

# Crawley Borough Council

## Minutes of Overview and Scrutiny Commission

Monday, 26 June 2023 at 7.00 pm

### Councillors Present:

M L Ayling (Chair)

H Hellier (Vice-Chair)

I Ashraf, K Khan, T Lunnon, J Millar-Smith, S Piggott, S Raja and J Russell

### Also in Attendance:

Councillor K L Jaggard, M G Jones and C J Mullins

### Officers Present:

Georgina Bouette                      Head of Community Services

Ian Duke                                      Deputy Chief Executive

Heather Girling                      Democratic Services Officer

Carolin Martlew                      Head of Corporate Finance

Nigel Sheehan                      Head of Projects and Commercial Services

Paul Windust                              Chief Accountant

### Apologies for Absence:

Councillor R A Lanzer and A Pendlington

## 1. Disclosures of Interest and Whipping Declarations

The following disclosures were made:

<b>Councillor</b>	<b>Item and Minute</b>	<b>Type and Nature of Disclosure</b>
Councillor T Lunnon	Update on K2 Crawley (Minute 7)	Personal Interest – Member of Crawley Athletics Club

## 2. Minutes

The minutes of the meeting of the Commission held on 5 June 2023 were approved as a correct record and signed by the Chair.

### 3. Public Question Time

No questions from the public were asked.

### 4. Metcalf Way Depot Use Intensification

The Commission considered report [DCE/016](#) of the Deputy Chief Executive. The report documented a proposal and sought agreement to alter the depot to increase its use by Council services and contractors.

During the discussion with the Leader of the Council and the Deputy Chief Executive, the following points were expressed:

- Noted that it was disappointing that there had not been the energy supply capacity to the site in order in progress with an earlier project proposal. It was queried how this might impact future infrastructure within the area.
- Clarification was sought and provided on the financial aspects of the initial proposal.
- Recognition that the option proposed would still enable the Council to deliver on opportunities, service delivery and still enhance the development of a key site.
- The Commission was supportive of option 3 and the opportunity to progress a scheme that maximises the use of the site in the medium term.

#### **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.

### 5. Financial Outturn 2022/2023: Budget Monitoring - Quarter 4

The Commission considered report [FIN/263](#) of the Head of Corporate Finance on the quarter 4 budget monitoring, which set out a summary of the Council's outturn for the year for both revenue and capital spending for the financial year 2022/23. It identified the main variations from the approved spending levels and any potential impact on future budgets.

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

- Clarification sought and obtained on the repairs overspend. High inflation, construction costs and an unprecedented demand for repairs were contributory factors. In many cases the cost per repair had increased by 15% or more when compared with 2021/2022. It was important to analyse and re-visit the schedules going forward and move from responsive repairs to planned maintenance.
- Confirmation was provided on the 'open book' arrangements with contractors and the contract monitoring arrangements in operation.
- Recognition that sickness trends for the Council's Housing contractors were in line with other contracts held by those contractors, however the availability of sub-contractors had been a challenge.
- Acknowledgement that the HRA Improvement Programme had slipped due to a number of Section 20 works. It was noted that these works were complex, and it was expected that the new asset database would aid the efficiency.
- Clarification was sought and obtained on the investment interest and the movement in shared equity properties.

- Acknowledgement that the homelessness pressures continued to increase. It was noted that temporary accommodation was expensive, and it was difficult to meet current levels of demand with existing stock required and there was also a shortage of temporary and nightly paid accommodation driving up prices. A number of local authorities across the southeast were facing similar pressures and the council continued to undertake comparisons with other authorities to share best practice and the challenges faced.
- Information was provided again on the modular housing scheme. Initial consultation was underway on one site and should this scheme prove successful it was anticipated other modular projects would follow the same process. It was recognised that water neutrality had delayed the housing build programme, however the retrofitting scheme had allowed this to resume.
- Concern expressed over the unexpected increases on electricity bills and gas costs. It was felt it would be beneficial if a breakdown could be compiled with regards to 'unit cost' and 'unit use' in order to determine whether inflation or usage was a predominant factor. Whilst it was acknowledged further work was being undertaken, it was anticipated the Commission would receive an update in the next quarter.

### **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.

## **6. Treasury Management Outturn 2022 – 2023**

The Commission considered report [FIN/264](#) with the Leader of the Council, Head of Corporate Finance and the Chief Accountant. 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.

During the discussion with the Leader of the Council, Head of Corporate Finance and Chief Accountant, the following points were expressed:

- Confirmation that the short and long term investment strategy for the Council was documented in the Treasury Management Strategy which went to OSC, Cabinet and Full Council each year. In order to comply with treasury management guidance, the Council's investments prioritise security, liquidity and yield in that order. The Ethical Investment Policy becomes a fourth consideration in the decision making process.
- Recognition that the investment ratings were benchmarked at the beginning of the year, monthly reports were then received from the Council's advisors, with any changes being notified the same day.
- Explanation sought and obtained on the sufficient funding available within the Strategy.
- It was noted there was an amendment with the income figures (and resulting rate of return) that was published in the table that appeared in paragraph 9.2 of report FIN/624. The revised table was as follows:

	Purchase Cost £000	Fair Value as at 31/03/2023 £000	Income for year 2022/23 £000	Rate of return %
Atlantic House	4,633	3,574	187	5.22
49-51 High Street	1,576	1,145	16	1.44
Ashdown House	7,915	8,085	720	8.91
Others	N/A	4,896	221	4.51
Sub-total	14,124	17,700	1,144	6.46
The Create Building	29,582	27,141	0	
TOTAL	43,706	44,841	1,144	

- As this was his last attendance at the OSC, the Commission took the opportunity to record its thanks and gratitude to the Chief Accountant, Paul Windust for all his hard work and support he had provided not just the Commission but the Council as a whole, throughout his many years of service.

#### **RESOLVED**

That the Commission noted the report and requested that the views expressed during the debate, including the amendment to paragraph 9.2 were fed back to the Cabinet through the Commission's Comment sheet.

## **7. Update on K2 Crawley**

Members received an update from the Head of Major Projects and Commercial Services, along with the Cabinet Member for Leisure and Wellbeing on K2 Crawley which included:

- Since 2020, the Council had repeatedly entered into contract variations in response to the Change in Law placing various restrictions on leisure centre opening during the pandemic. Under the deeds of variation the financial risk associated with K2 Crawley had rested with the Council. Following negotiations, the Council has been able to return to payments which step up to the full contract payments over the coming years. These contract payments were in excess of previous assumptions in the Council's MTFS and will help to offset the requirement for savings elsewhere. The reversion to contract will also see the financial risk returning to Everyone Active (EA). The current contract expired in November 2028.
- Membership and usage levels were back to pre-pandemic levels. There were more monthly memberships compared to annual, and this was attributed to the cost of living concerns and the periodic closures over the pandemic period. EA had been conscious of the 'price point' in terms of membership costs together with the need to increase attendance.
- Various schemes and activities had been particularly successful post-pandemic, including the junior swim programme. The events programme and associated secondary spend was also now picking up.
- There remained a strong focus on health and wellbeing, value for money services and the decarbonisation agenda, whilst re-investing in the facility. It was important to continue the capital replacement programme to ensure it remained a key and

prominent venue and whilst K2 Crawley was generally a very efficient building, further work was ongoing to reduce the overall carbon footprint.

Commission Members then raised a number of queries. The issues raised and the key responses included:

- Recognition that the membership numbers had in the past fluctuated slightly throughout the year (for example post-Christmas). However, incentives were offered on varying membership schemes, which potentially could be promoted more widely. It was noted that the demographic trends were similar to pre-pandemic, however, it was apparent that individuals if members were not activity using the facilities, they were more inclined to cancel their memberships than pre-pandemic.
- Clarification was sought and provided on the risks associated with the deed of variation, the Council's position and the correlation with other local authorities throughout this period.
- Acknowledged that there was a high turnover of staff in some areas at K2 Crawley as there was difficulty in retention to various roles (lifeguards). Whilst the contract included the national living wage, different sectors may offer comparable wages. EA has operated a personal development programme along with opportunities for training and qualifications in order to retain staff within the leisure management industry.
- Recognition that the gym at the Bewbush Centre was part of the leisure management contract with EA. The attendance numbers had decreased slightly post-pandemic, however these were still significantly higher than originally targeted. It was noted that Kilnwood Vale was in close proximity and was included within EA's marketing campaign.
- Acknowledgement that the smaller sites at Ifield Community College and Oriel High School were built in 2005 and as part of the original PFI project it was a pre-requisite to ensure the sites were accessible for the community.
- Recognition that K2 Crawley hosted many local, regional, national and international events, and work also continued with partners and businesses to both minimise impact on the local community and maximise success.

### **RESOLVED**

That the Commission noted the update and progress, with the views expressed being acknowledged and documented by the officers. The Commission welcomed the update and noted the continued partnership working through a challenging period.

## **8. Cabinet Member Discussion with the Cabinet Member for Leisure and Wellbeing**

The Commission noted the update given by Councillor C Mullins and questioned him on a variety of issues relating to the portfolio. The following topics were discussed:

- It was hoped that the community centres usage and income would increase over the forthcoming months. The majority of these were popular and used throughout the borough.
- The popularity of Tilgate Park was welcomed. However, there was a concern regarding the capacity of the play area at peak times. It was noted that the play areas were 'unsupervised play' areas, and it was recognised that any refurbishment of these areas were prioritised in terms of need, but safety was also a priority. Additionally further work was to be carried out to publicise the advantages of the other parks within the town.
- Work was underway to improve attractions and facilities available to visitors at other parks, in particular Goffs Park. A working group had been established to formalise and develop a business plan for Goffs Park, which would be a different

strategy to Tilgate Park but allow opportunities and improvements to be developed.

- The current waiting list for allotments was discussed and it was acknowledged that as a result of recent public consultation some areas of the town did not feature allotment sites. There were 20 sites with various plots located across Crawley, and a waiting list for potential holders.
- The current economy was acknowledged as a risk as given the nature of the portfolio, including the variety of the role was discretionary and relied on revenue.

### **RESOLVED**

That the Overview and Scrutiny Commission thanked Councillor C Mullins for attending and for the informative discussion that had ensued.

## **9. Establishment of and Appointments to Scrutiny Panels**

Nominations had been received for a “spotlight” ‘*Housing Associations Scrutiny Panel*’, along with nominations for Chair for Councillor Hellier and Councillor Lunnon. A vote was taken.

As a result of the vote, and in accordance with the Local Government and Housing Act 1989, the Commission confirmed the establishment of a “spotlight” ‘*Housing Associations Scrutiny Panel*’, with the membership of Councillors Ayling, Hellier, Lunnon, Piggott and Pritchard with Councillor Lunnon as Chair.

## **10. Health and Adult Social Care Scrutiny Committee (HASC)**

An update was provided from the most recent [HASC](#) meeting. Key items of discussion included:

- Sussex Shared Delivery Plan
- End of March 2023 (Quarter 4) Quarterly Performance and Resources Report
- Work Programme Planning and Possible Items for Future Scrutiny
- Committee’s Draft Work Programme

## **11. Forthcoming Decision List - and Provisional List of Reports for the Commission's following Meetings**

At the time of discussion there were no reports heading to Cabinet on 6 September. However, the Commission was notified that as usual this may change and so Councillors were asked to check the intranet, web and decision emails and notify Democratic Services should they wish to refer any items.

The Commission was due to receive the Review of Transformation Plan together with a discussion from the Cabinet Member of Resources at its meeting on 4 September.

### **Closure of Meeting**

With the business of the Overview and Scrutiny Commission concluded, the Chair declared the meeting closed at 9.19 pm

**M L Ayling (Chair)**