

Narrative Report

2020 – 2021

Narrative Report (Continued)

1. An Introduction to Crawley Borough Council

Crawley Borough covers just under 18 sq miles and has a population of approximately 114,000 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, for many years, has been the major economic force in West Sussex as well as the Gatwick Diamond area, with over 3,000 active businesses.

Despite having just two per cent of the West Sussex land mass, Crawley contributes 26 per cent of its annual economic wealth output. Since 2013, Crawley's economy grew by 23%, one of the fastest growing in the south east, and in 2018, was worth £5.94bn in Gross Value Added with over 101,000 jobs; the second highest job density in the country outside London.

Gatwick Airport is located within the borough and, over the past 60 years, has grown to become the world's busiest single runway airport with over 46 million passengers in 2019. Crawley is also home to Manor Royal, the South East's premier business park, employing over 30,000 people and accommodating 600 businesses across 240 hectares. The land between Manor Royal and the airport is required to be safeguarded for a potential second runway.

The town is divided into fourteen 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'. Recent public sector investment in the public realm at Queens Square, Queensway and The Pavement has further enhanced the town centre, creating an attractive, vibrant and enjoyable space for residents and visitors.

Since March 2020, the global COVID-19 pandemic has had a devastating impact on the local economy, largely as a result of the contraction in the aviation industry with Gatwick Airport passenger numbers falling to just 10 million in 2020 and only a fraction of flights operating. In April 2020, a Centre for Cities report predicted that 57% of Crawley's employment base was at risk of redundancy or furlough as a result of the crisis – the highest proportion of any urban area in the country. This in view of the large number of jobs benefitting residents working in aviation, transportation, retail, hospitality and leisure.

At the height of the pandemic, Crawley's unemployment claimant count trebled to 8.3% with over 6,000 unemployed local residents claiming universal credit. Youth unemployment (18-24yrs) rose to almost 13% and, with major redundancies realised across many sectors, 25,800 Crawley residents (1 in 3) were furloughed.

The Council was swift to respond to the economic crisis, establishing the Crawley Economic Recovery Taskforce with over 50 local stakeholders in early 2020, to evaluate the true impact on the local economy and drive the development of a coherent recovery plan for the town.

Working in partnership, the Council is continuing to pro-actively lead and facilitate the development of major programmes of new infrastructure, amenity, residential development and economic regeneration and unlock further investment to boost recovery. The combined value of this public and private sector investment in the town is set to reach over £400m including £21.1m from the Towns Fund, £31.4m through the Crawley Growth Programme, £70m at Crawley Station Gateway, £23m investment in digital infrastructure from City Fibre and £46.5m in the New Town Hall regeneration scheme. These plans will build on Crawley's previous economic

Narrative Report (Continued)

success to achieve the sustainable economic recovery needed to bring about benefits to local residents and businesses.

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
- human resources and staffing issues
- customer services and complaints
- procurement
- performance issues across the whole council
- democratic services
- fostering interest in local government

Planning and Economic Development

Responsibility for:

- local development framework
- transport issues
- economic development
- liaison on highways issues
- Gatwick strategy
- ICT and e-government
- the council's Contact Centre

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

Narrative Report (Continued)

Housing

Responsibility for:

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

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

- Secured £21.1m funding from the Towns Fund to deliver the Crawley Town Investment Plan, developed in partnership with the Town Deal Board comprising 50 representatives from local business, community and public organisations.
- Development of a Crawley Economic Recovery Plan in response to the pandemic – going out to consultation June 2021.
- Planning permission granted for the £70m Station Gateway Scheme which will deliver 306 high quality residential units, a new railway station and commercial space.
- Bridgefield House completed with 98 affordable housing units (Crawley Homes)
- Paid 4,419 Business grants totalling £20.10m
- Paid 595 test and trace isolation payments totalling £292,000

Narrative Report (Continued)

- Gave out over £50m in business rates reliefs
- Installation of 5 new signs in Memorial Gardens, completing the town centre wayfinding project.
- Employ Crawley saw the launch of a new Youth Hub in October 2020, delivered in partnership with Job Centre Plus, in response to the rapid increase in unemployment amongst young people caused by the pandemic.
- Opening of new play area in Memorial Gardens comprising 15 pieces of brand new play equipment including a wheelchair swing funded by County Mall (and the mosaic!)
- New Town Hall and DHN construction
- Launch of the new Town Centre Business Improvement District (October 2020) which will bring c£2.5m private investment in to the town centre over the next four years.
- Regular updates on the CBC Website and targeted e-newsletters providing updates, information and guidance for businesses and residents about Brexit transition.
- Delivered Virtual Crawley STEMfest Fair delivered between 12 November and 2 December 2020 in partnership with STEMSussex to around 60,000 students.
- Sponsored Gatwick Diamond Business Awards 'Professional Services category' in November 2020
- Safe and successful re-opening of the Town Centre, twice (May 2020 and April 2021) including new temporary signage, queue management and business guide.

Some statistical information on our achievements

767 people assisted by the Health and Wellbeing team, this included:

- 28 people who completed a virtual 12 week weight loss programme
- 21 people who reduced their alcohol intake
- 9 people who attended a falls prevention programme
- 46 people who accessed a virtual physical activity programme
- 107 people who received falls prevention support via telephone.
- 5 people who were helped to cook healthy food.
- 84 people provided with assistance to stop smoking with 37 successful. A 38% quit rate which is higher than the national average of 26%.
- 6 workplaces who we supported with providing health and wellbeing to their employees
- Over 10 outreach events including virtual talks and presentations to local community groups.
- 26,001 visits to Tilgate Park Zoo
- 5,076 attendances at the Hawth Theatre (163,360 last year)
- 198,765 attendances at our Leisure Centres (1,095,465 last year)
- 7,674 residents in receipt of Council Tax Reduction (formally Council Tax Benefit) – an increase of 7.3% on the previous year.

Narrative Report (Continued)

- 143 Households were prevented from becoming Homeless
- 140 Households who Homelessness was relieved
- 1,895 Households on the Housing Register
- 217 Affordable Homes delivered in year with 190 Homes that are on site and due to be completed over the next two years.
- 29 People were helped to work through 'Employ Crawley'
- 659 Freedom of Information requests processed
- 39,808 myCrawley transactions (24,880 last year)
- 8,206 twitter followers and 8,654 Facebook
- 800 Planning Applications processed, 415 Pre-Application enquiries, 21 appeals, 179 Planning Enforcement Investigations.
- 124,228 calls into the Contact Centre
- 2,416,092 scheduled refuse collections
- 9,984 Green Garden Waste Bin customers
- Collected 33,424 tonnes of refuse, recycling and garden waste
- £90,321,757 collected in Business Rates - the majority of this is passed to the Government and West Sussex County Council
- £64,288,928 of Council Tax collected, Crawley Borough Council kept 11.3p in each £1 collected with the balance transferred to West Sussex County Council and the Sussex Police and Crime Commissioner.

Corporate Priorities in 2020/21

1. Delivering resources

We will:

- Continue to balance the budget (over a four year period), by improving our efficiency, increasing income and investing ethically and wisely.
- Work to keep council tax low without compromising local services and put money back into local reserves where possible, to finance future investments.
- Deliver the Transformation Plan.
- Develop digital service delivery enabling customers to engage with council services at their convenience, via an updated website and a new online self-service application.
- Delivering a new town hall development that will deliver modern efficient ways of working, 250 new homes, improved public space and a combined heat and power plant for the town centre.

2. Delivering on Housing

We will:

- Continue to deliver as affordable housing as possible, particularly Council housing, through our own-build and enabling programmes for people with a local connection to Crawley including Passivhaus standards and installing solar/PV panels where possible

Narrative Report (Continued)

- Drive down homelessness across the borough and support partner agencies to help those most in need.
- Ensure high quality housing for all by licensing HMO's correctly to drive up standards.
- We will continue working with neighbouring councils to ensure that they provide housing for Crawley residents through their 'duty to co-operate' arrangements.

3. Improving job opportunities and developing the local Economy

We will:

- Develop an Economic Development vision and plan.
- Deliver the Crawley Growth Programme to provide major improvements to the town's infrastructure, including more sustainable transport and better community facilities.
- Deliver pathways to better job opportunities for local residents, through the ongoing development and delivery of Crawley's Employment and Skills Plan.
- Continue to work closely with our Local Economic Partnerships to deliver economic growth and jobs in the town.
- Utilise our place making responsibilities and powers to drive business growth and create new employment opportunities.

4. Creating stronger communities

We will:

- Support local groups in delivering a range of events and activities that celebrate Crawley's diversity.
- Promote neighbourhood forums as a means of giving residents a voice over how services are delivered.
- Continue to help local voluntary organisations, through the grants process to provide important services.
- Continue to work with our partners to make Crawley a safe place.

5. Providing high quality leisure and culture facilities and supporting health and wellbeing services

We will:

- Continue to provide first class leisure and sports facilities.
- Work with partners and other key stakeholders to enhance our resident's health and wellbeing and reduce health inequalities across our town.

Narrative Report (Continued)

6. Protecting the environment and sustainability

We will:

- Protect and enhance our environment by reducing the Council's and the town's Carbon footprint.
- Deliver a number of energy efficient schemes including, a District Heat Network for the Town Centre, Combined Heat and Power at K2 Crawley.
- Continue to reduce, reuse and recycle our waste, providing the mechanisms to encourage residents to do more to recycle their waste.
- Continue to seek measures to improve the air quality across the Borough.
- Implement Crawley 2030, Local Plan and ensure that it remains up to date and reflects the key issues and growth challenges facing the town.
- Reduce single use plastics by creating sustainable procurement policy and use recycled plastics wherever possible.
- Continue to provide a safe, clean and well maintained town, through the use of area focussed multi skilled teams.

4. Financial Performance

Revenue Expenditure and Income in 2020/21

In February 2020 the Council set a net expenditure budget for 2020/21 of £15.8million. This resulted in a Band D Council Tax for Crawley of £208.89 and a total Band D Council Tax including the precepts from West Sussex County Council and Sussex Police and Crime Commissioner of £1,847.54.

Narrative Report (Continued)

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

The 2020/2021 budget provided for a transfer to the Local Development Framework Reserve of £200,000 and to the Capital Programme Reserve of £969,550. At outturn this was higher due to the successes of the Council's transformation plan, budget efficiencies and sound financial management which brought forward efficiencies and savings and additional income and resulted in a contribution to Capital Programme Reserve of £2,242,000, which will result in lower borrowing for the Town Hall project. A summary of all the movements in reserves is shown in the following table:

Narrative Report (Continued)

Reserves	Budgeted transfers £000	Actual transfers £000
Local Development Framework	200	200
In Year Surplus to Capital Programme	970	2,242
	1,170	2,442
Business Grants & Isolation Payments *		1,813
Council tax income guarantee *		81
Business Rates equalisation reserve *		16,629
Other movements		(2,444)
Total Transfer to/(from) Reserves	1,170	18,521

* The Business Grants & Isolation Payments Reserve is from grants that were received by the Council in 2020/21, but is for supporting businesses and individuals through 2021/22 due to Covid. The Council Tax Income Guarantee Reserve and the Business Rate Equalisation Reserve are made up of grants received from the government to offset losses on the Collection Fund. The legislation that governs Collection Fund accounting means that the deficit as a result of the loss of Business Rate and Council Tax income in year will not be charged to the Council's General Fund until 2021/22 and 2022/23. As a result these reserves have been identified separately as they are exceptional balances that will be drawn down in 2021/22 and 2022/23 to either provide grants to businesses or individuals due to Covid, or are to offset losses on the Collection Fund already incurred.

Summary of the Housing Revenue Account

The Council continues to be the provider of rental accommodation within the borough with a stock of 8,242 dwellings at 31 March 2021. The Council is required to maintain a separate ring-fenced account to record all the financial transactions relating to those dwellings.

The change in stock can be summarised as follows:

	31 March 2020	31 March 2021
Stock at 1 April	7,956	8,099
Less Sales	(31)	(43)
Demolitions/Disposals	-	-
Add New Build	165	180
Acquisitions	9	6
Transfer to/from GF	-	-
Stock at 31 March	8,099	8,242

Narrative Report (Continued)

The income from tenants in council property was £47.9m in the year with other income to the HRA of £2.1m. 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 8,000 dwellings, 4,600 garages and 1,611 leasehold properties. There was a transfer to the Major Repairs reserve in the year of £22.395m for future investment in housing stock.

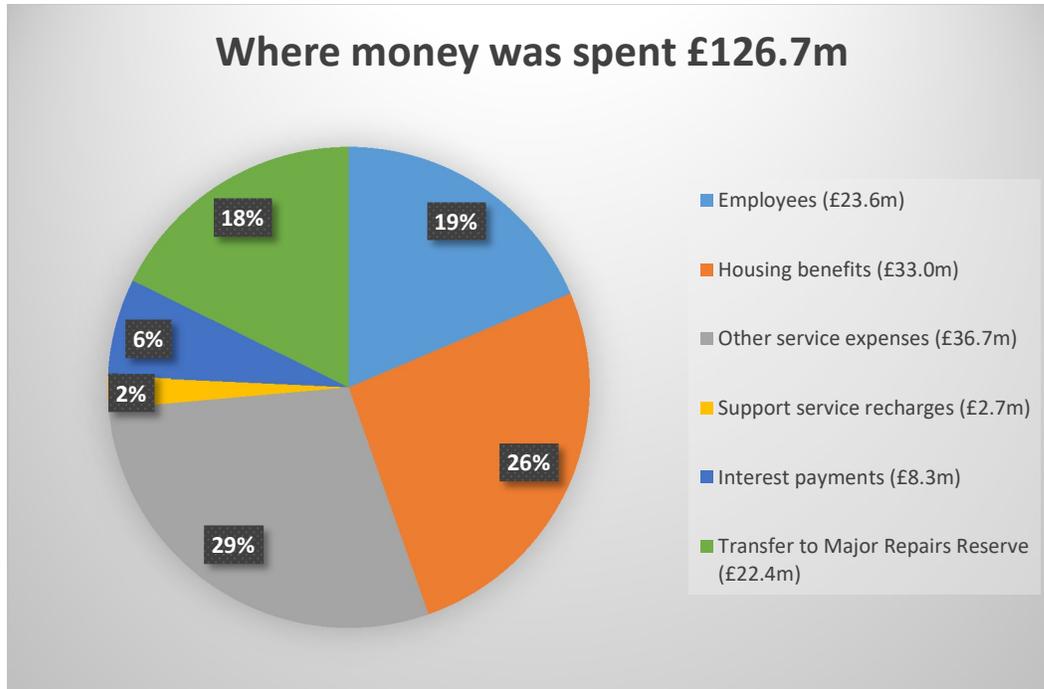
The Housing Revenue account saw an underspend in year due to reduced expenditure on repairs and maintenance and reduced staffing costs in the year due to vacancies. Delays due to the pandemic to the housebuilding programme saw rents lower than budgeted.

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

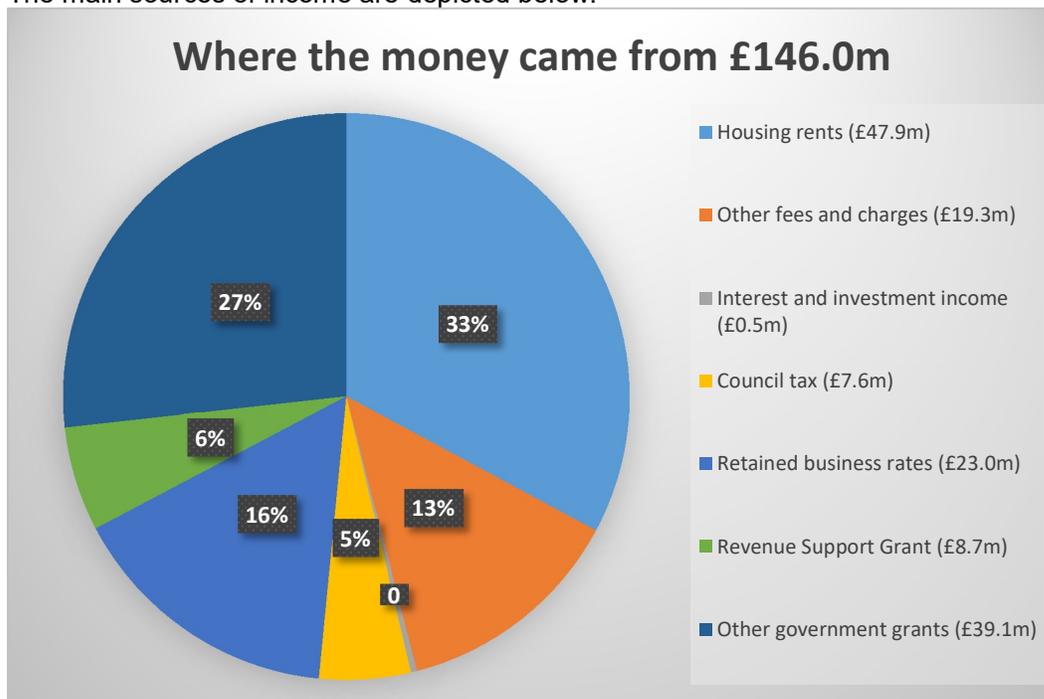
Narrative Report (Continued)

Total Revenue Expenditure

Overall the Council incurred expenditure in 2020/21 of £126.7m on its services to the public.



The main sources of income are depicted below:



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

Narrative Report (Continued)

expenditure of £19.3m agrees to the surplus 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 £190m from 2020/21. This includes £112m within Crawley Homes for investment in new and existing housing stock.

In 2020/21 the Council spent £42.217 million on capital assets, which was funded from the sale of assets, capital grants, external funding and revenue resources

Portfolio Description	Outturn 2020/21 £000's	2021/22 Latest Budget £000's	2022/23 Latest Budget £000's	2023/24 Latest Budget £000's
New Town Hall Redevelopment – Joint responsibility	17,734	24,326	3,000	-
Cabinet	-	330	500	200
Environmental Services & Sustainability	310	354	141	-
Planning & Economic Development	306	1,279	7,524	7,776
Housing Services	842	6,991	-	4,839
Wellbeing	322	1,344	216	-
Total General Fund	19,514	34,624	11,381	12,815
Housing Revenue Account	22,703	33,294	30,906	24,633
Total Capital	42,217	67,918	42,287	37,448

The table below summarises the approved resources available to fund the capital programme to 2023/24.

Funded By				
Capital Receipts	13,016	16,685	659	7,546
Capital Reserve	3,556	954	-	-
Better Care Fund	650	1,868	-	-
Lottery & External Funding	6,407	183	6,577	2,779
1-4-1 Receipts	2,827	5,490	6,259	5,288
HRA Revenue Contribution	15,452	29,484	25,147	21,115
Replacement Fund/Revenue Financing	210	1,232	23	-
Section 106	99	1,022	622	720
Borrowing	-	11,000	3,000	-
TOTAL FUNDING	42,217	67,918	42,287	37,448

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
Total Portfolio (General Fund) and HRA Surplus	20,814	(30,704)	(9,890)
Revaluation losses	(824)	-	(824)
Movement in investment properties	(939)	-	(939)
Capital grants	979	-	979
Revenue expenditure funded from capital	(1,190)	-	(1,190)
Pensions	(1,565)	-	(1,565)
Accumulated absences	1	-	1
Net Cost of Services in the Expenditure and Funding Analysis	17,276	(30,704)	(13,428)

5. Corporate Risks

The risks listed below were produced for the Audit Committee in July 2021.

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

- **New Town Hall**

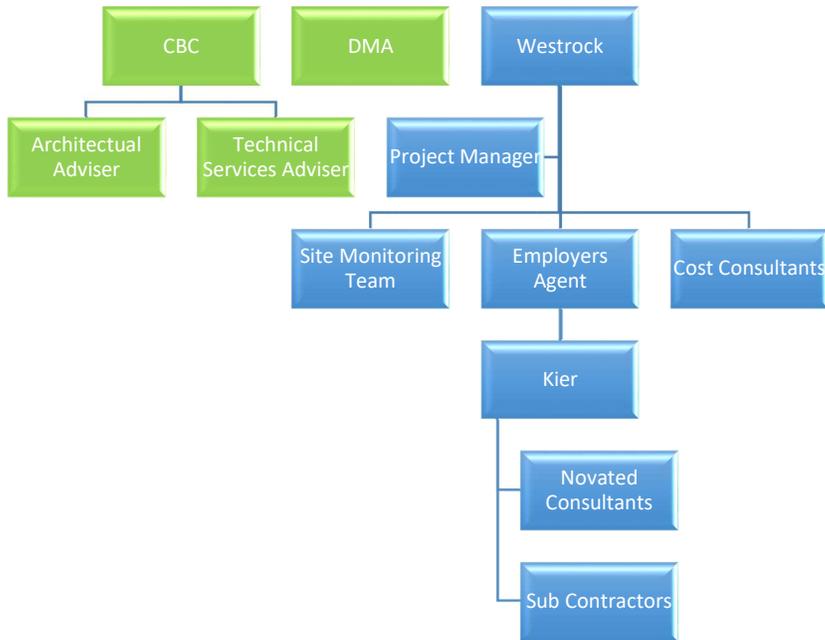
Despite the challenges of Covid, the construction of the New Town Hall building continues to budget, and working across stakeholders continues to improve. Handover of the building has moved from Dec 2021 to Feb 2022 but this is advantageous to the Council to realign interdependencies with the District Heat Network and to avoid lost time over the Christmas period. Commercial agents have been appointed and very early indications for tenants are positive, but this remains a key risk. Conversely Covid has accelerated new ways of working that increases confidence that the organisation will be ready to move, and allows the Council to occupy a smaller amount of space. Nonetheless there is significant work required to implement all aspects of new ways of working ahead of the move. Decisions on layout and capacity within the new space have been put on hold wherever possible until the post-Covid picture is clearer. Significant progress has been made around facilities management approach and this will continue. The wider benefits of the redevelopment is being actively pursued albeit that some skills and educational opportunities have been lost due to Covid. The project board overseeing the development

Narrative Report (Continued)

has structured itself around these risk areas, and has developed a programme that identifies and manages interdependencies and is actively managing the identified risk.

Governance Structure –

Contractual Arrangements



Narrative Report (Continued)

Internal Governance

Member Oversight

- Updates to Cabinet Briefing & regular liaison with Portfolio Holders
- Reporting as requested to Overview & Scrutiny Committee
- Member Working Group advising with particular interest in Groups 2, 4 and 6

Town Hall Board

Group 1: Design & Build	Group 2: Moving into NTH	Group 3: Commercial Space	Group 4: Facilities Management	Group 5: District Heat Network	Group 6: Benefits Realisation
<ul style="list-style-type: none"> • Construction monitoring • Car Park works • Contractor liaison • Financial monitoring • Communications • Interface with other developments 	<ul style="list-style-type: none"> • Cat C design and procurement • Link Transformation Programme • Layout and accommodation • Decant planning and moving 	<ul style="list-style-type: none"> • Appointment of commercial agent • Marketing of building • Tenancy agreements • Occupancy arrangements • Interface with FM 	<ul style="list-style-type: none"> • Commissioning & training for M&E and plant equipment • Plant maintenance contracts etc • Emergency planning • Risk assessments • Car Parking • Front of house 	<ul style="list-style-type: none"> • Procurement of O&M contractor • Billing & Client arrangements • Test & Commission plant • Switch over A2D & Kilnmead • Phase 2 planning and business case 	<ul style="list-style-type: none"> • Public Square and 4th Plinth moment • Public spaces within town hall • Sustainability benefits • CSR benefits

- **District Heat Network**
The final element of the Town Hall Site Redevelopment is the District Heat Network. This element has taken considerably more time to get to contract but this has now been achieved, and the impact of delays mitigated across the wider programme. The project team structure has been agreed and this will continue to report into the Town Hall Board and member oversight mechanisms in the same way as above. The mechanisms for identifying and managing risk also mirror the wider approach. To date works have progressed largely to programme and budget and the remaining design areas are being finalised. The procurement of the O&M Contractor has been completed and this a key milestone in the project.
- **LEP Infrastructure – Crawley Growth Programme**
CBC, together with WSCC (the lead body) was successful in securing £14.6 million of Local Growth Fund from the Coast to Capital LEP in autumn 2017, as part of the Crawley Growth Programme – a £60m package of public and private sector funding with an additional scheme and further funds added by WSCC to increase the package to £72m. The principal purpose of the Crawley Growth Programme investment is to help

Narrative Report (Continued)

bring forward regeneration sites to achieve new homes, jobs, and commercial space.

The Queensway scheme was completed on time and within budget in October 2019. The Town Centre signage scheme was rolled out and completed last year with an additional phase delivered, providing further signage in and around Memorial Gardens. The Station Gateway scheme has been successfully project managed through its initial stage, with the Borough Council able to broker successfully a way forward between Network Rail, GTR, West Sussex County Council and the Arora group on the development of proposals for a brand new Crawley railway station complex and associated public realm / parking / access improvements on site. These proposals, alongside a residential development at Station Gateway, are the subject of a live reserved matters planning application, which is due to be considered by planning committee.

The following projects will be led by CBC as part of the Crawley Growth Programme over the period to March 2025:

- Station Gateway public realm improvement
- Grade A commercial space development
- Three Bridges Station Improvement scheme
- Town Centre and Manor Royal Cycle Schemes
- Town Centre and Manor Royal 'super hub' bus shelters

The remaining risks associated with the continuing delivery of the Crawley Growth Programme are the following:

- Risk of budget overspend for the future project delivery within the Programme
Mitigation: regular financial monitoring and audit work carried out. Quarterly LEP audit; Head of Corporate Finance attends six weekly Programme Delivery Team meetings with West Sussex County Council. A "mid-term" programme review to take place summer 2021
- Scheme delivery time overruns – Remaining Crawley Growth Programme schemes must be delivered by the end of March 2025.
Mitigation: Regular project monitoring undertaken by individual Project Boards, the Programme Delivery team with West Sussex County Council and reported to the Crawley Growth Board, chaired by the CBC Chief Executive.
- Discontinuation or withdrawal of support from key partners
Mitigation: Regular interaction to identify and resolve issues promptly at project Board level with the Manor Royal Business District, Network Rail, GTR, Metrobus etc. A "mid-term" programme review to take place summer 2021
- A sustained period of economic downturn which slows up private sector investment on key regeneration sites in the town centre:

Narrative Report (Continued)

Mitigation: The type of infrastructure investment being delivered by the Crawley Growth Programme in public realm, transport and infrastructure transcends the economic cycle and delivers structural improvements to strengthen Crawley's economic prospects. The target date for delivery of regeneration site outcomes is actually 2030 to take account of the economic cycle and potential for a sustained down turn, which is now likely in view of the impact of the COVID-19 crisis nationally and internationally.

- Ineffective co-ordination of delivery across projects, leading to multiple disruption in the town centre and Manor Royal when this was avoidable.

Mitigation: Careful planning and close cooperation between CBC, WSCC officers and third party partners / contractors. A "mid-term" programme review to take place summer 2021

- Absence of CIL funding receipts in contribution to the delivery of the Crawley Growth Programme

Mitigation: Officers will defer from seeking Member approval to progress any elements of a scheme requiring CIL funding until such time as the requisite CIL receipts have been received.

- Ineffective co-operation and communication with WSCC

Mitigation: Where WSCC is the lead partner in the delivery of a Crawley Growth Programme scheme, such as the Eastern Gateway, CBC expects to be kept up to date in a timely and effective fashion well in advance of scheme milestones. This will be channelled through the Crawley Growth Board, chaired by the CBC Chief Executive and the Programme Delivery Team. A "mid-term" programme review to take place summer 2021

- **Three Bridges Railway Station**

On 11th February 2015 [SHAP/43](#), Cabinet approved the allocation of £430,000 of S106 funding towards the delivery of improvement works to the Station Forecourt. Network Rail have formally agreed to extend the S106 funding spend deadline to end March 2021. This funding remains on track to be spent by the deadline.

Member approval was granted in 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. These funds have been combined with the above S106 resources, in addition to a further £89,000 of S106 funds along with over £1.1 million of Community Infrastructure Levy, (approved by Cabinet on 7th February 2018), subject to receipt of the CIL funds.

At the Full Council meeting on 26 February 2020, Members debated the recommended design option for the Three Bridges Station Improvement scheme in the context of a petition received with over 1,000 signatories objecting to the removal of the right hand turn for vehicles out of the station and a Council motion requesting

Narrative Report (Continued)

that an alternative design option is developed retaining the right hand turn and then being subject to public consultation.

Full Council voted to request that Cabinet note the petition and consider its contents and then voted to approve a Council Motion which requested that Cabinet refer the matter of retaining the right hand turn to West Sussex County Council, the Highway Authority, requesting that the Highway Authority determine whether an alternative design option retaining the right hand turn is viable. This course of action was approved by Cabinet in March this year and a response received in June has confirmed the Highway Authority's support for the proposed scheme and the preferred design option. A planning application is in preparation for the scheme as well as a budget review and work to secure the outstanding Community Infrastructure Levy required to finance the scheme.

A comprehensive risk register is overseen by the Project Board of the Crawley Growth programme. The principal strategic risk looking ahead to the next steps is that a way forward is unable to be agreed.

- **Delivering the affordable housing programme**

The Administration has pledged to build as much affordable housing for local people as possible. Delivery is being programmed through the Strategic Housing Board and scrutinised at CMT and through the Corporate Projects Assurance Board. Projections for the current 4 year delivery period (2018-2021) indicate that delivery can be maintained at a similar level to the previous 4 year monitoring period at just over 1,000 new affordable homes. Approximately 2/3rds of this delivery will be by the Council and the remainder by other Registered Providers of affordable housing. Delivery is expected to remain at a similar level for the following 4 year monitoring period to 2025.

The greatest risk to the delivery of affordable housing lies beyond the medium term, once the current programme has been delivered. This reflects the fact that the majority of larger sites within the Council boundary that can easily be built will have been developed. This will leave smaller sites that are more challenging and contentious in nature and therefore more resource intensive to bring forward, or finding other opportunities such as regeneration.

- Work has been undertaken that will seek to identify these future sites and opportunities, feeding into the Local Plan and developing programmes of work. The Strategic Housing Board has reviewed and strengthened its governance to adapt to the new development environment and the associated risks this will bring.

Work has been undertaken that will seek to identify these future sites and opportunities, feeding into the Local Plan and developing programmes of work. Planning and Housing teams continue to work proactively to maximise opportunities afforded by development within neighbouring Districts and Boroughs adjoining the Council's boundaries.

The Strategic Housing Board has reviewed and strengthened its governance to adapt to the new development environment and the associated risks this will bring.

Narrative Report (Continued)

- **Transformation Programme**

The Council had set itself a change agenda to be completed ahead of the move to the new Town Hall and to help us meet future demand, needs and financial pressures. One impact of the Covid19 pandemic has been the move of almost all staff to more flexible working arrangements, thereby achieving in a matter of days, a shift in mind-set towards more agile ways of working that might well have taken months to achieve.

Given this progress and recognising the wider financial and community impacts of Covid, a review of the Transformation Programme has been completed and our plans refreshed to refocus our objectives. These are Channel Shift, New Ways of Working, People Strategy, Service Redesign, Commercialisation and Assets.

At a programme level, the key risks are:

- Financial – restricting the scope of work and change arising
- Capacity to deliver the scale of the Transformation Programme given other pressures
- The interdependencies between the areas of work not being recognised

The Transformation Board at CMT level brings together and provides oversight at a high level plan to ensure coherence, manage interdependencies and change, allocate resources and ensure delivery. Furthermore the Digital, Transformation and Corporate Support teams have been reinforced to ensure there is sufficient capacity both to support and deliver the transformation programme. Finally significant work is taking place with third and fourth tier managers to ensure to support implementation.

A further senior management group – Corporate Project Assurance Group - ensures appropriate governance of projects and that key projects beyond the transformation programme are not adversely impacted from the constraint of capacity and resources.

- **Disaster Recovery and Business Continuity.**

Currently, our core data centre is based at the Surrey Data centre in Redhill. 99% of all systems are hosted there with a few remaining hosted at the Town Hall. The migration of users to Office 365 in the cloud, means that core communication tools like Outlook are available from anywhere. The rollout of hybrid devices, the new Virtual Private Network (VPN) and the rollout of MS Teams has successfully delivered the capability for staff to work in any location where an internet connection is available. Bewbush remains as a site for face-to-face services even though it wouldn't be required for access to systems.

There remains a risk that the Surrey Data Centre could go offline, leaving CBC unable to access some its line of business systems. This has been a key consideration in the development of the Move to Cloud work outline below. Until such time there remains the following risk.

- The Surrey Data Centre were to go offline – CBC would retain access to Office 365 (MS Teams, Outlook etc.), but not service specific systems hosted at Surrey until the data centre was restored.

Narrative Report (Continued)

- **Move to Cloud**

The Council is undertaking substantial work to modernise its IT Digital Infrastructure to support our Transformation Programme, and ensure its IT estate is fit for purpose ahead of the move to the new Town Hall. The optimal strategy, in terms of future proofing our IT infrastructure and reducing the risks associated with that infrastructure, has identified moving our estate to the cloud. Whilst this will de-risk the Council over time, it is recognised that there will be risks associated with the change itself. Financially it requires a shift from a capital to a revenue model of funding IT and ways of mitigating this are being investigated. Structurally it will require short term investment and medium term shifts in human resources as elements of the Digital Team shifts into new roles. From a data security point of view it will require careful consideration of the implications to ensure the Council is compliant.

Risks of the move to cloud:

- Covid V19 financial impact makes the revenue investment difficult to achieve.

- **Data Breaches**

This risk relates to inadequate data sharing and data security arrangements including failure to maintain public services network accreditation (PSN). Improper disclosure of confidential information, failure to comply with GDPR requirement could lead to major reputational damage, loss of public confidence and the inability to operate key business processes.

The Council has made some considerable strides in this area in recent months. Most significantly it has re-secured its PSN certification providing assurance that its infrastructure is robust and secure. This will continue to be tested on an annual basis. Secondly, and in preparation for the move to the new Town Hall, an Information Management project has been set up to audit all information assets and policies, and prepare them for transfer to a new electronic document and record management system. Thirdly the Information Governance Board has been refreshed and this will oversee all aspects of this work, and is currently reviewing guidance and training for staff.

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

The Budget Strategy report to [Cabinet](#) on 25th November 2020 identified future budget gaps and mitigations. The budget report which was presented to Cabinet and Full Council included the outcome of decisions made on savings, taking into account the results of the resident's survey.

The Budget and Council Tax 2021/22 [FIN/514](#) report to Cabinet on 3rd February 2021 and Full Council on 24th February 2021 included the outcome of decisions made on savings, taking into account the results of the resident's survey. The report identified in Table 6 £1.819m of savings and efficiencies in order to address the gap and the impact of the pandemic. Despite this there is still a small budgeted use of reserves of £155,506. The future budget gap was identified of £447,000 for 2022/2023, however there are many unknowns going forward. The proposed Fair Funding Review has now been delayed together with a review of business rates retention and the future of Local Government financial settlements are unknown. There has been a consultation document of the [future of New Homes Bonus](#).

Narrative Report (Continued)

This will be responded to and will impact on future assumptions.

The impact of Covid19 is having a significant impact on both the current and future years. In year savings, efficiencies and other mitigations of £1.78m have been identified, despite receiving Government support there is still a budgeted shortfall of £109,000 identified in the Quarter 3 [FIN/516](#) report to Cabinet on 3rd February 2021. The Corporate Management Team will be working on the budget position throughout the new financial year and assessing the impact on the budget due to Covid-19 and will report through regular Quarterly budget monitoring reports to Cabinet.

- **Organisational Capacity, Recruitment, Retention and Succession Planning.**

There are a number of current and forthcoming workforce challenges facing the Council. As we seek to transform, continuously improve and meet a budget gap, we will be asking more of our staff, potentially with less resource. Some of this will be met through greater productivity, but not all. Having reduced the workforce in recent years from c1000 to c600, the Council is already seeing potential points of failure, for instance single standalone specialists. It is also recognised that there are teams that are potentially already under-resourced and the impact of Covid 19 is adding other pressures on staff.

Recognising these challenges, the Transformation Plan has as one of its objectives the creation of a People Strategy overseen by a People Board. This will bring corporate drive to addressing some of the following challenges. This group was established at the end of 2020 and will shortly seek wider representation from staff, managers and Unison as it develops its agenda.

The recruitment and retention of key specialist and professional roles can be challenging. The impact of higher salaries in the private sector is evident and as a result has led to problems with recruitment and retention in roles such as Procurement, IT, legal and some Planning and Surveying roles. HR are working with managers to ensure that we promote hard to recruit roles effectively and actively encourage managers to have transparent conversations around salary throughout the recruitment process.

We have also seen a number of skills gaps in the market when recruiting, as a result HR has worked with managers to creatively approach their recruitment by either upskilling employees internally or re-evaluating and recruiting to trainee level posts, this has resolved some retention issues, but it has impacted on workload for these business areas as there are greater levels of support and training for staff in these circumstances.

We offer a generous employee benefits package, with a range of discounts, benefits and wellbeing incentives to suit everyone and by raising the profile of these to prospective and existing employees with our benefits hub and external webpage, we can address candidate attraction and retention.

We continue to promote and support the creation of apprenticeship opportunities and we are making progress with better promoting ourselves as an employer of choice. The Corporate Management team are discussing succession planning and putting

Narrative Report (Continued)

processes in place to plan for the future.

- **Challenges and Risks: Workforce capacity, resilience and health and wellbeing.**

Workforce capacity

The challenges facing the workforce has been unprecedented over the last year as the Coronavirus pandemic has affected everyone in some way or another. We have seen the impact upon Crawley residents with local firms making significant job redundancies and firms using the Coronavirus Job Retention Scheme (CJRS) placing staff on furlough. These measures have significantly increased the amount of people using council services and making financial claims that would otherwise not have made claims to us. With forthcoming changes to the government's schemes we expect the demand to continue for several months, therefore placing additional demands on staff in these critical services.

In our response to these demands staff have been working considerably more hours and although this can be attained in the short term with the continued high levels expected, this would be unattainable longer term. When the council set out to respond to the demand we could not foresee the levels or duration that this would be for. Departments put into place their business continuity plans (BCP) however this has been an unprecedented emergency and although the BCP helped the workforce to respond, these plans were not necessarily designed as long term solutions. To support colleagues we have reassigned staff from different work areas to help meet the need.

Going forward the challenges and risks we face are if further job cuts happen within the borough, more people will seek the services of the council. Our response is to evaluate where we consider these pressure points will be and in advance of the impact identify staff we can reassign and in preparation will have undergone specific training for the roles they may be asked to cover.

Workforce resilience

We have seen the workforce respond and apply flexibility to the demand placed upon them and they have got to grips with the new pieces of legislation and subsequent government changes, of which there have been many.

Everyone has been affected in some way, whether it be directly by the virus itself, we have known some staff have lost loved ones to the virus, or staff shielding as they have medical conditions which means they are critical or vulnerable to the virus or they live with someone in their household who is shielding. A large number of staff have been home schooling whilst juggling working from home. For staff who work out in the community concerns have been about their ability to remain safe and maintain the social distance requirements whilst undertaking their jobs. Despite these challenges the workforce have largely responded well. We have also conducted three staff surveys to gauge the impact of the pandemic on our staff, services, productivity and morale. Feedback from these staff surveys have confirmed that staff are coping and performing well although the third lockdown did take its toll on staff, particularly their wellbeing and fatigue.

Narrative Report (Continued)

Some staff have been financially impacted as their partners/husbands/wives may have been furloughed or made redundant.

We have increased the measures to support staff with ongoing support and a comprehensive staff wellbeing programme

Health and wellbeing

Throughout this time the organisation has ensured our workplace have been supported in working from home, we have advised staff how to staff stay safe and healthy giving them access to health initiatives and links to variety of support avenues.

We have prepared for when staff return more regularly to the workplace and have robust health and safety measures and guidelines in place.

Challenges and risks we face

We face a number of challenges in the forthcoming months, some we are able to anticipate as mentioned earlier and some we may only know about and experience as they happen.

The Coronavirus pandemic is unprecedented, and should a further spike of the virus occur we could see our workforce health impacted and have a reduced workforce for some time. It is therefore paramount that we continue to establish a core of staff who can be deployed to key critical areas as and when needed.

We have an aging workforce and as some staff members may be able to access their pension, we may see an increase of staff leaving the organisation. It is known that when people experience a life changing event, which one could liken the pandemic, people often re-evaluate their personal circumstances. If this was to present itself we could see a loss of key officers with significant knowledge and skills leave the organisation.

- **Climate Emergency**

In July 2019 the Council declared a climate emergency and pledged to aim to reduce carbon emissions generated by Crawley Borough Council activities by at least 45% by 2030 and to zero by 2050 as recommended by the Inter-governmental Panel on Climate Change (IPCC). The risks here are broadly two-fold, the costs of not acting and the difficult choices involved in acting. A Climate Change Scrutiny Panel was established in autumn 2019 and undertook an assessment of the Council's carbon emissions and a series of meetings to support that assessment. Unfortunately that assessment was significantly delayed due to the pandemic. The Scrutiny Panel presented a report in February this year to Cabinet with recommendations for the Council's Climate Change Emergency Action Plan. Officers will draw up the Action Plan over the coming months and this will be submitted to Cabinet for approval, alongside an audit of the Borough's carbon emissions. The officer Climate Emergency Advisory Group is evaluating the recommendations of the Scrutiny Panel as part of the development of the Council's Climate Emergency Action Plan which will be brought to Cabinet for consideration later this year.

Narrative Report (Continued)

- **National Waste Strategy (incl Food Waste)**

Final consultation on The National Waste and Resources Strategy concluded in July 2021 with DEFRA indicating the final Strategy will be produced by the end of the year. Although yet to be confirmed, it seems likely that the Strategy will mandate changes to refuse and recycling collections which could place additional resource burdens on waste collection authorities. The Draft Consultation Strategy indicated introduction of a mandatory weekly food waste collection which could then impact upon residual waste and dry mixed recycling collection frequencies. The Council's contract for Waste and Recycling has been extended to allow sufficient time to understand this impact and undertake the planning required to take account of the changes to come.
- **Public Health**

The Covid-19 pandemic reminds us of the risks associated with public health emergencies. As host borough to Gatwick Airport, the Council has additional responsibilities when such issues emerge, in addition to those faced by other Councils.
- **Local Plan Failure to Adopt**

Crawley's refreshed Local Plan 2021-2037 has been published for another round of "Regulation 19" consultation, which commenced on 6th January 2021. Officers have reviewed the written representations received from the previous consultation from residents, stakeholders, other local authorities, businesses and developers and have completed further supporting evidence ahead of the next steps, including a review of the impact of the COVID-19 crisis on the Borough's economic growth forecasts. Some additional further evidence remains outstanding and until that has been completed and published the consultation on the Local Plan will remain open, to allow sufficient time for stakeholders to review the Local Plan in light of the full evidence base and make their representations accordingly. Following the completion of this current "Regulation 19" consultation, officers will consider the written representations received and the intention is to submit the refreshed Local Plan in summer 2021 in order for an examination of it by the government Planning Inspectorate in autumn 2021. Subject to process and the outcome of the examination, the Local Plan document would then come back to Cabinet and Full Council for approval to adopt as policy.

The principal risk associated with adoption at this stage is that the Inspector finds the Local Plan not to be legally compliant, in which case it would not be able to proceed through examination. In addition, there is a risk that the Inspector considers at examination, having taken into account duly made representations, that the Local Plan is not yet "sound" and that it requires significant modification. Only minor modifications can be undertaken by the council before or during the examination process, unless these are required by the Planning Inspector in order to make the Plan "sound". Adoption could be delayed should the Inspector require a revised draft to be produced to go out to a further period of modifications consultation; the examination to be 'paused' to allow significant time to undertake further work; or the council to withdraw the Plan to make substantial amendments where the modifications would go to the heart of the Plan. The adoption of the Local Plan is a Full Council decision, there is a risk the council may not agree to adopt the Local Plan. Where this has occurred in other authorities it has been due to political changes since the approval for publication and submission, or because of Main Modifications required by the Inspector which were not accepted by the council (there is no allowance to adopt a Plan except in accordance with the Inspector's modifications, the

Narrative Report (Continued)

only other option would be to withdraw the Plan and start work on a new Plan). Finally, there is the risk that a third party could ask the Secretary of State to intervene to prevent adoption of the Local Plan, or might subsequently raise a judicial review which could risk the Plan (or a specific part of it) being quashed.

- **Brexit**
The implications to the supply chain are yet to be seen due to leaving the EU, this will be monitored and reported during the next financial year.
- **Covid-19**
Whilst not a specific Crawley Borough Council organisation risk there is a very large community risk of the pandemic on our residents. These include inequalities, health, housing and businesses. We are trying to mitigate this through help and support including providing Government grants and supporting eligible residents to apply for Council tax reduction. Some impacts however, will not show until the housing eviction ban has been lifted, courts reopen and furlough schemes end and there may be an increase in job losses which will result in increased demands on services.

6. Summary Position

It is clear that the Council's financial and non-financial performance in 2020/21 continues to be good. The efficiency 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 2021/22 and future years.

In 2020/21, the Council has faced and dealt successfully with significant challenges due to the impact of Covid-19. These challenges will continue into 2021/22 and beyond, but the Council is well placed to adapt 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 faced a strong position as it moved into 2021/22. These will be assessed during 2021/22 and appropriate steps will be taken to manage council finances going forward.

7. Explanation of the Financial Statement

The Statement of Accounts for 2020/21 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 2021. 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 used has been accounted for in an appropriate manner
- Be assured that the financial position of the Council is safe and secure

Narrative Report (Continued)

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 2020/21, 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.

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 2021. 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.

Narrative Report (Continued)

- 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 2020/21 (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.

8. Covid-19

Covid has caused major disruption to the economy, businesses and individuals in 2020/21 and will continue into 2021/22 and beyond. The Council has been affected by a significant fall in income and higher levels of expenditure. Even with £5.68m of grants to help with the impact of Covid, the Council reported a £1.272m underspend in the year which was added to the Capital Programme Reserve to reduce the future borrowing requirement for the Council.

The majority of the Council's staff were swiftly transitioned to working remotely from home. This had some advantages such as flexibility and less commuting, but had negative impacts of having less social contact. Despite Covid, the Council saw a lower sickness record in 2020/21 than was recorded in 2019/20. The Council provided additional support to staff during this time, including training mental first aiders, holding virtual workshops, providing access to counselling services and access to mindfulness online course.

As part of a savings exercise to tackle the financial impact of Covid and the projected budget deficit in future years, officers identified £1.775m of in-year savings and ongoing savings of £0.506m. In December 2020, Full Council agreed to transfer the garages from the Housing Revenue Account to the General Fund resulting in additional income to the General Fund of £0.808m. The 2021/22 budget was set in February 2021 and further savings of £0.819m (of which £0.506m would be achievable in 2021/22) were approved.

The Council received £27.977m of grant funding from the Government to support businesses and paid out £20.096m during the year. Further funding of £5.811m, which included a new restart scheme, was received in 2021/22 and £6.027m has been paid on to businesses by mid-July 2021.

Narrative Report (Continued)

Council tax payers were assisted by hardship grants of £0.613m and isolation support grants of £0.298m. These schemes continue into 2021/22.

At 31 March 2021, the Council had £5.2m of General Fund reserves and £9.5m of CBC Earmarked Reserves. In addition, there were £23.7m of Earmarked Reserves to cover collection fund deficits and business grants due to be paid in 2021/22.

The Council had investments of £109,094m at 31 March 2021 of which £17.094m was available at less than one week notice. The Council has sufficient cash for its services throughout the medium term, and is also able to borrow short term for revenue purposes, though it is not expected for this to be necessary.

9. Change in accounting policies

There were no changes to accounting policies in the year.

10. Further Information

Further information about the 2020/21 Statement of Accounts is available from:

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Date: