

Narrative Report

2017 – 2018

Narrative Report

1. An Introduction to Crawley Borough Council

Crawley borough covers 4,497 hectares and has a population of 110,000 residents, which is growing and forecast to reach 122,000 by 2034. It is situated in the north eastern part of the county of West Sussex.

Crawley is a bustling modern town and the major economic force in West Sussex as well as the Gatwick Diamond with over 3,000 active businesses.

Crawley benefits from Gatwick Airport, the world's busiest single runway airport, which hosts up to 40 million passengers per year and from Manor Royal, the South East's premier business park, which employs 30,000 people across 240 hectares. The land between Manor Royal and the airport is required to be safeguarded for a potential second runway.

Despite having just two per cent of the West Sussex land mass, Crawley contributes 25 per cent of its annual economic wealth output – it is superbly placed to sustain high value economic growth.

With 89,000 jobs and growing, Crawley has the third highest job density in the country outside Central London. Centre for Cities 2016 report, has found that Crawley is one of the most productive and innovative places in the UK (10th lowest JSA claimant count, 2nd highest weekly wages (after London), highest proportion of private sector jobs).

The town is divided into a series of residential neighbourhoods around the town centre, each with its own schools, shops and community facilities. Crawley has a rich history and heritage going back to the Bronze Age, but the town really took off in the 1940's when it was designated one of 8 'New Towns'.

We benefit from being a shopping destination, have excellent transport links, companies of all sizes are based here and the town is home to Gatwick Airport and Manor Royal Business District – the largest business park in the Gatwick Diamond.

We have an ambitious programme of regeneration on the town centre, which is building on the strengths of the town's economy to help develop retail, employment, business and residential opportunities. The Queens Square refurbishment has been completed, we are now expanding these improvements to Queensway, major new developments and the wealth of town centre opportunity sites make Crawley the place to invest in.

2. Council Structure-the council is made up of Portfolios -

Cabinet (Leader)

Leadership of the Council including:

- overall policy direction
- financial strategy
- representing the Council in the community
- negotiating with national organisations
- emergency planning
- democratic renewal
- concessionary travel
- regional governance and development

Narrative Report (Continued)

Planning and Economic Development

Responsibility for:

- local development framework
- transport issues
- economic development
- liaison on highways issues
- Gatwick strategy

Resources

Responsibility for driving up the performance of council services.

Specific responsibilities include:

- human resources and staffing issues
- ICT and e-government
- customer services and complaints
- the council's Contact Centre
- procurement
- performance issues across the whole council
- democratic services
- fostering interest in local government

Public Protection and Community Engagement

Responsibility for driving up the performance of council services.

Responsibility for:

- community strategy and planning
- community and neighbourhood development
- community safety
- equal opportunities
- grants to voluntary bodies
- issues relation to travellers
- health

Housing

Responsibility for:

- Crawley Homes (landlord role)
- housing strategic services
- liaison and joint working with housing agencies

Narrative Report (Continued)

Environmental Services and Sustainability

Responsibility for:

- public and environmental health
- waste management and recycling
- Port Health
- land drainage

Wellbeing

Responsibility for:

- arts (including The Hawth)
- museums and galleries
- sport and fitness
- parks and open spaces
- allotments
- play service
- liaison with education authority
- community centres
- nature conservation

3. Council's Performance

In 2017/18

1. Crawley New Town turned 70 in 2017 and to mark the occasion, a year of community events took place around the town, including a 70th themed Picnic at Worth Park, a photography exhibition at Crawley Library, of more than 200 photographs from Roger Bastable's collection. Crawley Festival, Music Through The Ages at The Hawth – an evening dedication to celebrating the past 70 years of Crawley's history and culture with acts from local community groups and much more.
2. Worth Park was awarded the Heritage and Conservation Award from the Landscape Institute for the restoration of the gardens which were originally designed by the renowned James Pulham and Son in the late 1800s. The accolade comes after five years of painstaking restoration to restore the gardens to their former Victorian glory with the help of a £2.42m grant from the Heritage Lottery Fund and Big Lottery Fund.
3. Proposals have been approved for the redevelopment of land at the eastern end of The Boulevard which will see the current Town Hall and two-storey car park demolished, to be replaced with around 250 homes in three blocks, a new Town Hall over four floors with five floors of grade A commercial offices above, a new public square, public realm improvements, commercial units and the infrastructure

Narrative Report (Continued)

for a district heating network. The Town Hall multi-storey car park will remain, but be upgraded under these proposals.

4. Air quality in Crawley is improving as a result of efforts to reduce emissions around the town. As part of the Local Air Quality Management process (LAQM) required by the Environment Act 1995, the council carries out reviews and assessments of air quality in the borough, which helps to identify local air quality hot spots. Those areas where air quality objectives are not being achieved are designated as Air Quality Management Area (AQMA) and an action plan is produced (AQAP) detailing measures to improve air quality in that area. Further measures to improve air quality emissions in the future, include the introduction of a district heating scheme and extending the provision of current public charging points to other sites across the borough. Traffic management at major road junctions have been implemented to improve traffic flow and reduce emissions from congestion and idling vehicles. The promotion of alternative low emissions transport, has involved providing public charge points at the Town Hall in convenient locations for plugged in electric vehicles, the installation of bike stations around the town and the council's taxi licensing conditions offering reduced fee incentives to low emission vehicles.
5. Improved facilities are now available for those with disabilities at Tilgate Nature Centre thanks to refurbishments from Crawley Borough Council. As part of efforts to increase accessibility at leisure areas around the town, the council consulted with parents from local disability forums and young people from the Crawley Young Persons Council, to create a suitable changing facility located in the Nature Centre grounds. The pre-existing wheelchair accessible toilet has been enhanced with a new hoist and changing table and is spacious enough to accommodate up to three people
6. The regeneration of Queens Square has been completed – on time and on budget. The improvements, which took 12 months to complete, has encouraged new businesses to open in the square and for existing retailers and property owners to improve the appearance of their buildings. The new square includes high quality paving, new and improved lighting, new seating, new street furniture, new planting and a fountain. The £3.2m regeneration scheme, which has been designed to create a high quality, inviting, distinctive and enjoyable public space, is a joint project between Crawley Borough Council, West Sussex County Council and the Coast to Capital Local Economic Partnership.
7. For the fifth consecutive year, Crawley were well rewarded at the South and South East in Bloom Awards for its parks. In the Large Park category, Tilgate Park swept up the gold award for its beautiful scenery, surpassing last year's result when the park received the Silver Gilt. Worth Park retained the Silver Gilt award in the Heritage Park category and Memorial Gardens, in the Park of the Year category, received the Silver Gilt.
8. More funding for the Crawley Growth Programme. Crawley Borough Council has helped to unlock £60.4m investment in infrastructure and regeneration to support

Narrative Report (Continued)

new homes, jobs and business space. The council's Cabinet agreed to allocate £2.8m towards the Crawley Growth Programme at its meeting in October, following Coast to Capital Local Enterprise Partnership's award of £14.64m to the programme. The Crawley Growth Programme includes an investment package of infrastructure improvements and physical regeneration designed to support significant additional increases in new homes, business investment and employment growth over the period to 2030. With further match funding provided by West Sussex County Council, the total public investment will be £31.412m, rising to more than £60 million when including private sector funding commitments.

9. A new employment support service - Employ Crawley launched in collaboration with West Sussex County Council in the autumn. Employ Crawley offers a range of services provided by the public and private sector to help local people get the right jobs and local employers get the right people. Based in Crawley Library with some outreach services, the hub offers a uniquely holistic approach to employment support – garnering the experience and expertise of employment services, business and training providers to offer the best information, advice and guidance to Crawley people.
10. Crawley Borough Council successfully bid for £6.4m of government funding to unlock housing infrastructure around Telford Place and Forge Wood.
11. Plans to regenerate Queensway, Kingsgate and The Pavement, continuing the high quality improvements in Queens Square, have been submitted. The proposals, which mark the second phase of town centre regeneration, run from the eastern edge of Queens Square along Queensway to the College Road junction, including part of the boundary to Memorial Gardens, and the length of The Pavement the plans were approved in January 2018 with plans to start in early 2019.
12. Crawley Borough Council's Community Wardens were awarded a Special Recognition Award at the latest RSPCA Community Animal Welfare Footprint Awards for their efforts – one of only three councils to achieve this throughout England and Wales. This huge accomplishment reflects the Community Wardens' constant dedication to keeping local dogs safe, paying special attention to stray dogs who don't have an owner to return to.
13. Construction on the bandstand is almost complete. Crawley Borough Council has been working with specialist Leander Architecture to refurbish and restore the bandstand after it was moved from Queens Square to make way for the regeneration works in 2016.
14. Plans to progress to the next stage of the Three Bridges Improvement Scheme have been approved. Crawley Borough Council's Cabinet agreed to recommendations allowing the progression of the scheme at its meeting on Wednesday (21 March). Following an extensive programme of engagement with key stakeholders and residents, the council will lead the delivery of the scheme's detailed design, which will take account of feedback highlighted by residents at the

Narrative Report (Continued)

information sessions. The developed design will include extensive traffic modelling work to assess the impact of the proposed Eastern Access and station forecourt improvements. The scheme is being led by the council, in close partnership with West Sussex County Council, Coast to Capital Local Enterprise Partnership, Network Rail and GTR Southern as part of the Crawley Growth programme.

15. The Council has seen a gradual decrease in its gender pay gap over a number of years. The gender pay gap reporting regulations came into force last year and require us along with all other employers of over 250 staff to provide a public report of our gender pay gap for both mean and median salaries. Our mean gender pay gap as at 1.4.17 was 1.6% and the median gender pay gap was 0%. Nearly 80% of organisations reporting their data paid men more than women so this is a very good result for Crawley Borough Council.

Corporate Priorities looking ahead

Leader (Cabinet)

- Run a balanced budget. Maintaining our approach of multi-year budgeting, prioritising raising new revenue over service reductions, and removing unnecessary processes from council operations to maintain service delivery in the face of central government cuts.
- Work to keep council tax low without compromising local services.
- Seek to get the most out of the Council's remaining capital reserves by limiting major expenditure to spending required to maintain council assets, spend-to-save initiatives and invest-to-earn opportunities.
- Put money back into reserves where possible, to finance future investments.
- Continue to use and invest public money in an ethical way.

Housing

Making housing more affordable

- Continue with the programme to build new affordable units exclusively for Crawley residents.
- Look to use revised HMO licensing powers to improve regulation for the sector in Crawley's neighbourhoods.
- Work to tackle the housing fraud, which takes homes away from those who genuinely need them

Planning & Economic Development

Delivering better job opportunities

Narrative Report (Continued)

- Push forwards with the Employment and Skills Plan, providing residents with better career options.
- Work to attract new employment opportunities to the town.
- Maintain the momentum on the town centre regeneration, continuing to improve the public realm and bring forward redevelopment of major sites along the Broadway, Boulevard and Station Way.
- Use the Crawley Growth Fund and S106 funding to provide major improvements to the town's infrastructure, including delivering a more sustainable transport system and better community facilities.

Community Engagement/Public Protection **Building a stronger community**

- Work in partnership with other local services such as the police and fire service, to protect the public.
- Help local voluntary organisations, including through grants where appropriate, to tackle those important areas not covered by local statutory services.
- Promote neighbourhood forums as a means of giving people a stronger voice for their area and greater control over how services are delivered.

Wellbeing **Providing for leisure and culture**

- Continue to strategically invest in the town's leisure facilities, such as local parks, K2, adventure playgrounds and the Nature Centre, not only improving the range of leisure opportunities for local residents but generating revenue to help fund local services. Where possible we will also look to provide more small-scale leisure opportunities in local neighbourhoods and public spaces.
- Work to improve the quality of allotment provision and associated services within the town.
- Continue to support the award-winning Crawley Dementia Alliance as they work to make Crawley a town which works for all its residents regardless of their medical needs.
- Promote opportunities to undertake physical activity in the town, helping to keep local residents fitter and healthier for longer.
- Seek new opportunities to improve local health and wellbeing.

Environment

- Undertake a major programme of improving the town's shrub beds, which have become degraded over the years.

Narrative Report (Continued)

- Continue to work to make Crawley an environmentally sustainable community as we head towards carbon neutrality by 2050.
- Where responsible, act to reduce the risk of flooding in Crawley and press other agencies to do the same.

Resources

Changing the way we work

- Make better use of data in the way we seek to communicate with the public and meet the town's needs.
- Continue to redesign services to make them more efficient. This not only reduces the costs of operation, enabling the Council to protect frontline services in the face of cuts, but should enable a better experience for residents when accessing services.
- Look at bring machine learning and AI into the way the council operates to improve the efficiency and effectiveness of our services.
- Make better use of the Town Hall site. Develop the site in a way which is more socially beneficial and cost-effective for the town and at the same time reducing the use of carbon.

4. Financial Performance

Since 2010 Crawley Borough Council has faced significant financial challenges due to reductions in funding from central government along with cost pressures within services due to factors such as the economic climate.

Revenue Expenditure and Income in 2017/18

In February 2017 the Council set a net expenditure budget for 2017/18 of £14.1million. This resulted in a Band D Council Tax for Crawley of £194.04 and a total Band D Council Tax including the precepts from West Sussex County Council and Sussex Police and Crime Commissioner of £1,603.54.

The 2017/2018 budget provided for a transfer to reserves of £0, at outturn this was higher due to the successes of the Council's transformation plan and sound financial management which brought forward efficiencies and savings and additional income and resulted in a contribution to capital reserves of £923,482.

Narrative Report (Continued)

| | Original Budget £000's | Latest Budget £000's | Outturn £000's | Variance £000's |
|--|------------------------------|----------------------------|-------------------|--------------------|
| Cabinet | 1,435 | 1,475 | 1,434 | (41) |
| Public Protection & Community Engagement | 1,595 | 1,665 | 1,654 | (11) |
| Resources | 1,129 | 1,203 | 1,286 | 83 |
| Environmental Services & Sustainability | 5,917 | 7,722 | 7,525 | (197) |
| Housing | 3,131 | 3,267 | 2,545 | (722) |
| Wellbeing | 7,098 | 9,320 | 9,323 | 3 |
| Planning & Economic Development | (2,561) | (1,475) | (1,308) | 167 |
| Total Portfolio Variances | 17,744 | 23,177 | 22,459 | (718) |
| Depreciation & capital financing | (3,425) | (10,444) | (10,444) | 0 |
| Renewals Fund | 400 | 255 | 255 | 0 |
| Investment Interest | (645) | (707) | (906) | (199) |
| New Homes Bonus | (1,432) | (1,432) | (1,440) | (8) |
| Business rates (below) ** | | | 2 | 2 |
| Transfer to Capital programme reserve | 0 | 0 | 923 | 923 |
| Sub Total | 12,643 | 10,848 | 10,848 | 0 |

In addition there was a transfer to the Tilgate Park reserve of £56,740

Transfer to the Capital programme reserves was £923,482

Council Tax and Business Rates

| | | | | |
|------------------|-----------------|-----------------|-----------------|------------|
| Council Tax | (6,624) | (6,624) | (6,624) | (0) |
| RSG | (1,036) | (1,036) | (1,036) | 0 |
| NNDR | (4,983) | (3,188) | (3,186) | **2 |
| Sub Total | (12,643) | (10,848) | (10,846) | (0) |

Summary of the Housing Revenue Account

The Council continues to be the provider of rental accommodation within the borough with a stock of 7,921 dwellings at 31 March 2018. The Council is required to maintain a separate ring-fenced account to record all the financial transactions relating to those dwellings.

The income from tenants in council property was £45.2m in the year with other income to the HRA of £1.6m. The council took out loans on 28th March 2012 for £260.325m, borrowed from the Public Works Loan Board (PWLb). Interest on these loans amounted to £8.309m. This payment replaces the negative housing subsidy. As a result there is more certainty within the Housing Revenue Account as interest on the loans has been fixed over 26 years and a robust business plan to invest additional resources in place.

The balance was invested in the provision of council housing including management and maintenance of over 7,800 dwellings, 4,600 garages and 1,585 leasehold

Narrative Report (Continued)

properties. There was a transfer to the Major Repairs reserve in the year of £13.992m for future investment in housing stock.

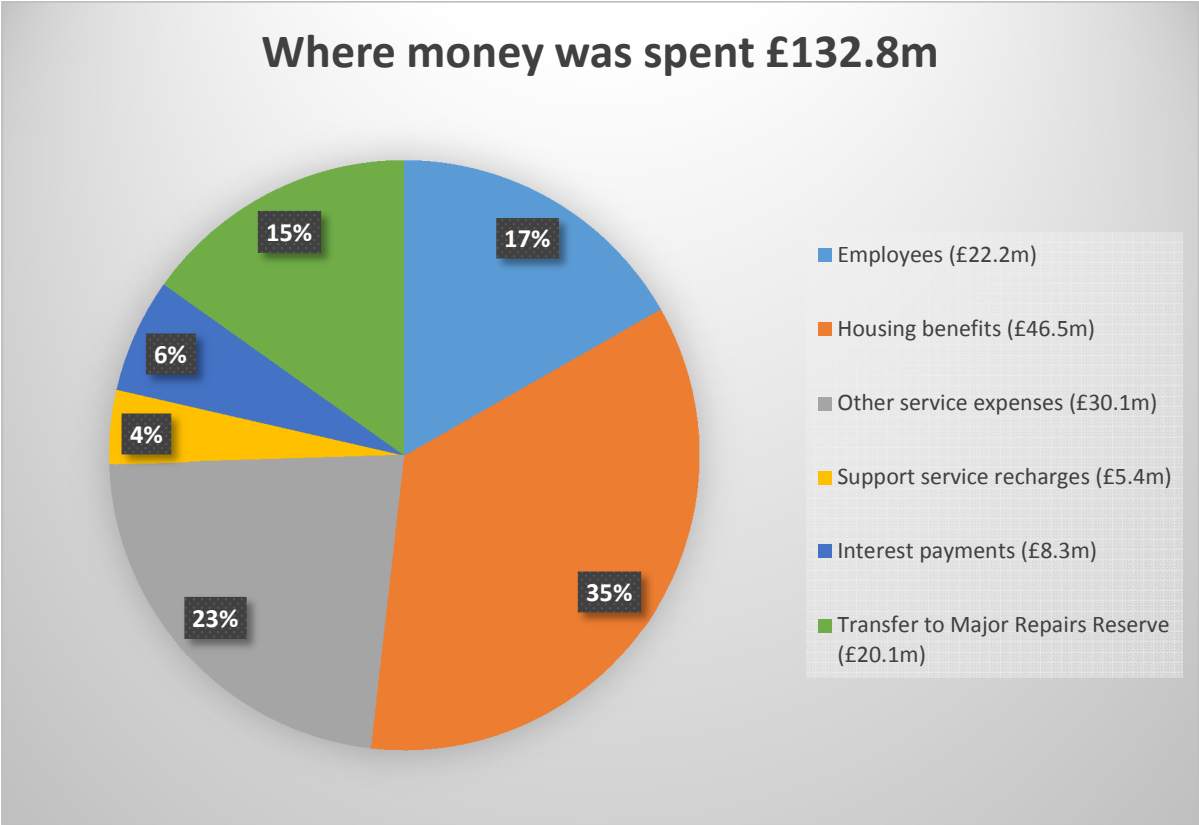
The Housing Revenue account saw an underspend in year due to additional rental income, reduced programmed and responsive maintenance due to the better weather over the last quarter of the year.

| HOUSING REVENUE ACCOUNT | | | |
|--|---------------------------|-------------------|---------------------|
| Expenditure Description | Latest Estimate £'000s | Outturn £'000s | Variation £'000s |
| Income | | | |
| Rental Income | (44,951) | (45,237) | (286) |
| Other Income | (1,762) | (1,633) | 129 |
| Interest received on balances | (79) | (126) | (47) |
| Total income | (46,972) | (46,996) | (204) |
| Expenditure | | | |
| Employees | 3,416 | 3,476 | 60 |
| Repairs & Maintenance | 10,883 | 10,305 | (577) |
| Other running costs | 2,212 | 2,124 | (88) |
| Support services | 2,650 | 2,650 | 0 |
| | 19,161 | 18,555 | (605) |
| Net (Surplus) / Deficit | (27,631) | (28,441) | (810) |
| Use of Reserves: | | | |
| Debt Interest Payments | 8,309 | 8,309 | 0 |
| Depreciation, Revaluation & Impairment | 6,140 | 6,140 | 0 |
| Financing of Capital Programme & Transfer to Housing Reserve for future investment | 13,183 | 13,992 | 810 |
| Total | 27,631 | 28,441 | 810 |

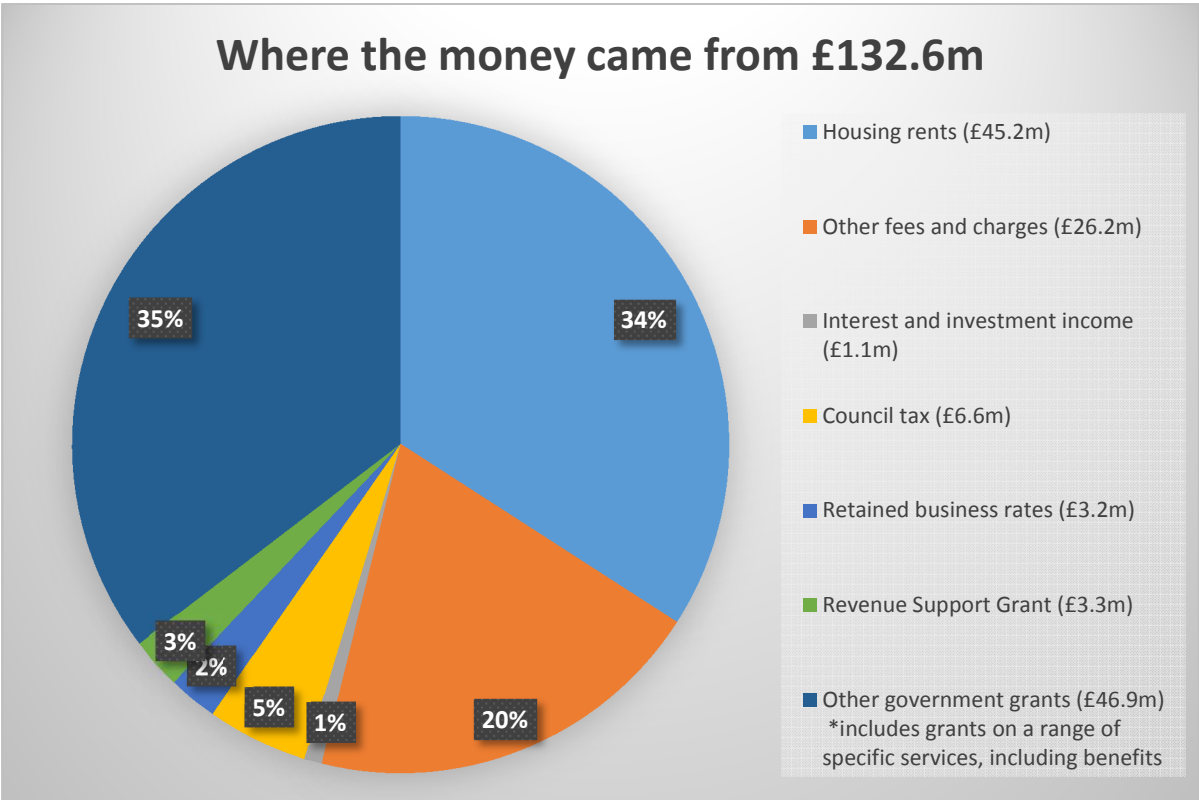
Total Revenue Expenditure

Overall the Council incurred expenditure in 2017/18 of £132.8m on its services to the public.

Narrative Report (Continued)



The main sources of income are depicted below:



Narrative Report (Continued)

The tables above are different from the figures reported in the statement of accounts because they have been adjusted from an accounting basis to a funding basis. The net expenditure of £0.2m agrees to the deficit on General Fund and HRA Balance in year as reported in the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Capital Programme

The Council is embarking on an ambitious capital programme of £163m from 2017/18. This includes £116.7m within Crawley Homes for investment in new and existing housing stock.

In 2017/18 the Council spent £29.454 million on capital assets, which was funded from the sale of assets, capital grants, external funding and revenue resources

| Portfolio Description | Outturn 2017/18 £000's | 2018/19 Latest Budget £000's | 2019/20 Latest Budget £000's | 2020/21 Latest Budget £000's |
|---|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Cabinet | 1,979 | 3,087 | 3,907 | 71 |
| Resources | 217 | 519 | - | - |
| Environmental Services & Sustainability | 898 | 1,430 | 1,719 | 79 |
| Planning & Economic Development | 257 | 304 | 6,700 | - |
| Public Protection & Community Engagement | 95 | - | - | - |
| Housing Services | 735 | 7,251 | 1,563 | 10,500 |
| Wellbeing | 1,898 | 1,993 | 910 | 40 |
| Total General Fund | 6,079 | 14,584 | 14,799 | 10,690 |
| Housing Revenue Account | 23,375 | 43,802 | 41,015 | 8,466 |
| Total Capital | 29,454 | 58,386 | 55,814 | 19,156 |

The table below summarises the approved resources available to fund the capital programme to 2020/21, this excludes the costs associated with the New Town Hall as the scheme has not been legally signed off yet.

| | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|
| Funded By | | | | |
| Capital Receipts | 3,878 | 7,936 | 12,316 | 2,690 |
| Capital Reserve | - | 25 | - | - |
| Disabled Facilities Grant | 685 | 1,255 | - | - |
| Lottery & External Funding | 833 | 295 | 926 | - |
| 1-4-1 Receipts | 3,117 | 13,041 | 10,501 | 9,880 |
| MRR | 20,258 | 34,761 | 31,714 | 6,586 |
| Replacement Fund/Revenue Financing | 229 | 305 | 123 | - |
| Section 106 | 454 | 768 | 234 | - |
| TOTAL FUNDING | 29,454 | 58,386 | 55,814 | 19,156 |

Narrative Report (Continued)

Financial outturn

The table below reconciles the outturn for the General Fund and HRA back to the Expenditure and Funding Analysis.

| | General Fund £'000 | HRA £'000 | Combined £'000 |
|---|-----------------------------------|----------------------|---------------------------|
| Surplus / (deficit) in year | 22,459 | (28,441) | (5,982) |
| Revaluation losses | (2,619) | - | (2,619) |
| Movement in investment properties | 539 | - | 539 |
| Capital grants | 1,535 | - | 1,535 |
| Revenue expenditure funded from capital | (2,584) | - | (2,584) |
| Pensions | (2,169) | - | (2,169) |
| Accumulated absences | (4) | - | (4) |
| Transfer to Tilgate Reserve | (57) | - | (57) |
| Business Rates | (2) | - | (2) |
| Net Cost of Services in the Expenditure and Funding Analysis | 17,098 | (28,441) | (11,343) |

5. Corporate Risks

The council has a process to manage risks and assist the achievement of its objectives. Corporate risks are subject to review quarterly by the Corporate Management Team and the Audit Committee.

The following have been identified as strategic risks for the Council:

Failure to deliver key infrastructure projects as planned, on time and within budget, such as:

- **Town Hall and District Heat Network**

The Council are in discussions with Westrock regarding a potential mixed use development which would see the provision of a new town hall, commercial office space and residential units on the town hall and adjacent car park site. A recommendation on the preferred option was presented to Cabinet early in 2017

Narrative Report (Continued)

and was approved at full Council on 22nd February 2017. This proposal will require a partial demolition of the current building to allow for the development of a new Town Hall within the site. The majority of staff have been decanted from the proposed demolition area. A risk register for the scheme, attached at Appendix B, is updated by the project team on a fortnightly basis and will be shared with the Audit Committee.

- **LEP Infrastructure – Crawley Growth Programme**

CBC, together with WSCC (the lead body) has been successful in securing £14.6 million of Local Growth Fund from the Coast to Capital LEP. These resources will be invested in sustainable transport, highway and public realm infrastructure in the town centre and Manor Royal. The principle purpose of this investment will be to help bring forward regeneration sites to achieve new homes, jobs and commercial space. The Coast to Capital Local Enterprise Partnership Board received a presentation from CBC's Chief Executive and the West Sussex CC Executive Director for Economy, Infrastructure and Environment and the LEP Board subsequently confirmed the funding allocation. The Crawley Growth programme is being delivered over the period 2017 to 2021 and the total funding investment will amount to over £60 million, including private sector contributions and match funding contributions from CBC and WSCC. The programme delivery is founded on dialogue and active partnership working with stakeholders such as Metrobus, the Manor Royal BID, Gatwick Airport Ltd, Network Rail and site developers. It is being overseen by the Crawley Growth Board, chaired by CBC's Chief Executive and CBC key decisions on schemes going forward will be subject to Cabinet approval and associated due process. Part of the Crawley Growth Programme, includes the Queensway and The Pavement public realm improvement scheme (the next phase of town centre regeneration after Queens Square). A planning application for the Queensway and The Pavement scheme was approved by Planning Committee on 29th January this year. This is now going out to tender with a view to works commencing on site in January 2019 for a nine month period. Design work has begun on several other Crawley Growth programme schemes, including Station Gateway, Eastern Gateway, the Crawley Cycleway improvement programme and Manor Royal Gatwick Road sustainable transport improvements. Design proposals will be presented later in the year.

Three Bridges Railway Station

On 11th February 2015 [SHAP/43](#), Cabinet approved a total allocation of £430,000 of S106 funding towards the delivery of improvement works to the Station Forecourt, which must be spent by the end of March 2021.

Member approval was granted on 29th June 2016 to reallocate £1.5 million of Borough Council capital programme funding, originally earmarked for the Queens Square regeneration scheme, to the Three Bridges station improvements programme. This is being combined with a total of £519,000 of S106 resources (including £89,000 via Forge Wood) already secured for the

Narrative Report (Continued)

station improvements and £1.1million of Community Infrastructure Levy, which is ring-fenced subject to the CIL receipts (approved by Cabinet on 7th February 2018).

A Programme Manager for Three Bridges station commenced on 11th September 2017, engaging closely with GTR Southern and Network Rail and playing a key role in the rapid progression of the plans to deliver the station forecourt improvement scheme towards detailed design stage and the submission of a planning application late this year. . Intensive discussions have taken place with GTR Southern and Network Rail to agree the proposed delivery schedule. Both organisations have joined the Three Bridges Project Steering Group alongside Crawley Borough Council and West Sussex County Council. Revised designs for the Three Bridges Station improvement scheme – including the forecourt and an eastern access for pedestrians alongside a vehicle drop off – have been drawn up and were approved in principle by the Cabinet on 21 March 2018. Cabinet also approved expenditure of up to £675,000 to undertake the detailed designs for the scheme in order to arrive at a fully costed scheme and to enable further public consultation in the autumn on the final proposed designs. This is ahead of a report to Cabinet on 21 November 2018 to consider approval of the final designs, followed by the submission of a planning application. Subject to the above process, it is expected that a works contractor will be appointed during 2019 so that the improvement works commence in early 2020.

Delivering the affordable housing programme

The Administration has pledged to deliver 1,000 new affordable homes over a four year period and to look to add a further 250 new affordable homes to this programme in year five. Meeting this objective requires a twin track approach through both the Council's enabling role and its own-build programme. Progress is closely monitored on a monthly basis through the corporate Strategic Housing Board and is overseen by CMT. The stalling of two phases of the Forge Wood development together with two market led schemes continues to impact the housing delivery programme. This impact has been mitigated through proactively bringing forward other schemes and currently the programme remains on track to achieve the pledge.

The [2017/2018 Budget Monitoring – Quarter 2 FIN/427](#) report to Cabinet on 29 November 2017 identified in section 9 that over £7.7m of 1-4-1 receipts had been used to partially fund purchase of properties. However there had been delays on some housing schemes that had resulted in £1.4m being repaid back to Government. The [9 January 2018 Councillors Information Bulletin](#) provided more detail on these delays. The officer Strategic Housing board meet on a regular basis and review the use of 1-4-1 receipts; any future risks will be highlighted through the Quarterly monitoring reports to Cabinet and on the Councillor Information Bulletin.

Mitigating actions have been taken to address the impact of the four year 1% rent reduction on the HRA to ensure the delivery programme can be

Narrative Report (Continued)

maintained. These included setting affordable rather than social rents for new development, discounted sale as an alternative tenure option, a reduced capital programme for existing stock and re-profiling the delivery programme. Further impacts arising from the Housing and Planning Act provisions relating to the sale of high value stock cannot as yet be quantified as further secondary legislation is still awaited.

The decision to leave the EU may impact upon the costs of housing schemes as future restrictions may increase labour costs, this will be monitored over the coming years.

Disaster recovery and business continuity

A report to Cabinet on 9th September 2015 recommended a more resilient hosting of data by providing a resilient, energy efficient, cost effective and available hosting environment for the IT systems to support our services. A partnership contract has been agreed with Surrey County Council for them to host at the data centre. Since June 2017 90% of Virtual servers and 80% of data has been migrated to the Surrey Data Centre. At the end of May 2018 all existing virtual services and systems will have completed their migration.

A 2nd Phase of work is now being planned, this will include moving additional Physical infrastructure to the Surrey Data Centre, with additional storage to support EIM and backups having now been completed. This 2nd phase will also include infrastructure upgrades at remote sites, further deployment of WiFi services and remote data backups at the Town Hall, utilising the space, capacity and resilience of the new ground floor comms room which is being planned for the last quarter of 2018.

The Bewbush Centre has been designated as the Council's main alternative site should there be no or limited access to the Town Hall building. There is a link to this centre so that systems will remain operational in the event of the Town Hall being out of operation but the network still running and it is possible for staff to get into the CBC network via this link. Once the move to the SCC data centre is complete then staff will be able to access the CBC network in the event of a network failure in the Town Hall. Wi fi will allow access for up to 70 users at the Bewbush Centre using laptops and a small number of desktop network points.

Terrorist Attacks –

The UK terror threat level is currently “severe”. There are no specific threats to Crawley or West Sussex, and CBC is in regular contact with community stakeholders and the police, monitoring for any community tension and providing support where we can.

A balanced budget is not achieved in the medium term resulting in an increased use of reserves, which is not sustainable.

The Budget and Council Tax 2018/19 [FIN/434](#) report to Cabinet on 7th February 2018 showed that we achieved a balanced budget despite a 44.54% reduction

Narrative Report (Continued)

in revenue support grant, efficiencies were identified and the Budget Advisory Group scrutinised growth bids which were accepted including investment town wide in shrub bed removal. The budget Strategy report was approved by [Cabinet on 8th September 2017](#), projections are being constantly updated. The budget strategy will be updated once that the tender documents are agreed for the build of the New Town Hall, there will be borrowing as a result and the Treasury Management strategy will be updated at that time.

The Corporate Management Team continue to work with staff and contractors to identify and implement improved ways of working and to focus on the aim of dealing with matters first time. The refreshed transformation programme of service improvements and efficiencies achieved through systems thinking and other types of review continue with the aim of continual streamlining of internal processes to reduced waste and duplication, and also to focus on the defined purpose of each service. The transformation programme includes an increased focus on achieving new sources of income.

The impact of the decision to leave the EU may have a detrimental impact on the Council's objectives and finances, this will be reviewed as part of the budget strategy.

Recruitment and retention

Recruitment and retention of key specialist and professional roles is challenging. The impact of a period of pay restraint in the public sector combined with an increase in salary levels generally in the South East has led to problems with recruitment and retention in roles such as Finance, IT, Project Management, Legal, and some Housing roles. HR officers are working with managers to ensure we promote these roles effectively. The Council promotes the use of apprenticeships and trainee roles to grow our own skills. There is a recruitment and retention scheme which will allow time limited salary uplifts on appointment but this is only a temporary incentive and it does cause pay inequality within teams. We are exploring other ways of mitigating this risk. The Job Evaluation Scheme has been amended to create a further grade at the top of the scale to assist with the recruitment and retention of third tier managers.

General Data Protection Regulations (GDPR) –

GDPR comes into force on 25th May 2018. The Data Protection bill will replace the Data Protection Act 1998.

The risk is that there will be a failure to demonstrate compliance with the GDPR. The risk to the Council is that it could face a monetary penalty if it acts in breach of the new rules or where data is lost. Monetary penalties have increased and could be significant depending on the nature of the breach. Together with reputational risk

Preparation for Implementation

Council has been working to an Implementation Plan and list of actions based on the ICO Guidance and their 12 steps to compliance. The Management of

Narrative Report (Continued)

Confidential information Group has had responsibility to drive progress for this work. This group to be known as the Council's Information Governance Group.

Work undertaken to Date

- Appointment of Data Protection Officer
- Identification of roles and responsibilities in order to define ownership for data matters
- Training and Awareness delivered to Managers, staff and members via face to face and on line training
- Intelligence gathering on records and systems where personal data is held to show where personal data comes from, where it is stored, who accesses it ,how long is it kept, who it is shared with and the legal basis for processing the information. This is the Information Asset Register. We have purchased a tool from the LGA which provides information on retention and lawful basis of processing information for service areas. The documentation once completed will demonstrate compliance with Article 30 Records of processing activities
- New Data Protection Policy
- New overarching Privacy statement
- Privacy Notice template developed for services
- Existing contracts identified where personal data is processed on our behalf. Letters written to existing contractors who process personal data on Council's behalf seeking variation to contract to demonstrate GDPR compliance
- Changes made to procedure for SAR

Summary of Current Strategic Risks

- Failure to deliver key infrastructure projects as planned, on time and within budget;
- Delivering the affordable housing programme;
- Disaster recovery and business continuity;
- Terrorist attacks;
- A balanced budget is not achieved in the medium term resulting in an increased use of reserves, which is not sustainable;
- Recruitment and retention;
- General Data Protection Regulations

6. Summary Position

It is clear that the Council's financial and non-financial performance in 2017/18 continues to be good. The revenue savings and additional income earned in the year were in most cases in line with expectations, capital outturn has been managed to minimise the level of re-profiling required at the year end and the Council has sufficient reserves and balances to provide financial resilience for 2018/19 and future years.

In 2017/18, the Council has faced and dealt successfully with significant change. This trend will continue and indeed accelerate but the Council is well placed to adapt

Narrative Report (Continued)

to the challenges and to take advantage of the opportunities offered. There are risks as highlighted above, but there are well established and robust risk management processes in place and, together with robust financial management and reporting, the Council is in a strong position as it moves into 2018/19.

7. Explanation of the Financial Statement

The Statement of Accounts for 2017/18 have been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and show the financial performance of Crawley Borough Council for the year, together with its overall financial position as at 31 March 2018. The purpose of the published statement of accounts is to give local taxpayers, Council Members, stakeholders and other interested parties clear information about the Council's finances. It therefore aims to provide information so that these stakeholders can:

- Understand the overarching financial position of the Council
- Have confidence that the public money with the Council has been entrusted and has been accounted for in an appropriate manner
- Be assured that the financial position of the Council is safe and secure

The style and format of the accounts complies with CIPFA standard and is similar to that of previous years.

The accounts provide the reader with information on the cost of services provided by the Council in the year 2017/18, how these services were paid for and a statement of the Council's assets and liabilities at the year end.

The Council's financial report consists of three reports:

- The Narrative Report (this statement)
- The Annual Governance Statement
- The Statement of Accounts

The Annual Governance Statement identifies the systems that the Council has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

The Statement of Accounts are presented in the following order:

- Statement of Responsibilities for the Statement of Accounts

This identifies the officer who is responsible for the proper administration of the Council's financial affairs.

- Main Financial Statements

Expenditure and Funding Analysis

This statement takes the net expenditure that is chargeable to taxation/rents and reconciles it to the Comprehensive Income and Expenditure Statement.

Narrative Report (Continued)

Comprehensive Income and Expenditure Statement

The purpose of this account is to report income and expenditure relating to all the services provided by the Council and how the net cost of those services has been financed by local taxpayers and the Government.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

Balance Sheet

This statement shows the balances and reserves at the Council's disposal as well as the liabilities as at 31 March 2018. It also summarises the fixed and current assets used to carry out the Council's functions.

Cash Flow Statement

This statement summarises the inflows and outflows of cash arising from the transactions with third parties for revenue and capital purposes. It differs from other accounts in that creditors and debtors are excluded.

- Notes to the Main Financial Statements

The explanatory notes in this section are largely prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) issued by the CIPFA/LASAAC Local Authority Code Board. Additional notes have been provided wherever possible to assist understanding of the financial statements.

- Supplementary Financial Statements

Housing Revenue Account

This account shows the major element of expenditure on the provision of Council housing and how this has been financed by rents and other income.

Collection Fund

The Collection Fund summarises the income received from taxpayers for council tax and business rates and its distribution to precepting bodies. The precepting bodies for council tax are Crawley Borough Council, West Sussex County Council and Sussex Police and Crime Commissioner. Business rates are distributed to Crawley Borough Council, West Sussex County Council and Central Government.

- Glossary of Terms

A glossary of the most commonly used technical terms in these accounts is provided.

Narrative Report (Continued)

8. Change in accounting policies

There were no changes to accounting policies in the year.

9. Further Information

Further information about the 2017/18 Statement of Accounts is available from:

Paul Windust,
Corporate Accounting and Treasury Services Manager,
Town Hall, The Boulevard, Crawley, West Sussex, RH10 1UZ.
Tel: (01293) 438693 email: paul.windust@crawley.gov.uk

Karen Hayes
Head of Finance, Revenues and Benefits

Date: