

Cabinet
Wednesday 25 November 2020

Comments from the Overview and Scrutiny Commission
at its meeting on Monday 23 November 2020
OSC/291

1. Cabinet Agenda Item 7 – Submission Crawley Local Plan 2021-2037

Comments and Recommendations

The Commission considered report [PES/367](#) of the Head of Economy and Planning.

During the discussion with the Cabinet Member for Planning and Economic Development, Forward Planning Manager and the Policy Planning Manager the following comments were made:

- Confirmation that the advice sought through the Planning Inspectorate advisory service had been carried out previously as part of the process with the current adopted Local Plan. It allows areas of concern to be addressed prior to full inspection.
- Explanation was provided regarding the removal of S106 contribution requirements towards education which was a new proposal in the previous draft Plan consulted on in January. Instead this would continue to be met through the Community Infrastructure Levy (CIL) to respond to Viability evidence. The viability study assesses the economic viability of development proposed across the area covered by the Crawley Local Plan and the ability of these developments to make contributions to infrastructure through S106 and CIL. The education authority would put forward their projects and obtain their contributions via the CIL rather than S106.
- Concerns raised over the proposed allocation of the Gatwick Green employment area and whilst there was a need for employment provision within the borough, the location was questionable as the strategic gap between Crawley and Horley would be eroded. In response it was noted that it was understandable that some residents may be uncomfortable with the proposal within the Crawley Local Plan, however it was recognised that there was a balance of conflicting priorities and the Crawley Local Plan covered the needs of the community in terms of employment as well as safeguarding green space. The evidence showed that in order to support the creation of new jobs and support the local economy, Crawley needed approximately 24 hectares of employment floor space. The NPPF required the council to meet its development needs for employment purposes where possible. Due to the safeguarding requirements for a potential future southern runway at Gatwick Airport, it was felt this was the only area capable of accommodating a strategic employment location. However, the sensitive location had been recognised and the policy allocating the site had been carefully drafted, including many parameters the developer would need to address. The allocated site was much larger than the anticipated built area of any development scheme, to ensure it can accommodate sufficient infrastructure, landscaping and open space to provide an appropriate landscape buffer with the countryside and ensure the protection of the amenity of neighbouring properties. The proposed allocation of the site is one of the main reasons the Regulation 19 consultation was being repeated to give residents and businesses in the area the opportunity to make formal representations on the allocation and the details of the policy.

RESOLVED

That the Commission notes the report and requests that the views expressed during the debate, are fed back to the Cabinet through the Commissions' Comment Sheet.

2. Cabinet Agenda Item 8 – Budget Strategy 2021/22 – 2025/26

Comments and Recommendations

The Commission considered report [FIN/508](#) of the Head of Corporate Finance.

The Commission received clarification on a number of points during the discussion with the Leader of the Council, Head of Corporate Finance and Chief Accountant.

Councillors made the following comments:

- It was noted that the pension fund benefits from effective investment and there were advantages to keeping the pension fully funded. Whilst local government pay was negotiated nationally, should a pay freeze be agreed this would assist in the committed reserves.
- Confirmation that whilst the town centre would require additional support post-Covid, the newly formed Town Centre BID intended to have a positive impact on the area, to work hard to create a safer Town Centre for shoppers, businesses, their employees and grow the number of visitors. The Economic Development Team would work with the BID, retail, key partners and stakeholders within the town and continue to provide its services, using various different methods following the pandemic.
- Confirmation that whilst the overall objective had in the past been to work towards a balanced general fund budget over a three year period, due to the pandemic the recommendation was to work towards balancing this over a four year period.
- Explanation that the final year for New Homes Bonus for four years was 2019/2020, resulting in 2022/23 for the final legacy payments. The New Homes Bonus received for the current year was for one year only.
- Confirmation that the budget gap within the budget projections was a cumulative figure.
- Acknowledgement that table 4 within section 6.2 should commence with years 2021/2022.
- Recognition that the report had assumed that all contracts would be fully operational on 1 April 2021 with no financial impact. Whilst at this stage this was unlikely and a Covid reserve had been established.
- Confirmation that the government grant for 'Transparency' had not been ring-fenced and there were no conditions attributed to the grant.
- Explanation that the investment properties listed within the Capital Strategy linked to those within the Treasury Management Strategy and were purchased for the sole purpose of achieving a yield. Further properties still achieved a yield but were either already owned or purchased for another reason (Telford Place achieved a yield as a car park, however the primary purchase purpose was affordable housing). It was queried if the cost of acquisition could be included. However the cost price may not bear relation to the valuation or include any property works.
- Concerns were raised regarding the earmarked reserves for the town centre market transferring to a Covid support reserve. In response it was noted that the nature of the town centre as a result of the pandemic would be undergoing rapid change and this included the market. Different options needed to be considered for retail as a whole.
- Confirmation that the amount attributed to the works at Milton Mount flats were the total costs. The income was then accounted from the leaseholders separately.
- Clarification sought and provided on retained business rates and the details provided within the appendices.

RESOLVED

That the Commission notes the report and requests that the views expressed during the debate, are fed back to the Cabinet through the Commission's Comment sheet.

3. Cabinet Agenda Item 9 – Treasury Management Mid-Year Review 2020-2021

Comments and Recommendations

The Commission considered report [FIN/512](#) of the Head of Corporate Finance. During the discussion with the Leader of the Council, Head of Corporate Finance and Chief Accountant, Councillors made the following comments:

- The Commission received clarification on a number of points within the report. In terms of detailed holdings, it was confirmed that Leeds building society was a covered bond, backed by a secure government bond and thus attributed the AAA rating.
- Recognition that investing at 0% had taken place where the council had reason to invest for relatively short periods of time.
- Confirmation that investments with banks offered a higher risk during the pandemic and lower rates at the present time than investments with local authorities.
- Confirmation that appendix 1 included the overall weighted average for the portfolio of detailed holdings.
- Queries sought and obtained regarding details within appendix 2.

RESOLVED

That the Commission notes the report and requests that the views expressed during the debate, are fed back to the Cabinet through the Commission's Comment sheet.

4. Cabinet Agenda Item 10 – 2020/2021 Budget Monitoring - Quarter 2

Comments and Recommendations

The Commission considered report [FIN/510](#) of the Head of Corporate Finance. During the discussion with the Leader of the Council, Head of Corporate Finance and Chief Accountant, the following comments were made:

- Confirmation that the favourable and unfavourable indications within the budget monitoring variations referred to the projected variances against the original budget.
- Recognition that with reference to the sports, leisure and community facilities, lost Covid income related to the contractual value due to the council. The Covid additional expenditure referred to costs such as maintaining venues open at a reduced capacity.
- Acknowledgement that staffing resources increased during the first lockdown within the contact centre. However it was not anticipated that the services would undergo similar demands or pressures in the future.
- Confirmation that at the start of the pandemic the council was maintaining shorter investments as the impact on income for the rest of the year was unknown. Longer term investments have tended to result in higher interest rates (although interest rates were continuing to fall).
- Acknowledgement that in terms of the capital programme there were a few schemes which may slip to next year (for instance the town hall and purchase of properties).
- It was confirmed that an Unsupervised Play Investment Plan Working Group had been established to investigate the different play area improvements. The Wakehams Green site and investment would be discussed as part of this group. The various projects receiving S106 contributions indicated balances from previous schemes and had been re-allocated to the new programme.
- Explanations sought and obtained on the contribution to reserves within the general fund. Adequate reserves were required throughout the pandemic and to fund the capital programme, both of which were addressed within the Budget Strategy report. The council's budget position had been raised with the external auditors who believed the council had good governance, project and risk management where appropriate.

RESOLVED

That the Commission notes the report and requests that the views expressed during the debate, are fed back to the Cabinet through the Commission's Comment sheet.

Councillor T Belben
Chair, Overview and Scrutiny Commission
23 November 2020