

Narrative Report

2020 Ë 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

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Gave out over £50m in business rates reliefs on behalf of the Government

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.

143 Households were prevented from becoming Homeless

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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.

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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.

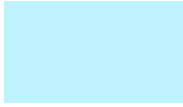
Implement Crawley 2030, Local Plan and

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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

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Reserves



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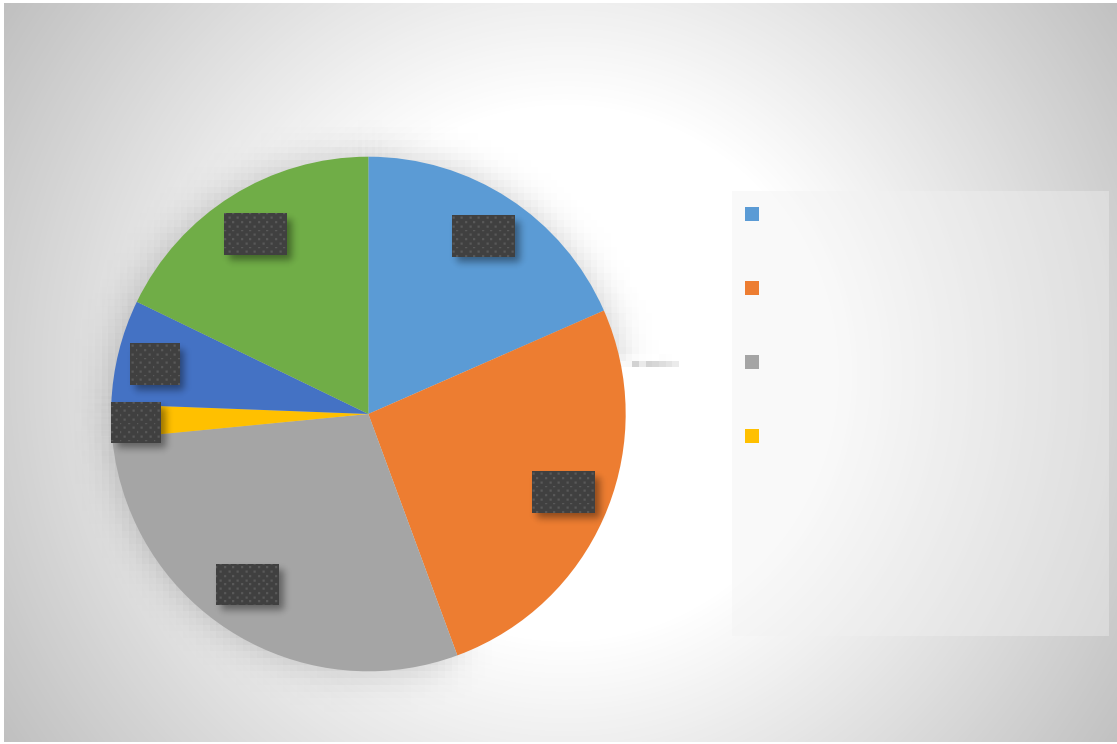
The income from tenants in council property was £47.9m in the year with other income to the HRA of £2.1m. The council took out loans on 28th March 2012 for £260.325m, borrowed from the Public Works Loan Board (PWLB). Interest on these loans amounted to £8.309m. This payment replaces the negative housing 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

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Total Revenue Expenditure

Overall the Council incurred expenditure in 2020/21 of £126.9m 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

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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 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

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Internal Governance

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.

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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

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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

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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 year to get the position throughout

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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

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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

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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 £5.5m of General Fund reserves and £9.7m 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. **Crawley Homes Rent issue**

In April 2021 the Council was contacted by the Regulator for Social Housing following a first mandatory data return about the setting of target rents. The Council was identified as an outlier in that its target rents were higher than the Government's formula rent and valuations suggested they should be.

Forensic investigation identified that the issue dates back to changes to the Tenancy Agreement agreed in October 2013 and implemented in April 2014. One of the changes implemented was to move from charging rent based on a 48-week year to a 52-week year. Actual rents were changed but the target rents on the system were not. This has affected 2,259 tenancies, of which 1,757 are current tenancies.

Existing tenancies were not affected by this change, and neither have new tenancies within properties built since April 2014. New tenancies since April 2014 within properties that pre-date April 2014 have consequently been overcharged in the region of 8%.

The total impact was £3.3m to be repaid to the DWP (£1.7m) and current and former tenants and this will be reported in the 2021/22 financial statements.

10. **Change in accounting policies**

There were no changes to accounting policies in the year.

11. **Further Information**

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

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