

Crawley Borough Council

Cabinet

Supplementary Agenda

Wednesday, 5 October 2022



Chief Executive

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Attached is a copy of the OSC Comments to Cabinet from its meeting on: Monday 3 October 2022.

NOTE: The Leader has agreed that, although this report and information was not available for at least five clear days before the meeting, there are special circumstances justifying its urgent consideration.



Switchboard: 01293 438000
Main fax: 01293 511803
Minicom: 01293 405202 DX:
57139 Crawley 1
www.crawley.gov.uk

Town Hall
The Boulevard
Crawley
West Sussex
RH10 1UZ

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Cabinet
Wednesday 5 October 2022

Comments from the Overview and Scrutiny Commission
at its meeting on Monday 3 October 2022
OSC/305

1. Cabinet Agenda Item 6 – 2022/2023 Budget Monitoring Quarter 1

Comments and Recommendations

The Commission considered report [FIN/586](#) of the Head of Corporate Finance.

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

- Recognition that there was a projected overspend in year, following the impact of the pandemic and due to the cost-of-living crisis. The situation would be monitored over the next few months and continued to be reported in future monitoring reports.
- Support that K2 Crawley continued to move back to pre-pandemic usage and for the additional income projections at Quarter 1.
- It was noted that the budget for the 2022/23 pay award had an allowance for 2%, the projected overspend was therefore at least £800,000.
- Acknowledgement of the pressures and concerns within Homelessness as the service continued to see sustained pressures in all forms of temporary accommodation. It was noted that the service proactively sought suitable temporary accommodation (and it was difficult when this did not materialise), in order to minimise out of borough placements and nightly paid accommodation. In addition, it was anticipated that modular schemes may provide some solutions.
- Recognition that some of the capital schemes had slipped to future years such as Crawley Growth Programme and Gigabit.
- Whilst private commercial properties had previously taken the opportunity to convert buildings to accommodation through permitted development this was not a process that would benefit the Council's assets.
- Recognition that the Investment and Operational Properties' underspend related to additional income arising from rent renewals, which included debt provision.
- Clarification sought and obtained on the cycle paths and cycle improvements fund allocations.
- Confirmation was provided on the external funding, particularly S106 as identified within the appendices ('Funded By' table).

RESOLVED

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

2. Cabinet Agenda Item 7 – Budget Strategy 2023/24 – 2027/28

Comments and Recommendations

The Commission considered report [FIN/573](#) of the Head Corporate Finance. During the discussion with the Leader of the Council, Head of Corporate Finance and Chief Executive, Councillors made the following comments:

- Acknowledgement that the Council's projected budget deficit was higher than previously anticipated due to the impact of increasing inflation, increased homelessness costs, future Council tax and Business rates income projections and impact of the cost-of-living crisis on other income sources such as fees and charges.
- Recognition that the financial pressures were extensive and that the Corporate Management Team had undertaken a series of budget challenges that had resulted in savings both in year and future years to help mitigate these pressures. Acknowledgement that there was a need to strike a balance between competing

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priorities. Whilst the Council was currently benefiting from interest rates, there was a need to factor in other areas such as the reduction in national insurance.

- Concern expressed that the biggest demand for support was homelessness as there was a projected overspend on temporary accommodation in the current financial year, with the total annual budget spent in the first quarter. The current year budget was £900,000 with an estimated year end spend of £2.8m. It was anticipated that the situation would remain or increase as a result of the cost-of-living crisis. The Council had many forms of advice, support and signposting on offer. It was felt that these, along with the 'duty to refer' needed to be monitored in order to gauge future projections.
- Recognition that the budget for the 2022/23 pay award had an allowance for 2%, the projected overspend was at least £800,000.
- Clarification sought and obtained on the valuation of Telford Place car park.
- It was noted the costs of the Council's commitment to Climate Change had not been factored into future budget projections as some of the work had yet to be scoped.
- Confirmation that assumptions for the new Town Hall would be updated.
- Acknowledgement that budget modelling for future years was difficult and whilst individuals' household income had been affected, the Council's income streams were likely to continue to be impacted by any longer-term downturn in the economy and any future outbreaks. The cash flow and budgetary impact on the Council would be significant. There continued to be a growing gap between funding and service pressures, driven by demographic change and placing additional pressure on Council services.
- Members of the Commission commended officers from the Finance Team for their work in producing finance reports and dealing with challenging issues.

RESOLVED

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

3. Cabinet Agenda Item 8 – Proposed Increase of Weekly Rent to Council Owned Garages

Comments and Recommendations

The Commission considered report [CEX/59](#) of the Chief Executive. During the discussion with the Leader of the Council, Chief Executive and the Operations & Maintenance Manager, the following comments were made:

- Recognition that increasing fees and charges at a time where residents and businesses were incurring other rising costs as a result of the cost-of-living crisis was understandably sensitive. It did however minimise the need for future reductions in services. Additionally, the Council was charging at the lower end in comparison with other local authorities.
- It was noted that the prices would still be competitive and garages rented to non-borough residents would pay a different rate to assist in ensuring garages met the demand of local residents as a priority. An additional charge for each subsequent garage would also be applicable for multiple garages.
- It was commented that the use of garages had subsequently changed over the years and were now mainly used for storage. Additionally, it was added the use of enforcement where garage entrances were blocked needed to be addressed.
- Acknowledgement that various options had been considered for administering the new procedure (including a sliding scale of implementation) but it was recognised any new process needed to be straightforward to deploy and comprehend.
- Confirmation was provided on the review process together with the number of voids, tenancy agreements and maintenance programme. It was anticipated that marketing would take place once the new process was implemented.
- Clarification was sought and obtained on the make-up of garage tenancies and whether business use could potentially be a (future) opportunity.
- Concerns were raised that there was a higher charge adopted for Crawley resident private tenants than for Crawley Homes tenants. Despite favourable costs with other local authorities and a vat element to consider, it was remarked that the cost differential between the two charges was significant. It was therefore suggested that the pricing strategy (rental fees) for Crawley Homes tenants and Crawley resident private tenants was reviewed when the next increase was due. It was important that the Council needed to obtain the best value from its assets with regards to its pricing strategy on garages.

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RESOLVED

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

Councillor T Belben
Chair, Overview and Scrutiny Commission
3 October 2022

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