

Crawley Borough Council

Cabinet

Agenda for the **Cabinet** which will be held in **Committee Rooms A & B**
- Town Hall, on Wednesday, 13 March 2024 at 7.00 pm

Nightline Telephone No. 07881 500 227



Chief Executive

Membership: Councillors

M G Jones (Chair)	Leader of the Council
I T Irvine	Cabinet Member for Housing
Y Khan	Cabinet Member for Public Protection
C J Mullins	Cabinet Member for Leisure and Wellbeing
S Mullins	Cabinet Member for Community Engagement and Culture
A Nawaz	Deputy Leader of the Council & Cabinet Member for Planning and Economic Development
B Noyce	Cabinet Member for Environment, Sustainability and Climate Change
T Rana	Cabinet Member for Resources

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

Part A Business (Open to the Public)

Pages

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1. Apologies for Absence

2. Disclosures of Interest

In accordance with the Council's Code of Conduct, councillors are reminded that it is a requirement to declare interests where appropriate.

3. Minutes

To approve as a correct record the minutes of the Cabinet held on 31 January 2024.

4. Public Question Time

To answer any questions asked by the public which are relevant to the functions of the Cabinet.

Public Question Time will be concluded by the Chair when all questions have been answered or on the expiry of a period of 15 minutes, whichever is the earlier.

5. Matters referred to the Cabinet and Report from the Chair of the Overview and Scrutiny Commission

To consider any matters referred to the Cabinet (whether by a scrutiny committee or by the Council) and those for reconsideration in accordance with the provisions contained in the Scrutiny Procedure Rules, the Budget Procedure Rules and the Policy Framework Procedure Rules set out in Part 4 of the Council's Constitution.

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<p>6. Second Home Council Tax Premium</p> <p>The Leader's Portfolio</p> <p>To consider report FIN/648 of the Head of Corporate Finance, which was referred to the meeting of the Overview and Scrutiny Commission on 11 March 2024.</p>	17 - 22
<p>7. Enhanced Shop Front and High Street Improvement Programme</p> <p>The Leader's Portfolio</p> <p>To consider report PES/455 of the Head of Economy and Planning.</p>	23 - 30
<p>8. Supplemental Agenda</p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	

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Crawley Borough Council

Minutes of Cabinet

Wednesday, 31 January 2024 at 7.00 pm

Councillors Present:

M G Jones (Chair)	Leader of the Council
I T Irvine	Cabinet Member for Housing
Y Khan	Cabinet Member for Public Protection
C J Mullins	Cabinet Member for Leisure and Wellbeing
S Mullins	Cabinet Member for Community Engagement and Culture
A Nawaz	Deputy Leader of the Council & Cabinet Member for Planning and Economic Development
B Noyce	Cabinet Member for Environment, Sustainability and Climate Change
T Rana	Cabinet Member for Resources

Also in Attendance:

Councillors M L Ayling and D Crow

Vicki Basley	Chief Accountant
Georgina Bouette	Head of Community Services
Dan Carberry	Public Protection and Enforcement Manager
Siraj Choudhury	Head of Governance, People & Performance
Ian Duke	Chief Executive
Carolin Martlew	Head of Corporate Finance
Chris Pedlow	Democracy & Data Manager
Nigel Sheehan	Head of Projects and Commercial Services
Clem Smith	Head of Economy and Planning

1. Disclosures of Interest

The following disclosures were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor Nawaz	Allocating Monies Collected Through CIL (Minute 13).	Personal Interest – Councillor for Three Bridges Ward

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Cabinet (37)
31 January 2024

2. Minutes

The minutes of the meeting of the Cabinet held on 10 January 2024 were approved as a correct record and signed by the Leader of the Council.

3. Public Question Time

Questioner's Name	Name of Cabinet Member Responding
<i>Mr Burnham from Bewbush</i> With 1 in 5 Councils either this or next year facing bankruptcy. What is the situation for Crawley Council this year please?	<i>Councillor Jones (Leader of the Council)</i> We will be discussing this in great depth in later items. But the very short answer is that the Council faces significant financial pressures, however we feel confident that over the current year we have a plan and strategy that will keep the Council on a level playing field and enable us to provide services, whilst looking at a what can be achieved long term. We are aiming to maintain acceptable reserves balances. Overall we are in a difficult situation, but probably better than some other councils.
<i>Supplementary Question</i> Are you looking at cuts to balance the books?	<i>Supplementary Answer</i> There will be no cuts for the current financial year, other than those already identified in the budget papers. However over the next year we will have to look at what is necessary as we have a statutory duty to deliver a balanced budget and the money we receive from Government is decreasing, whilst our outgoings are increasing.

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

It was reported that no representations had been received in respect of agenda item 14 Crawley Town Centre Heat Network - Phase 2 Expansion.

5. Matters referred to the Cabinet and Report from the Chair of the Overview and Scrutiny Commission

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

6. 2023/2024 Budget Monitoring - Quarter 3

The Leader of the Council presented 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. It was added that the Council had made significant in-year savings.

The Leader detailed that pressures on the General Fund continue to be significant with an anticipated overspend of £3.9m against the original budget, with the most significant variation continuing to be the cost of homelessness or temporary accommodation which was predicted to result in an overspend of £3.6m. Other variances related to the District Heat Network and to the letting of the town hall. The HRA position had improved forecast and the outturn was now anticipated to be slightly favourable (£373k). The overspend on the repairs contract had reduced to £1.8m (from £2m). It was noted that the Capital budget/programme forecast significant slippage to future years. There was a risk to the capital budget due to the reduction in capital receipts as borrowing must be avoided due to the pressure on the General Fund in the form of interest incurred and repayment cost of any loan.

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [29 January 2024](#), which included:

- Confirmation that the General Fund balance was still above the recommended minimal balance of £3m. However, it was noted further reporting would be included in the Financial Outturn report.
- Noted that the biggest pressure on the Council's budget was homelessness. The Quarter 3 forecast was £7.6m on temporary accommodation for 2023-2024.

Councillors Irvine, C Mullins and S Mullins spoke as part of the discussion on the report.

The Cabinet asked that its thanks be recorded to members of the finance team for all their hard work in keeping the Council's finances manageable in such difficult times.

RESOLVED

That Cabinet:

- a) agrees to note the projected outturn for the year 2023/2024 as summarised in report [FIN/643](#).
- b) approves the addition to the Capital Programme of £53,635 for artificial cricket wickets and net bays funded by £43,635 contribution from England Cricket Board and £10,000 from Sussex Cricket. (paragraph 8.8 report [FIN/643](#))
- c) approves the addition to the Capital Programme of £115,680 to deliver the final elements of the HRA Database funded from the Housing Revenue Account (HRA). (para 8.10 report [FIN/643](#))

Reasons for the Recommendations

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

7. 2024-2025 Budget and Council Tax

The Leader presented report [FIN/642](#) of the Head of Corporate Finance. It was heard that the Council has a statutory responsibility to set a Council Tax and Budget in advance of the commencement of the new financial year. It was noted that the report detailed each of the Revenue, Capital and Housing Revenue Accounts (HRA) that combine together to formulate 'The Budget'. In proposing the level of Council Tax for the Financial Year 2024/25, each of those accounts identified had been considered. The General Fund Budget for 2024/25 forecast a take from balances of £1.2m. It was noted that that could reduce by the increase in the funding guarantee grant announced on Wednesday 24 January 2024, which was too late to be included in the budget.

It was noted that the draw down from reserves was to be £190k more than forecast in November 2023's budget strategy. However, the identified service expenditure pressures had worsened significantly, as reported in the Q3 budget monitoring report. It was emphasised that the main additional pressures were an additional £1m for temporary accommodation and £630k for the Town Hall and District Heat Network. Those increases had been balanced by a favourable increase in the level of Business Rates.

The General Fund budget assumes a Council Tax increase below the referendum level of 2.99% or £6.76, which would result in a £232.10 charge for a band D property. The budget also assumes that fees and charges are increased at 7% where feasible.

It was noted in respect of the HRA, that there was a proposed rent increase contained in the budget of 7.7% (CPI +1%). The HRA has its own 30 year business plan to ensure that spending plans remain affordable. The HRA balance was anticipated to be around £3m at the end of the period which was a healthy balance.

The Capital budget had been updated with the detailed capital investment programme for Crawley Homes of £13.95m. The General Fund capital programme was approved by Full Council in December 2023.

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [29 January 2024](#), which included:

- Concerns raised about the 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.
- Details sought on the current overspend within the repairs and maintenance budget. It was noted 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.

Councillor S Mullins spoke as part of the discussion on the report.

RESOLVED

That the Full Council be recommended to approve the following items regarding the 2024/25 Budget:

- a) approve the proposed 2024/25 General Fund Budget which includes using £1,202,470 of general fund reserve as set out in Section 6 of report [FIN/642](#),
- b) approve the proposed 2024/25 Housing Revenue Account Budget as set out in Appendix 5 of report [FIN/642](#) which includes the savings and growth items as set out in Section 9 of report [FIN/642](#),
- c) approve the 2024/25 and future years Capital Programme and funding as set out in Section 10 of the report [FIN/642](#),
- d) agree the transfers between reserves as outlined in Section 11 of report [FIN/642](#).
- e) agree that the Council's share of Council Tax for 2024/25 be increased by 2.99% an increase of £6.76 from £225.34 to £232.10 for a Band D property as set out in paragraph 5.11 of report [FIN/642](#),
- f) approve the Pay Policy Statement for 2024/2025 as outlined in paragraph 12.4 and Appendix 8 of the report [FIN/642](#) noting that the pay award has yet to be agreed,
- g) approve the Capital Strategy as outlined in paragraph 10.1 and Appendix 9 of the report [FIN/642](#)

Reasons for the Recommendations

To provide adequate funding for the proposed level of services and to fulfil the statutory requirement to set a Budget and Council Tax and report on the robustness of estimates.

8. Treasury Management Strategy 2024-2025

The Leader presented 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. It noted that the Council's investments would prioritise security, liquidity and yield in that order, followed by the Council's Ethical investment policy.

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [29 January 2024](#), which included:

- Acknowledgement that currently local authorities still provided a good rate of return on investments.

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- Confirmation provided that under legislation local authorities were not allowed to default on loans. It would not be wise to lend to local authorities that had issued a section 114 notice.

RESOLVED

That the Full Council recommended to approve:-

- a) the Treasury Prudential Indicators and the Minimum Revenue Provision (MRP) Statement contained within Section 5.4 report of [FIN/644](#);
- b) the Treasury Management Strategy contained within Section 6 of report [FIN/644](#);
- c) the Investment Strategy contained within Section 7 of report [FIN/644](#);

Reasons for the Recommendations

The Council's financial regulations, in accordance with the CIPFA Code of Practice for Treasury Management, requires a Treasury Management Strategy to be approved for the forthcoming financial year. This report complies with those requirements.

9. Review Of Crawley Borough Council's Statement Licensing Policy for 2024 - 2029

The Cabinet Member for Public Protection presented report [HCS/073](#) of the Head of Community Services. Crawley Borough Council is obliged to provide a Licensing Policy, under the Licensing Act 2003, for liquor, late night refreshment and regulated entertainment. The legislation requires the policy to be updated every 5 years.

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [29 January 2024](#), which included:

- Noted that it was a legal requirement that the Council published a Statement of Licensing Policy under the Licensing Act 2003.
- 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.

Councillors Irvine and Jones spoke as part of the discussion on the report.

RESOLVED

That the Cabinet reviews the responses received as part of and following the consultation, and confirmed it had no further comments to be added to the proposed revised Statement of Licensing Policy 2024-2029, as detailed in Appendix B to report [HCS/073](#), made under the Licensing Act 2003.

That Full Council be recommended to approve and adopt the proposed revised Statement of Licensing Policy 2024 -2029, as detailed in Appendix B to report

[HCS/073](#), made under the Licensing Act 2003 with a view to implementation on 1st March 2024.

Reasons for the Recommendations

It is a legal requirement that the Council publish a Statement of Licensing Policy under the Licensing Act 2003, with the Policy providing the decision-making framework for all matters under the Act. Consideration of the proposed revised Statement of Licensing Policy 2024— 2029 following inclusion of consultation feedback as appropriate, is sought from Members, and following this, that the matter proceeds to Overview and Scrutiny Commission as a Policy Framework Document , thereafter Cabinet as a key decision and Full Council, with a view to adoption and implementation from 1st March 2024.

10. PSPO - Council Owned Multi-Storey Car Parks

The Cabinet Member for Environment, Sustainability and Climate Change presented report [HCS/072](#) of the Head of Community Services. 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.

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [29 January 2024](#), which included:

- Clarity provided on measuring the success of a PSPO. The use and number of FPNs was not an indicator of overall PSPO success.
- Acknowledgement that following the consultation, the majority had been in support of the PSPO. The Commission was pleased that Sussex Police had also supported 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.

Councillors C Mullins, Jones, Rana, S Mullins and Y Khan all spoke as part of the discussion on the report and were all in full support of the proposed PSPO. Councillor Jones thanked the Commission for the strong support of the proposal.

Councillor Noyce confirmed that the Sussex House/old Morrison's car park was not part of the PSPO, as there was not enough evidence to justify inclusion and as it was a private car park it was the responsibility of the owners to tackle and report any anti-social behaviour happening within their car parks.

RESOLVED

That Cabinet approves that the level for Fixed Penalty Notices which may be issued for a breach of the PSPO (subject to that Full Council makes the PSPO in the form of the draft at Appendix A of report [HCS/072](#)) be set at £100.

That Full Council makes a PSPO in the form set out in Appendix A report [HCS/072](#) with the restricted area being Orchard Street multi-storey car park, Town Hall multi-storey car park and Kingsgate multi-storey car park which should come into force on 26 February 2024 for a period of three years

Reasons for the Recommendations

There have been complaints about anti-social behaviour the Council's town centre multistorey car parks. The anti-social behaviour is mainly caused by congregating/sleeping in access areas such as stairwells and lift lobbies, drug taking and access for the purpose of criminal activity.

As a publicly accessible space there are limited powers to prevent individuals accessing the car parks for non-parking related activities.

The anti-social behaviour can be managed by introducing a Public Spaces Protection Order restricting activity that is not connected to the parking of a vehicle or bicycle, without preventing the lawful use of the car park for all members of the public.

11. Installation of Toilet Facilities – Cherry Lane and Millpond Unsupervised Adventure Playgrounds

The Leader of the Council presented report [HCS/071](#) of the Head of Community Services. The report requested Cabinet consider approval of the installation of permanent toilet facilities at Cherry Lane and Millpond unsupervised adventure playgrounds (UAPs) and the associated growth annual revenue requirement. It was noted that the installation of permanent toilets was planned as part of the decommission of the supervised adventure playgrounds, but due to a number of reasons the works on bringing forward toilet installation had been delayed. Temporary Portaloos were currently in place at the UAPs covering the public conveniences until the permanent installation was in place.

Councillors C Mullins, Rana, and S Mullins spoke as part of the discussion in support of the recommendations contained within the report.

RESOLVED

That the Cabinet approves:

- a) the installation of permanent toilet facilities at both Cherry Lane and Millpond unsupervised adventure playgrounds.
- b) the virement of £107,827 existing capital budget to support the delivery of the project.
- c) a virement of £25,000 to fund the revenue implications of the scheme from within Community Services budgets.
- d) that the Head of Community Services be delegated the authority to undertake all necessary processes as required for the installation of the toilets, including (and

not limited to), any negotiation and approval of tenders and other documentation, subject to consultation with the Statutory Officers (*Generic Delegations 2 & 3 will be used to enact this recommendation*).

Reasons for the Recommendations

To ensure compliance with the Council's Constitution and associated decision-making processes to approve the allocation of capital funds and annual revenue budget for installation of permanent toilets at Millpond and Cherry Lane unsupervised adventure playground sites.

The Council is not under a legal duty to provide public conveniences. It does however have the discretionary power to provide them pursuant to section 87 of the Public Health Act 1936 (as amended).

12. Allocating Monies Collected Through CIL

The Cabinet Member for Planning and Economic Development presented report [PES/452](#) of the Head of Economy and Planning. Members were reminded that the Community Infrastructure Levy (CIL) was a charge which can be levied by local authorities on new development in their area. It was an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area. The report provided Cabinet with an update on the collection and administration of CIL monies along with the review of the Neighbourhood Improvement Fund (NIF) which was 15% of the CIL monies. The report proposed to allocate £100k of the NIF to the Three Bridges 3G Synthetic Turf Pitch project subject to submission of further evidence and the response to public consultation.

Councillors C Mullins, Irvine, Jones spoke as part of the discussion on the report, including commenting on the benefit to the town of having a further 3G pitch available for community use.

RESOLVED

That the Cabinet:

- a) endorses the CIL funds received to date and the outcome of the public engagement exercise on the amendments to the allocation and governance of the CIL Neighbourhood Improvement Strand monies, agreed by Cabinet in November 2022 report [PES/420](#).
- b) approves that up to £100,000 of CIL Neighbourhood Improvement Strand be allocated and committed to the Three Bridges 3G Synthetic Turf Pitch 3G project, subject to the outcome of a public engagement exercise and subject to submission of sufficient evidence supplied to the Head of Corporate Finance to demonstrate a funding gap.
- c) delegates the negotiation, approval, and completion of all relevant documentation, including legal paperwork, regarding the Three Bridges 3G Synthetic Turf Pitch 3G project, to the Head of Major Projects and Commercial Services, Head of Governance, People and Performance and the Head of Corporate Finance.

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(Generic Delegations 2 & 3 will be used to enact this recommendation).

- d) approves the proposed amendments to the allocation and governance of the CIL Neighbourhood Improvement Strand monies set out in sections 9 and 10 of this report [PES/452](#), subject to the outcome of a public engagement exercise.
- e) delegates authority to Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development to undertake a public engagement exercise on the proposed amendments to the allocation and governance of CIL Neighbourhood Improvement Strand monies, as set out in sections 9 and 10 of this report [PES/452](#).
- f) delegates authority to the Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development, to implement any procedural modifications to the CIL Neighbourhood Improvement Strand, including in response to the public engagement exercise.
(Generic Delegation 7 will be used to enact this recommendation).

Reasons for the Recommendations

To ensure best practice for the ongoing distribution of the Neighbourhood Improvement Strand CIL monies, in line with government regulations.

To unlock CIL Neighbourhood Improvement Strand monies to enable delivery of a synthetic 3G pitch facility at Three Bridges FC as significant new amenity infrastructure for Three Bridges neighbourhood.

13. Exempt Information – Exclusion of the Public (Subject to Agenda Item 5)

RESOLVED

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

14. 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 Cabinet Member for Environment, Sustainability and Climate Change presented 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).

Councillor Ayling presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 29 January 2024, which included:

- Support for an options appraisal to look at the best way for the Council to progress phase 2.

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- It was felt that a further report regarding this matter was important to look at objectives and opportunities.
- Recognition that any application for grant funding should be looked into.

Councillors Rana, Irvine, S Mullins, and Jones spoke as part of the discussion on the report.

RESOLVED

That the Cabinet:

- a) notes the finding of the Town Centre District Heat Network Phase 2 Outline Business Case as set out in section 4 of this report.
- b) approves to undertake an options appraisal to assess the appropriate role for the Council in progressing the DHN phase 2 and that a further report be brought back to Cabinet regarding this matter.
- c) subject to the options appraisal, agrees to submit an application to the Green Heat Network Fund for funding to support commercialisation and progression to construction.
- d) notes the allocation of £50,000 to progress the options appraisal and application to the Green Heat Network Fund.

Reasons for the Recommendations

The Feasibility Study and Detailed Project Development for the phase 2 expansion of the town centre DHN indicate that the network is commercially viable (assuming a successful Green Heat Network Fund application) and electrification of the heat source can be achieved, thereby significantly reducing carbon emissions relative to the current phase 1 gas boilers and combined heat and power unit.

The recommendations will enable the project to proceed to the commercialisation stage and in particular permit;

- (i) Consideration of commercial options which enable progression of the DHN phase 2 expansion within the context of the Council's Medium Term Financial Strategy while supporting the wider climate emergency pledge and net zero ambitions.
- (ii) Submission of a funding application to the Green Heat Network Fund to support commercialisation and construction costs for the DHN Phase 2.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 8.37 pm

M G JONES
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](#)

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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 Cabinet 13th March 2023

Enhanced Shop Front and High Street Improvement Programme

Report of the Head of Economy and Planning – PES/455

1. Purpose

- 1.1. To present to Cabinet proposals for an enhanced Shop Front and High Street Improvement Programme and the rationale for the programme relaunch from the original Retail Improvement Grant scheme.
- 1.2. To seek Cabinet approval to allocate and combine funding secured from the West Sussex Business Rates Pool and from the government in order to provide the resources necessary to relaunch the above programme.

2. Recommendations

- 2.1 The Cabinet is recommended to agree to:
 - a) Approve the relaunch of the previously named Retail Improvement Grant Scheme as the Shop Front and High Street Improvement Programme and the assessment process as set out in section 5.1 of this report.
 - b) Allocate £70,000 of high street improvement funding from the government to the relaunched Shop Front and High Street Improvement Programme and to combine that funding with £58,000 of residual monies from the West Sussex Business Rates Pool to establish the Shop Front and High Street Improvement Programme.
 - c) Delegate authority to the Head of Economy and Planning, in consultation with the appropriate Cabinet Member, to review and make minor amendments to the Shop Front and High Street improvement Programme as further changes to legislation are introduced or following any review. (Generic Delegation 7 will be used to enact this recommendation).
 - d) Instruct the Head of Governance, People & Performance to amend the Council's Constitution to reflect any minor changes arising from the decision.

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3. Reasons for the Recommendations.

- 3.1. To strengthen the ability for the relaunched Shop Front and High Street Improvement Programme to support the growth of independent retailers and small businesses in Crawley by improving the attractiveness and relevance of the programme to the needs of those businesses.
- 3.2. To enable the relaunched Shop Front and High Street Improvement Programme to strengthen the visual appearance of Crawley's neighbourhood parades and parts of Crawley town centre in order to enhance footfall and economic vibrancy.

4. Background – the original Retail Improvement Scheme

- 4.1 The current Retail Improvement Grant Scheme has been operated by the Council since 2021, thanks to funding unlocked from the West Sussex Business Rates Pool. It is part of the West Sussex Retail and Training and Support programme.
- 4.2 The scheme has been offering small grants of up to £4,000 to support small businesses in making key improvements to their retail premises and operations.
- 4.3 Eligible expenditure could include, but is not limited to:
 - Shop front enhancements
 - Lighting and decoration improvements
 - Minor building works
 - Display equipment
 - Payment system improvementsHowever, it is not permitted to use the grant for expenditure related to salaries, overheads, rent or stock.
- 4.4 To apply for a grant currently, businesses must:
 - Be able to commit 25% of the project value in match funding
 - Have engaged in the West Sussex Retail Hub virtual learning programme
 - Be registered with HMRC / Companies House
 - Have a physical shop premises in Crawley borough
 - Be a small independent business – maximum 50 employees and not part of a regional, national or international chain / franchise.

5. Information and Analysis

Overview of original Scheme Application Procedure

- 5.1 The Council has been inviting grant applications for the existing Retail

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Improvement Grant scheme from eligible independent retailers / small businesses by using an on-line application portal via the Council's web site. Applications are assessed in three monthly cycles, depending on when they come in, via a procedure comprising the following stages:

- I) Eligibility and Due diligence checks – to determine whether a business is financially sound and whether they are eligible to apply for a grant.
- II) Assessment of grant applications by Economic Development Officers
- III) An evaluation report for each application presented to a decision-making panel comprising the Head of Economy and Planning and the Chief Finance Officer.
- IV) Grant offer letter and draft agreement sent out to successful applicants or letter sent to applicants explaining why application is unsuccessful.
- V) Unsuccessful applicants will have the right to appeal and any appeals will be heard by the Council's established Grants Appeals Panel.

5.2 The funding is available to apply for on a “first come first served” basis in relation to those small business applicants, whose applications are considered acceptable following due diligence, eligibility checks and evaluation.

5.3 Successful business applicants are required to:

- Provide regular updates to Economic Development officers on progress with grant spend and related scheme delivery.
- Ensure they and their staff make use of the virtual learning programmes offered by the West Sussex Retail Hub.
- Complete spend on the grant and deliver the related scheme by a target “long stop” date.

Proposals for Enhanced scheme with relaunch as the “Shop Front and High Street Improvement Programme” – The Rationale

5.4 An opportunity has arisen to add £70,000 to the programme to create an enhanced scheme, combining these monies with the residual budget of £58,000 from the West Sussex Business Rates pool (original name: Retail Improvement Grant scheme) to create a total budget of £128,000.

5.5 The £70,000 relates to funding received from the government and is currently held in reserve to deliver “high street improvements”. The use of this funding on the delivery of shop front improvements, related improvements to retail / business operation and high street improvements is an eligible use of this funding because each individual scheme will make a tangible contribution to the overall improvement visually of the “high street”, whether it be in the town centre or at neighbourhood parades in the Borough.

5.6 At the same time, since the Retail Improvement Grant Scheme was launched in 2021, the Council has received very few applications and only awarded six grants (to the value of £23,818) to small businesses / retailers. This low take-up

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is likely to be due to the following reasons:

- The requirement for small businesses to find and commit “match funding” of at least 25% of the project value at a time when we have economic recession, and a “cost of living” crisis and small business are facing extremely challenging times financially.
- The lack of clarity and appeal of the current scheme and the relatively ambiguous title “Retail Improvement Grant Scheme”.
- The requirement to engage with the “West Sussex Retail Hub Virtual Learning programme”, given it requires the small businesses to commit significant staff time at a time when they are extremely hard pressed by challenging economic circumstances.

5.7 The relaunch of the scheme as the Shop Front and High Street Improvement Programme would carry with it the following benefits:

- The change in the title to highlight the use of the grant funding for “Shop Front” improvements provides small businesses with a much more tangible, practical and appealing reason for applying.
- The removal of the requirement for small businesses / independent retailers to provide a 25% match funding contribution would remove a significant financial barrier for small businesses facing extremely challenging economic circumstances.
- An increase in the amount small businesses / independent retailers could apply for from £4,000 to £5,000 would boost the attractiveness of the scheme.
- The change in requirement to make it optional rather than mandatory for an applicant to access the “West Sussex Retail Hub Virtual Learning” programme will remove another barrier to applicants and a significant staff time implication for independent retailers / small businesses.
- The Council has successfully recruited a new Economic Development Officer (EDO) who started in post in January 2024, and this presents a timely opportunity therefore for the new EDO to promote proactively the programme and provide technical advice and support to small businesses to encourage and facilitate applications.
- The EDO and other officers will work closely with the Town Centre Business Improvement District (BID) to promote the programme.
- The inclusion in the new scheme of a High Street improvement pillar will provide the opportunity for the Council to invest relatively small-scale resources from the programme into targeted cosmetic improvements in the town centre – prioritizing the High Street, the Broadwalk and the Broadway.
- Officers from Community Services will be involved in the assessment and evaluation of each application to ensure that any potential risks relating to community safety are identified and mitigated.
- Grant applications which demonstrate that they will result in the delivery of environmental benefits (e.g. a reduction in carbon emissions) or general health and well-being benefits will be afforded extra weighting during the evaluation process.

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Overall Aims of the Enhanced Scheme

- 5.8 The relaunched Shop Front and High Street Improvement Programme would have three principal aims:
- To enhance the quality and visual appearance of shop fronts and retail business units to deliver further footfall, business activity and economic vibrancy in Crawley Town Centre and the neighbourhood parades.
 - To strengthen the competitiveness of independent retailers and small businesses and to facilitate job creation to benefit local residents.
 - To contribute to the regeneration and renewal of Crawley Town Centre and the neighbourhood parades, aligning with the Town Centre Regeneration Programme and the Crawley “One Town” Economic Recovery Plan priorities of “Town Centre Renewal” and “A Diverse and Resilient Economy”.

Summary of Shop Front and High Streets Programme

- 5.9 It is proposed that the relaunched Programme comprises two pillars:

Pillar One – Shop Front Improvement Grants – Applications for a grant of up to £5,000 invited from independent retailers / small businesses operating out of retail premises in Crawley Town Centre or on one of Crawley’s neighbourhood parades. Successful applicants must invest the grant funding in significant visual shop front improvements or physical improvements to front line business operations at the retail premises. It will be possible for up to four independent retailers / small businesses operating out of adjacent / contiguous retail units to submit joint bids up to a maximum of £20,000 (£5,000 per premises).

Pillar Two – High Street Improvements – Targeted small-scale improvements in the visual appearance of three priority areas within Crawley Town Centre – Crawley High Street; the Broad Walk; the Broadway. These would be implemented by the Council in agreement with local stakeholders, and constituent businesses and working closely with the Town Centre BID.

Procedure for Assessment of Grant Applications / and Selection Criteria

- 5.10 It is proposed that the assessment procedure for grant applications to the Shop Front and High Street Improvement Programme is the same as set out in section 5.1 of this report above for the Retail Improvement Grant Scheme. Decisions will be taken in consultation with the appropriate Cabinet member. It is also proposed that Community Services officers are involved in the assessment process alongside Economic Development Officers.
- 5.11 Eligible expenditure for the Shop Front and High Street improvement grants (Pillar one) would be the same as the Retail Improvement Grants scheme, as set out in section 4.3 above.

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- 5.12 To apply for a Shop Front and High Street Improvement programme grant, businesses must:
- Be registered with HMRC / Companies House
 - Pass “due diligence” checks undertaken by Council officers.
 - Have a physical shop / retail unit premises in Crawley borough
 - Be a small independent business – maximum 50 employees and not part of a regional, national or international chain / franchise.
 - Demonstrate that they possess a minimum 5-year lease on the premises.
 - Not be proposing inappropriate physical shop front improvements if the premises is located in a designated Conservation Area.
- 5.13 Grant applications will be assessed / scored against the following criteria:
- Need for the project - existing condition of the premises – 30 marks
 - Extent of the positive impact on the streetscape and environment / how project would uphold the conservation area (if applicable) – 30 marks
 - Value for Money (Cost versus Benefits) – 40 marks

6. Implications

- 6.1. **Staffing** – there are no direct staffing implications for Crawley BC since the management and oversight of the Shop Front and High Street Improvement Programme can be maintained as part of the day-to-day duties of the Council’s Economic Development Officer
- 6.2. **Financial** - There are no direct financial implications for the Council. The additional £70,000 of funding proposed to be allocated to the Crawley Shop Front and High Street Improvement Programme is coming from monies provided by the government to spend on High Street Improvements. This is adding to £58,000 of residual funds already in the programme (under its original name – Retail Improvement grants), secured from the West Sussex Business Rates Pool.
- 6.3. **Legal** - The provision of grant funding to successful applicants will be subject to the negotiation and sign off between the Council and each successful applicant of a funding agreement, drawn up by the Council’s legal services officers.

UK Subsidy Control - Only small businesses with up to 50 employees could apply for up to £5,000 of grant funding. This means that grant funding accords with UK Subsidy Control rules because a grant funding payment is significantly below the Minimum Financial Assistance public funding subsidy threshold to a small business, which is a total of £315,000 over three years. Checks would need to be made as part of the Council’s due diligence checks to ensure small business applicants have not received “third party” public funding subsidies over the three-year period, which cumulatively would take the total subsidy above this threshold.

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6.4. **Environmental** - This programme will enable delivery of visible improvements to the built environment in regard to retail unit shop fronts and so the benefits will be positive. Applicants will need to demonstrate how their scheme will reduce their carbon footprints.

7. **Background Papers**

Town Centre Regeneration Programme report to Cabinet 16 March 2022 PES/397

Town Centre Economic Recovery Plan report to Cabinet 24 November 2021 PES/391

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