Cabinet approval for the final version of the “One Town” Crawley Economic Recovery Plan (Appendix A), which has been updated to take account of the public consultation period on the Plan which took place from 9 July to 11 October 2021.
- 1.2 The “One Town” Economic Recovery Plan presents a Vision for Crawley’s future socio-economic prosperity in 2050 alongside a strategic framework and a set of flagship scheme interventions for delivery towards the achievement of that Vision.
- 1.3 This reports provides a summary overview of the findings (Appendix B) of the recent public consultation exercise on the “One Town” Economic Recovery Plan for Crawley.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

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

- 2.2 To the Cabinet:

The Cabinet is recommended to approve the final version of the “One Town” Crawley Economic Recovery Plan 2022-2037 (Appendix A) and to adopt it as Council policy.

3. Reasons for the Recommendations

- 3.1 Cabinet approval is sought to enable adoption of the “One Town” Crawley Economic Recovery Plan 2022-2037 as Council policy.

4. Background

- 4.1 The Cabinet Portfolio Holder for Planning and Economic Development requested that a “One Town” Economic Recovery Plan be developed and brought forward to provide an overarching strategic framework for Crawley’s economic recovery and for the following existing economic regeneration programmes and policies:

- The Crawley Growth Programme
- The Crawley Town Investment Plan
- Crawley Town Centre Regeneration Programme
- Crawley Employment and Skills Programme.

Agenda Item 13

- 4.2 The Economic Recovery Plan presents a vision for Crawley's socio-economic prosperity in 2050, based on the following strategic priorities:
- A diverse and resilient economy
 - Green transformation
 - Town Centre renewal
 - Skills for the future
 - Connected Crawley
- 4.3 The Economic Recovery Plan strategic priorities are proposed for the period 2022-2037 to mirror the period of the submission Local Plan and reinforce the findings of the Economic Growth Assessment linked to the Local Plan, which projects Crawley's related employment land need over that period
- 4.4 The Economic Recovery Plan includes a set of "flagship interventions" - proposals to help drive recovery and address Crawley's longer term structural economic weaknesses - these schemes are to be taken forward over a four year period 2022-2026, which mirrors the Town Investment Plan delivery period for the Towns Fund.
- 4.5 Crawley BC is driving delivery of major infrastructure investment:
- £21.1m Towns Fund (Town Investment Plan)
 - The new Town Hall development
 - A new District Energy Centre
 - The Crawley Growth Programme (together with WSCC and stakeholders).
 - A range of major affordable housing developments particularly in the town centre
 - A large capital investment programme, including town centre regeneration.
 - The £23m City Fibre roll out of full fibre infrastructure investment Borough wide.
- All of these infrastructure interventions can boost Crawley's economic recovery.
- 4.6 We are awaiting the outcome of:
- An Institute of Technology bid submitted by Crawley College to modernise the College campus and overhaul training provision, introducing university level programmes.
 - A full business case - being drawn up to unlock £8.6 million of government investment ring-fenced for a Crawley Innovation Centre. This will drive up innovation output and consolidate / expand Crawley's advanced engineering cluster, creating more high value jobs and helping to diversify the economy.
- 4.7 On 10th March 2021, Cabinet considered the draft Economic Recovery Plan for Crawley and agreed to go out to public consultation in order to seek feedback and input to help develop the Plan and secure broad support for the proposals.
- 4.8 The "One Town" Crawley Economic Recovery Plan was presented to the Crawley Economic Recovery Taskforce / Crawley Town Deal Board and received endorsement from the partner organisations represented.
- 4.9 Public consultation on the draft Economic Recovery Plan took place from 8 July to 11 October 2021 and the summary findings are presented in this report and in full at Appendix B.
- 4.10 These findings have been used to inform development of the final version of the "One Town" Crawley Economic Recovery Plan (Appendix A), for which this report seeks Cabinet approval and adoption as Council policy.

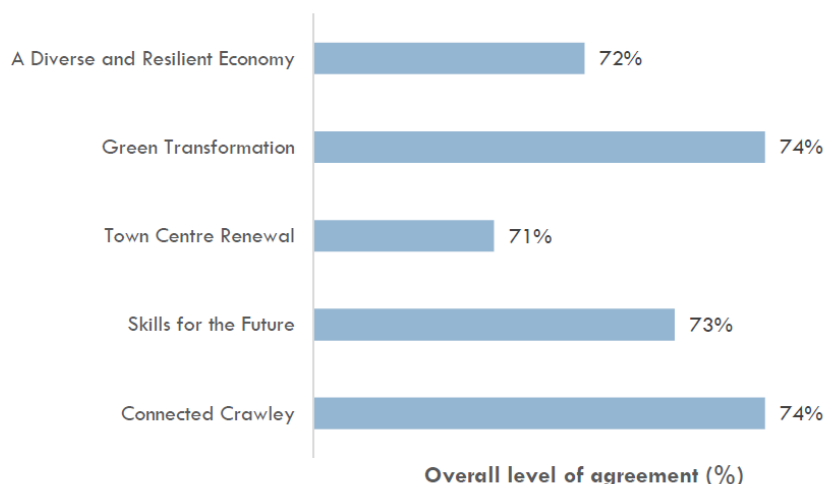
Agenda Item 13

5. Description of Issue to be resolved

- 5.1 Crawley's economy has been very badly affected by the COVID-19 pandemic. Gatwick Airport saw a huge reduction in passenger numbers from an average of almost 4 million passengers per month (2019) to eight hundred and fifty thousand (2020). Airlines have been running a fraction of flight services pre-pandemic and this is beginning to recover but relatively slowly. The retail, hospitality and leisure sectors were forced to close during the periods of lockdown and restrictions and many other businesses have been adversely affected, as elsewhere in the country. The cumulative impact of the above has been major redundancies and the number of "furloughed" Crawley residents peaked at 25,800.
- 5.2 The unemployment claimant count trebled to almost 9% in Crawley putting the area in the worst 10% of areas in the country for unemployment. This is in stark contrast to as recently as 2017 when Crawley had the highest employment rate in the country. Youth unemployment reached 14% due to the impact of the pandemic.
- 5.3 The Council is spearheading efforts to boost Crawley's economy and generate new business investment and jobs by continuing to pro-actively lead and facilitate the development of major programmes of new infrastructure, amenity, residential development and economic regeneration. The combined value of this public and private investment in the Town is set to exceed £400 million, thanks to close working between the Council, local partners, residents and the private sector.
- 5.4 Partners include stakeholders on the Crawley Economic Recovery Taskforce and Town Deal Board, the Coast to Capital Local Enterprise Partnership, West Sussex County Council, Crawley College, local businesses and private developers.
- 5.5 The Crawley Economic Recovery Plan provides a clear pathway for the development of further regeneration schemes to help boost recovery. This will help to unlock further private sector investment in Crawley alongside additional public funding so that the Town is even better placed to achieve the sustainable economic recovery needed to bring about the benefits to Crawley's residents envisaged in the Plan's Vision.

6. Economic Recovery Plan - the key findings of the public consultation

- 6.1 The consultation ran from 8th July to 11th October 2021 and received a total of 94 responses; 83 from members of the public and 11 from a business or organisation. The complete findings can be found in **Appendix B**.
- 6.2 The following table shows the net 'agreement' ratings for each of the strategic priorities (i.e. combining the 'strongly agree' and 'agree' responses)



Agenda Item 13

- 6.3 In overall terms, respondents expressed broad support for the Plan, the five strategic priorities, objectives and proposals for flagship interventions.
- 6.4 Key themes and points made by respondents during the consultation for each strategic priority, can be summarised as follows, along with resulting proposed updates to the Plan in bold below each one where applicable:

A Diverse and Resilient Economy (Strongly Agree 34%, Agree 38%)

Aim – renew Crawley as an attractive, abundant, diverse economic powerhouse, founded on green growth and digital innovation.

- No mention of how 'green growth' mentioned in the aim will be delivered.
- Need to provide more diverse employment opportunities, reducing reliance on Gatwick
- Full support from Gatwick for the Innovation Centre
- Makes sense to focus on engineering but also on jobs that cover a wider, diverse range of skills
- Objectives are perfectly acceptable but important to balance ambition with reality of what is achievable, building on existing strengths of the area.
- Would be helpful to see more detail on the generic objectives. What is meant by 'Eastern Gateway' and 'Renaissance'?

Updates to Plan Proposed: Add Glossary of Terms to explain definitions.

Green Transformation (Strongly Agree 42%, Agree 32%)

Aim – establish Crawley at the forefront of green growth and as a low carbon economy where green technology businesses thrive.

- Strong support for green innovation and infrastructure, particularly electric vehicles
- Electric vehicle charging points are key – need more of them especially within neighbourhoods (will be a challenge for houses without driveways or parking)
- No mention of Gatwick – what are their plans for reducing emissions?
- Crawley is well placed to lead this due to number of green spaces and parks – how will we protect these as housing shortage becomes more apparent?
- Would be good to unpick what makes Crawley a special case for this investment and where the unique opportunities are
- Need this to be more attractive to new businesses

Updates to Plan Proposed: None

Town Centre Renewal (Strongly Agree 39%, Agree 32%)

Aim – secure a vibrant neighbourhood and sustainable economic future for the town centre via significant qualitative investment

- Keep the town centre clean and educate people to do the same
- Town centre is abysmal – train station is trick to walk to, narrow footpaths next to busy roads, poorly designed cycle lanes, motor vehicles seem to be the priority.
- How do we make Crawley cool? How do we ensure young people don't move away?
- What does sustainable growth mean?
- Definitely in support of Crawley becoming a cultural destination but I'd like to know more about what kinds of cultural attractions are being considered. Don't centralise facilities but instead develop them across neighbourhoods.
- Not sure what you mean by cultural venues
- Tackling homelessness is at the heart of this
- Suggest setting up a games centre somewhere central; a community centre for local entertainment.

Updates to Plan Proposed: As above, add a Glossary of Terms

Skills for the Future (Strongly Agree 40%, Agree 34%)

Aim – Improve significantly overall social mobility amongst Crawley residents, creating powerful and effete skills pathways.

- Explain what is a 'Hub'?
- Important to teach 'soft skills' as well as technical knowledge

Agenda Item 13

- Agree with the need to upskill local residents
- Suggest hospitality training centre for entry level skills to fill local vacancies
- Agree we need to invest in skills and training – across all communities
- Need to work with local recruitment agencies re current needs and opportunities
- Could CBC consider investment in work based development programmes that focus on long term ambitions?
- Great, but how will you reach and engage with people who can take advantage of this?
- Investment in facilities is important but how do you inspire people to want to work for local companies? Raising aspiration among local young people
- Embrace the idea that you can ‘find your future in Crawley’.

Updates to Plan Proposed: As above, add a Glossary of Terms

Connected Crawley (Strongly Agree 42%, Agree 32%)

Aim – enhance a green economic future for Crawley by delivering low carbon transport and hyper digital connectivity

- Cycle infrastructure needs fixing.
- Massive improvements needed around Three Bridges station and between Forge Wood, Manor Royal and the town centre.
- Parking is too cheap – are there any car clubs in Crawley?
- Force private companies into converting parking bays into electric charging points.
- Arterial activities – what does this mean?
- Great potential to be a well-connected town as it is small, compact and flat
- Next generation of Fastway bus service must be ‘green’
- Improved cycle paths and electric buses needed

Updates to Plan Proposed: None

Additional comments about the Plan:

- Need to put a cost plan to all this - Is it affordable?
- The aims are right – it’s how we deliver them that is important.
- Needs more focus on improving the city scape – making Crawley attractive to walk and cycle around.
- Don’t rely on flagship projects that are already being delivered – think about new and exciting projects.
- Please focus more on investing in young adults and provide incentives for them to strive.
- Pleased to see the future growth of Crawley is reflected in the Plan
- Timelines would be useful

Updates to Plan Proposed: Add scheme delivery timelines and explain how schemes are being funded as applicable;

7. Financial Implications

- 7.1 There are no additional direct financial implications related to the drawing up and adoption of the Crawley Economic Recovery Plan.
- 7.2 £21.1 million of Towns Fund monies has been granted by the government to Crawley (subject to spending reviews) to be spent on 10 project interventions incorporated within the Crawley Economic Recovery Plan.
- 7.3 Other project interventions are being funded by capital finances from the Crawley Growth Programme, which was approved by the Coast to Capital Local Enterprise Partnership in 2017.

8. Equality Implications

- 8.1 The council is required under the Public Sector Equality Duty to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

Agenda Item 13

8.2 The recommendations are not considered to involve any adverse impacts for any groups with protected characteristics identified in the Equality Act 2010.

9. Legal Implications

9.1 The Economic Recovery Plan has been prepared under the Local Authority's General Power of Competence as provided in the Localism Act 2011, Section 1.

9.2 While there is no statutory duty on local authorities to produce an economic plan, they are free to determine the breadth and depth of assessments of the economic condition of their area, ensuring a reflection of local priorities.

9.3 The legal implications of the specific proposals being recommended will need to be considered at the appropriate time.

Background Papers

None

“One Town”

Crawley’s Economic Recovery Plan

2022-2037

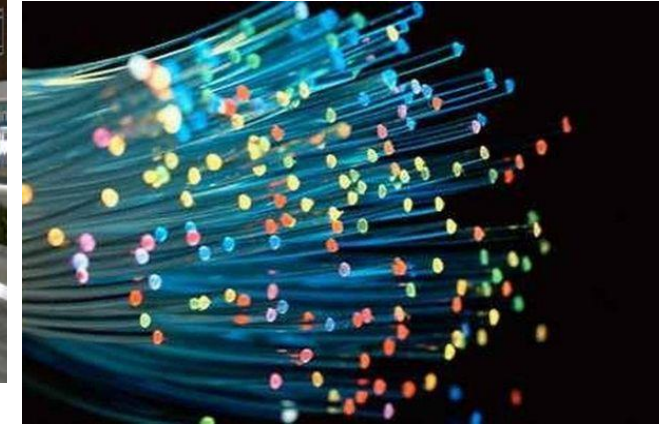
Rationale

- A vision for Crawley's future socio-economic prosperity
- A clear path for recovery from COVID-19 economic crisis
- A marker to Crawley's formidable reputation for economic productivity
- One strategic framework for recovery under which sit:
 - Town Centre Regeneration Programme;
 - Crawley Growth Programme;
 - Employment and Skills Programme;
 - Crawley Towns Fund Programme;



Crawley's "One Town" Vision for 2050

"A modern, vibrant and healthy exemplar digital town; transformed net zero carbon economy; the south east's leading digitally enabled and mixed use innovative Business Park at Manor Royal; an empowered resident workforce; high quality amenities, bustling neighbourhood parades; extensive sustainable homes, transport, business"



Page 151

A "Green Growth" economy...

- ..renowned for innovation excellence...**
- ..with a stunning digital business park...**
- ..resident skills driving business success...**
- ..Gatwick Airport a sustainable aviation exemplar" ...**
- ...new sites to provide for all Crawley's employment growth sectors and help boost jobs for residents**
- ..bold and vibrant Town Centre community; successful professional services hub..."**



Agenda Item 13 Appendix a

A Joined Up Approach to Recovery

Our Economic Recovery Plan builds on the joined up working across Crawley's business community and their representative bodies:

- Manor Royal BID
- Town Centre BID
- Neighbourhood Parades
- The Historic High Street Business Forum
- Professional Services Forum
- Leading local Commercial agents
- Crawley & Gatwick Chamber of Commerce
- Sussex Chamber of Commerce
- Gatwick Diamond Business
- Federation of Small Businesses
- Coast to Capital Local Enterprise Partnership



Crawley's economy has Firm Foundations

- **Dynamic Economic and Business Growth** - Economy grew by 27% (2013-2019) to over £6 billion p.a.
- **Excellent track record – jobs density / productivity** - 13.5% jobs growth (2013-19); Productivity: £45,000 per capita (SE average: £26,000); Highest job density
- **An Outstanding F.E. College (OFSTED)**
- **Superb geographic location / “hyper-connected”** – Easy reach of M23 / M25; Gatwick Airport; 3 mainline railway stations; 24 hour arterial bus routes
- **Regional retail dominance and leisure pull** – Major retail brands; High St evening economy; Crawley Leisure Park; K2 Leisure Centre; Hawth etc
- **Expansive “Green” Infrastructure** – Award winning parks – Tilgate Park, Memorial Gardens; Extensive tree cover and green space, grass verges.



Plan to Restore Economic Success post COVID-19

The Scale of the Economic Impact:

- Major collapse in Gatwick Airport passenger numbers – nearly 4 million per month (2019) to 850,000 per month (2020)
- Over 7,000 redundancies “on Airport”, nearing 33% of workforce
- Up to 25,800 Crawley residents were “furloughed” - 41% of local workforce- from aviation and other sectors (e.g. hospitality).
- Unemployment claimants in Crawley trebled: 2.4% to over 8%
- Over 1,000 young people unemployed claimants, almost 13%

And tackle long term structural economic challenges:

- Attract business investment to occupy vacant Manor Royal sites
- Address limited overall available employment land supply
- Boost (relatively low) innovation output
- Unlock “green” infrastructure to tackle carbon emissions
- Strengthen local workforce skills to boost social mobility
- Transform sustainable transport and digital capacity



Economic Recovery Plan – Strategic Priorities 2021 - 2037

- **A DIVERSE AND RESILIENT ECONOMY** Crawley needs to broaden its economic architecture and boost economic resilience.
- **GREEN TRANSFORMATION** Crawley needs to reset how its economy operates through the lens of ‘green recovery’.
- **TOWN CENTRE RENEWAL** Crawley needs to renew its town centre economy in the aftermath of the COVID-19 crisis.
- **SKILLS FOR THE FUTURE** Crawley need to overhaul skills training facilities and its programme offer to empower local residents.
- **CONNECTED CRAWLEY** Digital connectivity to drive up jobs recovery and sustainable transport connectivity to drive down carbon emissions



1. A Diverse and Resilient Economy

AIM: Renew Crawley as an attractive, abundant, diverse economic powerhouse, founded on “green growth” and digital innovation.

OBJECTIVES:

- Establish Crawley as the key business destination in the South East for advanced engineering and professional services.
- Develop a pioneering “niche” innovation identity for Crawley, benefiting advanced engineering, logistics and construction.

FLAGSHIP INTERVENTIONS:

- “Manor Royal Renaissance” programme to transform Manor Royal into an attractive and digitally advanced business park.
- Establish the Crawley Innovation Centre - to boost Manor Royal’s advanced engineering and digital base.
- Inward investment programme to attract new manufacturing to Manor Royal and professional services to the Town Centre.
- A brand new “Eastern Gateway” Town Centre commercial quarter
- Unlock sufficient suitable employment land to drive recovery.



2. Green Transformation

AIM: Establish Crawley at the forefront of “green growth” and as a low carbon economy where green technology businesses thrive.

OBJECTIVES:

- Drive growth of green tech and construction businesses & jobs
- Deliver vital carbon emissions reductions in Crawley by maximising renewable energy and providing grid resilience.
- Unlock investment in “green” infrastructure, transforming Manor Royal into a Business Park and rolling out new biodiversity.

FLAGSHIP INTERVENTIONS:

- Decarbonisation Skills Academy programme
- A green Construction Skills Hub for local residents.
- Drive up innovation in green transportation and clean energy tech.
- Decarbonise Manor Royal via green business infrastructure grants
- Roll out low carbon energy in proposed major developments
- Green home’ programme to retrofit housing stock
- ‘Deliver extensive electric vehicle charging network



3. Town Centre Renewal

AIM: Secure a vibrant neighbourhood and sustainable economic future for the town centre via significant qualitative investment.

OBJECTIVES:

- Establish Town Centre as a dynamic jobs / business growth hub.
- Unlock a rich cultural offer in the town centre, attracting new cultural venues to help drive footfall and renewal.
- Deliver a vibrant neighbourhood, comprising 3,000 homes with exemplary digital / green infrastructure and amenity.

FLAGSHIP INTERVENTIONS:

- Station Gateway public realm, bus station and railway station
- Eastern Gateway scheme and high quality pedestrian and cyclist connectivity to transform living environment.
- Deliver high quality new small business and micro-enterprise digital workspace, fit for a post-COVID 21st century recovery.
- Design, promote and secure investment to develop a new Cultural Quarter in Crawley,



4. Skills for the Future

AIM: Improve significantly overall social mobility amongst Crawley residents, creating powerful and effective skills pathways.

OBJECTIVES:

- Implement “Invest in Skills For Crawley” programme to transform vocational skills facilities and training provision for residents.
- Enable business from high value growth sectors in Crawley to recruit successfully from local workforce and overcome skills gaps

FLAGSHIP INTERVENTIONS:

- Expand Employ Crawley inter-agency employment support network to help unemployed Crawley residents back into work
- Further upgrade and investment in Crawley's skills and training facilities with a focus on re-skilling and upskilling Crawley's workforce, including higher technical skills
- New higher level training at Level 4 and above, focused on priority business sectors
- Science Technology, Engineering and Maths (STEM) skills centre.
- “Town Centre Skills Academy” - a construction skills training “hub” location serving residents and regeneration sites.



5. Connected Crawley

AIM: Enhance a “green” economic future for Crawley by delivering low carbon transport and hyper digital connectivity.

OBJECTIVES:

- Improve quality and range of sustainable transport infrastructure.
- Maximise capacity of digital infrastructure.
- Establish Crawley as a first choice advanced technology business location due to its highly competitive digital infrastructure offer.

FLAGSHIP INTERVENTIONS:

- Transform Crawley town centre bus station and create state of the art sustainable transport interchanges
- Upgrade and expand the Bus Rapid Transit network in Crawley
- Deliver priority “arterial” active travel routes for residents, linking Crawley’s neighbourhoods to its principal job zones
- Maximise digital connectivity to facilitate business / jobs growth



Crawley Economic Recovery Plan – Glossary of Terms:

- **Advanced Engineering** – The use of innovative technologies to improve engineering products, services and processes
- **Business Innovation** – The process of making a new or improved product, process or service that benefits the business / its partners / its customers.
- **Crawley Growth Programme** - £60m+ investment in infrastructure and the public realm to transform the business and living environment in Crawley Town Centre and Manor Royal Business District.
- **Crawley Towns Fund Programme** – Programme of urban regeneration and infrastructure investment to boost Crawley’s economic recovery and business growth, enabling local residents to unlock new skills and jobs.
- **Cultural Quarter** – An area of Crawley Town Centre synonymous with leisure, entertainment, cultural events and creative expression which contains “anchor” cultural and leisure facilities and infrastructure.
- **Decarbonisation** – The reduction in emissions of carbon dioxide or other greenhouse gases from built infrastructure
- **Eastern Gateway** – Scheme to regenerate the public realm / upgrade active travel infrastructure on the eastern side of Crawley Town Centre
- **Employment and Skills Plan** – Skills training and employment support services to help Crawley residents into work, improve career opportunities create pathways for them to access higher value jobs



Crawley Economic Recovery Plan – Glossary of Terms:

- **“Green Growth” economy** – An economy which grows whilst preserving and enhancing the natural environment to boost quality of life.
- **Hub** – A location with the significant presence of a particular asset to the economy and / or community well being, characterised by dynamic activity, networking and interaction, which is mutually beneficial.
- **Manor Royal Renaissance** – The physical regeneration and renewal of the Business District to unlock new business investment and identity.
- **Professional Services** – Organisations which provide professional expertise services to other businesses or residents. This is expertise which requires a professional qualification – accountants, lawyers, architects, commercial agents, management consultants, recruitment consultants etc.
- **Social Mobility** – The ability for people to move from one social background to another or to access better paid employment and improved quality vocational careers.
- **Sustainable Growth** – Economic growth which does not create an adverse environmental impact or adverse environmental legacy in future years.
- **Town Centre Regeneration Programme** – The physical regeneration of Crawley Town Centre’s public realm and transport infrastructure.



Flagship Interventions – Funding / Timescale for Delivery

(Public Funds earmarked from Crawley Growth Programme / Towns Fund etc)

- Diverse and Resilient Economy:**

Manor Royal Renaissance Programme* - Funds TBC - 2022-2026

Crawley Innovation Centre* – Funds TBA - 2022-2026

E. Gateway Commercial Quarter design - £0.15m - 2022-2026

- Green Transformation**

Green Construction Skills Hub - Part of £4.5m - 2022-2026

Green Business Infrastructure Grants - £1m - 2022-2026

Green Tech Business Grants - £1m - 2022-2026

Green energy retrofit for homes - £4m - 2022-2026

Extensive EV Charging network - N/A - 2022-2025

- Town Centre Renewal**

Station Gateway scheme -£7.3m - 2023-2026

Eastern Gateway scheme -£8.85m - 2021-2023

Small Business Co-working space -£6m - 2022-2024

Cultural Quarter design - £0.45m - 2022-2026

*Seeking funding packages to be confirmed / agreed within next six mon



Flagship Interventions – Funding / Timescale for Delivery

- **Skills For the Future:**

Employ Crawley Service and Network	- £0.25m*	- 2021-2023
Invest in Skills for Crawley Programme	- £4.5m	- 2022-2026
Crawley STEM Centre**	- N/A	- 2021-2026
Town Centre Construction Skills Academy***		- 2022-2026

- **Connected Crawley**

Crawley Bus Station regeneration	- £7.3m	- 2023-2026
Bus Rapid Transit Network Investment	- TBA****	- 2022-2026
“Arterial” active travel routes -Phase 1	- £3m	- 2022-2026
Maximise digital connectivity	- £4.7m	- 2022-2024

* Further revenue funding being sought to expand the service

**Major skills training asset built by Crawley College , thanks to £5m LEP fund

***To be paid for out of existing Towns Fund schemes

**** Additional funding to be sought, working closely with West Sussex County Council and Metrobus





“One Town” Crawley’s Economic Recovery Plan



12th October
2021

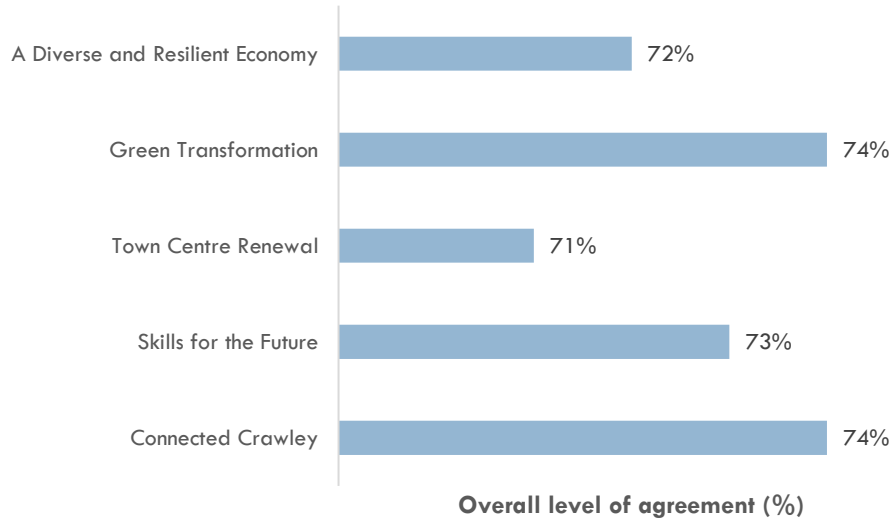
Consultation survey results

Introduction and Overview	2
Respondent Profile	2
Results	2
Section One: A Diverse and Resilient Economy	2
Level of agreement with proposals outlined regarding ‘A Diverse and Resilient Economy’...3	
Comments (17)	3
Section Two: Green Transformation	5
Level of agreement with proposals outlined regarding ‘Green Transformation’	6
Comments (21)	6
Section Three: Town Centre Renewal	7
Level of agreement with proposals outlined regarding ‘Town Centre Renewal’.....	8
Comments (26)	8
Section Four: Skills for the Future	11
Level of agreement with proposals outlined regarding ‘Skills for the Future’.....	12
Comments (19)	12
Section Five: Connected Crawley	14
Level of agreement with proposals outlined regarding ‘Connected Crawley’	14
Comments (21)	14
Additional Comments and Suggestions regarding the Economic Recovery Plan	16
Comments (27)	16
Appendix A	18
West Sussex County Council	18
Vail Williams	19
Aberdeen Standard Investments	22

Introduction and overview

The survey was run from Thursday 8th July until 11th October 2021 and received a total of 91 responses. In addition to these, three documents were also submitted in pertaining to the Economic Recovery Plan; which can be viewed in Appendix A.

The table below contains the net agreement ratings received for each section of the plan. This rating is measured by combining the ‘strongly agree’ and ‘agree’ responses against the remaining response selections.



Respondent Profile

Respondents were asked at the start of the survey to state whether they were completing it in the capacity of a member of the public or as part of a business or organization. The table below displays the breakdown of respondents by this metric.

Respondent type	Count	Percent
Member of the public	83	88%
Part of a business or organization	11	12%

Results

Section One: A Diverse and Resilient Economy

Aim: Renew Crawley as an attractive, abundant, diverse economic powerhouse, founded on “green growth” and digital innovation.

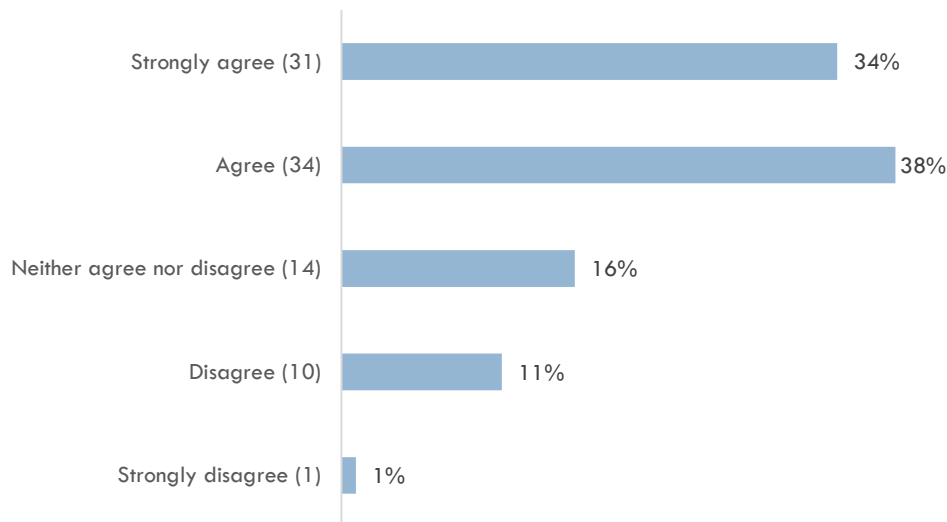
Objectives:

- Establish Crawley as the key business destination in the South East for advanced engineering and professional services
- Develop a pioneering “niche” innovation identity for Crawley, benefiting advanced engineering, logistics and construction

Flagship interventions:

- “Manor Royal Renaissance” programme to transform Manor Royal into an attractive and digitally advanced business park
- Establish the Fusion Centre –the Crawley Innovation Centre - to boost Manor Royal’s advanced engineering and digital base
- Inward investment programme to attract new manufacturing to Manor Royal and professional services to the Town Centre
- A brand new “Eastern Gateway” Town Centre commercial quarter
- Unlock sufficient suitable employment land to drive recovery

Level of agreement with proposals outlined regarding ‘A Diverse and Resilient Economy’



Comments (17)

- Crawley must encourage better High skills training to provide quality lasting employment that people want to join. This will enable quality lifestyles, which would then support trades and new residents
- HOUSING!!!!
- Too many buzz words and very little substance. What can I say.....
- Some good initiatives mentioned above, however: No mention of how the “green growth” mentioned in the Aim is to be delivered. Need to reduce the town’s massive reliance on the airport (putting all eggs in one basket is never a good idea). Encourage entrepreneurs (especially women) to build a strong base of micros and small businesses. Micro-hubs for use by businesses / teams throughout the

town (i.e. not just in Manor Royal or the town centre). Strong alignment with Sustainable Development Goals needed – to address environmental, social & economy resilience.

- There are more industrial estates than Manor royal
- need to provide more diverse employment, and help those who want to work locally, rather than commute. Provide jobs that cover a wide range of skills, currently a heavy focus on engineering is prevalent
- Crawley needs to build on its position, next to Gatwick and between London and the coast. A broader range of technical business options would provide better and cleaner jobs.
- You didn't mention Gatwick Airport. Any new strategy needs to recognise the diminishing importance of the Airport as it automates more and more jobs. Any new strategy must view Gatwick Airport Ltd's expansion plans with scepticism in a world where flying will increasingly be discouraged by national policy and international pressure, to meet climate change objectives.
- How will green growth affect local businesses and people tax wise? The innovation centre will focus on green activities but I won't be assisting people locally. Agenda 21 will influence everything and everyone. Corporates will get richer and people will get poorer to finance this through their taxes.
- The Town centre needs TLC with decent shops Morrisons supermarket site has been shut for THREE YEARS .It would be nice if Morrisons supermarket or another Supermarket would come back to the site .Read an article a very long time that Aldi supermarket was looking for another site in Crawley and nothing has been heard We need Decent shops to attract people to shop in Crawley. The market on a Wednesday and Saturday requires improvement
- Whilst it is accepted that The How and What are no doubt still to be defined, it would be helpful to see more detail on some of the very generic and wide ranging, style objectives above... How can people comment on something that is very very broad? "Renaissance"? What exactly is meant by an "Eastern Gateway"? East from where and how far? And what would some of the key points mentioned, actually look like in reality?
- I query the use of the word 'diverse' here: much of this innovation relates to engineering and commercial interests. Does the 'Town Centre commercial quarter' include improvements in the retail centre or is the intention to move away from the traditional 'high street' model, given the rise of online shopping?
- Gatwick Airport Limited has expressed full support for the proposed creation of the FUSION Innovation Centre. The development of an innovation centre within the Manor Royal Business Improvement District will create the environment necessary to drive technological advancement within key growth sectors. As a major employer with a contributory role to the region's innovation ecosystem, the airport is encouraged by the centre's potential to drive growth and transformation in crucial sectors for the future. Gatwick Airport supports the creation of a more dynamic, connected and innovative business environment in the region, working with local partners to ensure that the area attracts emerging economic clusters such as digital, advanced manufacturing and green technology. Gatwick Airport supports the unlocking of sufficient employment land within the existing Manor Royal site to support recovery.
- Too much emphasis is made in schools for academic achievement. Not every child is academic. There needs to be more diverse employment opportunities in Crawley as it used to be. There are far too many offices. There needs to be manufacturing to make it a more secure environment. If one thing fails it would not be such a big issue as there would be so many different opportunities. This has been an

obvious issue with most jobs in Crawley are linked to the airport. This needs to stop. All eggs in one basket has never been a safe thing to do. It needs to change to make employment safer and more stable.

- Engineering makes total sense as Crawley's niche identity. Digital feels very different to me. Focus on engineering.
- The objectives outlined are perfectly acceptable. It's important to balance ambition with reality in terms of what is achievable and to put in place a deliverable plan that can be reported on and show progress. Success will depend on building on the existing strengths of the area - which are fundamentally good. It will also be important to define what diversification means while still remaining supportive of an economy that is home to an ambitious airport that wants to grow - how to diversify the economy and allow new sectors to flourish and not become increasingly dependent on aviation will be key. It is also important that a person-centred approach to developing the economy is adopted that balances the needs of local people with those of local businesses (and the ones you want to attract). The lived experience of everyday people and ensuring the basics in terms of place management, maintenance and promotion is important for ensuring Crawley is attractive to the people and businesses we expect to use it - that means not losing sight of public realm, safety, experiential aspects and the general look and feel of places and the town generally.
- agree but see separate letter for detailed comments from Vail Williams on behalf of Windsor Developments

Section Two: Green Transformation

Aim: Establish Crawley at the forefront of “green growth” and as a low carbon economy where green technology businesses thrive.

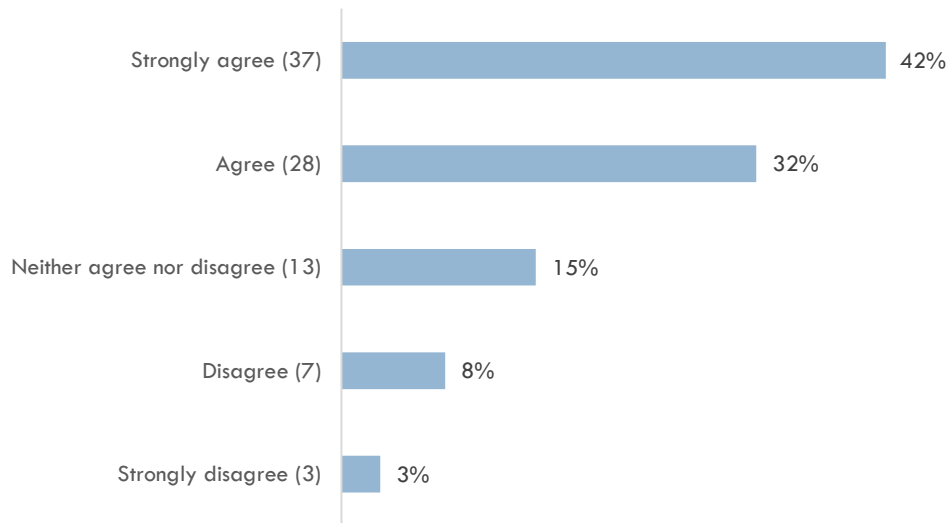
Objectives:

- Drive growth of green tech and construction businesses & jobs
- Deliver vital carbon emissions reductions in Crawley by maximising renewable energy and providing grid resilience
- Unlock investment in “green” infrastructure, transforming Manor Royal into a Business Park and rolling out new biodiversity

Flagship interventions:

- Decarbonisation Skills Academy programme
- A green Construction Skills Hub for local residents
- Drive up innovation in green transportation and clean energy tech
- Decarbonise Manor Royal via green business infrastructure grants
- Roll out low carbon energy in proposed major developments
- Green home' programme to retrofit housing stock
- 'Deliver extensive electric vehicle charging network

Level of agreement with proposals outlined regarding ‘Green Transformation’



Comments (21)

- Consideration needs to be given to how electric vehicles can be charged in local areas, as previous hybrid car user I was unable to charge at home due to lack of off road/private parking but would've gladly used a public facility had it been close enough - I've moved back to petrol
- HOUSING!!!!
- Again lots a buzz words and very little substance...
- Important to have a low carbon footprint in this day and age
- Great to promote the green & low carbon sectors – some good ideas for interventions. Also need to ensure existing businesses actively reduce carbon emissions too. Has Crawley Council declared a climate emergency? If so, what is being done about this? Promoting green tech needs strong support in education – to ensure we have skilled workforce.
- sounding slightly obsessed with green this and green that lovely tag line but without major changes in public transport infrastructure it will mean nothing. don't ever put in those illegal cycle lanes again around three bridges Station (no consultation etc)
- make is easy and less costly to improve the heat efficiency of homes.
- Again you didn't mention Gatwick Airport. The airport is reducing its carbon emissions on the ground, but has no realistic plans for reducing the emissions from flying. It's Master Plan calls for expansion both on the existing runway and on a modified Northern runway (at present used for emergencies only).
- See previous answer. Where will the charge for electric come from. We live in society addicted to their phones which require electricity. We all know not all electricity demand will be able to be met. Look at the climate history, rather than green new deal!
- Electric vehicle charging network is vital to attract buyers of these vehicles and move away from diesel and petrol, however a large number of residents in Crawley do not have driveways or parking near their homes so would be unable to charge their vehicle with any reliability. I like the idea of a

construction skills hub for local residents as learning about this is key if people are to make the right choices.

- Great use of 'Green' style wording - but again as a normal resident of town - you need to explain (in layman's terms), show, and tell me, exactly what this means and looks like to me and I guess, many others...
- Any developments in so-called 'green' innovation are welcome. To my mind, Crawley has a head start in terms of 'green' infrastructure (compared to other local towns) because of the number of parks and green spaces available, but I'd be concerned about the potential to lose these as the housing shortage becomes more apparent.
- Gatwick's Sustainability Policy and goals are detailed in the Second Decade of Change to 2030 document.
- The only thing that should be done is provide electric car charging points
- This is needed so long as it is not Lee only job changes in the area. There needs to be more diversity. Manufacturing.
- Agree in principle but not at the risk of pitting the town's identity against the airport, which is obviously never going to be green and forms a crucial part of the town's success. But all green endeavours are worthwhile.
- Everywhere will have to adapt to the climate challenge. It will be interesting to unpick what makes Crawley a "special case" for investment and where there may be unique opportunities that the town can capitalise on. For example, the neighbourhood principle lends itself to aspects of the "15 minute" / connected city, it is compact, it has a huge critical mass of businesses located in Manor Royal.
- We need this to be more attractive to new businesses.
- Think long term when building e.g. accessible housing and buildings, cycle lanes, plenty of charge points for electric cars that are regularly maintained and working, providing access to grants for smaller green businesses and individuals wanting to invest in a greener lifestyle.
- Make electric car charging points a priority for the future free for people to use if it's to work properly
- agree but see separate letter on missed opportunities and wider aspirations

Section Three: Town Centre Renewal

Aim: Secure a vibrant neighbourhood and sustainable economic future for the town centre via significant qualitative investment.

Objectives:

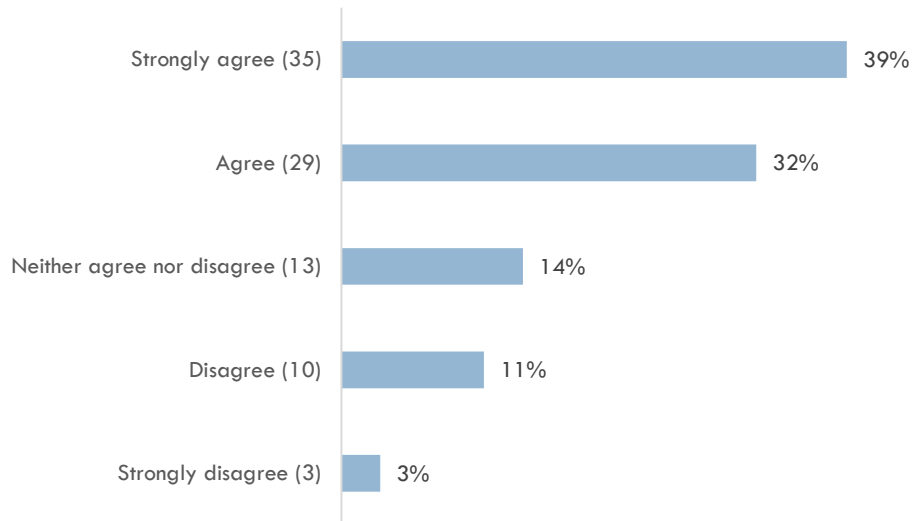
- Establish Town Centre as a dynamic jobs / business growth hub
- Unlock a rich cultural offer in the town centre, attracting new cultural venues to help drive footfall and renewal
- Deliver a vibrant neighbourhood, comprising 3,000 homes with exemplary digital / green infrastructure and amenity

Flagship interventions:

- Station Gateway public realm, bus station and railway station

- Eastern Gateway scheme and high quality pedestrian and cyclist connectivity to transform living environment
- Deliver high quality new small business and micro-enterprise digital workspace, fit for a post-COVID 21st century recovery
- Design, promote and secure investment to develop a new Cultural Quarter in Crawley

Level of agreement with proposals outlined regarding ‘Town Centre Renewal’



Comments (26)

- Retail had its day, Leisure and fine dining would be nice, but it's Crawley probably more fast food outlets
- maybe offer cheaper rent for small British businesses, like clothing shops or tech companies
- Remove the alcohol dependant culture, more outside social relaxing areas with greenery. Reduce "concrete" exposure
- HOUSING!!!!
- Actually could you keep the Town centre, specially the renovated centre where are the expensive slabs, seats and water fountain, clean and tidy! That would be a good and a straight forward achievement that goes a long way in terms of public health, environment and to be more pleasant. Also to educate the population to keep the town centre clean and to recycle with initiatives and events! The Town keeps being very unfriendly for cycling, specially the town centre. No priority is given to pedestrians in the planning of everything on this town. Zebra crossings are a very simple an inexpensive safety measure to cross the roads, compared with trafic lights, which would make walking safer and more pleasant. The monstrosity of the junction by the new Library is just an example of what should not be done if you want to decrease traffic into and around the Town. I am sure the planners do not live in Crawley! Otherwise they would realise the awful result of their work! The speed that the cars drive in Northgate Avenue for example is just unbearable and unacceptable. Speed inforcement cameras would be a good safety measure and would make noise and pollution

down and also would raise lots of money! So when we look at economic and renewal strategies we need to think about how environmentally sustainable they will be in the long run. It would save millions!

- The town centre is abysmal. The train station is tricky to walk to, narrow footpaths next to busy roads on several approaches from the west of Crawley. Pavements often blocked by vehicles forcing pedestrians into the road. Cycling isn't much better, poorly designed cycle lanes. Motor vehicles very much seem to be the priority making walking or cycling the least attractive option.
- The town centre has needed this for many years even before Covid with many empty shops. Why wasn't it done before?
- Cultural venues should help to promote the night-time economy in the town centre – much needed. Pedestrian and cyclist connectivity not just important within the town centre – how is this linking with neighbourhoods to reduce reliance on cars? How are we ensuring young people don't move away? We need to retain talent once they're educated and skilled. How do we make Crawley cool (like Brighton?!)?
- no need for cycle lane from poundhill or maidenbower they are safe to cycle round as they are. outside three bridges station and into town yes get rid of those utterly pointless bus lanes on haslett av and Southgate avenue. they do not help buses as it is !
- If your providing business space it needs to be affordable
- A revamp is critical, currently there are a lot of old, disused, run down buildings that attract anti-social behaviour. Goffs Park is a night time drug dealers heaven.
- You need to explain how all this will work as Gatwick Airport's activities are restrained by limits on the growth of flying.
- Explain sustainable economic growth, what that look like, what does that mean to the local person on the street. A buzz word with no meaning, just sounds good. Dynamic jobs hopefully will also have dynamic wages! Post covid? aren't we being told to permanently live with it or fear other viruses?
- Only one is any proposed cycle lanes make sure they don't have impact of traffic and money not wasted like the pop up cycle lanes especially through Three Bridges etc. Homes need to be affordable and not just all flats and more with 3 beds available.
- There should be new sheltered schemes for senior people built Each neighbourhood should have a GP surgery Every neighbourhood should have a community centre West Green does not have a GP surgery and a community centre The bus routes require improvement
- Building new homes which I agree we need, however we need the infrastructure first. Doctors, dentists, education for adults and jobs should be priority. Also, proper affordable homes for young people to invest in and allow them to take some pride in their lives at an early age. There are so many hardworking young adults (including my own two daughters) who are stuck paying extortionate rents in sub standard rental properties which makes it impossible to save up the significant sum they need to buy their own homes.
- Am not sure you can achieve what your looking for, the town centre used to be busy and vibrant and now is dire and dangerous, I suspect cost meant you had to cut your cloth accordingly a few years ago, however, recovery is going to be a bigger challenge because of it and cost will still be a large part of the decision making process, you need better intel for what people want moving forward, lifestyles and shopping will be very different in 10 years time and if you look forwards with the same eyes you will continue to fail.....

- The town centre already appears to have a wide range of culture, however the content can appear to be repetitive - How many coffee shops? as an example. The public Realm?? Eastern Gateway - is the terminology (in general) being used to hide an underlying objective and/or predefined result... Please can you put in a straightforward explanation - you are more likely to get buy-in, or clear challenge and this can surely only be a better way of attempting to achieve the best balance - you cannot and will not please everybody - but currently I think you are bewildering most! From a visual it appears to be flats - homes - flats and more flats... oh and now roadworks which seemingly have been coordinated to all happen at the same time? Perception maybe - but perception can be very strong.
- I am definitely in support of Crawley becoming a cultural destination, but - particularly as a member of a local cultural club - I'd like to know more about the kinds of cultural attractions that are being considered. We have a theatre and a cinema already, which aren't too central: I'd be wary of centralising leisure and cultural facilities too much so we don't end up with an over-crowded town centre and 'forgotten' boroughs. Better, in my view, to continue developing cultural attractions in each neighbourhood and providing jobs and dynamism across the whole town.
- Not sure what you mean by a cultural venues. People from other countries already have their cultural centres. We need to remember this is Britain and need to keep our own culture. I am not racist before making accusations. If we went to other countries we would not be allowed the freedom people have here.
- *Tackling homelessness has to be at the heart of this.* Improve the railway and bus stations definitely. But the talk of a cultural quarter/cultural offer - what does this mean? It has a waft of gentrification about it. Do we want cultural offerings - nothing wrong with discount stores, nail bars etc that meet our needs. Small business, digital workspace - great but we already have thriving small businesses and an entrepreneurial spirit in Crawley. This might not result in trendy startups\artisan shops etc Don't squash Crawley into something it's not.
- Town and City Centres are all re-evaluating themselves in terms of what they provide and the role they play in the community where retail will still be an important reason for visiting but by no means the only, and perhaps no longer the main, reason for "popping to town". Understanding and articulating what we want the "Crawley Experience" to be for residents, visitors and businesses will be as important as the physical renewal of the town centre. That calls for a civic renewal as well as one centred on public realm and property. A focus on the cultural aspects will help to establish a positive, dynamic and enjoyable reputation for Crawley that exists beyond it's boundaries.
- We need businesses & trades that people will travel an hour to at the moment as there's nothing on offer in Crawley. Bigger brands not just cheap shops. We need more choice. There are people in Crawley with money to spend.
- With less people going abroad, a lot of people are looking for local entertainment. It might be a good idea to set up a games centre somewhere central e.g. shopping mall, like the old bhs or Debenhams. This could be done in an eco-friendly way e.g. second hand pool/snooker tables, dart boards, table tennis etc. Employ people with disabilities to include all parts of the community. Create it into a type of community centre, especially since many people are feeling very isolated since the pandemic which will cause longer term health problems.
- Cultural Quarter ? Why do you have to imply that there will be 1 area for cultural diversity businesses, It should be integrated into new and existing areas of Crawley otherwise when funding

dries up that "Cultural Quarter" will look very obvious and constantly compared with other areas of the town you are driving money towards.

- It would be nice to have a town centre that's not just for Shopping but to enjoy, to find business where one can meet that does not involve going to a pub, more restaurants, cafes and less vape shops will be nice

Section Four: Skills for the Future

Aim: Improve significantly overall social mobility amongst Crawley residents, creating powerful and effective skills pathways.

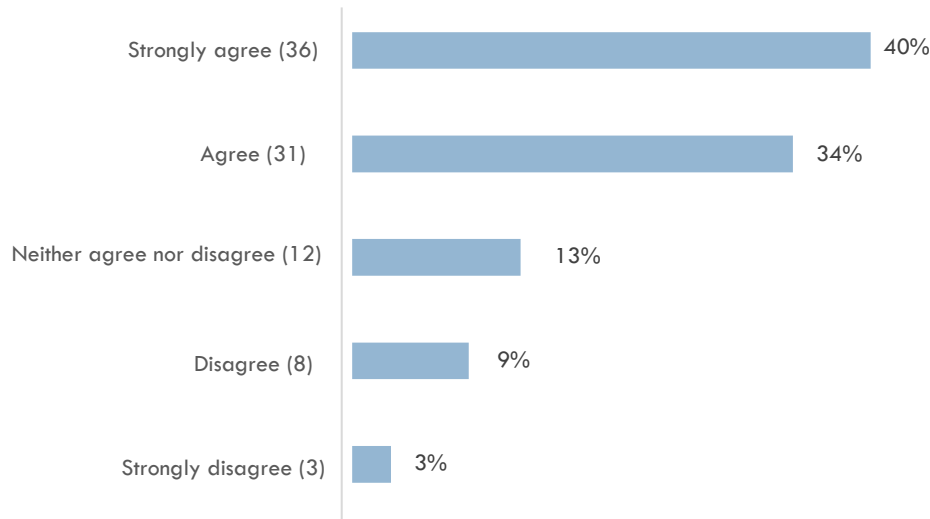
Objectives:

- Implement "Invest in Skills For Crawley" programme to transform vocational skills facilities and training provision for residents
- Enable business from high value growth sectors in Crawley to recruit successfully from local workforce and overcome skills gaps

Flagship interventions:

- Expand Employ Crawley inter-agency employment support network to help unemployed Crawley residents back into work
- Further upgrade and investment in Crawley's skills and training facilities with a focus on re-skilling and upskilling Crawley's workforce, including higher technical skills
- New higher-level training at Level 4 and above, focused on priority business sectors
- Science Technology, Engineering and Maths (STEM) skills centre.
- "Town Centre Skills Academy" - a construction skills training "hub" location serving residents and regeneration sites.

Level of agreement with proposals outlined regarding ‘Skills for the Future’



Comments (19)

- Crawley desperately needs to upgrade all training, education, throughout to encourage good skilled jobs to persuade people to want to come/stay in the town. It's image to outside and a lot of people resident is not good, this has to change.
- These are all just key words. Your just throwing out jargon and no concrete plan. Stop saying hub. What is a hub? Are you building a college or a virtual hub that will be abandoned and forgotten after the next election? THE HOUSING REGISTER IS SO LONG THEYRE NOT EVEN LETTING PPL JOIN IT
- Too many buzz words....
- So important to get the skilled & engaged workforce needed for our existing businesses, and those you are aiming to promote in the other Aims. Encourage entrepreneurs (especially women) to build a strong base of micros and small businesses. Teach not just the technical knowledge, but also the ‘soft skills’ for succeeding in career/business.
- you're not legally allowed to discriminate on new staff depending on thier home address as far as I'm aware so how do you think a " business from high value growth sectors in Crawley " can actually improve things locally its b*%&S*%t they will employ people from all over the world if they don't move their business there completely
- Agree with the need to upskill local residents to ensure their children are able to find work and earn enough to afford the expensive housing

- hospitality training centre for entry level skills as well as high level to quickly fill the vacancies in local area and establish a good basic standard for all staff.
- Sounds nice on paper, but we'll see what happens with the delivery!
- Bring back apprenticeships for 18 to 30 age group and train in the skills Crawley needs. Target schools so children know what's alternative is to University. Make sure there is adequate training available for 30 to 70 age group as well.
- Should be across all the communities
- Agree, we need to invest in skills and training for all. Anybody who is physically able to work and on benefits should be gaining skills and offered training. They should be expected to be up and out everyday doing something worthwhile to get them attuned to working life.
- Unsure exactly how many recruitment agencies we have in and around but have we asked them as to what has been and what is their current involvement in up-skilling those on their books? Do they have relationships with Crawley College? Like any of the preceding questions - what has been happening up till now... was that acceptable - if not, why not and have we changed those that made 'no' or unacceptable decisions.... just thinking out loud.
- As a former teacher, I feel that opportunities for progress and continuing education are vital, but it's important that the companies and industries where many Crawley residents work are also offering opportunities for promotion and seniority otherwise 'up skilled' workers may feel frustrated that their hard work is wasted and doesn't lead to the upward mobility expected. Could the council consider investment in work-based development programmes that focus on long-term ambitions for workers? I would cite the relationship between the University of Sussex IT faculty and Amex, which offers students a clear direction and employment opportunities after achieving a degree.
- It needs to be more diverse so that those that are not academic can also find jobs. Different types of manufacturing to provide jobs for Non academics to gain skills at many different levels.
- Great. But how will you reach and engage the people who can take advantage of this. All very well having the opportunities there but how do you fill them.
- Investment in the physical training facilities and institutions is important and good to see. However, from a local resident worker point of view the issue has been about inspiring people to want to work for the companies that offer the best opportunities, and for local people to truly believe they can aspire to do those jobs. Raising aspiration levels among local young people and helping people to retrain for new roles has always been topical and remains so. This needs to be balanced with a demand from employers for lower skilled work and the fact that Crawley operates much like the city centre of the Gatwick Diamond and as such generates more jobs than there are local working age residents, this creates a situation where Crawley will always need to import people to work where and contribute to the local economy. An intimate understanding of that dynamic must be arrived at to ensure local people feel they can take advantage of the opportunities on their doorstep while remaining open-minded and welcoming to the talent we will still need to import as a town. Embracing the idea that you can find your future in Crawley, whatever you envisage it to be, while removing the barrier to people's ambitions and aspirations will help with the otherwise dogged issue of social mobility.
- How about Crawley having something creative to offer. It's soulless.
- More collaboration with LGW is needed as this is where a lot of jobs and skills could go a miss from people coming into Crawley to work

- agree see separate letter from Windsor Developments

Section Five: Connected Crawley

Aim: Enhance a “green” economic future for Crawley by delivering low carbon transport and hyper digital connectivity.

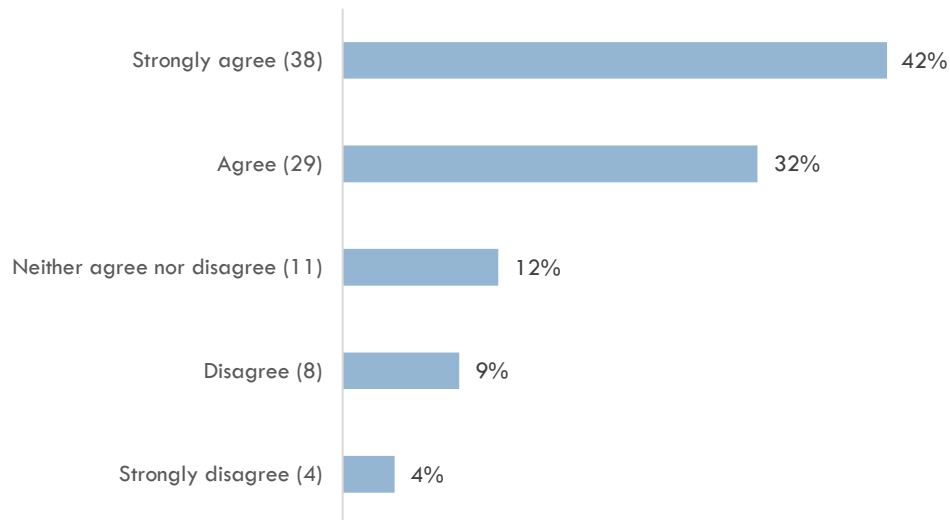
Objectives:

- Improve quality and range of sustainable transport infrastructure
- Maximise capacity of digital infrastructure
- Establish Crawley as a first choice advanced technology business location due to its highly competitive digital infrastructure offer

Flagship interventions:

- Transform Crawley town centre bus station and create state of the art sustainable transport interchanges
- Upgrade and expand the Bus Rapid Transit network in Crawley
- Deliver priority “arterial” active travel routes for residents, linking Crawley’s neighbourhoods to its principal job zones
- Maximise digital connectivity to facilitate business / jobs growth

Level of agreement with proposals outlined regarding ‘Connected Crawley’



Comments (21)

- Crawley must support cyclist more safely, the fast track bus routes take up more road and squeeze the car traffic onto the cyclist. There is still a heavy priority on car driver passage, also too many "crossover" points with traffic making cycling not risk free.
- HOUSING!
- But again to many buzz words very little information.
- The cycle infrastructure needs fixing. Where there are cycle lanes shared with motor vehicles, they end abruptly are poorly thought out and frequently flip from road to pavement. Segregated cycle lanes are in a poor state or repair with pot holes, overhanging trees, and surfaces covered in loose gravel.
- Massive improvements needed around Three Bridges station. Need better connectivity between Three Bridges station & Manor Royal. What's happening with transport between Forge Wood and Manor Royal / Town Centre – reduce reliance on car. Better prioritisation of public / alternative transport, at junctions, in terms of facilities etc. Improve safety measures for cycling and much more secure cycle parking throughout the town – TC, MR and the neighbourhoods. If you're serious about green transport have to make the difficult decision to charge car drivers much more – parking is too cheap & easy (I know most people would disagree with this!) so car is always going to be the first choice for many. Needs leadership from Crawley Council! Are there any car club schemes in Crawley? Reduce speed limit – 20mph across the borough.
- 2030 we cant buy petrol/diesel cars so force every company to change every parking spot into charging bays there is simply not enough charging bays anywhere to warrant buying an electric car
- buses need improving, to make them attractive to all. currently they are not cost effective, fares have gone up to an unreasonable level
- This section of the plan is completely unrealistic because it does not mention Gatwick Airport's failure to plan for any reduction of greenhouse gasses due to flying. It's as if you were talking about a borough that doesn't include Gatwick!
- Green will come at a price to the community. State of the art sustainable transport interchanges. That statement alone means nothing, whatever happened to the government directive of plain English! Maximise digital infrastructure I guess electric production has no impact on the environment.
- Buses need to align with trains and other areas of the towns. Some routes have 24hr service whilst others don't.
- Saw a plan for this a very long time and there is no improvement at main bus station
- sorry.. "arterial" activity - How many residents - Crawley or otherwise, know what this means? You appear to be missing a few big points with the content and structure of this document - who are you actually aiming the questions at - it has the impression of the top elite of businesses who will (knowingly or not) be very familiar with 'business' speech, and the highest net worth public residents... Crawley is indeed very multi cultural - how does this read to them? Perhaps you should be asking for feedback on the content and style of the material that you have provided?
- Excellent to hear!
- This will only work if fares are reasonable and buses are frequent enough and can easily reach their destinations.
- Absolutely, replace the buses. "Principal job zones" - are you sure you know where these are... Sounds like jargon. But the idea is sound.

- Crawley as great potential to be a well-connected town. It is small, compact, relatively flat and built on the enduring neighbourhood principle. However, it is important we get the basics right and adopt a pragmatic approach to progress that sometimes means finding compromise to move forward. Too many times a mindset exists that where the "perfect" solution can not be delivered that then nothing will be delivered. A rigid fixation with idealism will stymie progress of any kind where it is impractical, unaffordable or otherwise undeliverable. I always favour doing something over doing nothing.
- The fast way bus has run it’s time. As someone who live right next to the fast track lane I feel this was ill thought through. The next generation of business needs to be different from relying on Gatwick it needs to be green energy.
- Improved cycle paths required
- The buses should be switched out for electric while your spending so much on the station.
- Bring back buses that go direct from Pound hill. And Maidenbower to Manor Royal
- agree but see separate letter from Windsor Developments

Additional Comments and Suggestions regarding the Economic Recovery Plan

Comments (27)

- Crawley's image needs to be enhanced for general wellbeing.
- HOUSING!!!!!! stop creating 'hubs' and 'maximising digital spaces'. You know that just means adding a memory card right? Maybe stretch it to a new server. If you really wanna push the boat out. You chuck out key words and jargon whilst ppl are turned away from even joining the housing register when they're imminently homeless because and I quote "your not homeless yet". I yield my time.
- Too may buzz words and very little substance....
- Needs to be more focus on improving the 'cityscape', making crawley an attractive place to walk or cycle around. There's too much reliance on cars on a town that should be more accessible to pedestrians and cyclists.
- I think any investment the council can make in the town is good a thing
- You need to put a cost to all these plans, is it even affordable? The money could be better spent on other things than on vanity projects
- I think its a good idea in principle but would like more details on all the interventions so can't support fully
- I think these Aims are right – it's how we deliver them in the short & medium term that's important. Don't rely on the existing Flagship interventions you've mentioned in this document – really think about new & exciting initiatives. That way, Crawley will really improve for businesses, the workforce & residents. Lots of opportunity to engage with the business community – not just one-sided consultations, get our ideas and work with us to deliver them. Exciting times for us ahead!
- do not make the mistake of taking a lane out of West bound traffic outside three bridges train station you will simply make traffic worse and the area more polluted. the only way to stop that is to put a

toll road in so good luck with that. please take the pointless bus lane out of Southgate av and put it up to 40mph as no one lives on it there's no reason why it couldn't be 40mph

- What about helping the badly affected businesses and stop charging ridiculous rent and business rates
- Any investment in the town should be welcomed
- nil
- I am pleased to see that the future growth of Crawley is being considered in this proposed plan. well done to all involved.
- Nice try, but restriction of flying to/from Gatwick must be part of any future plan.
- Councils are meant to serve the people. Now just government agenda pushers.
- Providing it is cost effective then the draft recovery plan sounds good.
- The public should be informed of all the stages of new developments in Crawley
- Please place some focus on young adults and provide incentives for them to strive to do well in life. The ones who work hard for low wages in their early work lives and careers are stuck and struggling and being deprived of their independence despite trying really hard. Of course, we must look after and care for those who need it, whatever their age, but I strongly believe we should be investing in our young people now, they are the absolute key to economic recovery now and in the future.
- Please see comments throughout for general and hopefully respectfully made observations. Intended timelines would be very useful - the absence of which tends to mean a very long time - a relevant term... So perhaps items could be broken down to quick fixes - there must be some that can or are already in progress - lets hear them. For the rest, be honest, when will the benefits of the objectives be seen... Long term items should be broken down. And finally lets see simple explanations of the objectives - what does this mean to me (A resident - A business) - what does this actually look like. The use of baffling explanations and 'blue sky' outcomes are likely to fool few and will switch many people off - unless that's what you want of course...
- Make sure this that are unemployed are educated to fit the local jobs. The jobs need to be very diverse. Not just in offices.
- We, Manor Royal BID, look forward to working with the Council on this
- We need people making the decisions to have a positive attitude & not believe that 'Crawley' people will be open to new opportunities & better businesses. Something needs to be done about the landlords of retail buildings allowing the 'cheap rubbishy' shops to operate.
- I believe focus on community health and wellbeing will facilitate better economical stability.
- I think more visible Policing in green areas of the town will help as well as there are certain areas of this new town that people deem unsafe and that's not good and maybe more cctv in those leisure spaces.
- Manor Royal will benefit from more restaurants/ food shops. I work there and when we need to buy lunch we often have to take a bus or drive to tesco as there are no many offers in the area around Gatwick Road. I'm sure all the businesses in the area will appreciate having a nearby place to get food, hot drinks or snacks
- The council ran a survey on making cuts during the pandemic to balance its budget. How is it going to be possible to do the things in the plan?
- Should be upfront about costings

Appendix A

West Sussex County Council

- This is a broad and ambitious programme to support recovery in Crawley, we broadly support the proposals
- There is a strong emphasis on infrastructure and capital projects, which will take time to deliver. We suggest that further consideration could be given to whether there is enough shorter term, immediate economic recovery support to respond to the significant issues highlighted in the context.
- Several of these projects are Crawley growth programme projects and we suggest that there could be better synergy or clarity between the economic investment plan and the existing Crawley growth programme commitments- specific examples include Eastern Commercial quarter and Station gateway. This could be clearer- this is part/linked to current investment plans.
- The green transformation as a driver is welcome. A focus on businesses, and seeking to attract innovative low carbon businesses would add to the proposition in section 1. One specific point, the BISEPs project has completed so reference to LECSEA may be more appropriate.
- There is mention of the Crawley Innovation Centre as a Flagship Intervention – it would be helpful to highlight how this would connect to the achievement of the wider strategy.
- Re the Skills for the Future page, there is a focus on vocational skills and training provision as well as using local workforce to overcome skills gaps. We know that this is a challenge but hopefully the identified higher level training at Level 4 and above will help plug the gaps. The construction skills training hub looks very positive and they continue to push the construction skills focus.
- It would be helpful to reference the importance of international visitor economy to Gatwick’s recovery, and the partnership working through Experience West Sussex Partnership which champions tourism development and sector leadership for the county. Recovery and development opportunities around international visitors will continue to be pursued through partnership and stakeholder engagement, including the Gateway Gatwick Group, Sussex Tourism and Culture Recovery Group, Coast to Capital, GTR, Visit Britain and DCMS.
- We welcome the focus on Green Growth as a basis for economic recovery - which aligns with the WSCC Climate Change Strategy - and in respect of the flagship interventions for Green Transformation (listed on slide 9) we would welcome sight of their respective detailed delivery plans and the opportunity to align WSCC delivery where appropriate. For example, how can we align WSCC’s EV Strategy with that proposed in this plan to ensure accurate communications and a joined up offer for both residents and businesses in Crawley?
- Furthermore, we note the ambition to ‘unlock green infrastructure to tackle carbon emissions’ and as WSCC develops its own policy and delivery plans in this respect we would welcome clarification of Crawley Borough Council’s plans to achieve this with a view to learning from each other and implementing the most impactful solutions across West Sussex.

- We recognise the significance of Gatwick airport to the economy of Crawley (and the surrounding region) along with the climate change implications of the aviation sector, so we would be interested to understand more about the Plan's long term vision for how Gatwick airport can become a 'sustainable aviation exemplar' (slide 3) and the envisioned roles of both Crawley Borough Council and the wider West Sussex community in its achievement.
- Overall, given the close partnership working between WSCC and CBC on the Growth Deal the contributions of partnership working with WSCC should be referenced.

Vail Williams

Response on behalf of Windsor Developments to CBCs One Town Economic Recovery Plan.

Further to our recent conversations at the Economic Task Force and other recent meeting, please find attached our comments on your Economic Recovery Plan as requested on behalf of our clients Windsor Developments. As you are aware, my clients are currently looking to promote additional employment generating floorspace at Jersey Farm, to the north of Manor Royal as part of your Local Plan Review.

As you will be aware through our local plan representations and submissions, we can provide significant additional mixed use employment floorspace on land owned and controlled by our clients Windsor Developments, to facilitate the delivery of high quality new economic land supply. Throughout your Local Plan process we have provided representations that demonstrate a deliverable masterplan, that facilitates enhanced connectivity through to the local neighbourhoods and Manor Royal, and allows new road infrastructure to align with any Crawley Western Link Road. We appreciate that to a degree this is however currently restricted due to central government safeguarding on some of the site.

We wish to take the opportunity to comment on your One Town Economic Recovery Plan, but specifically the frustrations that landowners such as us, are having with the continued protection of safeguarding from Central Government and the support from GAL that safeguarding should be maintained as part of their Northern Runway DCO process. We believe that safeguarding is stifling any wider economic recovery and again promotes Gatwick as the main driver in the local area, further forcing reliance on only one economic generating entity in the region.

So you are aware, as you would expect, we will be dovetailing this response to you as the local authority, with our further representations to the GAL northern runway DCO consultation process, that is due to complete in December 2021, and will be seeking further communication with GAL directly regarding this matter.

We also welcome the opportunity, as Vail Williams to sit on the Economic Task Force Group and look at the wider ability for the local authority to utilise its successful Towns Fund bid, to further enhance economic opportunities and overcome challenges within your local authority area.

However, we believe that the wider opportunity of challenging safeguarding collectively as part of this Economic longer term plan, as was previously suggested in your Regulation 19 (1) draft local plan, through the production of an Area Action Plan, is now being missed as a key part of your strategy, which could otherwise, fundamentally align with all the objectives of your One Town Economic Recovery Plan.

Specifically in relation to your Economic Delivery Plan we have the following comments in regard to its aspirations and its relationship with any development and aspirations at Jersey Farm.

“One Town” Crawley’s Economic Recovery Plan

Your Recovery Plan currently states that this document will comprehensively “creating a vision for the future prosperity of Crawley”, however we challenge that without tackling safeguarding, this is more of a short-medium term strategy, and that a better approach to a clear path for recovery from COVID-19 to 2037, and a greater marker to enhancing the already strong reputation of economic productivity in Crawley is being missed.

We believe that your overarching strategy should look further at opportunities within the Borough Boundary, especially to the North as an extension to Manor Royal.

The overall vision as stated in your Recovery Plan document is “of a modern vibrant and healthy exemplar digital town, transformed net zero carbon economy, the southeast’s leading digitally enabled and mixed used innovative business park at Manor Royal and empowered resident workforce, high quality amenities, bustling neighbourhood parades, extensive sustainable homes, transport, business.”

This is cited as your overall vision to 2037, however we believe at our site and others are being overlooked as an option, as to how you will be able to successfully achieve all of these aspirations.

Your Plan states that you have an aspiration “to identify new sites to provide all Crawley's employment growth sectors and help boost jobs for residents”. Unfortunately, as you are aware the safeguarding is restricting such activity and the Recovery Plan is mute on this subject. It does not even mention working closely to consider alternative strategies or continue to challenge the status quo, despite Heathrow decisions and the Northern Runway progressing under a DCO.

We agree that the superb geographic location of Crawley, it's green infrastructure and its wider mixed use role and offer in the region, means that Crawley is the correct destination to achieve the most sustainable economic growth in the right location, whilst maximising its value as a hyper connected town.

We therefore welcome the aspirations in the plan but do not believe it goes far enough as a long term vision to 2037.

Your strategy specifically identifies the significant scale of the economic impact as a result of COVID-19, with a major collapse at Gatwick Airport in regard to passenger numbers, its redundancies on site (in regard to its own workforce), and the wider furlough implications that have occurred as a result of direct and indirect aviation sector.

Yet the reliance or need to diversify around Gatwick is not significantly addressed in the Plan.

It also identifies significant unemployment claimants particularly in younger people. We therefore question, as we have with all our representations to your plan led process, the reliance on one single operator to dominate and restrict the economic development of the whole town through the continued protection of airport safeguarding.

Your vision also directly states that you need to tackle long term structural economic challenges including attracting business investment to occupy sites on Manor Royal, and specifically address limited overall available employment land supply.

Whilst we believe our development will assist in boosting your innovation output, unlock green infrastructure to tackle carbon emissions and strengthen local workforce skills to boost social mobility whilst transforming sustainable transport and digital capacity, meeting all of your objectives in the Plan, we are restricted in delivering our scheme, as are others until you or collectively, we all challenge safeguarding further.

All aspirations of your plan would be possible, should our development and others, be able to be either allocated or permitted as a planning application.

Your Economic Recovery Plan identifies its strategic priorities for 2021 to 2037 as creating a diverse and resilient economy, broadening its economic architecture and boosting economic resilience. We believe Jersey Farm can do exactly this. Our innovation through layout, orientation and building design, our tenants increasing income and new expertise to the area, our aspirations from the master plan documents submitted to you, would be able to tackle the green transformation required, and as you rightly state, Crawley needs to reset how its economy operates through the lens of green recovery. This is at the heart of our master plan proposals.

Your other strategic priority relates to skills for the future, looking at overhauling skills training facilities and the programme offer, to empower local residents. Again, our location on the edge of Manor Royal and adjacent to Langley Green and with a wide 20min walking catchment, enables a very significant provision of additional floor space that is much needed, providing additional high quality jobs for local people within a small walking & cycling distance.

You also state that a well connected Crawley is part of your strategic priorities, with digital connectivity driving jobs recovery, and sustainable transport connectivity to drive down traffic movements. Again, our development at Jersey Farm would be highly connected, enhancing and building on the sustainable transport network available in that area and linking successfully to the eider neighbourhoods, creating a sustainable and connected live/work link.

We believe but Jersey Farm, enables you to create a diverse and resilient economy establishing Crawley as a key business destination in the South East and could assist in developing a pioneering niche innovation identity for Crawley around engineering and logistics.

Our site, and others can assist with digital enhancement and advancement as you would expect from any business park and our own illustrative Master plans demonstrate that any innovation centre or innovation hub through the mix and scale of our buildings would also be possible on the edge of Manor Royal. This again aligns with your vision.

Your Recovery Plan states that a key priority will be to unlock sufficient suitable employment land, to drive recovery and we believe that safeguarding is tying your hands in doing so, restricting your ability to support one of the most sustainable economic opportunities within Crawley, in providing new innovative development, whilst building on the success of Manor Royal and its Business Improvement District.

In addition, under Green Transformation you highlight the need to drive growth of green technology, businesses and jobs and maximise renewable energy to provide grid resilience and invest in green infrastructure opportunities. That is all possible by the offer at Jersey Farm should safeguarding be removed and new development supported.

“One Town” Crawley’s Economic Recovery Plan

As part of a Connected Crawley, our aim is to enhance the green economic future for the town Crawley by delivering low carbon transport options, and hyper digital connectivity, again golden threads that appear in both your plan and our Jersey Farm proposition, especially by improving sustainable transport infrastructure both within our site and connectivity to the wider Manor Royal.

We are also able to assist in looking at maximising the capacity of digital infrastructure and through the supply our new buildings and from lessons learned from both our clients and Vail Williams, regarding advanced technology required for business locations, we can ensure that development contributes to highly competitive digital infrastructure offer.

Our proposals also look to enhance sustainable transport connectivity within our site with sustainable transport at the heart of movement throughout the Masterplan including the expansion of the bus rapid transport network and allowing really successful links between Crawley’s neighbourhoods and a new principal employment zone, again aligning with your objective 5 Connected Crawley.

In summary, we fully support the production of your One Town Recovery Plan that builds and enhances employment opportunities in Crawley, both as a result of the COVID-19 pandemic but also to ensure less reliance on Gatwick Airport. However, we believe that this strategy has the opportunity to go further, and look to facilitate additional new developments that are currently frustrated by safeguarding, and restricted with outdated protection of safeguarding policies that are not sufficiently robust or evidenced.

Whilst we appreciate the Councils initial intention was to challenge safeguarding, we believe that as a collective and Economic Community, this is something that Crawley Borough Council should be leading and challenging further as part of any Recovery Plan as well as its Local Plan led framework. The vision should not therefore be mute on the issue.

We have also completed your short survey, however we will be grateful if we can continue to engage with you and continue dialogue regarding how the Jersey Farm opportunity can help align with your strategic priorities of your Recovery Plan to 2037 and beyond.

Aberdeen Standard Investments

I am submitting this response to Crawley Borough Council’s consultation on its Economic Recovery Plan on behalf of Aberdeen UK Property Fund.

We congratulate Crawley Borough Council on its commitment to producing a clear plan for recovering from the economic crisis caused by the Covid-19 pandemic, which hit Crawley particularly hard because of its reliance on Gatwick Airport for jobs and economic activity.

Aberdeen Standard Investments has invested into Crawley for many years. A planning application for 9,768sqm of flexible employment floorspace on a c18 hectare site to the north of Manor Royal as a natural extension of the already successful business park is being determined by the Council. This would:

- provide high-quality employment space, creating up to 270 jobs
- make an economic contribution of £18,900,000 in Gross Added Value Terms to the local economy;
- generate estimated business rates of £320,000 annually;

- help to close the borough's skills gap by offering jobs at different skill levels for Crawley's school and college leavers.

We agree that Crawley has firm economic foundations and remains a place where we want to do business.

However, we also recognise and agree with the long-term structural challenges identified by the council, including:

- Limited overall available employment land supply
- Need to strength local workforce skills to boost social mobility
- Need to attract business investment to occupy vacant Manor Royal sites
- The risk of the town's reliance on Gatwick Airport as an employer and economy driver, making the town disproportionately vulnerable to downturns that affect the aviation sector

Need for new employment land

We agree that the council needs to identify new sites to provide for all Crawley's employment growth sectors and help boost jobs for residents. Crawley has a need for significantly more employment land, and the borough also has a need for more jobs at different skill levels for school and college leavers.

We have previously expressed concern that the Draft Local Plan Review adopts too low a growth rationale and does not provide for the full objectively assessed need. The minimum level identified is substantially below the amount required, such that it may put at risk the future economic prosperity of Crawley, undermine the strength of the area as an employment hub, and create unsustainable travel patterns.

The importance of Manor Royal

We strongly agree that Manor Royal is an asset to the town, and a major contributor to the Crawley, Gatwick Diamond and Coast to Capital economies. The success of Manor Royal is central to the future economic prosperity of the borough. Proposals to invest in and strengthen Manor Royal are welcomed, both to attract new manufacturing and other industries, and to transform it into a digitally advanced business park.

The safeguarding of land around Gatwick Airport for a second runway continues to be a constraint on delivering new employment land in the north of the borough and has prevented investment coming forward. We maintain our position that there is no robust evidence as required by national planning policy for the Gatwick Airport second runway safeguarding and Policy GAT2 should be deleted. Removal of the safeguarding creates a significant opportunity, in particular to expand the successful Manor Royal Business District on the land to the north.

A diverse and resilient economy

We strongly agree that Crawley needs to broaden its economic architecture and boost economic resilience. The Covid-19 pandemic is unlikely to be the last crisis that disrupts Gatwick Airport and its associated industries, so ensuring that Crawley provides enough employment land to provide jobs in a variety of industries and sectors, including manufacturing and logistics, will help make the town's economy more resilient to national and international economic shocks.

Agenda Item 14

Crawley Borough Council

Report to Cabinet 24 November 2021

Town Centre District Heat Network (DHN) Phase 2

Report of the Head of Major Projects and Commercial Services – *HPS/29*

1. Purpose

- 1.1. This report requests Cabinet to approve funding for a study to examine the technical feasibility and economic business case for the Phase 2 expansion of the Town Centre DHN to incorporate properties and developments adjacent to the existing DHN.
- 1.2. The study will also examine the potential to amend the fuel source from gas to a more sustainable heat source in line with the Council's carbon reductions commitments.

2. Recommendations

- 2.1. To the Cabinet

The Cabinet is recommended to:

- a) Approve proceeding with the first phase of the study (feasibility) and reallocating £25,000 match funding from the existing £435,000 Town Centre capital budget.
- b) Agree to a new Capital programme scheme for the DHN phase 2 of £94,950 with the balance of £69,950 being funded from Heat Network Development Unit (HDNU) grant.
- c) Delegate authority to the Head of Major Projects and Commercial Services in consultation with the Cabinet Member for Environment and Sustainability to review findings of the feasibility study and decide whether to proceed with the second phase of the study (full business case) and earmark a further £55,000 match funding from the Town Centre capital budget for this purpose. (Generic Delegation 7 will be used to enact this recommendation).

3. Reasons for the Recommendations

- 3.1. In October 2018, Cabinet approved the business case for the Town Centre DHN phase 1 (HPS 15) which is currently under construction.

- 3.2. With the approval of the business case for phase 1, Cabinet also approved the recommendation to:

“Note the projected financial implications for phase 2 of the DHN and that future expansion will be subject to a further report to Cabinet once the capital costs and customer and commercial negotiations have progressed”

Agenda Item 14

- 3.3. With a number of developments in the Town Centre progressing that are potential connections to the DHN phase 2, a prompt examination of the phase 2 feasibility and business case is required. This will allow a decision on possible future construction to be made.
- 3.4. The Council has also committed to carbon reductions of at least 45% by 2030 and to zero by 2050. It is therefore timely to examine the technical options and financial implications of switching the DHN from gas to a low carbon heat source.

4. Background

- 4.1. Phase 1 of the town centre DHN is currently under construction and scheduled for completion in February 2022. Once operational, phase 1 will provide heat and hot water to
 - The New Town Hall and commercial offices (The Create Building)
 - Geraint Thomas House (91 residential units)
 - John Brackpool Court (37 residential units)
- 4.2. DHN Phase 1 will subsequently provide heat and hot water to the second phase of residential development on the town hall site (182 residential units) anticipated completion mid-2024. The DHN will also provide electricity to the Town Hall Multi Storey Car Park and to the energy centre itself. Any excess electricity not consumed on site will be sold back to the grid.
- 4.3. An operations, maintenance, metering and billing contract for the DHN was tendered in 2020/2021 with Pinnacle Power being appointed for a 10 year term to undertake these functions on behalf of the Council. This work is scheduled to commence in July 2021 with metering and billing services for the tenants of Geraint Thomas House.
- 4.4. In October 2018, Cabinet approved the business case for the DHN Phase 1 (HPS 15) agreeing expenditure (excluding the energy centre building) towards the Phase 1 capital works. This budget included a contribution from the Heat Network Investment Programme (HNIP) with the balance from the Council's capital sources. The capital budget was subsequently revised in March 2020 to accommodate the provision of a new electricity sub-station.
- 4.5. With the approval of Phase 1 DHN, Cabinet also approved the future expansion of the DHN through a Phase 2 would be subject to a further report to Cabinet once the capital costs and customer and commercial negotiations have progressed.

5. Description of Issue to be Resolved

- 5.1. With DHN Phase 1 currently under construction, there are now a number of drivers which prompt examination of the Phase 2 feasibility and business case, notably:
 - Crawley College has produced a new Masterplan for its site. Crawley College are identified as a significant heat load for DHN phase 2 supporting the overall business case for expansion. It would be appropriate to synergise redevelopment of the college site with the expansion and availability of the DHN.
 - Residential development on Telford Place has been proposed as one of the heat load demands for the DHN phase 2 expansion. There is now a seemingly viable proposal to progress redevelopment of Telford Place.
 - The majority of properties on the County Buildings site have been demolished pending redevelopment in the coming years. Although not included within the previous Phase 2 expansion considerations, the County Buildings site does sit within the town centre zone covered by the Local Plan

Agenda Item 14

Heat Network Planning Policy ENV 7. Recent discussions with WSCC indicate that they would support connection to the DHN and that the site could be investigated as a potential location for a ground source heat pump to provide the low carbon heat source.

- BEIS launched a round of HNDU funding (open from May to December 2021) that the Council was able to apply to. This funding aims to support feasibility studies and the building of business cases for DHNs.

5.2. The Council applied for HNDU funding to support the DHN phase 2 study made up of two stages:

- Feasibility: explore options for low carbon heat, develop for the expanded energy centre(s) to meet Phase 1 and Phase 2 heat loads, engage with Phase 2 customers and develop a high-level techno-economic model.
- DPD (Detail Project Development): develop full business case including a capital costing for the proposed energy expansion, pipework and all associated capital costs and fees to deliver the Phase 2 expansion, develop heads of terms agreements with Phase 2 customers and explore ownership models.

5.3. The Council has been successful with the funding bid, but at this time only for the first stage (feasibility). Funding of £69,950 has been awarded, which needs to be matched with £25,000 from the Council.

5.4. HNDU has invited the Council to apply for further funding to support the DPD stage of the study, once the outcome of the feasibility study has assured that the Phase 2 heat network expansion is still commercially viable and that a low carbon heat source can be found.

5.5. The DPD study is likely to cost in the region of £165,000, and the Council could apply for further HNDU funding to cover 67% of this (£110,000). The Council would need to match this with £55,000.

5.6. Given the need to go out to procurement to engage consultants for the study, an application for funding for the DPD stage is likely to be for the next round of HNDU funding in 2022.

6. Next Steps and Timeline

6.1. If agreement is given to proceed with the feasibility study and the allocation of £25,000 of funding by the Council, then the Council will go out to procurement for the study.

6.2. To streamline the procurement process, it is recommended that this should be for both stages of the study (feasibility and DPD) through a suitable framework, with the feasibility study commencing immediately following successful appointment of a consultant. The DPD stage of the study would only be awarded subject to a positive outcome of the feasibility study and a further funding award from HNDU.

6.3. On completion of the feasibility study, the findings would be reviewed by the Head of Major Projects and Commercial Services in consultation with the Cabinet Member for Environment and Sustainability to decide whether to proceed with the DPD study and develop the full business case for the Phase 2 DHN.

6.4. The Council would apply for the next round of HNDU funding to support the DPD study, and if successful allocate the £55,000 match funding to proceed with the study.

Agenda Item 14

- 6.5. If the full business case supports the commercial viability of DHN Phase 2, then the Council will prepare a further report to Cabinet for a decision on construction of this second phase.
- 6.6. The Council should have the opportunity to apply for BEIS Green Heat Network Funding to support commercialisation and construction.
- 6.7. A suggested timetable for the project is shown below:

24 Nov 2021	Cabinet approves funding for feasibility study
Nov 2021	Sign MOU for HNDU funding
Nov 2021	Prepare Procurement documents
Dec 21 to Feb 22	Procurement of consultant for study
End of Feb 22	Appoint Consultant
Mar 22 to Jun 22	Feasibility Study
July 2022	Decision Point – DHN Phase 2 still viable?
July 2022	Apply for HNDU funding for DPD stage
Sep 2022	Funding Decision
Oct 22 – Feb 23	DPD Stage study
Mar 23	Business Case for DHN phase 2 – to Cabinet
Summer 2023	Green Heat Network Funding application
2024	Commercialisation/Construction

7. Financial Implications

- 7.1. Cabinet report [FIN/514](#) 2021/2022 Budget and Council Tax agreed to ringfence £435,000 of useable capital receipts for investment in the Town Centre as a result of using Government funding on the Heat Network to avoid having to repay Government grant. This £435,000 is shown within Report FIN/535 elsewhere on this agenda in Appendix 2.
- 7.2. Cabinet are requested to draw down £25,000 from the £435,000 and agree a new capital programme scheme for the DHN Phase 2 feasibility for £94,950. The balance of £69,950 is funded from the HDNU grant as identified in section 5.3 above.
- 7.3. In addition Cabinet are requested to ringfence £55,000 from the Town Centre budget for match funding for the DPD stage subject to a successful bid.

8. Background Papers

[2021/2022 Budget and Council Tax FIN/514](#)

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Agenda Item 17

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Agenda Item 18

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