

Crawley Borough Council

Minutes of Cabinet

Wednesday, 5 October 2022 at 7.00 pm

Councillors Present:

M G Jones (Chair)	Leader of the Council
S Buck	Cabinet Member for Housing
G S Jhans	Cabinet Member for Environmental Services and Sustainability
S Malik	Cabinet Member for Resources
C J Mullins	Deputy Leader of the Council and Cabinet Member for Wellbeing
S Mullins	Cabinet Member for Public Protection and Community Engagement
A Nawaz	Cabinet Member for Planning and Economic Development

Also in Attendance:

Councillor T G Belben, R D Burrett and D Crow

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Karen Hayes	Head of Corporate Finance
Chris Pedlow	Democracy & Data Manager
Clem Smith	Head of Economy and Planning
Siraj Choudhury	Head of Governance, People & Performance

1. Disclosures of Interest

The following disclosures of interests were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor Nawaz	Proposed Manor Royal Business Improvement District (BID) Renewal ('BID 3') (Minute 8)	Personal and Prejudicial Interest – Local Authority Director of the Manor Royal Business Improvement District, as the Cabinet Member for Planning and Economic Development Councillor Nawaz left the room for this item

2. Minutes

The minutes of the meeting of the Cabinet held on 7 September 2022 were approved as a correct record and signed by the Leader.

3. Public Question Time

There were no questions from the public.

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

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

5. 2022/2023 Budget Monitoring - Quarter 1

The Leader presented report [FIN/586](#) of the Head of Corporate Finance. The report set out a summary of the Council's actual revenue and capital spending for the first quarter to June 2022 together with the main variations from the approved spending levels and impact on future budget. It was noted there was a variance of £671k in the general fund. At budget setting, it had assumed a transfer from reserves of £452,000, so there is now projected to be a £1.1m transfer from the general fund reserve at the end of the year. The Cabinet were informed that there had been unprecedented demand for the Council's homelessness services leading to a projecting of £872,000 overspend.

The Head of Corporate Finance addressed the Cabinet noting that the original report sent to Members had a slight addition error within the appendices, (pages 8, 9 and 10). A correct version of the report had been sent to the Cabinet prior to the meeting.

Councillor T Belben presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [3 October 2022](#), which included:

- The Commission noted that the budget for the 2022/23 pay award had an allowance for 2%, this was likely to be higher leading to a projected overspend was therefore at least £800,000.
- They were pleased that K2 Crawley continued to move back to pre-pandemic usage and for the additional income projections at Quarter 1.
- Acknowledgement of the pressures and concerns within Homelessness as the service.

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

RESOLVED

That the Cabinet:

- a) Notes the projected outturn for the year 2022/2023 as summarised in this report [FIN/586](#).

- b) Approves the addition of £40,000 to the capital programme, funded from the Tilgate Park Investment Reserve, for a replacement tractor flail as outlined in section 8.7 of this report [FIN/586](#).

Reasons for the Recommendations

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

Note by the Head of Governance, Performance and People – The amendment and correct version of report [FIN/586](#) has been now be published online replacing the original publish version.

6. Budget Strategy 2023/24 - 2027/28

The Leader presented report [FIN/583](#) of the Head of Corporate Finance. The report set out financial projections with particular reference to the period 2023/24 – 2027/28 for the General Fund, Housing Revenue Account, capital programme and the underlying assumptions. The report set out the policy framework for improving financial efficiency and meeting the long-term investment needs of the Town, as well as proposals for the annual budget process.

It was noted that the proposed budget would be formed under the background of high inflation and the cost-of-living crisis as such assumptions were changing on a daily basis. Also, which was mentioned in the quarterly reporting, there was a pay award pending and was expected to be £800k more than budgeted for and this would be addressed in the mid-year strategy would be before the Cabinet later this year.

It was noted that currently there was a budget deficit of £204,109 for 2023/24, before use of reserves and before any savings were identified and based on a Council tax increase of 2.21% which was £4.95 on a Band D in property and an increase of fees and charges of 5%, (which was lower than inflation) for 2023/4.

Councillor T Belben presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [3 October 2022](#), which included:

- 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.
- Members of the Commission commended officers from the Finance Team for their work in producing finance reports and dealing with challenging issues.

Councillor Crow was invited to speak on the item, including accepting that it was a moving feast in terms of the budget setting process. Also that it was hoped that the Council would be able to maximise the rental income of the office space within the new Town Hall going forward despite the delays in the opening and the move to the new building.

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

RESOLVED

That the Full Council be recommended to approve the Budget Strategy 2023/24 to 2027/28 and to:

- a) Approve the process for meeting the gap as outlined in section 8 of report [FIN/583](#).
- b) Approve to continue with the policy of balancing the budget over a four-year period, including putting back into reserves when the Budget is in surplus. This is due to the current economic climate.
- c) Note the following highlights of the Budget Strategy:
 - i. that the Budget is aligned to the Council's Corporate Priorities.
 - ii. that the current budget deficit of £204,109 for 2023/24 is based on a Council tax increase of 2.21% which is £4.95 and increases in fees and charges of 5% on average. However table 9 in report [FIN/583](#) highlights that the gap could be higher when looking at sensitivity analysis.
 - iii. that the outline 5 year forecast as shown in table 3 of report [FIN/583](#).
 - iv. that the savings identified by the Corporate Management Team challenge of budgets of £413,080 have been included within the budget projections.
 - v. that there are uncertainties around Government funding prior to the settlement in December and the delay in Local Government Funding reforms such as business rates retention and the future of New Homes Bonus.
 - vi. that despite having a £5.26m General Fund reserve that the budgeted use of this reserve was £451,730 at the beginning of the current financial year, however there is a projected overspend in year due to the cost-of-living crisis and its impacts and with so many financial uncertainties the reserve must remain between £3m and £5m. The Council cannot rely on using reserves in the long term to balance the budget.
 - vii. that no additional revenue budgets have been budgeted towards the costs of the Climate Change commitment at this stage. Table 10 within report [FIN/583](#) shows existing capital commitments to Climate Change.
 - viii. that items for the Capital Programme are driven by the need for the upkeep of council assets and environmental obligations and schemes will also be considered that are spent to save or spend to earn but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value.
 - ix. that costs associated with splitting upper floors for the New Town Hall were not included within the original budget. Any costs will be added to the capital programme but will be funded from rental income.

- x. that an update on this strategy will be presented to Cabinet on 23rd November 2022, this will include capital bids and the revised Crawley Homes capital investment plan.

Reasons for the Recommendations

To continue with the implementation of the Council's budget strategy and to deal with the Council's projected budget deficit which is 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.

To reaffirm the criteria for capital programme bids.

To note that until the Local Government Finance Settlement is known in December 2022 these projections are highly likely to change. Revised projections will be presented to Cabinet in November 2022 due to these constant changes, such as inflation and demands on services such as Homelessness. At that meeting any revenue growth bids, capital bids, and the HRA capital investment plan will also be reported for approval.

7. Proposed Increase of Weekly Rent to Council Owned Garages

The Leader presented report [CEX/59](#) of the Chief Executive. The report sought approval for the mid-year increase as part of the budget setting strategy with reference to weekly rent to Council-owned garages and storage cupboards. It was acknowledged even with the proposed increase renting garages from the Council would still be of good value for residents and much lower than alternative forms of storage and most other local similar local authorities. It was noted that the changes to multiple tenancies and to non-Crawley residents means that they would now be paying a premium for multi garages and if they are not prepared to then it would enable more residents on the waiting list to have the opportunity to be able to rent a garage sooner.

Councillor T Belben presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on [3 October 2022](#).

Councillors Buck and S Mullins spoke as part of the discussion on the report. It was requested that a list of the exact number of Council-owned garages and storage cupboards and the wards be included in the Council's information bulletin, so that Councillors were aware what was in their ward.

RESOLVED

That Full Council be recommended to approve change in garage and storage cupboard fees, as detailed in Section 5 report [CEX/59](#) and to:

- a) Increase rental fees with effect from 1 December 2022, with no further increase until April 2024 as follows:

- i) weekly garage rental costs for Crawley Homes tenants,
 - ii) weekly garage rental cost for Private Tenants residing in Crawley
 - iii) weekly rental costs of storage cupboards
- b) Introduce an additional charge for Crawley Homes tenants and Crawley resident private tenants with three or more garages.
- c) Introduce a new non-Crawley Borough resident weekly garage rental cost.
- d) Introduce an additional charge for non-Crawley Borough residents with two or more garages.
- e) Remove the previous multi garage discount from any remaining accounts.

Reasons for the Recommendations

The Budget Strategy 2023/24 – 2027/28 (FIN/583) elsewhere on this agenda identifies in Table 3 an initial budget gap of £240,000 in 2023/24, this rises to £419,000 in 2024/25. This assumes an increase in fees and charges of 5% on average, as financially modelled. Table 9 in the same report identifies some sensitivity analysis and shows large increases in the gap should the pay award for Local Government employees be higher or inflation be higher, or further pressure on providing temporary accommodation for those we owe a duty - therefore additional income from garages would support meeting future gaps.

8. Proposed Manor Royal Business Improvement District (BID) Renewal ("BID 3")

The Leader of the Council invited the Head of Economy and Planning to present report [PES/421](#). The report sought Cabinet support for the renewal of the Manor Royal BID for a third five-year period, for the Manor Royal BID's Business Plan 2023-2028 and Cabinet approval for the Council to continue to undertake the role of Ballot Holder, as well as Billing Authority for the BID, should a majority of BID levy payers vote to continue the BID. The Cabinet were reminded that Manor Royal BID was the largest in the South East, comprising of over 600 businesses, 30,000 jobs and over 9 million sqf of commercial space.

Councillor Jones spoke in support of renewing the BID.

RESOLVED

That the Cabinet:

- a) agrees that the Council continues to perform the role of billing authority for a further five years, collecting the BID levy on behalf of the Manor Royal BID, subject to the BID securing renewal.
- b) agrees and request that the Chief Executive as Returning Officer and Ballot holder should hold a Ballot for the Manor Royal BID Renewal proposal.
- c) agrees that the Head of Governance, People and Performance be authorised to complete the necessary legal agreements required for the BID levy operation together with any other necessary documents for the proposed BID renewal.

- d) agrees the proposal from the Manor Royal BID to support the renewal of the BID (BID 3) for a further five-year term.
- e) requests the Leader of the Council to cast the vote (for the Council's own rated properties in the Manor Royal BID area) in accordance with the Cabinet decision for 2.1d) during the period of Ballot (see section 7 of report [PES/421](#)).

Reasons for the Recommendations

Since the outcome of the Ballot for the Manor Royal BID's second term permitted a maximum five-year BID period to 31 March 2023, a renewal Ballot for a third term is therefore required amongst Manor Royal levy payers to determine whether the majority wish for the Manor Royal BID to continue for a further five years. Cabinet is therefore being asked to agree the Manor Royal BID's renewal proposal.

The Borough Council also needs to determine whether it wishes to continue to undertake the role of billing authority, collecting the BID levy on behalf of the BID, subject to legal agreement.

The BID Regulations require the Council as "billing authority" to instruct the "Ballot Holder" to hold the renewal ballot. The Ballot Holder is "the person the relevant billing authority has appointed under section 35 of the Representation of the People Act 1983 (a) as the Returning Officer for elections to that authority" – i.e., the Chief Executive.

Given the Council owns three rateable property hereditaments in the Manor Royal BID area (see Section 6.8), it will be required to pay a BID levy should the BID be renewed for a third term. This entitles the Council to vote during the period of the BID Ballot as a levy payer.

The Council is required to ensure that the process associated with BID renewal and the operation of the Manor Royal BID during a third term (subject to a "YES" vote) is undertaken in accordance with the Business Improvement Districts (England) Regulations 2004.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.54 pm

M G JONES
Chair