

Crawley Borough Council

Minutes of Cabinet

Wednesday, 30 June 2021 at 7.00 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
R S Fiveash	Deputy Leader and Cabinet Member for Resources
I T Irvine	Cabinet Member for Housing
G S Jhans	Cabinet Member for Environmental Services and Sustainability
M G Jones	Cabinet Member for Public Protection and Community Engagement
C J Mullins	Cabinet Member for Wellbeing
P C Smith	Cabinet Member for Planning and Economic Development

Also in Attendance:

Councillors T G Belben, R D Burrett and D Crow

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Siraj Choudhury	Head of Legal, Governance & HR
Ian Duke	Deputy Chief Executive
Karen Hayes	Head of Corporate Finance
Chris Pedlow	Democratic Services Manager
Heather Girling	Democratic Services Officer
Diana Maughan	Head of Strategic Housing
Nigel Sheehan	Head of Projects and Commercial Services
Clem Smith	Head of Economy and Planning

1. Disclosures of Interest

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor P Smith	Replacement Article 4 Directions for Main Employment Areas (Class MA) (Minute 12)	Personal Interest – As Councillor P Smith is the Council's representative to the Town Centre BID Board

2. Minutes

The minutes of the meeting of the Cabinet held on 10 March 2021 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 17 and 18: *Telford Place Development Opportunity* and *Approval to Award a Contract for Professional Services (Architects) – Proposed Housing Sites*.

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. Treasury Management Outturn 2020 – 2021

The Leader presented report [FIN/527](#) of the Head of Corporate Finance. The CIPFA Code of Practice for Treasury Management recommends that councillors be updated on treasury management activities regularly and the report ensured the Council was implementing best practice in accordance with the Code. The report provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by councillors. It was acknowledged it was a more challenging time for investments, but Council officers were doing exceptionally well at bringing in investment income.

The Cabinet noted that regulations required treasury management policy to be reviewed annually. It was noted that the Council's financial decisions for 2020/21 were taken in line with the Ethical Investment Policy.

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 28 June 2021, which included:

- Acknowledgement that due to the Covid-19 pandemic, expenditure had been lower and capital projects had not progressed as anticipated over the last year.
- The high level of uncertainty had impacted the ability to make significant rate of return. Whilst the amount of income remained uncertain, in the longer term it was hoped cash flows would stabilise.
- Acknowledgement that the Treasury Strategy prioritises investments accordingly whilst providing an appropriate balance between security, liquidity, yield and ethical considerations. Even if the yield was negative, these considerations still needed to be adhered to.
- Recognition that the internally managed funds had earned an average rate of return of 0.58%. Whilst there was support for this good investment performance,

the average balances were lower than budgeted for a variety of reasons (budget set pre-pandemic, business rates equalisation reserve and capital programme not progressing as anticipated).

RESOLVED

That the Cabinet:

- a) approves the actual 2020/21 Prudential and Treasury Indicators as set out in report [FIN/527](#);
- b) notes the Annual Treasury Management Report for 2020/21.

Reasons for the Recommendations

The Council's financial regulations, in accordance with the CIPFA Code of Practice for Treasury Management, requires an annual review following the end of the year describing the activity compared to the Strategy. Report [FIN/527](#) complies with these requirements.

7. Financial Outturn 2020-2021: Budget Monitoring - Quarter 4

The Leader presented report [FIN/526](#) of the Head of Corporate Finance on the quarter 4 budget monitoring, which set out a summary of the Council's outturn for both revenue and capital spending for the financial year 2020/21. It identified the main variations from the approved spending levels and any potential impact on future budgets.

It was noted that the Council had identified savings and efficiencies of £1.775m to ensure the Council's financial position remained stable due to the impact of the pandemic. However by the end of the financial year 2020/21 the Council had an underspend of £1.272m against the original budget and it was explained that this was due to the Government unexpectedly repaying 75p of every £1 after deducting 5% of the budgeted income from sales fees and charges for the year.

The Leader informed the Cabinet that, as the Council had an unexpected one-off £1.2m, it was proposed to use some of this money to further fund temporary accommodation and support facilities for people experiencing homelessness within the borough.

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 28 June 2021, which included:

- Acknowledgement that the report documented the financial viability of the Council, particularly as a result of Covid-19. It was recognised that revenue streams had been suppressed, and any reductions would affect the current position.
- Explanation was provided on the interest paid to HMRC due to late payment of VAT on disposal of land.
- Recognition that the in-year deficit on housing rents had been increased by the delay letting units, in some instances due to prolonged building work.

- It was noted that the Council had been effective in dealing with the business support grants. However, the biggest concern was how to address the challenges in the future to re-build the community and deal proactively with Covid-19.

Councillor Crow also spoke on this item.

RESOLVED

That the Cabinet:

- a) notes the outturn for the financial year 2020/21 as summarised in report [FIN/526](#).
- b) notes that this has been an exceptional year where it has been very difficult to do accurate financial projections.

Requests Full Council to:

- a) approve the increase the capital budget for purchase of temporary accommodation from £1.1m to £2.4m to be funded from specific homelessness grants, revenue and earmarked reserves for purchase of such properties.
- b) approve the transfers of reserves as outlined in section 9 of report [FIN/526](#).

Reasons for the Recommendations

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

8. Leisure Contract - Extension of Variation Order

The Cabinet Member for Wellbeing presented report [HPS/27](#) of the Head of Major Projects and Commercial Services. The report set out the arrangements the Council had entered into with Everyone Active (EA) following the initial lockdown in March 2020 and recommended that the Cabinet extends the variation order to facilitate the continued opening of the leisure centres over the period 1 July 2021 – 30 September 2021.

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 28 June 2021, which included:

- Recognition that due to the pandemic income had decreased. With social distancing and public health requirements remaining in place, it was noted that K2 Crawley would operate a phased opening.
- Confirmation provided that the proposed extension was for a 3 month period and it was hoped that should the contract variation be extended for this time period it would assist in this phased approach.
- Recognition that Everyone Active would be keen to build on capacity moving forward and that events were scheduled, increasing the income stream.

RESOLVED

That the Cabinet approves the extension of the contract variation with Everyone Active under the terms set out in section 5.8 of report [HPS/27](#).

Reasons for the Recommendations

The recommendation facilitates the continued re-opening of the leisure centres from 1st July 2021 in accordance with the Government announcement on 22 February 2021 and in accordance with Procurement Policy Note 02/20 (Supplier Relief Due to Coronavirus).

9. Extension to Coronavirus Act Protections from Evictions for Crawley Homes

The Cabinet Member for Housing presented report [DCE/08](#) of the Deputy Chief Executive. The report sought approval to replicate the protections provided by the Coronavirus Act 2020 for Crawley Homes stock for a further 12 months, following the economic impact of Covid-19 upon Crawley, and the potential of further economic and social impact upon the town.

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 28 June 2021, which included that the rent arrears were currently at a similar level to those at the commencement of the pandemic and it was hoped with the end of furlough that this level will not increase dramatically.

Councillor Crow was invited to speak on the item and raised some concerns on the proposal.

Councillors Lamb, Jhans, and C Mullins spoke as part of the discussion on the report, as did Councillor Fiveash who spoke passionately over why he was a strong advocate for the further extension of the eviction protection.

RESOLVED

That the Cabinet agrees that, for all Crawley Homes tenancies, to replicate the protections for evictions as set out in the Coronavirus Act 2020, until 31 May 2022.

Reasons for the Recommendations

The recommendation recognises the scale of economic hardship being faced by the town as a result of the Covid-19 pandemic, and the subsequent financial hardship this will cause for many local households. It is widely recognised that Crawley has been harder hit than most other places in the country and the administration therefore believes that additional protection is required.

Whilst the Council does not have the ability to legislate for the town as a whole, it is able to make decisions around tenancies within its own housing units. This decision would therefore extend these protections for Crawley Homes residents for a further 12 months beyond that set out in the Coronavirus Act 2020.

10. Temporary Accommodation Modular Housing Solution

The Cabinet Member for Housing presented report [SHAP/81](#) of the Head of Strategic Housing Services. The report requested that the Cabinet approves the delegated authority for officers to progress with the procurement of a modular housing solution for the provision of urgently needed temporary accommodation, to negotiate and complete all relevant legal documentation, and for the appropriate delegation required for the Leader to enter into the necessary contracts.

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 28 June 2021, which included:

- Further explanation provided on the structure, standard and assembly of the modular units.
- Confirmation provided that the scheme and sites would require planning permission and need to abide by the usual planning considerations. There was support for the consultation with relevant ward members.
- Recognition that sites had not yet been identified but consultation with ward members would take place at an appropriate stage of the site identification process. It was noted that the sites and locations should aim to create a space to improve physical and mental wellbeing.

Councillor C Mullins spoke as part of the discussion on the report including commenting that he had been with Councillor Irvine to a site visit to see some examples of the proposed modular housing solution, and commented that the products were impressive and allayed any concerns he might have had over the quality of the proposed temporary accommodation solution.

RESOLVED

That the Cabinet:

- a) delegates authority to the Head of Strategic Housing Services, following discussion with any relevant Ward Councillors and in consultation with, and agreement in-principle from the Leader of the Council and Cabinet Member for Housing to identify suitable sites. (*Generic Delegation 7 will be used to enact this recommendation*)
- b) delegates authority to the Head of Strategic Housing Services to progress with procurement to address the need for temporary accommodation. (*Generic Delegation 7 will be used to enact this recommendation*).
- c) delegates authority to the Leader of the Council in consultation with the Cabinet Member for Housing, Head of Strategic Housing Services, Head of Legal, Governance and HR to approve the award of the contract following an appropriate procurement process.
- d) delegates the negotiation, approval and completion of all relevant legal documentation, following the awarding of the contracts to the Head of Strategic Housing Services, Head of Legal, Governance and HR, Head of Corporate Finance, in consultation with the Leader of the Council and the Cabinet Member for Housing. (*Generic Delegations 2 & 3 will be used to enact this recommendation*)

Reasons for the Recommendations

The Council currently has 265 households in temporary accommodation, with 97 of these presently in nightly paid accommodation, including 26 out of borough placements. This represents the highest level of need and demand for temporary accommodation across the County. These levels will inevitably rise significantly with the lifting of the ban on evictions.

The average cost of nightly paid accommodation to the council per household per week is £211.50 equating to £21,154.00 per week for current numbers (rent arrears and ineligibility for benefits not included in this figure). There are also the additional costs and burdens on Housing Benefit to process and pay the associated claims.

Nightly paid temporary accommodation is the most expensive and least desirable form of accommodation, particularly where there are children in the household and as a result, such households can only be placed into this type of accommodation in an emergency, and then only for a maximum period of six weeks.

A raft of measures are being progressed both locally and at a county-wide level to reduce the pressure on nightly paid accommodation. This report is focused on one of these work strands, namely the modular housing solution with its rapid pace of delivery.

The Council has recently secured £600k capital funding from the Government towards the provision of 10 additional units as part of a temporary housing pathway to support the prevention of homelessness and rough sleeping. Linked to this capital grant is a further £240k in revenue funding that has been awarded over a 3-year period to provide wrap around support services. The grant conditions require these units to be delivered within the current financial year or this funding will be lost.

Due to the volumetric design concept of modular housing, it is necessary to first select the particular modular provider. The scheme is then designed in accordance with their volumetric design, and progressed through the planning process while gearing up the off-site construction. A short period of on-site works then follows to complete the development. The delegated authority being requested will enable Officers to progress this procurement, and for the Leader (in consultation with those mentioned in 2.2c) to award any contracts that will allow this initiative to derive the full benefits of fast-track housing delivery that modular housing offers.

The selection of any particular modular housing provider will be procurement compliant, and the site selection and planning application will follow the usual internal and external consultation, and will be fully policy compliant, including meeting national space standards. It will be delivered in accordance with an approved planning application, and to the high levels of efficiency and sustainability as is expected for Council housing.

11. Forward Programme of Key Procurements (July - December 2021)

The Leader presented report [FIN/525](#) of the Head of Corporate Finance. The report sought approval for the current forward programme of key procurements (over £500,000) and sought delegated authority for contract award approvals following the appropriate procurement process. The report also provided an update on the previously identified procurements from January - June 2021.

RESOLVED

That the Cabinet

- a) approves the procurement forward programme July – December 2021.
- b) delegates authority to the Leader of the Council in consultation with the relevant Cabinet Member, Opposition Leader, Head of Service, and Head of Legal, Governance and HR to approve the award of the contract following an appropriate procurement process
- c) delegates the negotiation, approval and completion of all relevant legal documentation, following the awarding of the contracts to the relevant Head of Service, Head of Legal, Governance and HR, Head of Corporate Finance, in consultation with the appropriate Cabinet Member. (*Generic Delegations 2 & 3 will be used to enact this recommendation*)

Reasons for the Recommendations

By approving the procurement forward programme there is greater transparency of future procurement processes allowing more scope for internal stakeholders to input into how future contracts are delivered.

The approval of the forward programme provides a key decision that will enable the individual procurement processes to be awarded under delegated authority once the tender process has concluded giving the Council the ability to reduce the time required to complete a procurement process.

12. Replacement Article 4 Directions (Class MA) in Main Employment Areas

The Cabinet Member for Planning and Economic Development presented report [PES/387](#) of the Head of Economy and Planning. It was noted that the Government had recently revised the Use Class Order for England, and introduced a corresponding new permitted development right (Class MA) through amendments to the General Permitted Development Order (GPDO) 2015. These changes would have implications for the Council's existing Article 4 Directions at Manor Royal, Maidenbower Business Park, Lowfield Heath, Three Bridges Corridor, and Tilgate Forest Business Centre. Therefore it was explained that if the Council wished to retain existing protections for those main employment areas, the current Directions would need to be replaced to take account of the amended GPDO.

Councillors Crow and Burrett were invited to speak on the item. In response to their questions it was confirmed that, whilst the proposal was for a 12 month notification period before it commences, the current Article 4 would run concurrently and end once the new proposed one starts.

Councillor Lamb spoke in support of the recommendation.

RESOLVED

That the Cabinet:

- a) approves the making of non-immediate Article 4 Directions under the Town and Country (General Permitted Development Order) 2015 (as amended) to remove the Class MA permitted development right for Commercial, Business & Service (E) to residential (C3) at the Main Employment Areas shown at Appendix A, these being:
 - i. Manor Royal
 - ii. Maidenbower Business Park
 - iii. Lowfield Heath
 - iv. Three Bridges Corridor
 - v. Tilgate Forest Business Centre
- b) delegates authority to the Head of Economy and Planning in consultation with the Cabinet Member for Planning and Economic Development to formally confirm the non-immediate Article 4 Directions following the 12 month notification period, if having fully considered all representations made during the consultation period, they are of the opinion that the Article 4 Directions should be made.

Reasons for the Recommendations

Crawley is firmly established as one of the key economic drivers in the South East of England, representing the economic heart of the Gatwick Diamond and the wider Coast to Capital Local Enterprise Partnership (LEP) area. The COVID-19 pandemic has impacted substantially upon Crawley's economy and, whilst it is anticipated that the local economy will respond positively to the current challenges, it is vital that the right conditions are in place to support recovery.

There remains significant need for business land in Crawley, with the adopted 2015 Local Plan identifying an overall need for 57.9ha new employment land in the period up to 2030. However, with an available land supply pipeline of 23ha, there is a deficit of some 35ha business land. The available business land has continued to reduce as sites are built out, and the land supply pipeline is currently 17.56ha, as per the Employment Land Trajectory (Base Date 1 September 2020). To help meet Crawley's employment needs, the Draft Submission (Reg. 19) Local Plan proposes the allocation of an industrial-led Strategic Employment Location at Gatwick Green, though in order to ensure a sufficient supply of employment land it is also critical to ensure that the function of borough's existing Main Employment Areas (MEAs) are protected.

Crawley has already lost around 61,500sqm of commercial space to residential development via permitted development rights, and the presence of amenity-sensitive residential uses in the MEAs can constrain remaining business operations and erode market confidence. Some MEAs, for example Broadfield Business Park, have been undermined to such an extent by the introduction of residential uses that their overall employment function has effectively been lost. Of further concern is that working MEAs are not a suitable location for people to live, resulting in an isolated and poor quality of life that is contrary to the planned nature of Crawley as a New Town.

The Council has been selective in identifying the MEAs within which Article 4 Directions apply, having made these only where they are necessary to protect local

amenity, the existing local business function and employment base and the well-being of the area. The existing Article 4 Directions, whilst having helped address the concerns mentioned above, will not be effective against the new right for Use Class E (GPDO Class MA). Should the council wish to retain the current protections made by these Article 4 Directions, it will be necessary to bring into force replacement Directions relating to the new Use Class E (GPDO Class MA) permitted development right. This has been confirmed through legal advice.

13. Urgent Action

The Leader informed the Cabinet that urgent action had been taken under paragraph 18.3 of the General Committee Procedure Rules of the Constitution in relation to the District Heat Network tariff ahead of the occupation of Geraint Thomas House. This decision avoided the potential scenario of Geraint Thomas House being occupied without any heat tariff being in place.

A further decision involved an additional discretionary Council tax discount of up to £150.00 per household to be provided for working age Council tax reduction claimants. This decision enabled the Council to start implementing an additional discount to help reduce the impact of the pandemic on residents in receipt of Council tax support as soon as possible.

RESOLVED

That Cabinet notes that urgent action had been taken under paragraph 18.3 of the General Committee Procedure Rules of the Constitution.

14. 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.

15. Telford Place Development Opportunity

Exempt 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 SHAP/82 of the Head of Strategic Housing Services. The report requested Cabinet to consider a development proposal for the delivery of a policy-compliant mixed tenure affordable housing development, with the Council retaining the affordable rent quota of the scheme as intended in the previous procurement attempts.

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 28

June 2021, and in doing so highlighted that the Commission were putting forward a further recommendation for the Cabinet to consider, namely:

That the Cabinet re-consider the level of parking proposed for this development, for the reasons provided in the Commission's discussion.

Councillors Crow and Burrett respectively were invited to speak on the item and in doing so acknowledged the Commission's suggestion. Councillor Crow also raised the matter of the large tree adjacent to the site and the potential impact the development might have on the tree.

Councillors Lamb, P Smith, C Mullins and Irvine spoke during the discussion on the report and the Commission's recommendation. It was confirmed that the level of parking for a development was not decided by Cabinet and that would be addressed through the planning process and ultimately by the Planning Committee when considering the development's planning permission. Cabinet members understood the Commission's concerns and felt it suitable to ask officers and the proposed developers to further investigate, as part of their ongoing work, as to whether the parking on the site could be increased and the tree could be preserved as part of the project. During the debate on the item, it was conveyed that the Cabinet strongly hoped that the development of the site would come to fruition, after a number of failed attempts.

RESOLVED

That the Cabinet:

- a) approves the proposed procurement strategy towards achieving the objective of a policy-compliant residential development as detailed in section 5 of report SHAP/82.
- b) approves the development proposal for the purposes of delivering an affordable housing scheme, with the Council securing the affordable rent element, as detailed in section 6 of report SHAP/82.
- c) delegates authority to the Head of Strategic Housing Services, the Head of Corporate Finance and the Head of Legal, Governance & HR in consultation with the Leader of the Council and the Cabinet Member for Housing, to enter into the necessary contracts, and complete all relevant legal documentation to achieve the above recommendations. (*Generic Delegation 2 and 3 will be used to enact this recommendation*).
- d) in considering the Commission's views, asks that officers and the developers consider ways, if possible, in which they can preserve the tree and increase the percentage of parking on the site.

Reasons for the Recommendations

The Council acquired the Telford Place site in 2015 for the purposes of developing a policy compliant residential scheme. Following two attempts to procure a development partner the market has failed to perform, but the Council is now presented with the opportunity to progress the development of this site as an all affordable housing scheme.

16. Approval to Award a Contract for Professional Services (Architects) - Proposed Housing Sites

Exempt 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 DCE/07 of the Deputy Chief Executive. The report sought approval for the appointment of architects relative to a total of ten proposed housing sites across Crawley borough. The proposed bidder would be sought via a desktop exercise, to identify small sites to understand their potential for development and the challenges and constraints that would be faced relating to developing those sites. It was emphasised to the Cabinet that the proposed exercise did not mean that those sites would be brought forward for development, even though they were identified within the Crawley Local Plan.

Councillors C Mullins, P Smith and Lamb spoke as part of the discussion on the report.

RESOLVED

That the Cabinet:

- a) subject to the mandatory standstill period, approves the appointment of Bidder 'A' for the Professional Services Contract.
- b) delegates the negotiation, approval and completion of the all the relevant legal documentation and entering into the contract following the award to the Deputy Chief Executive, Head of Legal, Governance & HR, in consultation with the Cabinet Member for Housing. *(Generic Delegation 2 and 3 will be used to enact this recommendation).*

Reasons for the Recommendations

Following a tender exercise and evaluation process, Bidder 'A' has submitted the most economically advantageous tender and is therefore recommended for appointment.

The appointment will further enable the Council to adapt to best deliver new housing within the context of constrained land supply and in its compiling of site specific information in accordance with Local Plan policies when bringing sites forward for housing.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 8.06 pm

P K LAMB
Chair