

Crawley Borough Council

Overview and Scrutiny Commission

Agenda for the **Overview and Scrutiny Commission** which will be held in **Committee Rooms A & B - Town Hall**, on **Monday, 11 March 2024** at **7.00 pm**

Nightline Telephone No. 07881 500 227



Chief Executive

Membership: Councillors M L Ayling (Chair), H Hellier (Vice-Chair), I Ashraf, K Khan, R A Lanzer, T Lunnon, J Millar-Smith, A Pendlington, S Piggott, S Raja and J Russell

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

Part A Business (Open to the Public)

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Please note that the live stream will not have the comment function enabled.

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|---|---|------------------------------|
| <p>1. Apologies for Absence</p> <p>2. Disclosures of Interest and Whipping Declarations</p> <p>In accordance with the Council's Code of Conduct, councillors are reminded that it is a requirement to declare interests where appropriate.</p> <p>Councillors must also declare if they are subject to their party group whip in relation to any items under consideration.</p> | <p>3. Minutes</p> <p>4. Public Question Time</p> <p>5. Second Home Council Tax Premium</p> <p>6. Climate Emergency Action Plan Update</p> | <p>5 - 10</p> <p>11 - 16</p> |
| <p>To approve as a correct record the minutes of the Overview and Scrutiny Commission held on 29 January 2024.</p> <p>To answer any questions or hear brief statements from the public which are relevant to the items on this agenda. The period will end after 15 minutes or later at the Chair's discretion.</p> <p>To consider report FIN/648 of the Head of Corporate Finance.</p> <p>To receive an update on the Climate Change Emergency Action Plan.</p> | | |

7. Homelessness Update

To consider report CEX/067 of the Chief Executive.

8. Health and Adult Social Care Scrutiny Committee (HASC)

To receive a brief update on the [Health and Adult Social Care Scrutiny Committee](#) (HASC).

9. 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.

Reports	PDF
1. Financial Outturn 2023-2024 (Quarter 4)	
2. Treasury Management Outturn 2023-2024	Yes
3. Crawley Borough Local Plan 2023-2040	Yes

10. Supplemental Agenda

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

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Crawley Borough Council

Minutes of Overview and Scrutiny Commission

Monday, 29 January 2024 at 7.00 pm

Councillors Present:

M L Ayling (Chair)
H Hellier (Vice-Chair)
I Ashraf, K Khan, R A Lanzer, T Lunnon, S Piggott, S Raja and J Russell

Also in Attendance:

Councillor B J Burgess, M G Jones, Y Khan and B Noyce

Officers Present:

Vicki Basley	Chief Accountant
Georgina Bouette	Head of Community Services
Dan Carberry	Public Protection and Enforcement Manager
Ian Duke	Chief Executive
Heather Girling	Democratic Services Officer
Carolin Martlew	Head of Corporate Finance
Nigel Sheehan	Head of Projects and Commercial Services

Apologies for Absence:

Councillor J Millar-Smith and A Pendlington

1. Disclosures of Interest and Whipping Declarations

The following disclosures were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor RA Lanzer	2023-2025 Budget and Council Tax (Minute 5)	Personal Interest – Member of WSCC
Councillor RA Lanzer	Health and Adult Social Care Scrutiny Committee (HASC) (Minute 10)	Personal Interest – Member of WSCC
Councillor RA Lanzer	Health and Adult Social Care Scrutiny Committee (HASC) (Minute 10)	Personal Interest – Cabinet Member for Health and Wellbeing

2. Minutes

The minutes of the meeting of the Commission held on 8 January 2024 were approved as a correct record and signed by the Chair subject to the following clerical corrections:

- 1) Item 4 (Safer Crawley Partnership Annual Review and Forthcoming Priorities) that the following be included: "Confirmation that currently a programme was not available for violence against partners at home with a focus on men. However, this may be refreshed based on future intelligence later in the year".
- 2) Item 5 (Crawley Borough Council Tree Planting Strategy) that the following be included:
"Overall, the council would not see a reduction in the total tree coverage and ways would be investigated to increase the canopy cover".

3. Public Question Time

No questions from the public were asked.

4. 2023/2024 Budget Monitoring - Quarter 3

The Commission considered report [FIN/643](#) of the Head of Corporate Finance on the quarter 3 budget monitoring, which set out a summary of the Council's actual revenue and capital spending for the quarters to December 2023 together with the main variations from the approved spending levels and impact on future budgets.

During the discussion with the Leader of the Council, Head of Corporate Finance and the Chief Accountant, the following comments were made:

- Confirmation provided that the forecast General Fund balance remained above the recommended minimal balance of £3m. However, it was noted further reporting would feature in the Financial Outturn report.
- Recognition that the HRA account was a ring-fenced account for recording expenditure and income on the Council's own housing stock and closely related services or facilities, provided primarily for the benefit of the Council's own tenants.
- Clarity was provided on the town hall overspend in relation to the pressures identified with transitioning to the new building. It was noted that some costs would be addressed as tenants move into the building through service charges and as additional income was generated.
- Confirmation provided that whilst IT and vehicle replacement were not anticipated to impact on services short term there may be a requirement to investigate procurement and financing long term.
- Acknowledgement that the most significant pressure on the Council's budget was homelessness. The Q3 forecast was £7.6m on temporary accommodation for 2023-2024, resulting in a forecast overspend of £3.6m against budget.
- As a result of the costs being attributed to housing and in particular temporary accommodation, it was moved by Councillor Lunnon (seconded by Councillor Russell) that it would be beneficial for the Commission to receive a detailed report on the rising costs and data attributing to these factors. Upon being put to the Commission, the proposal was declared as carried.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet, with the additional recommendation noted above.

5. 2024-2025 Budget and Council Tax

The Commission considered report [FIN/642](#) with the Leader of the Council, Head of Corporate Finance and the Chief Accountant. The Council has a statutory responsibility to set a Council Tax and Budget in advance of the commencement of the new financial year. The Council Tax has to be set by March each year. During the past year the Council had continued to review its spending plans and considered options to amend spending to meet new priorities.

During the discussion, the following points were expressed:

- Clarity sought and obtained on the use and validity of applying for capital dispensation, by which the Government, exceptionally, permitted local authorities to treat revenue costs as capital costs. It was confirmed that this was not advisable given that in the absence of usable capital receipts this would result in borrowing from the PWLB at a punitive plus 1% interest rate, and it was prudent to conduct a review of current reserves rate.
- Concerns raised about the predictions for the projected future budget gaps. It was noted that the review of current reserves was part of the process identified in the Budget Strategy, but reserves could only be used once. A seminar was being arranged to provide further budgetary information.
- Query sought and provided on the business rates calculation, business rates equalisation reserve, together with confirmation provided on the town hall business rates, vacant floors, void costs and rental income.
- Clarification sought on the current overspend within the repairs and maintenance budget. It was acknowledged that there had been various national changes impacting the service including Decent Homes Standard, new legislation, national campaigns and more recently, the new structure for the Repairs teams.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

6. Treasury Management Strategy 2024-2025

The Commission considered report [FIN/644](#) of the Head of Corporate Finance on the Treasury Management Strategy for 2024/2025 which the Council was required to approve before the start of the financial year in accordance with the CIPFA Code of Practice for Treasury Management and the Council's financial regulations.

During the discussion with the Leader of the Council, the Head of Corporate Finance and the Chief Accountant, the following comments were made:

- Acknowledgement that currently local authorities still provided a good rate of return on investments.
- Confirmation provided that under legislation local authorities were not allowed to default on loans. It would not be advisable to lend to local authorities that had issued a section 114 notice.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

7. **Review Of Crawley Borough Councils Statement Licensing Policy for 2024 - 2029**

The Commission considered report [HCS/073](#) of the Head of Community Services. The report sought approval for the Statement of Licensing Policy for the next five years.

During the discussion with the Cabinet Member for Public Protection, the Head of Community Services and the Public Protection and Enforcement Manager, the following comments were made:

- Noted that it was a legal requirement that the Council published a Statement of Licensing Policy under the Licensing Act 2003.
- Recognition that the Policy acknowledged the changing nature of the town's licensed economy and sought to understand the primary nature of the venue, encouraging applicants to clearly, and transparently, set out how the business intended to operate throughout the day and night, alongside measures to ensure the promotion of the Licensing Objectives. The Policy aimed to provide clearer guidance to applicants, responsible authorities and decision makers in relation to how applications should be considered as well as the obligations of licence holders.
- Clarity sought and obtained regarding Ward Member involvement in the process. It was confirmed that Ward Councillors were informed of all new applications and any application to vary a licence across the Borough.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

8. **PSPO - Council Owned Multi-Storey Car Parks**

The Commission consider report [HCS/072](#) of the Head of Community Services, along with associated appendices [A](#), [B](#) and [C](#). The report sought to introduce a new Public Spaces Protection Order (PSPO) to restrict anti-social and criminal behaviours within council-owned multi-storey car parks within Crawley following public consultation. During the discussion with the Cabinet Member for Environment, Sustainability and Climate Change, the Head of Community Services and the Public Protection and Enforcement Manager, the following comments were made:

- Clarity provided on measuring the success of a PSPO. This would be based on a high rate of compliance, evidence from the reduction in reporting and observations by the Public Protection Team. The use and number of FPNs was not an indicator of overall PSPO success. Any income from the FPNs would be included in the general fund for a range of options.
- Detailed information provided on the criteria and two conditions to be applied as set out in section 5.1 of the report. It was confirmed PSPOs can only be made where the Council was satisfied on reasonable grounds and there was evidence demonstrating those two conditions.
- Recognition that the introduction would demonstrate a commitment from the Council to tackle issues robustly and any issues should be reported promptly.
- Confirmation provided that the PSPO would not be used to address rough sleeping, which in itself was not a criminal activity nor deemed as anti-social behaviour as a PSPO looked at unreasonable and persistent behaviour. Rough sleeping was a complex issue, but where an intervention would be delivered with a rough sleeper, for example, would involve substance misuse where sharps had been discarded. In this instance rough sleeping was not a defence, but the vulnerabilities and experiences endured by an individual were the root cause and

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the behaviour was systematic. The Council continued to work with Crawley Open House and other agencies to provide a supported invention approach.

- Acknowledgement that following the consultation, the majority of respondents had been in support of the introduction of the PSPO. The Commission was pleased that Sussex Police had also endorsed the proposal.
- There was general support for empowering police officers, PCSOs and the Public Protection Team. Given the strong evidence of support and need for the proposal, it was moved by Councillor Lanzer (seconded by Councillor Russell), that the Commission expressed its '*explicit support for the introduction of the PSPO*', which was agreed.

RESOLVED

That whilst noting and welcoming the report, the Commission also expressed its explicit support for the introduction of the PSPO. It was requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

9. Appointments to Scrutiny Panels

Nominations had been received for the 'Waste and Recycling Scrutiny Panel', along with nominations for Councillor Piggott and Councillor Russell as Chair.

As a result of a vote, and in accordance with the Local Government and Housing Act 1989 it was:

RESOLVED

That the Commission confirmed the establishment of the 'Waste and Recycling Scrutiny Panel', with the membership of Councillors Ayling, Charatan, Lanzer, Piggott, Russell, with Councillor Russell as Chair.

10. Health and Adult Social Care Scrutiny Committee (HASC)

An update was provided from the most recent HASC meeting. Key items of discussion included:

Access to Dentistry –

- The NHS dental contract was the cause of many of the problems facing dentistry and needed to be renegotiated.
- Worsening dental health led to wider health problems
- An action programme was needed for Arun, Chichester and Horsham because of the high number of Units of Dental Activity (UDAs) lost due to contract hand backs
- It was noted that there was nothing in the report on education or prevention
- There should be an obligation on dentists to see NHS patients and if people had to pay for private treatment, they might not be able to afford other essentials.
- Overall, the business model of dentistry needed to be looked at.

Sussex Health and Care People Plan –

- The Plan undertook a system-wide approach and there were a number of related programmes outside of the Plan.
- Actions were measured through the People Delivery Board and an Implementation Plan and it would be important that the Implementation Plan contained more information on time frames, actions and metrics was shared.
- Although the number of vacancies in social care was greater in West Sussex due to a higher number of posts, the percentage rate was about the same as neighbouring authorities – the Council was working with providers to fill vacancies.

Work Programme –

- Update to be brought on the closure of Zachary Merton Hospital in Rustington to the next Business Planning Group meeting, along with update on the impact of the closures of Marjorie Cobby House and Shaw Day Services.

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

The Commission confirmed the following reports:

11 March – Building Control Services Review (Part B)

12. Exempt Information – Exclusion of the Public

RESOLVED

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

13. Crawley Town Centre Heat Network - Phase 2 Expansion

Exempt Paragraph 3

Information relating to financial and business affairs of any particular person (including the Authority holding that information)

The Commission considered report HPS/39 of the Head of Major Projects and Commercial Services. The report requested Cabinet approval for the future options of the District Heat Network (DHN). During the discussion with the Cabinet Member for Environment, Sustainability and Climate Change and the Head of Major Projects and Commercial Services the following comments were made:

- Support for an options appraisal to assess the appropriate role for the Council in progressing the DHN phase 2.
- It was felt that a further report regarding this matter was important to look at objectives, opportunities and seek reassurance.
- Recognition that any application for grant funding should be sought.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

Closure of Meeting

With the business of the Overview and Scrutiny Commission concluded, the Chair declared the meeting closed at 9.07 pm

M L Ayling (Chair)

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Crawley Borough Council

Report to Overview and Scrutiny Commission 11 March 2024

Report to Cabinet 13 March 2024

Second Home Council Tax Premium

Report of the Head of Corporate Finance (s151 Officer) **FIN/648**

1. Purpose

- 1.1. The Levelling-up and Regeneration Act came into force on 26 October 2023. The Act allows councils to charge higher Council Tax on properties that are defined as long term empty homes and properties that are only occupied occasionally (second home). The additional charge is intended to encourage owners to bring properties back into use and could boost the supply of properties in the borough.
- 1.2. The report recommends that the changes to the Empty Property (Empty Property) premium and changes to the Dwellings Occupied Periodically (Second Homes) are introduced from 1 April 2025.

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. The Cabinet is requested to recommend that Full Council:

- a) Approve a Premium of 100% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) after 1 year, instead of two years from 1 April 2025;
- b) Approve the application of a premium for dwellings Occupied Periodically (Second Homes) charged at 100% (twice the current Council Tax Amount) from 1 April 2025;
- c) Delegate authority to the Head of Corporate Finance (Section 151 Officer) to implement this Council's policy on premiums in line with statute and any subsequent guidance issued by the Secretary of State following the outcome of the consultation (Appendix A) which recommends exceptions to the second homes premium in certain circumstances.

3. Reasons for the Recommendations

- 3.1. The Council declared a housing emergency at the Full Council meeting on 21 February 2024. The aim of introducing a council tax premium on long term empty homes and second homes is to reduce the number of empty homes within the borough and to encourage the use of premises as main residences by local residents rather than second homes.

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4. Background

- 4.1. The Levelling-up and Regeneration Act 2023 came into force on 26 October 2023. The 2023 Act enables the Council, as billing authority, to impose an empty homes premium after one year instead of two. The Council can also impose a higher charge Council Tax on properties that are only occupied occasionally (the Second Home Council Tax Premium).
- 4.2. The report identifies decisions required by Full Council and makes the recommendation to change the Council's approach in respect of certain discretionary areas within Council Tax legislation. It is recommended that the charge will take effect from 1 April 2025.

5. Council Tax Premium Changes:

Empty homes premiums

- 5.1. Section 79 of the 2023 Act will allow the Council as billing authority to impose an empty homes premium after one year instead of two.
- 5.2. Section 79 provides that billing authorities must have regard to any guidance issued by the Secretary of State when deciding whether to implement an empty homes premium and it is expected that the current guidance drafted by government in 2013 will be updated. This change to guidance will come into effect from the 2024/25 financial year. It is proposed to implement this change from 1 April 2025 to enable the Council to update its policies and gather and interpret the information required.
- 5.3. There are currently 35 empty properties attracting a Council Tax premium by falling under the definition of being a dwelling that is substantially unfurnished and unoccupied. The list of 35 properties is comprised of: 26 properties which have been unoccupied between 2 and 5 years; 5 properties that have been empty between 5 and 10 years; and 4 properties which have been empty for over 10 years. In addition there are approximately 500 properties on the Council Tax database some of which could potentially attract the 100% premium a year earlier (one year instead of two years). However, it should be noted that it is impossible to identify the number of properties that will remain empty on 1 April 2025, particularly when compared to the current number of long-term empty properties vacant for 2+ year (35 properties in total).
- 5.4. The legislation will also bring in exemptions to the premium, which would further reduce any potential income. The estimated figure is therefore likely to drop significantly. The exemptions are summarised in Appendix A.

Second Homes premiums

- 5.5. Section 80 of the 2023 Act will allow all English billing authorities to charge a premium of up to 100% on second homes (no one's sole or main residence and which is substantially furnished) from 1 April 2025.
- 5.6. It is recommended that the Council resolves to apply a premium of 100% on second homes with effect from 1 April 2025. The legislation requires that the Council gives at least one year's notice from the date of a Full Council resolution and the change can only be effective from the commencement of a financial year, the earliest being 1 April 2025.
- 5.7. There are currently 331 second properties in the Council Tax database. However, the exact number of second properties within the borough is difficult to determine as there is currently no requirement or incentive for customers to notify the Council Tax team of a second property. An exercise will be undertaken to confirm that all the 331 second properties noted in the Council Tax database remain second properties. This will not, however, tell the

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Council about second homes that are not currently identified as second homes. Reviewing all homes on the database will be a significant task.

- 5.8. Modelling the current data of 331 second homes as a proxy, additional income of approximately £77k might be generated for the Council. However, this is likely to decrease. The increase in the second home premium from April 2025 was included in the [Budget Strategy 2024/25 to 2026/27](#) approved by Full Council in December 2023 and is reflected in the financial forecast.

6. Information & Analysis Supporting Recommendation

- 6.1. The proposed increases in Council Tax Premiums for Second Homes and Empty Homes are discretionary. The Council could choose not to implement the premiums. However, this would not encourage the use of premises as main residences by local residents rather than second homes or to reduce the number of empty properties in the borough.

7. Implications

- 7.1. The resolution by the Full Council arising from the recommendations in this report should be published in the local newspaper within 21 days of the resolution being made.
- 7.2. If the recommendation is accepted, any additional income would be shared with West Sussex County Council and the Sussex Police and Crime Commissioner. Based on current modelling the increase in council tax from 1 April 2025 is summarised in the table below:

Preceptor	Second Homes Premium	Percentage
	£	
Crawley Borough Council	76,825	11%
Sussex Police and Crime Commissioner	83,713	11%
West Sussex County Council	567,648	78%
	728,186	100%

- 7.3. Additional resource will be needed to cleanse and potentially collect new data for both Long Term Empty Homes and Second Homes, as well as additional administration time spent dealing with the correspondence, non-compliance and complaints. This cost will be borne by the Council as the billing authority and should be netted from the additional income generated.
- 7.4. The main risk associated with the implication of the recommendations will be the increase in non-compliance, with some taxpayers actively trying to avoid the new charges by providing incorrect information to the Council.
- 7.5. The Council already has processes and procedures in place in order to ensure that all charges are applied correctly. Further compliance procedures will be established to ensure that the new second homes premium is applied in accordance with the legislation and the Council's requirement.
- 7.6. There may be circumstances where the implementation of these changes (percentage increases in the level of premiums) may cause exceptional hardship to a taxpayer. In such cases, the Council will consider applications for a reduction in liability under its Section 13A (1)(C) of the Local Government Finance Act 1992 - Reduction in Council Tax liability policy.

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8. **Background Papers**

[Levelling-up and Regeneration Act 2023](#)

Report author and contact officer:

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Phone number 01293 8263

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Appendix A

Exceptions from the premiums (empty homes premiums and second homes premium)

The government has released a consultation paper [Consultation on proposals to exempt categories of dwellings from the council tax premiums in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-england)

The consultation (which has now ended), sought views on possible categories of dwellings which should be dealt with as exceptions to the council tax premiums. It covers the empty homes premium, and also the second homes premium, provisions for which are included within the Levelling-up and Regeneration Act.

The consultation proposes that there will be circumstances where either premiums will either not apply or be deferred for a defined period of time. These are as follows:

Empty properties and second homes where probate has been awarded will have a 12-month exception from the premium at the end of the statutory 6-month exemption period.

- Empty properties and second homes being actively marketed for sale or to let would receive a 6-month exception from the premium.
- Empty properties undergoing major repairs would receive a 6-month exception from the premium.
- Annexes forming part of or being treated as part of the main dwelling would be an exception from the second home premium applied.
- Properties currently receiving a 50% job related second home discount would be an exception from the second home premium.
- Occupied caravan pitches and boat moorings would be an exception from the second home premium.
- Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation would be an exception from the second home premium.

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Crawley Borough Council

Report to Overview and Scrutiny Commission 11 March 2024

Homelessness Update

Report of the Chief Executive – CEX/067

1. Purpose

- 1.1. This report has been produced at the request of the Commission for an update on Homelessness. This request was made as part of the Commission's deliberations of the recent budget report.

2. Recommendations

- 2.1. To the Overview and Scrutiny Commission:
That the Commission considers and notes the Homelessness Update

3. Reasons for the Recommendations

- 3.1 To comply with the request by the Commission for an update.

4. Background

- 4.1 At its budget meeting on 21 February 2024, the Council unanimously agreed to declare a [Housing Emergency](#). This was the culmination of ongoing and increasing concern, firstly about the impact of homelessness and secondly about the costs of temporary and emergency accommodation that are putting Council finances at risk. The Commission itself considered the underlying drivers in [SHAP/87 Homelessness in Crawley](#) at its meeting in June 2023.
- 4.2 The underlying drivers as set out in SHAP/87 remain. This is a complex and nuanced blend of personal circumstances, the impact of national policy decisions, the pressures brought on by broader economic issues and the local housing market. It is clear however that the position is worsening. A recent Shelter study showed homelessness levels in Crawley to be the third highest in the south-east (after Hastings and Brighton & Hove) at 1 in every 111 people.
- 4.3 Structurally, the situation is driven by the following factors:
 - The unaffordability of home ownership for an increasing number of people. Housing affordability in Crawley is worse than the national picture. In 1997 a full-

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time employee would need to spend 3.6 times their annual salary to buy a home. That ratio now stands at 9.3.

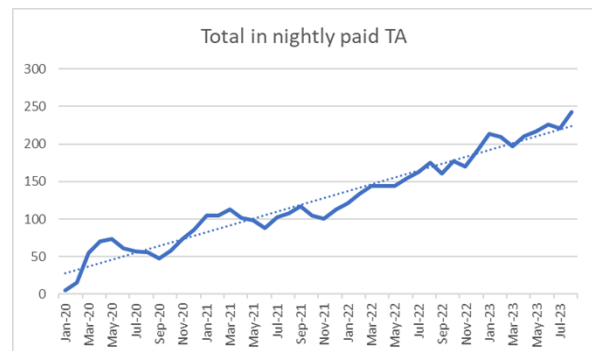
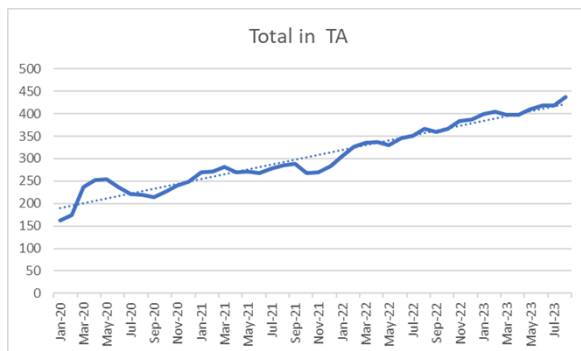
- A shrinking private rented sector with soaring rents (8% increase in the last year) that also makes this option for housing increasingly unaffordable. The median monthly private rental price for all properties in Crawley is £1,175, well above the national average price of £850.
- Shortage of council and other social housing to meet demand, that is exacerbated by the imposition of Water Neutrality planning restrictions slowing down new development. This is despite having one of the best records nationally in developing 936 Council-owned units and a further a further 677 units through Housing Associations over a 10-year period.

4.4 On an individual case level the two of the most prolific causes of homelessness, both locally and nationally are households who are no longer willing or able to accommodate friends or family members, and loss of private rented sector accommodation. The pressures on household finances (as a result of cost-of-living pressures) and on the private rented sector (as a result of policy decisions to change taxation and the security of tenure) only fuels instability, driving more people to approach local housing authorities for help.

4.5 The impact is captured through the following position at the beginning of February:

- 485 households, or 1224 people, living in temporary accommodation
- Of these 212 were housed in nightly paid emergency accommodation
- 78 households were placed out of borough
- In total 1,089 households were being assisted
- Housing waiting list stands at 2,425 applicants (just over 1,300 in 2018/19)
- Of these, 933 are in priority bands A+ and A
- The 243 housing units made available over the past 8 months received 2796 applications (11 applicants per property and 260 bids for every property)

4.6 The Covid-19 pandemic had a swift, significant, and lasting impact on homelessness and the services that support those affected. 2020 saw a 40% increase in approaches to the Council's Housing Options service and a similar increase in the use of temporary accommodation.



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- 4.7 Demand for social housing shows no sign of slowing. Escalating and ongoing cost of living pressures have meant that the demand on homelessness services has not and is not likely to return to pre-pandemic levels. In addition, the town is also a geographical focus for Home Office housing needs. Crawley has hosted the single largest Afghan bridging hotel on the country, at one point accommodating 800 households. It also hosts four asylum contingency hotels, currently accommodating between 500 and 700 households at any one time (reducing to three hotels in March, but two of the remaining hotels will be used more intensively). Further, the Council is now starting to receive approaches from Mauritius following the Chagossian British Overseas Territories Citizenship scheme. This represents further and multiple points of housing pressure to come.
- 4.8 This coincides with a sharp contraction in new properties coming forward. The impact of water neutrality is now being felt, slowing the development of new units. The retrofitting work undertaken within Crawley Homes stock, and the development of a Water Neutrality Strategy (both commended at the recent Local Plan Examination), will unblock this to a degree, but the benefit will only arrive in future years and not at the same rate as we have witnessed previously.
- 4.9 With growing demand and constricted supply, the inevitable result is an increase in costs. The net cost of Temporary Accommodation for the Council has increased from £262k in 2018/19 to a projected £5.8m in 2023/24 (equivalent to 38% of the Council's net revenue budget). This is driven by the increase of numbers within temporary accommodation; the increasing marginal cost of accommodation (an 11% rise in the last 9 months alone) given scarcity and competition; and households remaining within temporary accommodation longer because of the lack of available of units either within the social rented or private rented sectors.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Projection	2024/25 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TA Spend	456	333	1,295	2,208	4,656	7,700	7,000
TA Income	(194)	(139)	(511)	(773)	(1,344)	(1,925)	(1,750)
Net cost of TA	262	194	784	1,435	3,312	5,775	5,250
Income recovery*	43%	42%	39%	35%	29%	25%	25%

- 4.10 Looking forward, the budget for 2024/24 shows a predicted new cost of £5.25m. This is very much dependent on the success and delivery of mitigations being developed and delivered. If cost growth was to continue along the current trajectory, spend would be significantly higher and approaching 50% of the Council's net revenue budget within the next 18 months. This is unsustainable.

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5. Responses

- 5.1 Whilst the Council is responsible for the related statutory duties and how these are managed, the key levers needed to tackle the underlying drivers sit at the national level. The approach taken has therefore been at two levels. The first has been to work with others to raise awareness of the challenges and seek changes at the national level. The second has been to redouble the Council's own efforts and consider every opportunity available.
- 5.2 The costs of temporary accommodation are hitting many local authorities up and down the country. Within the local government family, it is emerging quickly as an issue to stand alongside issues such as adult social care, children's social care and special education needs (in particular the costs of school transport). Not all local authorities are affected to the same degree, however.
- 5.3 Crawley is an outlier in three respects. Firstly, the scale of costs as a proportion of the Council's net revenue budget. Secondly, the rate of growth seen within Crawley. Thirdly, the scale of compounding issues such as water neutrality among others. There are however several authorities across Sussex and Kent who are also outliers in terms of the scale of impact, and Crawley convenes meetings sharing information across these authorities.
- 5.4 One such authority, Eastbourne, has led two District Councils Network events highlighting these issues. At the first of these, the following asks, developed by the Sussex and Kent councils referred to above and supported by 119 councils, were made of Government ahead of the Autumn Statement:
- Raise Local Housing Allowance rates to a level that will cover at least 30% of local market rent and commit to annual uprating.
 - Provide £100m additional funding for Discretionary Housing Payments in 2023-24 and an additional £200m in 2024-25.
 - Provide a £150m top-up to the Homelessness Prevention Grant for 2024-25.
 - Review the cap for housing benefit subsidy rate for local authority homelessness placements.
 - Develop policy to stimulate retention and supply in the privately rented sector.
 - Give councils the long-term funding, flexibility and certainty needed to increase the supply of social housing.
- 5.5 The Autumn Statement announced that the first ask, Local Housing Allowance, would be unfrozen. This should help some private renters to continue to afford to remain in their rented properties, preventing them from presenting as homelessness. The other asks were not addressed in the Autumn Statement. The second District Councils Network therefore focused on the Housing Benefit Subsidy ask. This relates to the Government's contribution to the costs incurred by councils in meeting their statutory duties. The level at which Housing Benefit Subsidy is set tied to 2011 rental costs and has remained frozen for the past 13 years.
- 5.6 Officers calculate that unfreezing this would have contributed £800k to £1m to this year's costs. This does not solve the issues but would help to buy more time for those councils whose finances are challenged by the costs of temporary

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accommodation. At the time of writing the District Councils Network were due to make a further call to Government on this ask, ahead of the forthcoming budget.

- 5.7 At the recent meeting of Full Council, members unanimously agreed to declare a Housing Emergency. It was also resolved to request the Leader of the Council and the Cabinet Member for Housing to write to the Secretary of State for Levelling Up, Housing and Communities calling for additional resources to help local housing authorities and councils worst affected such as Crawley, including unfreezing the Local Housing Allowance for councils currently set at 2011 levels. At the time of writing that letter is being drafted with a view to being sent shortly. Being an open letter members will receive a copy separately.
- 5.8 In addition, officers have also sought to put other mitigations in place to ameliorate the situation. Proposals to build, acquire or procure additional properties at lower cost continue, and these have been set out in other reports. Work to prevent future homelessness continues, supported by recent announcement of Government funding. The team is already working with over 750 households in this space. Reviews of existing cases is underway both to identify improvements in processes and to identify where are options may now be available. This activity will continue including inviting expertise from outside to contribute.

6. Next Steps

- 6.1. The efforts as set out above are likely to continue for some time. In addition, the focus will soon turn to developing proposals towards addressing the structural drivers at the heart of this issue. Working with similarly affected councils and linking with others through the likes of the District Councils Network and others, the Council is well placed to contribute its views.

7. Background Papers

[SHAP/87 Homelessness in Crawley](#)

[Notice of Motion – Declaring a Housing Emergency](#)

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