

Crawley Borough Council

Overview and Scrutiny Commission

Agenda for the **Overview and Scrutiny Commission** which will be held in **Ashurst Main Hall - The Charis Centre**, on **Monday, 28 June 2021** at **7.00 pm**

**PLEASE NOTE THE LOCATION FOR THIS MEETING.
PARK IN THE REAR CAR PARK**

WI-FI CODE = cc378BCX

Nightline Telephone No. 07881 500 227



Chief Executive

Membership:

Councillors

T G Belben (Chair), K Khan (Vice-Chair), M L Ayling, R G Burgess,
R A Lanzer, S Mullins, A Nawaz, A Pendlington, S Piggott and
B A Smith

Safety Protocol for the Meeting

The safety of Councillors, council officers, the public and venue staff is paramount. Consequently social distancing measures will be in operation and face masks will be worn (unless speaking) at all times. Hand sanitising will also be required on entry to the venue. Please follow any one-way system that may be in operation.

Please be aware that the capacity of the venue has been decreased as a result of social distancing. As a result attendance numbers may need to be reduced.

Please contact Democratic Services if you have any queries regarding this agenda.

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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 and Whipping Declarations	
In accordance with the Council's Code of Conduct, councillors are reminded that it is a requirement to declare interests where appropriate.	
Councillors must also declare if they are subject to their party group whip in relation to any items under consideration.	
3. Minutes	5 - 8
To approve as a correct record the minutes of the Overview and Scrutiny Commission held on 7 June 2021.	
4. Public Question Time	
To answer any questions from the public which are relevant to the items on this agenda. The period will end after 15 minutes or at the Chair's discretion.	
5. Treasury Management Outturn 2020 – 2021	9 - 24
To consider report FIN/527 of the Head of Corporate Finance.	
6. Financial Outturn 2020-2021: Budget Monitoring - Quarter 4	25 - 46
To consider report FIN/526 of the Head of Corporate Finance.	
7. Leisure Contract - Extension of Variation Order	47 - 50
To consider report HPS/27 of the Head of Major Projects and Commercial Services.	
8. Extension to Coronavirus Act Protections from Evictions in Crawley Homes	51 - 54
To consider report DCE/08 of the Deputy Chief Executive.	
9. Temporary Accommodation Modular Housing Solution	55 - 62
To consider report SHAP/81 of the Head of Strategic Housing Services.	
10. Health and Adult Social Care Scrutiny Committee (HASC)	
To receive a brief up date on the Health and Adult Social Care Scrutiny Committee (HASC).	

11. Forthcoming Decision List - and Provisional List of Reports for the Commission's following Meetings

To consider any requests for [future items](#). Those highlighted items have been referred to the Commission.

Cabinet 7 July

OSC 7 July

Item	Date Included	PFD
Crawley Fusion Innovation Centre Scheme (Part B)	28 May 2021	

Cabinet 8 Sept 2021

OSC 6 Sept 2021

Item	Date Included	PFD
Petition - 'Keep your dog on a lead in Tilgate Park'	9 June 2021	

Cabinet 29 Sept

OSC 27 Sept 2021

Item	Date Included	PFD
Budget Strategy 2022/23 – 2026/27	3 Feb 2021	
2021/2022 Budget Monitoring - Quarter 1	3 Feb 2021	

Cabinet 3 Nov 2021 = Provisional

OSC 1 Nov 2021

Cabinet 24 Nov 2021

OSC 22 Nov 2021

Item	Date Included	PFD
Treasury Management Mid-Year Review 2021-2022	3 Feb 2021	Yes
Budget Strategy Mid-Year Review	3 Feb 2021	
2021/2022 Budget Monitoring - Quarter 2	3 Feb 2021	

12. Supplemental Agenda

Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.

13. Exempt Information – Exclusion of the Public

The Commission 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.

Part B Business (Closed to the Public)		Pages
14.	Telford Place Development Opportunity	63 - 70
	Exempt Paragraph 3 <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>	
	To consider report SHAP/82 of the Head of Strategic Housing Services.	

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Crawley Borough Council

Minutes of Overview and Scrutiny Commission

Monday, 7 June 2021 at 7.00 pm

Councillors Present:

T G Belben (Chair)

Kiran Khan (Vice-Chair)

M L Ayling, R G Burgess, R A Lanzer, Sue Mullins, Atif Nawaz, Simon Piggott,
A Pendlington and B A Smith

Also in Attendance:

Councillor R D Burrett

Officers Present:

Carron Burton HR and OD Manager

Siraj Choudhury Head of Legal, Governance & HR

Heather Girling Democratic Services Officer

1. Disclosures of Interest and Whipping Declarations

The following disclosures were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor R A Lanzer	Appointments and Membership of Scrutiny Panels - HASC (Minute 5)	Personal Interest – WSCC Cabinet Member for Public Health and Wellbeing
Councillor R A Lanzer	Appointments and Membership of Scrutiny Panels - JSSG (Minute 5)	Personal Interest – Member of WSCC
Councillor A Nawaz	Appointments and Membership of Scrutiny Panels - Council-Owned Neighbourhood Parades Scrutiny Panel (Minute 5)	Personal Interest – CBC Parade Tenant/Shop Owner

2. Minutes

The minutes of the meeting of the Commission held on 8 March 2021 were approved as a correct record and signed by the Chair.

3. Public Question Time

No questions from the public were asked.

4. Staff Sickness Levels with Covid 19 and the Effects of Working From Home

Commission Members considered report [LDS/166](#) of the Head of Legal, Governance and HR. Under the scrutiny procedure rules, Councillor T Belben had requested a report on staff sickness levels with Covid19 and the effects and impacts of working from home.

During the discussion the following points were expressed:

Over the course of the pandemic sickness levels had decreased and this had been the national trend and throughout the rest of West Sussex. This was potentially due to a variety of reasons as a result of people exercising social distancing, improvements to hygiene (hand washing) together with home working. Viral infection data had also seen a reduction in the last quarter.

Recognition and support had been provided throughout the pandemic to employees working from home and to those not able to do so. It was acknowledged that staff were the most valuable asset and flexibility had been applied and work patterns adjusted where appropriate, particularly whilst home-schooling.

Support mechanisms were discussed in detail (Appendix A), some of these included:

- Counselling service. Council participates in partner counselling service and during the pandemic saw an increase in requests to be referred to counselling.
- Mental Health First Aiders – staff trained to be accessible for others to be contactable at ‘mini crisis points’ and also signpost to other support services.
- Able Futures – A Government Initiative to support people with mental health requirements. A self-referral service lasting a period of 9 month accessible for anyone in employment.
- Mindfulness course – self-motivated online course.
- Managers’ sessions – to ensure managers have the skills to support their team working from home.
- Reflective practice – assists in self-care and resilience.
- Staff surveys – 3 surveys issued and completed during the Covid period.
- HR consultants meet with managers on a regular basis to ‘sense-check on employees’ health and wellbeing.

The majority of the initiatives would continue in the future to aid employees’ health and wellbeing, with additional mechanisms being developed. However there was an acknowledgement that further promotional work was required.

Commission Members then raised a number of queries. The issues raised and the key responses included:

- Recognition that the pandemic placed added pressure on staff, all of whom responded quickly to working from home or continuing to work on the front line. The infrastructure had been in place to ensure a transition for home working and it

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7 June 2021

had been important to ensure a fluid support package was maintained. Further demand was placed on staff for those home schooling, if an individual was vulnerable or had a medical condition. In all instances support was provided. Should a further lockdown ensue, staff would adopt an agile approach to be able to 'flex-back' to home working.

- Acknowledgement that there was an element that people would be home working when marginally unwell due to the enhanced effort required to travel to the office. However there was a need to ensure that staff were not working when ill. The flexibility with hours and work patterns could support this.
- There was the possibility that sickness levels may increase following 21 June 2021 as restrictions were eased. However, staff would only be working in the office a few days a week and hand sanitisers and social distancing would still be maintained. Discussions have taken place in order to alleviate any reluctance to return and this would be completed in a phased manner.
- The Council's Covid19 Response Group met regularly and looked at future work patterns which included agile working, flexible approach, and having the correct infrastructure in place. This in turn aligned to getting ready to working in the new town hall whereby staff would be working a hybrid approach consisting of the office a few days a week and home working.
- Acknowledgement that upon returning to the office, further investigation may be required to ensure the wellbeing of staff. It was confirmed that managers were in regular contact with staff, both via MSTeams and face to face, where appropriate. In terms of the support mechanisms and the opportunities available, further work would be underway to increase the promotion of these via different platforms.
- Confirmation provided that there had not been an increase in the top 3 outside Covid related sickness absences (stress, mental health and muscular skeletal), despite many staff working from home and being in unfamiliar surroundings. Advice had been provided in relation to home working.
- Every year the Council continued to provide flu vaccines for staff and this take up had increased annually. Thought had been given to Covid vaccinations and whilst staff had been encouraged to be vaccinated, along with undertaking lateral flow testing, it was still an individual's choice.
- Confirmation provided that discussions had been held with staff as to preferred office days. It was important to be flexible and gain a balance. However the Town Hall, Depot and Tilgate Park would be the designated work place.
- The possibility of a health screening salary sacrifice scheme was suggested as a potential benefit for the health and wellbeing of staff.
- Confirmation that the Council would continue to follow the government's guidelines, whilst preparing to move to the new Town Hall. The work undertaken during the pandemic aligned itself with the transformation work and flexible service delivery, able to serve customers outside 8am-5pm allowing greater access to Council services. It was recognised there was a 'new normal' and staff had adopted skills which were interchangeable between home and office.
- Recognition that a further staff survey would be formulated during the summer. It would be paramount to ensure that the HR dept was part of the vetting process in terms of the questions. It was requested that the OSC receive a follow up report in 6-12 months' time (depending on timescales and circumstances).

RESOLVED

That the Commission notes the report, with the views expressed being acknowledged and documented by the officers. It was agreed that a follow up report be received by the Commission in 6-12 months' time.

5. **Appointments and Membership of Scrutiny Panels**

RESOLVED

That the Commission noted and approved the following memberships and appointments:

Council-Owned Neighbourhood Parades Scrutiny Panel

Councillors Ayling, Lanzer, Lunnon, S Mullins, Mwangale and Peck, with Councillor Lanzer as Chair

Health and Adult Social Care Scrutiny Committee (HASC)

It was moved by Councillor Ayling, seconded by Councillor Khan, that Councillor S Mullins be the Council's representative for HASC. Whilst Councillor Pendlington moved, seconded by Councillor Lanzer that Councillor R G Burgess be the Council appointment.

A vote was taken. Having put it to the vote which resulted in a tie, the Chair used their casting vote.

Councillor R G Burgess was appointed as the representative for the Health and Adult Social Care Scrutiny Committee.

West Sussex Joint Scrutiny Steering Group (JSSG)

Councillor T Belben

6. **Scrutiny Workshop**

A Scrutiny Workshop had been provisionally proposed for Wednesday 16 June. However, instead it was agreed to hold a small training session at this time for all Commission members.

7. **Forthcoming Decision List - and Provisional List of Reports for the Commission's following Meetings**

The Commission confirmed the following reports:

28 June 2021

1. Treasury Management Outturn 2020 – 2021
2. Financial Outturn 2020-2021 (Quarter 4)
3. Leisure Contract - Further Extension of Variation Order
4. Temporary Accommodation Modular Housing Solution
5. Telford Place Development Opportunity (Part B)
6. Crawley Fusion Innovation Centre Scheme (Part B)

Closure of Meeting

With the business of the Overview and Scrutiny Commission concluded, the Chair declared the meeting closed at 8.52 pm

T G Belben (Chair)

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Crawley Borough Council

Report to Overview and Scrutiny Commission
28 June 2021

Report to Cabinet
30 June 2021

Treasury Management Outturn 2020-2021

Report of the Head of Corporate Finance – **FIN/527**

1. Purpose

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2020/21 the minimum reporting requirements were that the Full Council should receive the following reports:
- an Annual Treasury Strategy in advance of the year (Council 24/02/2020, FIN/493)
 - a mid-year treasury update report (Council 16/12/2020, FIN/512)
 - an annual review following the end of the year describing the activity compared to the Strategy (this report)
- 1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Overview and Scrutiny Commission before they were reported to the Full Council.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

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

- 2.2 To the Cabinet

The Cabinet is recommended to:

- a) To approve the actual 2020/21 Prudential and Treasury Indicators as set out in the report;
- b) To note the Annual Treasury Management Report for 2020/21.

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3. Reasons for the Recommendations

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

4. The Council's Capital Expenditure and Financing

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

General Fund £'000	2019/20 Actual	2020/21 Budget	2020/21 Actual
Capital expenditure	13,691	44,045	19,514
Non-financial investments	7,487	6,000	0
Financed in year	21,178	44,224	19,514
Unfinanced capital expenditure	0	5,821	0

HRA £'000	2019/20 Actual	2020/21 Budget	2020/21 Actual
Capital expenditure	32,079	28,771	22,703
Financed in year	32,079	28,771	22,703
Unfinanced capital expenditure	0	0	0

5. The Council's Overall Borrowing Need

- 5.1 On 31st March 2021, the Council had net borrowing of £151.231m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in the table below.

£'000	31 March 2021 Actual
CFR General Fund	0
CFR HRA	260,325
Total CFR	260,325
External borrowing	260,325

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£'000	31 March 2021 Actual
Internal borrowing	0
Less: Usable reserves	95,687
Less: Working capital	13,407
Net borrowing	151,231

- 5.2 Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing.
- 5.3 **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its authorised limit.
- 5.4 **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 5.5 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

General Fund £'000	2020/21
Authorised limit	10,000
Maximum gross borrowing position during the year	0
Operational boundary	0
Average gross borrowing position	0
Financing costs as a proportion of net revenue stream	-4.23%

HRA £'000	2020/21
Authorised limit	260,325
Maximum gross borrowing position during the year	260,325
Operational boundary	260,325
Average gross borrowing position	260,325
Financing costs as a proportion of net revenue stream	16.03%

6. Treasury Position as at 31 March 2021

- 6.1 The treasury management position at 31st March 2021 and the change during the year is shown in the table below.

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Treasury Management Summary	31.3.20 Balance £000	Movement £000	31.3.21 Balance £000	31.3.21 Rate %
Long-term borrowing	260,325	0	260,325	3.2
Short-term borrowing	0	0	0	0
Total borrowing	260,325	0	260,325	3.2
Long-term investments	10,000	5,000	0	0
Short-term investments	71,900	5,100	92,000	0.47
Cash and cash equivalents	15,911	1,183	17,094	0.02
Total investments	97,811	11,283	109,094	0.4
Net borrowing	162,514	(11,283)	151,231	

The maturity structure of the debt portfolio was as follows:

	31 March 2020 Actual £000	2020/21 Original Limits	31 March 2021 Actual £000
Under 12 months	0	10%	0
12 months and within 24 months	0	10%	11,000 (4%)
24 months and within 5 years	36,000 (14%)	20%	38,000 (15%)
5 years and within 10 years	80,000 (31%)	40%	86,000 (33%)
10 years and within 20 years	144,325 (55%)	55%	125,325 (48%)
20 years and within 30 years	0	10%	0
30 years and within 40 years	0	10%	0
40 years and within 50 years	0	10%	0

7. Borrowing Update and Outturn for 2020/21

- 7.1 In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26th November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

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Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

The Council is not planning to purchase any investment assets primarily for yield within the next three years and so is able to take advantage of the reduction in the PWLB borrowing rate.

- 7.2 Municipal Bonds Agency (MBA): The MBA revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor. A planned third bond issuance by Warrington Borough Council was withdrawn in early December 2020 after the reduction in PWLB borrowing rates.

If the Council intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

- 7.3 UK Infrastructure Bank: In his March 2021 budget the Chancellor confirmed that a UK Infrastructure Bank will be set up with £4bn in lending earmarked for local authorities from the summer of 2021. Loans will be available at gilt yield plus 0.60%, 0.20% lower than the PWLB certainty rate. A bidding process to access these loans is likely with a preference to projects likely to help the government meet its Net Zero emissions target. However other “high value and complex economic infrastructure projects” may also be considered.
- 7.4 At 31st March 2021 the Council held £260.325m of loans, no change from 31st March 2020, which was all for the HRA self-financing settlement.
- 7.5 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
- 7.6 In keeping with these objectives, no new borrowing was undertaken.

8. Investment strategy and control of interest rate risk

- 8.1 Through 2020/21 the Council received central government funding to support small and medium businesses during the Coronavirus pandemic through grant schemes. £28m was received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. £20m was disbursed by the end of March 2021.
- 8.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £97.8 and £147.5 million due to timing differences between income and expenditure. The investment position is shown in the table below.

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INVESTMENT PORTFOLIO	Actual 31 March 2020 £000	Net Movement £000	Actual 31 March 2021 £000	31 March 2021 Income Return %	31 March 2021 Weighted Average Maturity Days
Treasury investments					
UK Banks	6,301	(5,807)	494	0%	1
Overseas Banks	20,900	(20,900)	0	0%	0
Local authorities	61,000	31,000	92,000	0.47%	169
Money Market Funds	9,610	6,990	16,600	0.02%	1
TOTAL TREASURY INVESTMENTS	97,811	11,283	109,094	0.40%	143

- 8.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 8.4 Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.
- 8.5 Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.
- 8.6 The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March 2020, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.
- 8.7 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in the table below.

Investments managed in-house	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2020	3.94	AA-	30%	151	1.00
31.03.2021	4.56	A+	16%	143	0.40
Similar Las	4.63	A+	65%	40	0.13
All LAs	4.63	A+	63%	14	0.15

- 8.8 Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Council had expected to receive significantly lower income from its cash and short-dated money

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market investments, including money market funds in 2020/21, as rates on cash investments are close to zero percent.

9. Non-Treasury Investments

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

9.2 The Council also held £20.898m of such investments.

A full list of the Council's non-treasury investments is available in Appendix 2.

9.3 These investments generated £1.121m of investment income for the Council after taking account of direct costs, representing a rate of return of 5.36%.

10. Investment Outturn for 2020/21

10.1 **Investment Policy** – the Council's investment policy is governed by Government guidance, which was been implemented in the annual investment strategy approved by the Council on 24 February 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data such as rating outlooks and credit default swaps.

10.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

10.3 **Resources** – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows.

Balance Sheet Resources (£'000)	31 March 2020	31 March 2021
General Fund Balance	5,239	5,239
HRA Balance	3,198	3,198
Earmarked reserves (Appendix 3)	13,927	33,222
Major Repairs Reserve	15,875	22,868
Usable capital receipts	37,103	31,160
Working capital	22,469	13,407
Total	97,811	109,094

10.4 **Investments held by the Council** - the Council maintained an average balance of £117,647,298 of internally managed funds. The internally managed funds earned an average rate of return of 0.58%. The comparable performance indicator is the average 7-day LIBID rate + 0.2, which was 0.15%. This compares with a budget assumption of £64,521,000 investment balances earning an average rate of 0.95%. See appendix 2 for a list of investments held at 31 March 2021. Revisions of the capital programme in the year (see 4.2) led to higher investment balances than budgeted. The lower rates of return are discussed in paragraph 5.2 and appendix 1.

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11. Implications

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

12. Background Papers

[Treasury Management Strategy for 2020/2021 – Cabinet, 5 February 2020; OSC, 3 February 2020 \[FIN/493 refers\]](#)

[Treasury Management Mid-Year Review 2020/21 – Cabinet, 25 November 2020; OSC, 23 November 2020 \[FIN/512 refers\]](#)

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

Economic background

The Coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have help protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12 month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.

After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major

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pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46th US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

Financial markets

Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

Credit review

After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK

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institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Council's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Detailed holdings at 31 March 2021

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Counter Party	Deal Ref	Issue	Maturity	Days to Mature	Interest Rate	Nominal (£m)	Total (£m)	Limit (£m)	Rating
UK BANKS									
Lloyds Bank plc	20		01/04/2021	1	0.000%	0.494	0.494	10.000	A+
LOCAL AUTHORITIES									
Ashford Borough Council	2631	21/01/2021	21/04/2021	21	0.070%	5.000	5.000	15.000	A+
Babrergh District Council	2646	26/03/2021	26/05/2021	56	0.090%	4.000	4.000	15.000	A+
Blackburn with Darwen BC	2617	28/01/2021	28/07/2021	119	0.200%	5.000	5.000	15.000	A+
Cambridgeshire CC	62	03/01/2020	04/01/2022	279	1.600%	3.000			
	2627	18/01/2021	17/01/2022	292	0.400%	2.000	5.000	15.000	A+
Cheshire West and Chester Council	2604	02/11/2020	01/11/2021	215	0.300%	5.000	5.000	15.000	A+
Derbyshire County Council	2605	29/10/2020	28/10/2021	211	0.250%	5.000	5.000	15.000	A+
Dumfries & Galloway Council	60	02/12/2019	02/12/2021	246	1.350%	5.000	5.000	15.000	A+
London Borough Of Hillingdon	2623	21/12/2020	20/12/2021	264	0.250%	5.000	5.000	15.000	A+
Kingston-Upon-Hull City Council	36	02/12/2013	02/12/2021	246	2.750%	5.000	5.000	15.000	A+
Kirklees Metropolitan Council	2622	15/01/2021	07/05/2021	37	0.080%	5.000	5.000	15.000	A+
London Borough of Barking and Dagen	2640	22/02/2021	23/08/2021	145	0.100%	5.000	5.000	15.000	A+
Merthyr Tydfil County BC	2630	27/11/2020	27/05/2021	57	0.100%	3.000	3.000	15.000	A+
Monmouthshire County Council	2632	23/12/2020	23/06/2021	84	0.110%	5.000	5.000	15.000	A+
North Lanarkshire Council	2625	09/11/2020	09/08/2021	131	0.200%	3.000			
	2639	05/03/2021	06/12/2021	250	0.080%	2.000	5.000	15.000	A+
Redcar & Clevedon Borough Council	2626	02/12/2020	02/12/2021	246	0.300%	5.000	5.000	15.000	A+
Slough Borough Council	2620	30/10/2020	29/10/2021	212	0.300%	2.000			
	2621	19/11/2020	19/11/2021	233	0.300%	3.000	5.000	15.000	A+
South Ayresshire Council	2633	11/12/2020	13/09/2021	166	0.250%	5.000	5.000	15.000	A+
Surrey Heath Borough Council	2628	14/12/2020	14/06/2021	75	0.100%	3.000	3.000	15.000	A+
Woking Borough Council	2619	19/10/2020	18/10/2021	201	0.300%	5.000	5.000	15.000	A+
Wyre Forest District Council	61	10/12/2019	10/12/2021	254	1.400%	2.000	2.000	15.000	A+
MONEY MARKET FUNDS									
Aberdeen Liquidity Fund	5		01/04/2021	1	0.010%	3.300	3.300	6.000	AAA
The Public Sector Deposit Fund	6		01/04/2021	1	0.039%	7.000	7.000	15.000	AAA
Federated Prime Rate Cash Man	1		01/04/2021	1	0.010%	6.300	6.300	6.000	AAA
				-----			-----		
				143			109.094		
				-----			-----		

Counter Party	Deal Ref	Issue	Maturity	Days to Mature	Interest Rate	Nominal (£m)	Total (£m)	Limit (£m)	Rating
INVESTMENT PROPERTIES									
		Ashdown House					9.170		
		Ask High Street					1.183		
		Atlantic House					4.909		
		Kingsgate Car Park					5.636		
							----- 129.992 -----		

Earmarked Reserves

	Balance at 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance at 31 March 2021 £'000
General Fund:				
Capital Programme	3,555	(3,555)	2,242	2,242
Restructuring Impact Reserve	695	(295)	-	400
Vehicles and Plant	443	(203)	775	1,015
Insurance Fund	378	-	-	378
ICT Replacement	70	-	100	170
Specialist Equipment at K2 Crawley and Hawth	66	-	100	166
Risk Management	182	(82)	75	175
Quick Wins	18	(18)	-	-
Heritage Strategy	28	(10)	-	18
Pathfinder	24	-	-	24
Local Development Framework	396	(153)	200	443
Health & Wellbeing Grant	156	(8)	22	170
Connecting Communities	56	(8)	-	48
Homeless grant	81	-	60	141
Town Centre and Regeneration Reserve	96	-	28	124
Waste Collection	226	-	-	226
Worth Park HLF	33	-	-	33
Grant to voluntary organisations	75	(75)	24	24
Welfare Reform	200	(131)	194	263
Transparency	11	(11)	9	9
Shore gap fund	7	-	-	7
Tilgate Park Investment	8	(8)	-	-
New Museum	80	(20)	-	60
Town Centre Partnership	25	(25)	-	-
Town Centre Markets	14	(14)	-	-
EU Exit Funding	338	-	-	338
Park Improvement Fund	-	-	87	87
Business Rates Pool Cycling	60	-	55	115
Homeless Accommodation Acquisition	699	-	830	1,529
Queen Square	381	-	-	381

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	Balance at 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance at 31 March 2021 £'000
Supported Accommodation	120	-	-	120
Town Funds	173	(1,039)	1,000	134
Covid Expenses	41	(604)	1,208	645
HMO Licenses	-	-	21	21
CBC Earmarked Reserves	8,735	(6,259)	7,030	9,506
Business Grants and Isolation Payments	-	-	1,813	1,813
Council Tax Income Guarantee	-	(52)	133	81
Business Rates Equalisation	5,192	-	16,629	21,821
Total Earmarked Reserves	13,927	(6,311)	25,605	33,221

Other Information

CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed". Other proposed changes include the sustainability of capital expenditure in accordance with an authority's corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the "gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.

Proposed changes to the Treasury Management Code include requiring job specifications and "knowledge and skills" schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.

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Crawley Borough Council

Report to Overview and Scrutiny Commission
28th June 2021

Report to Cabinet
30th June 2021

Financial Outturn 2020/2021: Budget Monitoring - Quarter 4

Report of the Head of Corporate Finance **FIN/526**

1. Purpose

- 1.1 The report sets out a summary of the Council's actual revenue and capital spending for the financial year to March 2021. It identifies the main variations from the approved spending levels and any potential impact on future budgets. The report also gives an update of useable reserves.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

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

- 2.2 To the Cabinet:

The Cabinet is recommended to:

- a) **Note the outturn for the financial year 2020/21 as summarised in this report.**
- b) **To note that this has been an exceptional year where it has been very difficult to do accurate financial projections.**

The Cabinet is recommended to ask Full Council to:

- c) **Agree to increase the capital budget for purchase of temporary accommodation from £1.1m to £2.4m to be funded from specific homelessness grants, revenue and earmarked reserves for purchase of such properties.**
- d) **Agree to the transfers of reserves as outlined in section 9 of this report.**

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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. The financial year 2020/2021 was exceptionally difficult to project accurately due to the impact of the pandemic on the Council's finances together with Government support.
- 4.3 This report outlines the projected outturn for 2020/2021 as at the end of March 2021.
- 4.4 As discussed in both the [Budget Strategy](#), which was considered by the Cabinet on 25th November 2020, and the [Budget Report](#) due to the pandemic it is very difficult to project on our finances. There are some significant variances outlined below. However, the financial position at the year-end is much better than anticipated earlier on in the financial year. Savings and efficiencies of £1.775m were identified very early on at the beginning of the first lockdown, without these we would financially be in a much worse position.

5. Budget Monitoring Variations

5.1 General Fund

The table below summarises the projected variances in the relevant Portfolio at Quarter 4. This shows an underspend of £1.272m against the original budget.

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

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	Actual Variance at Quarter 4		Variance projected at Quarter 3
	£'000		£'000
Cabinet	(179)	F	(51)
Public Protection & Community Engagement	(68)	F	(61)
Environmental Services & Sustainability	192	U	449
Housing	625	U	856
Wellbeing	1,696	U	2,066
Planning & Economic Development	(103)	F	(5)
Investment Interest	(25)	F	(66)
Covid Grants Received	(3,492)	F	(3,079)
Levy Account Surplus	82	U	0
TOTAL (SURPLUS)/DEFICIT	(1,272)		109

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

Significant Quarter 4 variances over £50,000

5.1.1 Cabinet

There are additional anticipated audit fees of £83,000 (£32,000 reported at Quarter 3). The main audit fee for 2019/20 was £90,824 which was £40,000 more than budget. This is still to be approved by PSAA and has been reported to the [Audit Committee](#) on 29th April 2021. There have also been additional costs on the housing benefit certification, there were additional tests required to do the certification due to increased errors by the team.

Vacancies within Finance and Procurement have produced an in-year underspend of £61,000. Multiple recruitment campaigns have been unsuccessful.

5.1.2 Public Protection & Community Engagement

There are no significant variations to report this quarter.

5.1.3 Environmental Services & Sustainability Services

Additional income has been received following discussions with West Sussex County Council regarding the provision of the on-street parking service. The increased fee represents a contribution by WSCC to overhead charges incurred as a result of the agreement. This income is ongoing and will help offset reduced income from car parking.

The shrub bed regeneration team have had difficulties recruiting to fixed term contracts resulting in an underspend on £57,000.

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5.1.4 Housing Services

The projections on housing benefits at quarter 3 were more pessimistic than the actual position at the end of the financial year. This was in part due to furlough and also the level of unrecovered overpaid benefits was less than anticipated. Over £33 million was paid in housing benefits in the financial year.

5.1.5 Wellbeing

Vacancies within the Finance team have delayed the recognition of income received at Tilgate Park. This had made projections difficult and resulted in the park overspend being less than originally forecast. The total overspend is now £296,000

The continued closure of Play sites due to Covid-19 restrictions has decreased the need for casual staff. Additionally, the earlier than anticipated return of pre-schools has generated more income than forecast at quarter 3. The total in year underspend is now £166,000.

A successful bid for Sports England funding has been used to offset the additional costs of providing support to Everyone Active. £83,000 has been utilised in the 2020/21 in accordance with Sport England guidance.

5.1.6 Planning & Economic Development

Expected lease renewals have not been completed by the end of the financial year leading to anticipated back rent not yet being received. This was due to staff vacancies within the commercial assets team.

After a very long negotiation process with a supplier, there is a further underspend of £305,000 relating to the data centre, net of other costs in ICT. This relates to charges in 2020/21 and earlier financial years.

5.1.7 Investment Income

Interest of £40,130 was paid to HMRC due to late payment of VAT on disposal of land.

5.1.8 Additional Funding

Funds of £455,288 are expected to be approved shortly. Government is repaying 75p of every £1 lost after deducting 5% of the budgeted income from sales fees and charges for the year.

6. Virements

6.1 Virements up to £50,000 can be approved by Heads of Service under delegated powers and reported to Cabinet for information. There were no virements in the period.

7. Council Housing Service – Revenue

7.1 The table below provides details of the 2020/2021 HRA variances.

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HOUSING REVENUE ACCOUNT

	Q4 Variation £000's		Q3 Variation £000's
<u>Income</u>			
Rental Income	650	U	555
Other Income	(15)	F	7
Interest Received on balances	(152)	F	27
	483		589
<u>Expenditure</u>			
Employees	(125)	F	(82)
Repairs & Maintenance	(666)	F	(531)
Other running costs	(70)	F	(99)
Support services	0		0
	(861)	F	(712)
Net (Surplus) / Deficit	(378)	F	(123)
Transfer to the Housing Investment Reserve	378		123

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

7.1 Rental Income

Delays to the letting of units at Bridgefield house, combined with a staggered approach to minimise the potential risk of Covid-19 transmission has increased the in-year deficit on housing rents to £650,000.

7.2 Interest

The variation was due to interest on deferred receipts from shared equity properties which was not calculated until the end of the year.

7.3 Repairs and Maintenance

Poor weather and ongoing Covid-19 restrictions have caused further delays with planned external redecoration and painting works; the total underspend is now £563,000.

7.4 Other Running Costs

Licenses for the new HRA database have not been purchased in year as originally anticipated, this has resulted in an underspend of £50,000.

Due to the current economic uncertainty the bad debt provision for rental income has been increased by £106,000.

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8. Capital

8.1 The table below shows the 2020/21 projected capital outturn and proposed carry forward into 2021/22. Further details on the Capital Programme are provided in Appendix 2 to this report.

	Original Budget 2020/21	Revised Budget 2020/21	Outturn 2020/21	Under/ (over)spend	Re-profiled to/(from) future years
	£000's	£000's	£000's	£000's	£000's
New Town Hall Redevelopment Programme– Joint responsibility	26,604	17,298	17,734	0	(436)
Environmental Services & Sustainability	399	400	310	0	90
Housing Services	4,973	3,364	842	0	2,522
Planning & Economic Development	16,521	714	306	0	408
Wellbeing	1,548	577	322	0	255
Total General Fund	50,045	22,353	19,514	0	2,839
Council Housing	28,771	27,697	22,703	42	4,952
Total Capital	78,816	50,050	42,217	42	7,791

The original budget was £78.816m which has been revised during the year and reduced to £50.050m with the changes being reported to Cabinet each quarter. The main reasons for the movement between the original budget and the revised one was around phasing of payments for the Town Hall schemes and the Growth programme.

The projected spend at Quarter 3 was £50m and the actual spend was £42.2m - the main variations were around property purchases where opportunities had not become available in the last quarter.

- 8.2 The Town Hall project is progressing on target and within budget, £436,102 was slipped into 2020/21.
- 8.3 The budget of £2,258,300 for Affordable Housing Town Hall has been slipped into 2021/22. This is in respect of Geraint Thomas House, the scheme is expected to be completed at the end of June 2021.
- 8.4 The Disabled Facilities Grant has slipped forward £49,905 into 2020/21 manging to achieve more works than previously forecast. The budget for 2021/22 has been increased by £1,002,966 which is Crawley's allocation from Better Care Fund, this is allocated to West Sussex County Council and redistributed to the Districts.

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8.5 The Crawley Growth Programme (CPG) has been reforecast. The focus of attention for the CPG is to deliver two of the schemes led by WSCC – Eastern Gateway and Manor Royal Highways. The next CBC led Manor Royal and Town Centre schemes are scheduled to follow these on site with the principal spend for these schemes being forecast for later years as shown in Appendix 2.

8.6 Tilgate Park has slipped £130,643 into 2021/22. The budget is for the Tilgate Play Area which has now been completed.

8.7 Housing

HRA Programme Maintenance

The HRA programme maintenance is slipping a total of £363,846 into 2020/21 and have been able to achieve more works than previously expected. The new programme maintenance contract is working well.

Acquisition of Land or Dwelling

In 2020/21 this budget has been used to purchase 2 dwellings to be added to the HRA stock and bought back full ownership of 4 Shared Owner properties. This still leaves £1,378,250 to be slipped into 2021/22 for the Acquisition of Land or Dwellings.

Purchase of Properties

The budget of £3,500,000 has been slipped into 2021/22 and will be used to purchase properties for the HRA.

8.8 In the fourth quarter of 2020/21 **nine** Council Houses with a sale value of £1,628,602 were sold compared to eight in the fourth quarter last year. Of these receipts, £257,863 was paid over to the Government with the balance being retained by the Council. £424,402 available for general capital expense and £946,377 set aside for 1-4-1 receipts. [The 1-4-1 arrangement is one where the Council retains a larger proportion of right to buy receipts than they otherwise would, in return for a commitment to spend the additional receipts on building or acquiring properties.]

The total number of properties sold in 2020/21 was 39, compared to 29 in 2019/20

8.9 The total cumulative 1-4-1 receipts retained is £36,690,605 which can be used to fund 30% of any expenditure on new affordable housing. It cannot be used on schemes supported by HCA Funding.

8.10 To date, £28,328,526 of 1-4-1 receipts has been used to partially fund the purchase or construction of properties. Any 1-4-1 receipts that are unspent after 3 years are to be returned to the Government with interest. The risk of returning any unspent 1-4-1 receipts is managed by closely monitoring all affordable housing schemes.

8.11 From the 1st April 2021 there are changes to the way we can use the Right to Buy 1-4-1 receipts that will make it easier for the Council to manage this resource. The changes include the time that these receipts have to be used has been extended from 3 years to 5 years, the percentage that can be used to fund any expenditure on new affordable homes has increased from 30% to up to 40% and the expenditure can now include shared ownership dwellings. This was as a result to responses to [Government consultation](#) on Right to Buy receipts.

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9. Reserves

- 9.1 A full breakdown of the reserves is given in the Treasury Management Outturn report elsewhere in this agenda (FIN/527). A summary of the transfers is shown in the table below:

<u>Reserves</u>	<u>Transfer To £000</u>	<u>Use of £000</u>
HMO Licenses	21	
Towns Funds	1,000	(1,039)
Homelessness reserves	890	
Welfare Reform	192	(31)
Town Centre Partnership		(25)
Crawley Museum		(20)
Tilgate Park Investment		(8)
Business rates pool cycling	55	
Parks Improvement Fund	87	
Town centre & regeneration reserve	28	
Community Development Projects		(8)
Health & Wellbeing	22	(8)
Local Development Framework	200	(153)
Risk Management	75	
Voluntary Sector Transition	24	
Transparency	9	
Capital Programme		(3,555)
In Year Surplus to Capital Programme	2,242	
<hr/>		
Total Transfer to/(from) CBC Reserves		(2)
<hr/>		
Business Grants & Isolation Payments	1,813	
Council tax income guarantee	81	
Business Rates equalisation reserve	16,629	
<hr/>		
Total Transfer to/(from) Reserves		18,521

It is recommended that the above transfers are approved. Further explanation of some of these transfers is given below.

9.2 EU Exit Funding

Within the earmarked reserves there is a balance of £337,934 for EU Exit Funding. This was a government unringfenced grant. It is **recommended** that £200,000 is transferred to a transformation and project delivery reserve to enable pump-priming for initiatives to ensure future savings and increased income.

9.3 Business Rates Equalisation Reserve

£16,629,490 has been transferred at the end of the year to bring the balance to £21,821,110. Whilst this is shown in useable reserves, it is not really available for general use and will be used in future years to pay back the deficit on the Collection Fund which is held in an unusable reserve (the Collection Fund Adjustment Account). Business rates income for the year is estimated in January at the same time the council sets the budget. However, due to the coronavirus pandemic, the government gave a number of business rate reliefs to businesses – in the case of Crawley, this

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amounted to £36m. The government compensates local authorities for the impact of any changes that they make due to the Business Rates Retention Scheme. As this change was made so late in the day, this compensation (in the form of a s.31 grant) was paid to the billing authorities so that their cashflow was not negatively impacted. Now that the financial year 2020/21 is closed, the end position can be calculated and the payments will be adjusted:

- The Council's share of the £36m s.31 grant is 40%. It must therefore repay 60% back to the government. This has already been adjusted for in the 2020/21 accounts and there is a creditor on the balance sheet for £20m.
- The Collection Fund has a deficit of £46m – this is repaid by the precepting authorities over future financial years. Crawley's share of the deficit is shown the Collection Fund Adjustment Account and is £17.9m - £16.2m of this is due to be repaid in 2021/22 with the remainder to be paid in 2022/23 and 2023/24.

9.4 Council Tax Income Guarantee Reserve

£81,410 has been transferred at the end of the year. The government compensated local authorities for some of their lost income from council tax due to Covid. As with business rates, losses do not impact on the General Fund immediately, but deficits on the Collection Fund are collected from precepting authorities in the following financial years. The Collection Fund has a deficit of £203,257 with £65,207 due to be repaid in 2021/22 and the remainder to be paid in 2022/23 and 2023/24.

10. **Background Papers**

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

[2020/21 Budget and Council Tax FIN/491](#)

[Treasury Management Strategy 2020/21 FIN/493](#)

[2020/2021 Budget Monitoring – Quarter 3 FIN/516](#)

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

Treasury Management Outturn for 2020/21 FIN/527

[Confirmed Total Final External Audit Fee for 2019/20](#)

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

Contact Officer: - Paul Windust, Chief Accountant.

Direct Line: - 01293 438693

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Appendix 1 (i)

REVENUE MONITORING SUMMARY 2020/21 GENERAL FUND

	Latest Budget £000's	Outturn £000's	Variance £000's
Cabinet	592	413	(179)
Public Protection & Community Engagement	1,623	1,555	(68)
Environmental Services & Sustainability	5,170	5,362	192
Housing	1,801	2,426	625
Wellbeing	9,832	11,528	1,696
Planning & Economic Development	(367)	(470)	(103)
	18,651	20,814	2,163
Depreciation	(3,579)	(3,579)	0
Renewals Fund	772	772	0
NET COST OF SERVICES	15,844	18,007	2,163
Investment Interest	(621)	(678)	(57)
Interest Paid	8	40	32
Council Tax	(7,532)	(7,532)	0
RSG	(60)	(60)	0
NNDR	(21,172)	(21,172)	0
New Homes Bonus	(1,831)	(1,831)	0
Levy Account Surplus	(82)	0	82
Covid Grants Received (see below)	(2,022)	(5,514)	(3,492)
Additional Grants Received	(1,021)	(1,021)	0
Year End Financing	1,240	1,240	0
Net contribution from / (-to) Reserves	(17,249)	(18,521)	(1,272)

Covid grants received

	Crawley Borough Council £000's	Businesses £000's	Council Tax Payers £000's	Applied in year £000's	Transferred to reserves at year-end £000's	
Grants received in 2019/20						
Covid-19 tranche 1	64					
Grants received in 2020/21						
Covid-19 tranche 2	1,122			1,122		
Covid-19 tranche 3	207			207		
Covid-19 tranche 4	512			512		
New burdens for council tax hardship and business rate reliefs	155			155		
Isolation payments admin costs	80			0	80	Welfare reform - used to backfill posts for grant applications
New burdens for business grants	59				59	Welfare reform - used to backfill posts for grant applications
Sales Fees and Charges	1,496			1,496		
Enforcement funding	59			59		
Rough sleeping contingency	25			25		
Hardship			989	613	375	Covid grants reserve - for hardship in 2021/22
Sport England grant for leisure centres	83			83		
Isolation payments			180	180		
Discretionary isolation payments			221	118	104	Covid grants reserve - for isolation payment in 2021/22
Business grants		17,252		17,252		

Discretionary business grants		4,178		2,844	1,334	Covid grants reserve - for business grants in 2021/22
Council tax income guarantee	81				81	Council tax income guarantee - to offset council tax losses in future years
Business rates income guarantee	1,801				1,801	Business rate equalisation - to offset business rate losses in future years
		<hr/>		<hr/>	<hr/>	
	5,680	21,430	1,390	24,665	3,835	
Non-specific grants	5,514			3,492	2,021	
Grants applied to services:						
- Cabinet		4,178	221	2,961	1,438	
- Environmental Services & Sustainability	59			59		
- Housing	25		989	638	375	
- Wellbeing	83			83		
CBC acting as agent (not shown in accounts)		17,252	180	17,432		
		<hr/>		<hr/>	<hr/>	
	5,680	21,430	1,390	24,665	3,835	

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Main Variations identified for 2020/21 - General Fund

Appendix 1 (ii)

	Q4 Variation £'000s	Q3 Variation £'000s
<u>Cabinet</u>		
Pay Award	138	138
Insurance Tender Savings	(187)	(187)
Anticipated Additional Audit Costs	83	32
Covid-19 Food, PPE & Hub Costs	88	130
Revenues Additional Demand & Reduced Recoveries	150	136
Finance & Procurement staff vacancies	(61)	0
Election Delay Savings	(70)	(40)
Town Hall Business Rates	(100)	(100)
Legal Locums	68	33
Legal Covid additional work	32	32
Head of Legal Vacancy	(32)	(32)
Contact Centre In Year Vacancies	(67)	(44)
HR In Year Vacancy	(40)	(24)
Occupational Health reduced number of referrals	(23)	0
Transformation In Year Vacancies	(27)	(27)
Printing and Mailing	(61)	(56)
Minor Variations	(70)	(42)
	(179)	(51)
<u>Public Protection & Community Engagement</u>		
Community Development Unfilled Hours	(24)	(29)
Minor Variations	(44)	(32)
	(68)	(61)
<u>Environmental Services & Sustainability</u>		
Port Health Lost Income	61	92
Licensing Lost Income	75	80
Car Parking Lost Income	321	342
Car Parking Full Cost Recovery	(97)	0
Additional Green Waste Customers	2	(18)
Public Conveniences Operational Savings	2	(20)
Cemeteries Additional Income	(62)	(16)
Shrub Bed Regeneration Team	(57)	0
Minor Variations	(53)	(11)
	192	449

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Housing

Benefits Administration Additional Demand	72	25
Benefit Overpayments Recovery Due to Covid-19 Regulations	284	562
Housing Survey Grant Received	(41)	(41)
Disabled Facilities Grant – Capitalisation of Staff Time	(79)	(79)
Temporary Accommodation “Everyone In” Strategy	281	281
Homelessness Administration Costs	153	153
Minor Variations	(45)	(45)

625

856

Wellbeing

Tilgate Park Lost Revenue	296	397
Community Centre Lost Revenue	338	377
K2 Crawley Lost Revenue & Additional Contract Costs	1,297	1,417
The Hawth - lower contribution to Parkwood	(28)	0
Patch Working – In Year Vacancies & Operational Savings	(62)	(76)
Play – In Year Vacancies & Operational Savings	(166)	(99)
Minor Variations	21	50

1,696

2,066

Planning & Economic Development

Property Team Vacancies	(68)	(58)
Corporate Facilities Team Vacancies	(76)	(60)
Planning Lost Income	181	151
Building Control Reduced Income	58	74
Commercial Property Income	209	(22)
Town Centre Vacancy & Operational Savings	(83)	(83)
Data Centre & Other ICT Operational Savings	(316)	(11)
Minor Variations	(8)	4

(103)

(5)

TOTAL GENERAL FUND VARIANCES

2,163

3,254

Additional Funding Received

(3,492)

(3,079)

Investment Interest

(25)

(66)

Levy Account Surplus

82

0

TOTAL VARIANCES

(1,272)

109

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Appendix 1 (iii)

QUARTER 4

HOUSING REVENUE ACCOUNT			
Expenditure Description	Latest Estimate £'000s	Outturn £'000s	Variation £'000s
Income			
Rental Income	(48,591)	(47,941)	650
Other Income	(2,120)	(2,135)	(15)
Interest received on balances	(132)	(284)	(152)
Total income	(50,843)	(50,360)	483
Expenditure			
Employees	3,914	3,789	(125)
Repairs & Maintenance	11,406	10,740	(666)
Other running costs	2,101	2,031	(70)
Support services	3,096	3,096	0
	20,517	19,656	(861)
Net (Surplus) / Deficit	(30,326)	(30,704)	(378)
Use of Reserves:			
Debt Interest Payments	8,309	8,309	0
Depreciation, Revaluation & Impairment	6,548	6,548	0
Transfer (from) Housing Reserve	15,469	15,847	378
Total	30,326	30,704	378

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Appendix 1 (iv)

Main Variations Identified - Housing Revenue Account

	Q4 Variation £'000s	Q3 Variation £'000s
Income		
Delayed new builds, budgeted income not receivable until later date	575	502
Void Garages and delays in re-letting	75	53
Interest Received - Lower Interest Rates	2	27
Shared Equity Interest	(154)	
Minor Variations	(15)	7
	483	589
Employees		
Agency Staff Savings	(75)	(50)
Additional Costs of the pay award (.75%)	9	27
Leasehold Vacancies in Year	(31)	(31)
Minor Variations	(28)	(28)
	(125)	(82)
Repairs & Maintenance		
Gas contract Savings	(118)	(124)
External Redecoration/Repairs	(563)	(410)
Minor Variations	15	3
	(666)	(531)
Other Running Costs		
Projected Covid-19 Costs, PPE	40	40
Challenge of Budget Savings	(63)	(63)
Insurance Tender	(80)	(80)
Car Allowances	(27)	0
Licenses not yet acquired for new systems	(50)	0
Allowance for doubtful debts	106	0
Minor Variations	4	4
	(70)	(99)
TOTAL VARIANCES	(378)	(123)

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 forward budgets from future years

2020/21 Qtr 4 Capital Appendix

Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage
	£	£	£	£
New Town Hall Redevelopment - Joint responsibility	17,104,883	17,540,985	0	(436,102)
Manor Royal BID - Towns Fund	193,051	193,051		
Joint responsibility	17,297,934	17,734,036	0	(436,102)

Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
£	£	£	£
23,953,975	3,000,000	0	0
371,949			
24,325,924	3,000,000	0	0

Garages				
CABINET	0	0	0	0

330,082	500,000	200,000	
330,082	500,000	200,000	0

New Cemetery	87,223	72,536		14,687
Cycle Paths				
Drawers / Manor Royal Cycle Path	1,507	1,507		
Flooding Emergency Works	105,000	49,820		55,180
Billington Drive Maidenbower	15,000	10,549		4,451
Broadfield Brook Flood Works	31,935	29,410		2,525
River Mole Flood Works	30,000	29,254		747
Telemetry Measuring Equipment	10,000	5,395		4,605
Northgate Flood Attenuation Works	20,410	20,410		
Crabbett Park Pound Hill Flood Works				
Leat Stream Ifield Flood Alleviation	7,289			7,289
Tilgate Lake Bank Erosion	91,187	91,187		
Solar PV CBC Operational Buildings				
TOTAL ENVIRONMENTAL SERVICES & SUSTAINABILITY PORTFOLIO	399,551	310,068	0	89,484

18,694			
25,300			
65,665			
199,099	80,835		
4,605			
33,000			
7,289			
650			
	60,000		
354,302	140,835	0	0

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Temp Accommodation Acquisitions	273,700			273,700
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1,100,000			
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Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage
	£	£	£	£
Open House Moving Acquisition	14,235			14,235
Affordable Housing Town Hall	2,450,798	192,500		2,258,298
Longley House				
Disabled Facilities Grants	600,000	649,905		(49,905)
Improvement/Repair Loans	25,000			25,000
TOTAL HOUSING (GENERAL FUND) PORTFOLIO	3,363,733	842,405	0	2,521,328

Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
£	£	£	£
14,235			
2,258,298		3,138,750	
1,700,000		1,700,000	
1,868,451			
50,000			
6,990,984	0	4,838,750	0

Manor Royal Business Group				
Gigabit				
Crawley Growth Programme				
Queensway	76,690	51,394		25,297
Town Centre Signage and Wayfinding	39,933	17,917		22,016
Town Centre General				
Manor Royal Cycle Improvements				
Town Centre Cycle Improvements	28,732	26,776		1,955
Manor Royal Super Hub				
Station Gateway	2,000	1,280		720
Town Centre Super Hub				
Town Centre Acquisition	50,000			50,000
Three Bridges Station	53,500	55,310		(1,810)
Total Crawley Growth Programme	250,855	152,677	0	98,178
ICT Capital - Future Projects	29,646			29,646
On Line Self Service	3,713	3,713		
New Website And Intranet	68,728	15,152		53,576
Mobile Working (ICT)	40,087	29,148		10,939

		200,000	
	2,700,000		
	25,000	167,323	
	10,000	12,016	
			71,100
	50,000	310,632	1,415,303
	20,000	979,673	
		263,028	
		250,720	1,588,172
			3,176,314
			74,221
	95,000	2,362,000	3,543,000
	25,000	479,092	958,186
	225,000	4,824,484	7,575,761
			3,250,575
	179,646		
	53,576		
	10,939		

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Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
	£	£	£	£	£	£	£	£
Digital Works	61,000			61,000	61,000			
ICT Transformation Future	59,000			59,000	189,000			
Unified Communications/Telephony	30,000	23,322		6,678	6,678			
Migration to Cloud Evaluation	40,000	35,000		5,000	5,000			
Power and UPS	20,000			20,000	20,000			
LAN Fresh	111,000	46,591		64,409	64,409			
ICT Cloud					464,000			
TOTAL PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO	714,029	305,603	0	408,426	1,279,248	7,524,484	7,775,761	3,250,575

Vehicle Replacement Programme	199,671	202,671		(3,000)
Reurb Playgrounds Future Schemes				
Skate Park Equipment				
Memorial Gardens Improvements				
Ugate Park	154,710	24,067		130,643
Nature & Wildlife Centre	103,817	22,114		81,703
Allotments				
Adventure Playgrounds				
Memorial Gardens Play Improvements	10,378	8,445		1,933
Medler Close Langley Green	53,756	53,756		
Chichester Close				
Dormans Play Area	45,000	9,553		35,447
Newbury Road		1,208		(1,208)
Ninfield Court				
Rushetts Road	9,923			9,923
Hawth Agreement				
K2 Crawley Climbing Wall				
TOTAL WELLBEING PORTFOLIO	577,255	321,814	0	255,441

	25,501			
	106,979			
		46,000		
	33,400			
	130,643			
	121,703			
	40,000	45,000		
	275,000	125,000		
	16,933			
	45,000			
	35,447			
	38,131			
	15,000			
	9,923			
	400,000			
	50,000			
	1,343,660	216,000	0	0

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Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage
	£	£	£	£

TOTAL GENERAL FUND	22,352,502	19,513,926	0	2,838,577
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Prior Contract Spend				
	460,432	460,432		
Decent Homes	1,794,759	2,492,632		(697,873)
Renovations	433,866	869,656		(435,791)
Insulation	868,279	944,224		(75,945)
Renewable Technology/Carbon Efficiency	33,016	1,135		31,881
Compliancy Works	104,724	191,243		(86,519)
Boilers & Heating	738,153	435,066		303,087
Electrical Test & Inspection	286,312	391,606		(105,294)
Adaptations For The Disabled	1,212,341	541,571		670,771
Hostels	68,279	36,442		31,837
Garages	69,918	26,930	42,988	
TOTAL HRA IMPROVEMENTS	6,070,079	6,390,937	42,988	(363,846)

Hra Database	103,020	120,273		(17,253)
151 London Road (New Build)	170,984	170,984		
Bridgefield House	4,547,973	4,521,573		26,400
Acquisition Of Land Or Dwellings	1,893,500	515,250		1,378,250
Kilnmead	500	45		455
Gales Place (HRA New Build)	7,985	7,985		
Forge Wood				
Telford Place Development	72,625	68,724		3,901
Woolborough Road Northgate	638,946	620,946		18,000
Goffs Park - Depot Site	2,007	2,007		

Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
£	£	£	£

34,624,200	11,381,319	12,814,511	3,250,575
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2,281,574	2,300,000	2,300,000	
515,377	650,000	2,050,000	
3,255,274	1,800,000	1,800,000	
158,123	80,000	80,000	
2,188,938	1,750,000	1,450,000	
1,206,083	1,000,000	1,800,000	
58,394	50,000	50,000	
1,928,351	1,250,000	1,300,000	
390,458	403,100	270,000	
11,982,572	9,283,100	11,100,000	0

399,748			
18,432			
37,605			
2,378,250			
6,555			
			1,235,388
70,000	8,060,336	7,597,235	4,960,136
500			
2,969			

Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage
	£	£	£	£
83-87 Three Bridges Road	1,004	1,004		
Dobbins Place	2,500			2,500
Forge Wood Phase 2	3,274,758	3,261,959		12,799
257/259 Ifield Road	259,144	259,144		
Forge Wood Phase 3	1,142,975	1,187,922		(44,948)
Forge Wood Phase 4	1,074,886	993,704		81,182
Purchase Of Properties	3,500,000			3,500,000
5 Perryfields	5,841	341		5,500
Carey House	1,840	841		1,000
Fairlawn House	44,161			44,161
Wilton Mount Major Works	51,226	17,895		33,331
Greenhurst Phase 2	39,000	20,093		18,907
PIF Forge Wood	4,423,280	4,423,280		
Contingencies	168,085			168,085
Prelims	201,612	118,077		83,535
TOTAL OTHER HRA	21,627,852	16,312,047	0	5,315,805

TOTAL HRA	27,697,931	22,702,984	42,988	4,951,959
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TOTAL CAPITAL PROGRAMME	50,050,433	42,216,910	42,988	7,790,536
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FUNDED BY

Capital Receipts	(17,559,503)	(13,015,741)		(4,545,273)
Capital Reserve	(68,728)	(3,555,928)		3,488,711
Better Care Fund (formally DFGs)	(600,000)	(649,905)		49,905
External Funding	(6,521,962)	(6,406,806)		(115,156)
HRA Revenue Contribution	(19,671,547)	(15,452,054)	(42,988)	(4,176,506)

Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
£	£	£	£
996			
2,500			
4,116,859	1,798,344	60,765	
500			
4,273,507	2,770,846	2,770,846	2,770,846
3,500,000			
237,777	370,805	11,077	
129,159			
210,000			
1,722,105			
3,594,827	8,622,448	1,956,362	672,592
120,024		1,137,311	
489,117			
21,311,430	21,622,779	13,533,596	9,638,962

33,294,002	30,905,879	24,633,596	9,638,962
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67,918,202	42,287,198	37,448,107	12,889,537
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(16,684,939)	(658,905)	(7,545,793)	(109,465)
(953,576)			
(1,868,451)			
(183,378)	(6,577,379)	(2,779,344)	(3,076,344)
(29,483,693)	(25,147,350)	(21,114,710)	(6,747,273)

Scheme Description	Budget 2020/21	Outturn	Under / (Over Spend)	Slippage
	£	£	£	£
Replacement Fund/Revenue Financing	(199,671)	(209,744)		10,073
Section 106	(145,917)	(99,080)		(46,837)
1-4-1	(5,283,105)	(2,827,652)		(2,455,453)
Borrowing				
TOTAL FUNDING	(50,050,433)	(42,216,910)	(42,988)	(7,790,536)

Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years
£	£	£	£
(1,231,883)	(23,000)		
(1,021,975)	(622,035)	(720,000)	(64,766)
(5,490,307)	(6,258,529)	(5,288,260)	(2,891,689)
(11,000,000)	(3,000,000)		
(67,918,202)	(42,287,198)	(37,448,107)	(12,889,537)

Agenda Item 7

Crawley Borough Council

Report to Overview and Scrutiny Commission 28th June 2021

Report to Cabinet 30th June 2021

Leisure Contract – Extension of Variation Order

Report of the Head of Major Projects and Commercial Services, **HPS/27**

1. Purpose

- 1.1 This report sets out the arrangements the Council has entered into with Everyone Active (EA) following the initial lockdown in March 2020 and recommends the Council extend the variation order to facilitate the continued opening of the leisure centres over the period 1 July 2021 – 30 September 2021.

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 approve the extension of the contract variation with Everyone Active under the terms set out in section 5.8 of this report.

3. Reasons for the Recommendations

- 3.1 The recommendation facilitates the continued re-opening of the leisure centres from 1st July 2021 in accordance with the Government announcement on 22 February 2021 and in accordance with Procurement Policy Note 02/20 (Supplier Relief Due to Coronavirus).

4. Background

20 March 2020 – 30 June 2021

- 4.1 As part of the Covid-19 response, since 20 March 2020, the Government has required leisure centres to either be fully closed or to be partially open with restrictions applied to capacity, social distancing and other specific measures introduced as part of individual activity risk assessments.
- 4.2 Also on 20 March 2020, the Government published Procurement Policy Note 02/20 (Supplier Relief Due to Coronavirus). This note advised contracting authorities to put in place 'appropriate payment measures to support supplier cashflow and ensure suppliers who are at risk continue to be paid as normal'. Reflecting PPN02/20, the

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Council agreed a variation order with EA for an initial three-month period (April – June 2020) which would permit non-payment of the contract fee (£76K per month) and underwrite EA’s operational costs up to a capped amount. The initial three-month variation was extended for the period 1 July 2020 – 30 September 2020, then for the period 1 October 2020 to 31 March 2021 and more recently again for the period 1st April 2021 to 30th June 2021.

- 4.3 For the agreement, covering the period October 2020 – March 2021, EA’s projections had assumed that the leisure centres would be permitted to open and the growth in attendance evidenced since the July re-opening would continue. On this basis, the requested capped payments from EA over this period were:

October:	£ 72,000
November:	£ 92,000
December:	£100,000
January:	£ 47,000
February:	£ 46,000
March:	£ 22,000

- 4.4 Unfortunately the rise in Covid cases over the winter initially placed additional restrictions on opening and from the beginning of January, required all leisure centres to close again. This meant the losses incurred by EA were greater than the original projections however the Council’s contribution was capped at the agreed level.
- 4.5 In December 2020, the Council, working with EA, submitted an application to the National Leisure Recovery Fund for support towards leisure centre operational costs over the period December 2020 – March 2021. This application was successful and all of the capped deficit payable by the Council over this four-month period (£215,000) was offset by the NLRF grant received by the Council.
- 4.6 Further, guidance issued to s151 officers in August 2020 gave a new income support scheme to cover 75% of losses as a result of lost income due to the pandemic. There is a top slice deductible from 5% of all sales, fees and charges. This funding effectively enables the Council to recover approximately £53,000 of the £76,000 monthly contract fee which would otherwise be payable to the Council. This scheme is currently due to expire on 30th June and it is not yet known whether it will be extended. The impact of this is reflected in the 2020/21 Budget Monitoring Report Quarter 4 (FIN/526) report elsewhere on this Agenda.
- 4.7 Since the approval of the previous variation the roadmap has allowed for the following leisure facilities to reopen:

29 March :	Outdoor Activities (3G Pitches / Athletics)
12 April:	Gym, children’s indoor sport including learn to swim programme, café (takeaway)
17 May:	Group exercise classes, adult indoor sport, café (indoor table service)

- 4.8 With this phased re-opening, the operational deficit over the period 1st April to 30th June was projected at £260,100 (broken down as £96,300 (April), £85,500 (May) and £78,300 (June)). However, as expected, these projections have proved to be cautious and the actual deficit for April saw a reduction of £42,000 in the required

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subsidy. Actual figures for May and June are awaited however it is understood the usage and income has continued above the projections.

5. Description of Issue to be resolved

- 5.1 On the 22 February 2021, the Government announced a phased re-opening of leisure centres with effect from 29 March 2021. With social distancing and public health requirements in place, the guidance under PN02/20 continues to apply and it is recommended that the Council extend the contract variation for a further three months (covering the period 1st July – 30th September 2021) to enable the continued phased re-opening.
- 5.2 Subject to continued reduction in the infection rate and numbers of Covid cases, the roadmap for opening leisure centres will see the final removal of legal restrictions on 21st June 2021, although it still seems likely some forms of distancing and measures to suppress the spread of the virus will continue to be required.
- 5.3 Up until March 2021, the Deed of Variation which the Council entered into with EA had enabled the Council to benefit where deficits were lower than the projected budget costs. This was particularly the case in August, September October and December when there were fewer restrictions and usage was strong. The Council had also benefited from the capped arrangements with any deficit larger than the projection, being met by EA. This was particularly the case from April – July, November and from January – March 2021 when the leisure centres were largely closed.
- 5.4 The contract variation the Council had agreed is somewhat anomalous to the majority of contract variations EA had agreed with other local authority clients. The other contract variations have, on an open book basis, generally seen the Council benefit from the upside of increased usage and income but bear the additional cost when tighter restrictions were applied.
- 5.5 Following representations from EA in March the Council agreed to bring into line the contract variation for the Crawley contract whereby the Council benefits if the net deficit is lower than projections, however if the net deficit is higher than the projections, the additional cost will be met by the Council.
- 5.6 To provide additional controls for the Council, it was agreed with EA that:
 - (i) Should any of the major expenditure items exceed the amount stated in the monthly projections, specific Council authorisation will be required for this expenditure.
 - (ii) EA will present income and expenditure projections to the Council on a fortnightly basis to demonstrate that all reasonable efforts are being made to maximise income and mitigate costs.
 - (iii) Should the overall net deficit exceed the projection in a given month, EA and the Council will commit to a review as soon as reasonably practical which will seek to ensure the deficit in the subsequent month(s) is at or below the projection figure for that period.
- 5.7 The compensation for lost income from the non-payment of the contract management fee will continue until 30th June 2021. With an initial 5% deduction from

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the total lost income, and compensation then apply at a rate of 75% of the amount thereafter. This scheme is currently due to expire on 30th June and it is not yet known whether it will be extended.

- 5.8 It is recommended that the Council extends the contract variation (as detailed in section 5) for a three-month period (1st July 2021 – 30th September 2021) including the requirement for the monthly deficit payments projected at up to £190,000 in total for the period. Extending the contract variation for a longer period (6–12 months) is not advisable given market uncertainties over that timeframe. Further, at the point when all distancing restrictions are lifted, the Council will want to return to the standard contract model and contract payments, and it would be prudent to retain the flexibility until more information is known about the process for lifting restrictions in due course.

6. Information & Analysis Supporting Recommendation

- 6.1 The two main alternative options which the Council could consider are to close the leisure facilities or to terminate the existing contract with EA. It is felt that both of these options would be more costly to the Council and would lead to an extended period of disruption without the service and a longer recovery to return to a normalised service position.

7. Implications

Financial

- 7.1 The Budget and Council Tax 2021/22 [FIN/514](#) report to Cabinet on 3 February 2021 and Full Council on 24 February 2021 Table 2 and section 5.5.5 included a provision of £813,000 in respect of additional costs and lost income in respect of Covid-19 funding for 2021/22. Section 5.5.5 also confirms that with the Leisure Contract, continuation of the 'open book approach' will be required into 2021/22 to the point where social distancing or other Covid prevention measures are no longer required. As part of the quarterly monitoring process during 2021/22 the finance team will report on the draw down from the budget and how it has been allocated including the draw down in respect of the Leisure Contract.

8. Background Papers

- 8.1 Budget and Council Tax 2021/22 [FIN/514](#) report to Cabinet on 3 February 2021.

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Crawley Borough Council

**Report to Overview and Scrutiny Commission
28 June 2021**

**Report to Cabinet
30 June 2021**

Extension to Coronavirus Act Protections from Evictions in Crawley Homes

Report of the Deputy Chief Executive – **DCE/08**

1. Purpose

- 1.1 The Coronavirus Act 2020 provides protection to social and private tenants by delaying when landlords can evict tenants. The provisions in the Act increased the length of the required notice period landlords must provide to tenants when seeking possession of a residential property, and were extended through additional legislation. Provisions remained in place for more serious cases, for instance involving anti-social behaviour or crime. These initial protections came to an end after 31 May 2021 and nationally these extended notice periods are being tapered off over time.
- 1.2 Given the economic impact of Covid-19 upon Crawley, and with the potential of further economic and social impact to come, the administration has stated its intention to replicate the protections provided by the Coronavirus Act 2020 for Crawley Homes stock for a further 12 months. The purpose of this report is to implement this stated intention.

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 Cabinet,

The Cabinet is recommended to:

- a) Agree, for all Crawley Homes tenancies, to replicate the protections for evictions as set out in the Coronavirus Act 2020, until 31 May 2022

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3. Reasons for the Recommendations

- 3.1 The recommendation recognises the scale of economic hardship being faced by the town as a result of the Covid-19 pandemic, and the subsequent financial hardship this will cause for many local households. It is widely recognised that Crawley has been harder hit than most other places in the country and the administration therefore believes that additional protection is required.
- 3.2 Whilst the Council does not have the ability to legislate for the town as a whole, it is able to make decisions around tenancies within its own housing units. This decision would therefore extend these protections for Crawley Homes residents for a further 12 months beyond that set out in the Coronavirus Act 2020.

4. Background

- 4.1 The Coronavirus Act 2020 provides protection to social and private tenants by delaying when landlords can evict tenants. The provisions in the Act increased the length of required notice period landlords must provide to tenants when seeking possession of a residential property, and were extended through additional legislation.
- 4.2 This meant that between 29 August 2020 and 31 May 2021, with the exception of the most serious cases, landlords needed to give their tenants six months' notice before starting possession proceedings. These serious cases include those in relation to anti-social behaviour (including rioting), certain cases of domestic abuse in the social sector, false statement, where a tenant has accrued rent arrears to the value of over 6 months' rent, where a tenant has passed away and where a tenant doesn't have the right to rent under immigration legislation.
- 4.3 Legislation was in place up to the end of 31 May to ensure bailiffs do not serve eviction notices or carry out evictions but with exceptions for the most serious circumstances. These circumstances were illegal occupation, false statement, anti-social behaviour, perpetrators of domestic abuse in the social rented sector, where a property is unoccupied following death of a tenant and serious rent arrears greater than six months' rent.

5. Description of Issue to be resolved

- 5.1 The provisions set out within the Coronavirus Act recognised the economic, social and legal impacts of pandemic restrictions and put in place additional protections for tenants as part of a wider set of measures. With Covid-19 related regulations now being removed the Government is not seeking to further extend the additional protections around evictions, and so these are now reducing on a tapered basis.
- 5.2 It is broadly recognised that Crawley's economy has been disproportionately affected by the wider restrictions put in place to address the public health crisis. The town economy is heavily linked to both aviation and export industries and both are

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expected to take longer to recover than other sectors of the economy. This will mean that more residents in Crawley will be affected and for longer than in many other places.

- 5.3 Whilst the Council cannot legislate for such, it is able to set policy for its own Crawley Homes tenancies. Consequently it has decided to replicate these extra protections for a further year.

6. Information & Analysis Supporting Recommendation

- 6.1 Unemployment in Crawley has, over the course of the pandemic, moved from being one of the lowest nationally to one of the highest. It currently stands at 8.6% or 6,200 people. Likewise the town has one of the highest rates of furlough nationally at 9,500 or 16% of all eligible jobs, suggest a high risk of further job losses.

7. Implications

- 7.1 Tenancy Management implications: Despite the additional protections afforded to tenants, Crawley Homes has incurred no increases in arrears during the pandemic. A key reason for this is a decision pre-pandemic to reinforce the Housing Management Team after seeing a rise in arrears as a result of more tenancies moving onto Universal Credit. These additional protections still allow the service to address other serious issues where eviction remains a necessary option.
- 7.2 Financial Implications: Given the experience of the past year or more there is no reason to assume that by maintaining these additional protections that income will fall. Nonetheless, this will be watched carefully. By keeping tenants within their properties and working with them to manage their arrears this will ultimately reduce the burden on the General fund homelessness budget and on other public sector agencies.
- 7.3 Legal Implications: There are no legal implications of this report.

8. Background Papers

N/A

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Crawley Borough Council

Report to Overview and Scrutiny Commission
28th June 2021

Report to Cabinet
30th June 2021

Temporary Accommodation Modular Housing Solution

Report of the Head of Strategic Housing Services, *SHAP/81*

1. Purpose

- 1.1. The purpose of this report is to request Cabinet to approve the delegated authority for Officers to progress with the procurement of a modular housing solution for the provision of urgently needed temporary accommodation. To negotiate and complete all relevant legal documentation, and for the appropriate delegation required for the Leader to enter into the necessary contracts.
- 1.2. The reasoning behind this approach is to expedite the provision of quality accommodation through the use of off-site construction methods as the quickest and most versatile option in meeting the immediate demand for temporary accommodation. This will reduce the reliance on expensive nightly paid accommodation, including out of borough placements. This in turn reduces the pressure on the General Fund and the risk of breaching the legal requirement to ensure families do not remain in this type of accommodation for more than 6 weeks.
- 1.3. The selection of suitable sites will be undertaken by the Head of Strategic Housing Services, following discussion with any relevant Ward Councillors and in consultation with, and agreement in-principle, with the Leader of the Council and Cabinet Member for Housing.
- 1.4. Any contracts to be considered will be procurement compliant and any schemes to be progressed will remain subject to a successful planning application. Schemes will be from within an approved budget, and the delegated authority being requested will permit Officers to proceed with procuring a suitable provider, and determining the appropriate sites to progress through to Planning. Delegated authority for the Leader to award any contracts will enable approved schemes to be delivered through to completion in the most expeditious way.

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.

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2.2. To the Cabinet

The Cabinet is recommended to:

- a) Delegate authority to the Head of Strategic Housing Services, following discussion with any relevant Ward Councillors and in consultation with, and agreement in-principle from the Leader of the Council and Cabinet Member for Housing to identify suitable sites.
(Generic Delegation 7 will be used to enact this recommendation)
- b) Delegate authority to the Head of Strategic Housing Services to progress with procurement to address the need for temporary accommodation.
(Generic Delegation 7 will be used to enact this recommendation).
- c) Delegate authority to the Leader of the Council in consultation with the Cabinet Member for Housing, Head of Strategic Housing Services, Head of Legal, Governance and HR to approve the award of the contract following an appropriate procurement process.
- d) Delegate the negotiation, approval and completion of all relevant legal documentation, following the awarding of the contracts to the Head of Strategic Housing Services, Head of Legal, Governance and HR, Head of Corporate Finance, in consultation with the Leader of the Council and the Cabinet Member for Housing.
(Generic Delegations 2 & 3 will be used to enact this recommendation)

3. Reasons for the Recommendations

- 3.1. The Council currently has 265 households in temporary accommodation, with 97 of these presently in nightly paid accommodation, including 26 out of borough placements. This represents the highest level of need and demand for temporary accommodation across the County. These levels will inevitably rise significantly with the lifting of the ban on evictions.
- 3.2. The average cost of nightly paid accommodation to the council per household per week is £211.50 equating to £21,154.00 per week for current numbers (rent arrears and ineligibility for benefits not included in this figure). There are also the additional costs and burdens on Housing Benefit to process and pay the associated claims.
- 3.3. Nightly paid temporary accommodation is the most expensive and least desirable form of accommodation, particularly where there are children in the household and as a result, such households can only be placed into this type of accommodation in an emergency, and then only for a maximum period of six weeks.
- 3.4. A raft of measures are being progressed both locally and at a county-wide level to reduce the pressure on nightly paid accommodation. This report is focused on one of these work strands, namely the modular housing solution with its rapid pace of delivery.
- 3.5. The Council has recently secured £600k capital funding from the Government towards the provision of 10 additional units as part of a temporary housing pathway to support the prevention of homelessness and rough sleeping. Linked to this capital grant is a further £240k in revenue funding that has been awarded over a 3-year period to provide wrap around support services. The grant conditions require these units to be delivered within the current financial year or this funding will be lost.

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- 3.6. Due to the volumetric design concept of modular housing, it is necessary to first select the particular modular provider. The scheme is then designed in accordance with their volumetric design, and progressed through the planning process while gearing up the off-site construction. A short period of on-site works then follows to complete the development. The delegated authority being requested will enable Officers to progress this procurement, and for the Leader (in consultation with those mentioned in 2.2c) to award any contracts that will allow this initiative to derive the full benefits of fast-track housing delivery that modular housing offers.
- 3.7. The selection of any particular modular housing provider will be procurement compliant, and the site selection and planning application will follow the usual internal and external consultation, and will be fully policy compliant, including meeting national space standards. It will be delivered in accordance with an approved planning application, and to the high levels of efficiency and sustainability as is expected for Council housing.

4. Background

- 4.1. The Covid pandemic and the current economic climate has fuelled what is already a high demand on the homelessness service. In responding to this demand the Council has been forced to resort to some of the most expensive forms of temporary accommodation, such as B&B's and other nightly rated forms of accommodation.
- 4.2. The Council presently has access to 192 temporary accommodation units, with about one-third in the form of Council-owned hostel accommodation, and the other two-thirds being self-contained accommodation provided by Housing Association partners. To meet the current needs that exceeds this available stock, the Council spot-purchases nightly paid provision within and outside of Crawley.
- 4.3. The need to increase the supply of available temporary accommodation, in order to reduce the demand on nightly paid accommodation, is a key priority within the Council's Homelessness and Rough Sleepers Strategy. It is estimated that a small 10-unit scheme for temporary accommodation can save the Council in excess of £110k per annum in temporary accommodation costs.
- 4.4. The Council has been successful in bidding for £600k in capital funding, and £240k in revenue funding, towards the prevention of homelessness and rough sleeping, which needs to be implemented within the current financial year as a condition of this funding.
- 4.5. A range of other measures are also being implemented alongside this proposed fast-track modular housing approach, which include property acquisitions as well as homeless prevention, tenancy sustainment and move-on options with different levels of support.

5. Description of Issue to be Resolved

- 5.1. In order to respond to the immediate and pressing need for temporary accommodation, alongside the knowledge that a substantial spike is expected in future months, it is imperative that the Council pursues all available avenues to expand the existing temporary accommodation portfolio.
- 5.2. While traditional build remains an option, this route is typically drawn-out when compared with the off-site modular construction model that is proven to be significantly quicker to deliver and at a very competitive cost, and offers versatility of use such as using 'air-space' above car-parks or garages.

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- 5.3. With the current burden of nightly paid accommodation, and the increases demand that is expected to follow, it is considered that off-site modular construction will result in the quickest solution that will remain in Council's control to provide the most cost-effective and sustainable solution, alongside all the other measures that are also being explored.
- 5.4. The delegated authority being requested will serve to expedite the process that will enable Officers to directly engage with modular providers and to progress into contract for the identified schemes to be delivered most effectively through to completion in response to the immediate need for temporary accommodation.

6. Information & Analysis Supporting Recommendation

- 6.1. The proposal to explore off-site modular construction is primarily due to the pace at which schemes can be delivered in order to address this immediate challenge for temporary accommodation, and in anticipation of the pending increase in this demand that is expected on temporary accommodation.
- 6.2. A significant benefit of modular housing is the off-site construction method, which ensures that quality is maintained in a controlled environment, and that the disruption of on-site works is reduced to a minimum. Modular housing is now being provided at almost 'Passivhaus' standards of sustainability, and offers an array of internal designs and a wide palette of external finishes, and meets all Building Regulations and National Space Standards as is necessary to be policy compliant.
- 6.3. Furthermore, modular housing can be placed on podiums above car-parks or garages, or used for upward extensions of existing buildings, thereby able to utilise 'air-space' that traditional build methods would find challenging. If required, it also has the potential to be moved and relocated if this requirement is incorporated into the design brief. Otherwise it can be permanently sited in the same way as traditionally built housing.
- 6.4. This report is not intended to be site specific, as site selection is still to be agreed with the Leader and relevant Members, which will then be further explored with the identified modular housing provider, to assess the best options. Proposed sites will be brought forward through normal planning processes and subject to the usual Ward Member and public consultation.
- 6.5. With respect to addressing this pressing need for temporary accommodation, the Local Government Association (LGA) has promoted modular housing as a solution for Local Authorities to follow.
- 6.6. The £600k in capital funding and £240k in revenue funding that has recently been awarded by the Government, is to be match-funded with £800k from the Council's homelessness prevention budget, to enable the delivery of 10-units for move-on accommodation, with the potential to expand this provision to approximately 20-units within the available budget, aimed at preventing homelessness and rough sleeping and to increase the supply of temporary accommodation.
- 6.7. The Housing Options Team saw a 39% increase in overall approaches from 1st January – 31st December 2020 when directly compared to the previous year which equated to 507 additional cases during that 12 month period. This translated through to the additional demand for temporary accommodation.

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- 6.8. The increase in demand has remained at the same elevated level between 1st January 2021 through to 31st May 2021.
- 6.9. A large proportion of the demand from March 2020 was direct result of the “Everyone In Initiative” in response to the Covid pandemic, where rough sleepers and those at risk of rough sleeping were accommodated from March 2020 and the drive to ‘keep everyone in’. However, the same increased levels have remained steady and are likely to increase further this year.
- 6.10. The ban on the enforcement of most residential repossessions ended on 30th May 2021 (referred to as the “Eviction Ban”) and those in private rented and mortgage accommodation who saw a change to their financial circumstances and built up rent and mortgage arrears since lockdown measures started in March 2020 will now see their safety net disappear. It is this anticipated increase in demand that will start presenting to the Housing Options Service from June 2021 onwards, and will increase significantly from September 2021 as the Courts start working through the backlog of cases and notices are enforced.
- 6.11. Research from the National Residential Landlords Association 18th December 2020 suggested that 7% of private renters in England and Wales have built arrears since lockdown measures started in March 2020, which amounts to 840,000 renters across the sector as a whole. This situation will result in greater demands for temporary accommodation. The latest research by Shelter indicates 1.8 million private rented adults in England (22%) are worried they will lose or be asked to leave their home at short notice, equating to one in five private renters.
- 6.12. The above will meet the Council’s Homelessness & Rough Sleeping Strategy 2019-2024 priority 4.2 to “*keep the temporary accommodation portfolio under review to ensure it meets the Council’s statutory duties*”.
- 6.13. It will meet the Council’s Statutory Duties under the Housing Act 1996 (as amended) to secure suitable temporary accommodation for the homeless whilst investigations are made into their entitlement and subsequently, if certain conditions are met.
- 6.14. It will meet the duty under section 208 of the Housing Act 1996 (as amended) which states the Council “*must, so far as practicable, secure temporary accommodation within its district*”.
- 6.15. It will meet the duties of The Homelessness (Suitability of Accommodation) (England) Order 2012 and the accompanying Supplementary Guidance issued by the Secretary of State, which confirms that the location of the accommodation – including “*where the accommodation is out of the borough, its distance from the borough is relevant to the suitability of the accommodation secured*”. The 2012 Order also identifies a series of other matters related to location to which the authority must have regard in considering suitability of accommodation.
- 6.16. To fulfil the Council’s Temporary accommodation Placement Policy “*to provide, wherever reasonably practicable, suitable accommodation within Crawley, except in cases where there is a specific reason why the household should not be accommodated within our borough. However, our ability to meet this policy objective is subject to the supply of suitable temporary accommodation being available*”.

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7. Implications

7.1. Financial implications:

- 7.1.1. The Budget and Council Tax 2021/22 [FIN/514](#) report to Cabinet on 3rd February 2021 and Full Council on 24th February 2021 included a recommendation to increase the budget for temporary accommodation acquisition to £1.1m funded from Homelessness monies.
- 7.1.2. Report Fin/526 2020/2201 Budget Monitoring Quarter 4 elsewhere on this Agenda has a recommendation to full Council to increase the budget for Temporary Accommodation Acquisitions to £2.4m, this will be funded in part by the £600,000 capital grant that has been secured.
- 7.1.3. The purchase of such modular housing can be funded from this allocation where the report states: 'The strategic housing officer group are working at identifying suitable accommodation, and are looking at multiple opportunities. Should suitable accommodation become available officers would want to quickly make a purchase. This would be done in consultation with appropriate Members.'
- 7.1.4. A further £600k capital funding and £240k revenue funding for an additional 10 units of temporary accommodation is available to the Council through Government grant to supplement this budget subject to these additional 10 units being delivered during the current financial year.
- 7.1.5. The properties will be general fund properties, they will be maintained by Crawley Homes and a charge will be made for that. Rental income will be covered by housing benefits, this will result in additional income into the general fund.

7.2. Legal Implications:

- 7.2.1. In accordance with the recommendations above, the delegation of the negotiation, approval and completion of all legal documentation, and the awarding of any contracts, will require legal oversight and approval, and will also ensure procurement compliance.
- 7.2.2. Over-reliance on nightly paid accommodation increases the risk of failing to comply with legal duties.

7.3. Staffing Implications:

- 7.3.1. An additional £240k revenue funding spread across three years is available to the Council to meet the additional management and support costs associated with the prevention of homelessness and rough sleeping, subject to the delivery of 10 additional units in the current financial year. Any additional costs will be addressed, as far as practically possible, through current grant allocations and further funding bids.

7.4. Procurement Implications:

- 7.4.1. Procurement will be managed in accordance with the Public Procurement Regulations (2015) and in accordance with the Council's Procurement Code.

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7.5. Consultation Implications

- 7.5.1. Consultation with Ward Members will take place at an appropriate stage of the site identification process, once agreed by the Cabinet Member for Housing and the Leader of the Council.

8. Background Papers

Crawley Borough Council's Homelessness & Rough Sleeper Strategy 2019-2024

[Housing Act 1996](#)

[Homelessness Reduction Act 2017](#)

Council's Temporary accommodation Placement Policy

Homelessness (Suitability of Accommodation) (England) Order 2012

Crawley Borough Council's Temporary accommodation Placement Policy

[Homelessness Code of Guidance](#)

<https://www.nrla.org.uk/research/deep-insight/tenant-survey-nov2020>

LGA Council Innovation and Learning in Housing our Homelessness Households

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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