

Crawley Borough Council

Minutes of Cabinet

Wednesday, 25 November 2020 at 6.30 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
I T Irvine	Cabinet Member for Housing
G S Jhans	Cabinet Member for Environmental Services and Sustainability
C J Mullins	Cabinet Member for Wellbeing
P C Smith	Cabinet Member for Planning and Economic Development and Deputy Leader

Also in Attendance:

Councillor T G Belben, R D Burrett and D Crow

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Elizabeth Brigden	Planning Policy Manager
Ian Duke	Deputy Chief Executive
Karen Hayes	Head of Corporate Finance
Simon Jones	Head of Digital and Transformation
Sallie Lappage	Forward Planning Manager
Chris Pedlow	Democratic Services Manager
Clem Smith	Head of Economy and Planning

Apologies for Absence:

Councillor B A Smith

1. Disclosures of Interest

The following disclosures of interests were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor P Smith	Budget Strategy 2021/22 – 2025/26 - (Minute 7)	Personal Interest – As Councillor P Smith is the Council's representative to the Town Centre BID Board
Councillor Burrett	Appropriation of Garages from the HRA to the General Fund - (Minute 10)	Personal Interest – As Councillor Burrett currently rents a garage from the Council.

2. Minutes

The minutes of the meeting of the Cabinet held on 30 September 2020 were approved as a correct record and signed by the Leader.

3. Public Question Time

There were no questions from the public.

4. Further Notice of Intention to Conduct Business in Private and Notifications of any Representations

It was reported that no representations had been received in respect of agenda items 15 and 16: *Authority to Approve a Scheme Budget and Appoint a Contractor for Breezehurst Phase 2 Housing Development* and *IT Infrastructure to the Public Cloud*, respectively.

5. 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.

6. Submission Crawley Local Plan 2021 - 2037

The Cabinet Member for Planning and Economic Development presented report [PES/367](#) of the Head of Economy and Planning which sought to recommend to Full Council to approve the submission of the draft Local Plan for a further publication consultation, and also to approve the submission of draft Local Plan for Submission to the Secretary of State for Examination by an independent Planning Inspector, (*subject to minor amendments deemed necessary following consultation for the purposes of clarity*) and the approval of the publication and submission of the supporting documents for the Local Plan.

The Cabinet were reminded that the Council had already been out for public consultation on the draft 2021-37 Local Plan, during January and March 2020. Following that further advice was sought on the draft document from the Planning Inspectorate. As a result the Inspector's feedback and subsequent consultants' reports the draft Local Plan had been updated as detailed in Section 5.9 of the report.

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 23 November 2020, which included:

- That explanation had been sought regarding the removal of S106 contribution requirements towards education, however it was explained instead that funding for education would now to be met through the Community Infrastructure Levy (CIL).
- 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 the Commission noted that the Local Plan was required to allocate a further 24 hectares of employment floor space and that Gatwick Green was the only suitable location within the Borough and it would also enable sufficient infrastructure, landscaping and open space, as part of the proposed new employment location.

Councillor Lamb also spoke on the report and thanked officers for their continuing hard work on producing such an important and complex document.

A recorded vote was taken on the recommendations in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:

Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:

None.

Abstentions:

None.

RESOLVED

That Cabinet delegates the following to the Head of Economy and Planning in consultation with the Cabinet Member for Planning and Economic Development (*Generic Delegation 5 will be used to enact these recommendations*), subject to recommendation 2.3 being agreed by Full Council:

- a) Factual amendments to the Local Plan necessary in accordance with national policy and updated evidence for the purposes of clarity.
- b) The approval of the supporting documents for the Local Plan and technical evidence base documents to support the Local Plan through Examination.

RECOMMENDATION 1

That Cabinet recommends to Full Council to:

- a) Approve the submission draft Local Plan and Local Plan Map for a further Publication consultation (a statutory six-week period of public consultation).
- b) Approve the submission draft Local Plan for Submission to the Secretary of State for Examination by an independent Planning Inspector, subject to amendments deemed necessary following consultation and updated evidence for the purposes of clarity.
- c) Note that the final Local Plan will be brought back to Full Council following its independent examination for adoption.
- d) Approve the Local Plan Five Year Policy Assessment to confirm that each adopted Local Plan Policy retains full weight for Development Management decisions.

Reasons for the Recommendations

National Government guidance expects local planning authorities to produce up-to-date Local Plans for their areas, setting out the strategic priorities for the area over a 15-year timescale and showing how development needs will be met. The Crawley Borough Local Plan was adopted by Full Council on 16 December 2015. It covers the period 2015 – 2030 and provides the borough's full planning policies for the purposes of development management decisions. A review of this Plan is therefore required, to ensure the borough maintains up to date planning policies. A full Local Plan Review has been undertaken, as well as an interim assessment of the adopted Local Plan policies to provide a strong planning policy position for the borough in the immediate future, and over the next 16 years.

7. Budget Strategy 2021/22 – 2025/26

The Leader presented report [FIN/508](#) of the Head of Corporate Finance, which set out the projected financial position for 2021/22 to 2025/26 for the General Fund, Housing Revenue Account, capital programme and the underlying assumptions. The report also set the policy framework for the budget process, recognising that there were a range of options for capital investment, income generation, savings and Council Tax levels; none of which can be considered in isolation. The overall objective was to work towards a balanced General Fund budget over a four year period, rather than previously three year period as a result of the impact of the pandemic.

The Leader commented that currently there was a current budget deficit of £2.250m for 2021/22 before use of reserves and before any savings are identified, on the basis of a Council tax increase of 2.37% which is £4.95 on a Band D in property 2021/22.

In presenting the report the Leader explained that there has been a great deal of communication over the Council's current financial position as a result of the Covid pandemic, and its impact on the Council's ability to generate income. As such there was the need, for the first time under his leadership of the Council, to make cuts to services to ensure that the Council had a balance budget. He commented that the

Council had already been consulting with residents over potential savings and service changes and consideration of those findings were currently happening. He also explained where possible those and other savings and efficiencies would be taken as early as possible. That was because to reduce the need of the Council using its reserves as they were reducing and were not nearly the size that they previously were. It was also noted that there was a proposal to form a Covid 19 reserve, to deal with any further expenditures as a result of the pandemic.

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 23 November 2020. The Commission received clarification on a number of points during the discussion included that

- whilst the town centre would require additional support post-Covid, the newly formed Town Centre BID intended to have a positive impact on all aspects of the Town Centre
- that the recommendation of working towards balancing over a four year period, rather than over three year period was solely due to the impact of the pandemic on the Council's finances.
- it was confirmed that table 4 within section 6.2 should commence with years 2021/2022.
- in response to concern being raised that an earmarked reserved for the town centre market had transferring to a Covid support reserve, 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.

Councillor Crow was invited to speak on the item. He confirmed that he and his party would be supporting the Budget Strategy at Full Council, acknowledging the difficult financial position the Council and Local Government generally due to the pandemic, whilst highlighting recommendations 2.2 e and f as being important.

Councillor Lamb in response to a question raised by Councillor Crow over the Council's ability to purchase property quickly for revenue purposes, should the opportunity arise, confirmed that the processes within the current procedures and delegations, were in place to enable that to happen. However it was unlikely and there was more of a concern over the potentially losing current tenants in our assets, than gaining new ones, but officers were always keeping an eye out for a good investment opportunity.

Councillors Mullins, and P Smith spoke as part of the discussion on the report both supporting the approach recommended in the report.

A recorded vote was taken on the recommendations in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:

Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:

None.

Abstentions:

None.

RESOLVED

RECOMMENDATION 3

The Cabinet recommends to Full Council the approval of the Budget Strategy 2021/22 to 2025/26 and to:

- a) Note the outlook for Government funding for the period 2021/22 and future years as explained in the report and in particular the delay in Local Government Funding reforms and a one year only spending review.
- b) Note the creation of a Covid-19 Support Reserve to provide resource cover for any ongoing impact of Covid-19 on the Council's medium term financial position, should no further support from Government be received in future years. This is from reviewing existing earmarked reserves.
- c) Note, for the purpose of projections, the current budget deficit of £2.250m for 2021/22 before use of reserves, on the basis of a Council tax increase of 2.37% which is £4.95 on a Band D in property 2021/22. This is before any savings are identified.
- d) Work towards balancing this over a four year period, including putting back into reserves when the Budget is in surplus. There may be a need to use reserves over the next 3 years to balance the budget together with ongoing savings.
- e) Agree that savings, efficiencies and increased income identified by officers are approved in order to reduce the budget gap.
- f) Note that savings agreed to be taken forward will be worked up and included in the Budget and Council tax report to Cabinet in February 2021.
- g) Note 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 spend to save or spend to earn but that such prioritisation should not preclude the initial consideration of capital projects that could deliver social value. That due to the pandemic new capital schemes will be standalone and will reported separately to Cabinet meetings.
- h) Approved the revised Crawley Homes capital investment plan in Appendix E which includes the financial year 2023/24.
- i) Note that the Budget is aligned to the Council's Corporate Priorities.

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 projected due to the impact of the pandemic on future Council tax and Business rates income projections.

8. Treasury Management Mid Year Review 2020-2021

The Leader presented report [FIN/512](#) of the Head of Corporate Finance which provided an update on the Council's Treasury Management Strategy for the first two quarters of 2020/2021. The report detailed that due to the current economic climate the income being generated by our investments were extremely low compared to our recent investment peak of generating £6mil a year. The Leader emphasised that the income gained by its investment was used as revenue to support services. It was noted that the Council prioritises its investments as being security of capital, liquidity, yield and ethical.

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 23 November 2020, which included seeking clarity over why the Council had invested at 0%, which was explained that it took place where the Council had reason to invest for relatively short periods of time to for a flexibility when seeking better opportunities.

Councillor Crow also spoke on the report in doing so acknowledging the difficulty of the investment market at present and the subsequent impact on the Council's yield as a result.

A recorded vote was taken on the recommendations in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:
Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:
None.

Abstentions:
None.

RESOLVED

That the Cabinet notes the report and the treasury activity for the first two quarters of 2020/2021

Reasons for the Recommendations

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (Treasury Management Strategy Statement, annual and mid-year reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

9. 2020/2021 Budget Monitoring - Quarter 2

The Leader presented report [FIN/510](#) of the Head of Corporate Finance. The report set out a summary of the Council's actual revenue and capital spending for the quarters to September 2020 together with the main variations from the approved spending levels and impact on future budgets. The report showed that the Council had a deficit of £881k, against the Budget agreed in February 2020, before the pandemic. However the deficit had reduced by £400k since the previous Quarter.

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 23 November 2020, which included that some schemes in the capital programme might slip to next year and that it was not anticipated that the contact centre would undergo the same demand and pressure going forward that it had during first lockdown which resulted in a need to increase staff resources.

Councillors Jhans and Mullins spoke as part of the discussion on the report, with Councillor Jhans commented that the Centre for Cities had produced a report stated it believed that Crawley would be the hardest hit town in the country by the impact of the Covid pandemic. This was already being shown by the increased number of residents claiming Universal Credit and this only going to get worse over the next year and as such difficult decision would need to be taken. Councillor Mullins spoke about his portfolio over trying to design services that bring in revenue to the Council, but the pandemic has wiped out those services, hopefully until such time as it safe to be open again.

A recorded vote was taken on the recommendations in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:
Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:
None.

Abstentions:
None.

RESOLVED

That the Cabinet notes and agrees the projected outturn for the year 2020/2021 as summarised in this report.

Reasons for the Recommendations

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

10. Appropriation of Garages from the HRA to the General Fund

The Cabinet Member for Housing presented report [FIN/511](#) of the Head of Corporate Finance. The report proposes the appropriation of garages from the HRA to the General Fund. It was explained that with the garages being assets they could be taken out of the ring-fenced HRA and moved to the General Fund, thus bring in a further revenue to the Council. In return there would be a contribution to the HRA of £17.6m to invest in new homes or to pay off existing debt.

Councillor Irvine reassured the Cabinet that the proposal would not mean tenants would have to pay more for their rents as they were capped or the repairs budget either. Councillor Irvine asked that his thanks to officers and his Shadow Councillor Millar-Smith be recorded over their support on this decision.

Councillors Mullins and Lamb spoke as part of the discussion on the report. Councillor Lamb during the debate moved a proposed amendment adding a further recommendation –

Recommendation c) Develop an appropriate pricing and fees regime for the letting of garages in consultation with the Leader, and for this to take effect from 1st April 2021.

Councillor Crow was invited to speak on the item. He confirmed that he and his party would be supporting the proposals at Full Council as it would bring in a significant income to the General Fund.

A recorded vote was taken on the proposed additional recommendation – Recommendation C, in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:

Councillors Irvine, Jhans, Lamb, Mullins and P Smith (5)

Against the recommendations:

None.

Abstentions:

None.

RESOLVED

That inclusion of Recommendation C be carried

A recorded vote was taken on the recommendations as amended, in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:

Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:

None.

Abstentions:
None.

RESOLVED

RECOMMENDATION 4

That the Cabinet request Full Council to approve:

- a) the appropriation of all garages from the HRA to the General Fund as at 1 April 2021, with the exception of those garages that are included within a Crawley Homes' tenancy agreement
- b) that when any of the garages currently included within a Crawley Homes' tenancy agreement falls outside of that tenancy, the Head of Corporate Finance in consultation with the Head of Crawley Homes be given delegated authority to use the powers under Section 122 of the Local Government Act 1972 to transfer such garages from the HRA to the General Fund.
- c) develop an appropriate pricing and fees regime for the letting of garages in consultation with the Leader, and for this to take effect from 1st April 2021.

Reasons for the Recommendations

Property has to be accounted for within the HRA if it is currently provided under Part II of the 1985 Housing Act. Where property no longer meets that purpose, the Council should consider removal from the HRA.

The proposed transfer will reduce the debt on the HRA and fund the building of new homes.

The proposed transfer will reduce the budget gap in the General Fund as laid out in the Budget Strategy.

11. Expansion of Shared Procurement Service

The Leader presented report [FIN/509](#) of the Head of Corporate Finance. The report requested Cabinet approval for Mole Valley District Council as a permanent partner in the shared procurement service, following a year's trial. It was explained that the Council already undertakes shared procurement exercises with Horsham DC and Mid Sussex DC already and the permanent inclusion of Mole Valley DC would only help in getting better value when the Council goes out to joint tender exercises.

A recorded vote was taken on the recommendations in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:
Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:
None.

Abstentions:
None.

RESOLVED

That the Cabinet

- a) Approves that Crawley Borough Council provide procurement services on behalf of Mole Valley District Council from 1st December 2020.
- b) Agrees to the cost sharing arrangements as set out in paragraph 6.3
- c) Agrees to the provision of services under an Inter-Authority Agreement for a minimum period from 1st December 2020 to 31st March 2022 to align with the term of the existing Inter-Authority Agreement
- d) Agrees to accept a delegation from Mole Valley District Council of their procurement functions under Section 101 of the Local Government Act 1972.
- e) Delegates authority to the Head of Corporate Finance to agree the terms of the Inter-Authority Agreement which reflects the principles outlined in the report.

(Generic Delegation 7 will be used to enact this recommendation)

Reasons for the Recommendations

The trial arrangement with Mole Valley DC ends on 1st December 2020 and therefore there is a need for Members to agree how procurement services will be provided in the future.

12. Exempt Information – Exclusion of the Public (Subject to Agenda Item 5)

RESOLVED

That in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

13. Authority to Approve a Scheme Budget and Appoint a Contractor for Breezhurst Phase 2 Housing Development

*Exempt Part B - By Virtue of Paragraph 3
Information relating to the financial or business affairs of any particular person
(including the authority holding that information)*

The Cabinet Member for Housing presented report CH/192 of the Head of Crawley Homes. The report sought approval for the budget and authority to enter into a 'Design and Build Contract' for the construction of approximately 85 new affordable residential units at Breezehurst Playing Fields, Bewbush, Crawley as part of the Council's own build housing programme.

Councillor Lamb spoke as part of the discussion on the report.

A recorded vote was taken on the recommendations, in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:

Councillors Irvine, Jhans, Lamb, and Mullins. (4)

Against the recommendations:

None.

Abstentions:

None.

RESOLVED

That the Cabinet

- a) Subject to Planning Permission being granted, approves the appointment of the preferred contractor 5 under a single stage Design and Build Contract for the development at the Breezehurst Playing Field site. The Contractor to work with the Council to undertake the detailed design and construction of the final scheme.
- b) Delegate to the Head of Crawley Homes and the Chief Executive to complete and enter into the necessary contracts

(Generic Delegation 2 will be used to enact this recommendation).

RECOMMENDATION 5

The Cabinet requests Full Council to:

Approve the expenditure stated in paragraph 6.5 of report CH/192 from the Housing Revenue Account (HRA) and Right to Buy one for one receipts for the delivery of approximately 85 new affordable residential units at Breezehurst Playing Fields.

Reasons for the Recommendations

To provide housing for Crawley residents in need from the housing register.

To continue the delivery of dwellings funded from the HRA as part of HRA business plan and the Council's RTB Receipts (one-for-one) funding programme.

14. IT Infrastructure to the Public Cloud

*Exempt Part B - By Virtue of Paragraph 3
Information relating to the financial or business affairs of any particular person
(including the authority holding that information)*

The Leader of the Council presented report DAT/03 of the Head of Digital and Transformation. The report requested approval for a feasibility study and business case to move Crawley Borough Council's IT infrastructure to the cloud, following a review of the IT infrastructure that recommended a Cloud based operating model.

Councillor Crow spoke on this item commenting that he hoped the Council had learnt from previous mistakes regarding the move to the data centre, but does support the proposal.

A recorded vote was taken on the recommendations, in accordance with the Council's Virtual Committee Procedure Rules. The names of the Councillors voting for and against the recommendations, along with any abstentions, are recorded as set out below:

For the recommendations:
Councillors Irvine, Jhans, Lamb, Mullins, and P Smith. (5)

Against the recommendations:
None.

Abstentions:
None.

RESOLVED

That the Cabinet

- a) approves Option 3 - the migration of IT infrastructure to a public cloud-based approach as set business case (set out in Appendix A of report DAT/03).
- b) requests that the revenue and capital implications be included within the Budget and Council Tax 2021-22 report going to Cabinet in February 2021.
- c) delegates authority to the Head of Digital and Transformation to mobilise a project and sign the necessary contracts to move the IT Infrastructure to the public cloud, including regular update briefings to the Cabinet and Shadow Members with responsibility for IT.

(Generic Delegations 3 and 7 will be used to enact this recommendation).

Reasons for the Recommendations

The operational, financial and technical benefits that public cloud adoption would provide the Council, far outweighs retaining the status quo of a "do nothing" alternative.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.34 pm

P K LAMB
Chair