

# Crawley Borough Council

## Minutes of Cabinet

Wednesday, 31 October 2018 at 7.30 pm

### Councillors Present:

P K Lamb (Chair)	Leader of the Council
M G Jones	Cabinet Member for Housing
C J Mullins	Cabinet Member for Wellbeing
A C Skudder	Cabinet Member for Resources
B A Smith	Cabinet Member for Public Protection and Community Engagement
P C Smith	Cabinet Member for Planning and Economic Development and Deputy Leader
G Thomas	Cabinet Member for Environmental Services and Sustainability

### Also in Attendance:

Councillor D Crow, I T Irvine, A Belben and T G Belben

### Officers Present:

Natalie Brahma-Pearl	Chief Executive
Ann-Maria Brown	Head of Legal, Democracy and HR
Ian Duke	Deputy Chief Executive
Karen Hayes	Head of Corporate Finance
Chris Pedlow	Democratic Services Manager
Nigel Sheehan	Head of Projects and Commercial Services

## 1. Disclosures of Interest

The following disclosures of interests were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor P Lamb	Adopting the Unite Construction Charter (Minute 7)	Personal Interest – A Member of the Unite Union
Councillor A Skudder	Adopting the Unite Construction Charter (Minute 7)	Personal Interest – A Member of the Unite Union

Councillor P Smith	Adopting the Unite Construction Charter (Minute 7)	Personal Interest – A Member of the Unite Union
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## **2. Minutes**

The minutes of the meeting of the Cabinet held on 5 September 2018 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**

The Head of Legal, Democracy and HR reported that no representations had been received in respect of agenda item 11: *District Heat Network*

## **5. Matters referred to the Cabinet and Report from the Chair of the Overview and Scrutiny Commission**

The comments from the Overview and Scrutiny Commission had been circulated to all Cabinet Members. Details of those comments are provided under the minute to which the comments refer.

## **6. Budget Strategy 2019/20 - 2023/24**

The Leader presented report FIN/417 of the Head of Corporate Finance which set out the projected financial position for 2019/20 – 2023/24 for the General Fund and the underlying assumptions. The report also sets the policy framework for the budget process, recognising that there are 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 is to work towards a balanced General Fund budget over a three year period. Currently there was a projected deficit of £225,000 for the current year along with a proposal for an increase to the Crawley's proportion of the Council Tax. It was also emphasised that all capital expenditure was focused on maintaining Council assets, environmental obligations or fund new sources of revenue (spend to save or spend to earn), ultimately refunding the expenditure over time.

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 29 October 2018. The Commission requested that the Cabinet in considering items for the values that were driving the Capital programme, should not preclude the initial consideration of capital projects that could deliver social value, along with the principles of the upkeep of Council assets environmental obligations and schemes that would be considered spend to save or spend to earn.

In response to the Commission's comment, the Leader was happy to endorse that additional consideration for the Capital Programme.

Councillor Mullins also spoke on the item.

## **RESOLVED**

### **Recommendation 1**

That Full Council be recommended to

- 1) approve of the Budget Strategy 2019/20 to 2023/24
- 2) notes, for the purpose of projections, the current budget deficit of £225,000 for 2019/20, on the basis of a Council tax increase of £4.95 on a Band D in 2019/20.
- 3) work towards balancing this over a three year period, including putting back into reserves when the Budget is in surplus.
- 4) to transfer £1m from the Business rates equalisation reserve to the General Fund reserve; and in addition any in year and future surplus are to be transferred to the General Fund reserve in order to fund the short term additional costs due to the investment in the New Town Hall build as outlined in section 7.6 of report FIN/417
- 5) instruct Corporate Management Team to take action to address the long term budget gap and to identify policy options for consideration by Cabinet Members and the Budget Advisory Group, which will include areas where additional resources need to be redirected.
- 6) notes 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 whilst not precluding the initial consideration of capital projects that could deliver social value.
- 7) notes that the Budget is aligned to the Council's Corporate Priorities.

### **Reasons for the Recommendations**

To set a Strategy for savings and income generation and working towards a balanced budget over three years. Including putting back into reserves when the budget is in surplus.

To determine the criteria for capital programme bids.

To agree the level of reserves in section 7.6 in order to support funding the budget shortfall as a result of the investment in the New Town Hall project

## **7. Adopting the Unite Construction Charter**

The Leader presented report FIN/453 of the Head of Corporate Finance, which set out the Council's commitment to support the implementation of the standards outlined in the Unite Construction Charter. The charter commits the Council to achieve the highest standards in respect of direct employment status, health and safety, standards of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment, throughout the Council's key construction projects.

The Leader commented that as the Council was responsible for and procured a significant number of major construction projects, it was important to ensure that the working conditions for workers on site were as high as possible and by signing up to the Charter, it would ensure this would be the case.

It was noted that the report also sort that the Procurement Code be amended to align the Code to the values contained within the Charter.

Councillors Jones, P. Smith and Skudder all spoke as part of the discussion on the report.

### **RESOLVED**

That the Cabinet

- 1) approves the Council's commitment to support the implementation of the Unite Construction Charter principles.
- 2) delegates authority to the Head of Corporate Finance to take the necessary steps for the implementation of the Unite Construction Charter principles into future relevant construction contracts, subject to an assessment of the implications on a case by case basis. (*Generic Delegation 8 will be used to enact this recommendation*)
- 3) requests that the Head of Corporate Finance in consultation with Head of Legal, Democracy and HR, use their delegation to amend the Procurement Code to incorporate the Unite Construction Charter principles (subject to the approval of recommendation 2.1a). (*Generic Delegation 8 will be used to enact this recommendation*)

### **Reasons for the Recommendations**

Crawley Borough Council reviews its procurement processes on an ongoing basis, but any major policy change requires further approval. As a local authority, the Council is responsible for the procurement of a multitude of construction projects. It is therefore appropriate to commit support to the principles within the Unite Construction Charter and signing up to the charter represents a commitment to Crawley and the charter's core principles.

The charter will cover important local authority construction projects including a range of residential, commercial and public realm improvements and commits the Council to achieve the highest standards in respect of direct employment status, health and

safety, standards of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment.

**8. 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.

**9. District Heat Network**

The Leader presented report HPS/15 of the Head of Major Projects and Commercial Services which sort approval of the business case to progress with Phase 1 of the town centre District Heat Network (DHN) and sort in principle agreement to establish an Energy Services Company (ESCo) to adopt the Energy Centre and Heat Network and take on responsibility for operations, maintenance, billing and customer service.

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 29 October 2018. The Commission confirmed its support in principle for the DHN along with the other recommendations that the Cabinet were considering.

Councillors P. Smith, Skudder, B. Smith and Thomas also spoke on this item during the Cabinet discussion on the proposal.

**RESOLVED**

That the Cabinet

1. notes the DHN Business Case as set out in paragraph 4.9 and 4.10 of report HPS/15 and confirms support for Appendix 1 of report HPS/15.
2. notes the projected financial implications for Phase 2 expansion of the DHN and that future expansion will be subject to a further report to Cabinet, once the capital costs and customer and commercial negotiations have progressed.
3. approves in principle the proposal to establish an Energy Services Company (ESCo), subject to a further Cabinet report detailing the commercial and governance arrangements under which the ESCo would be established.

## **Recommendation 2**

That Full Council be recommended to agree to progress with Phase 1 of the project and approve the budget for Phase 1 of the scheme, broken down as follows:

- i) Approve a total budget and funding for the scheme as shown in paragraph 4.9 of report HPS/15.
- ii) Approve a virement from the K2 Crawley Combined Heat and Power (CHP) project, as outlined in paragraph 4.9 report HPS/15.

## **Reasons for the Recommendations**

The scheme would bring the following benefits:

- *Compliance with Crawley planning policy:* Crawley Borough Council's Local Plan Policy ENV7 ('District Energy Networks') requires any development located within a district energy network priority zone (this includes the town centre) to connect to a network where one exists. Given the proposed programme of new residential development in the town centre, progressing a DHN now will enable the economic and carbon benefits to be secured from these schemes.
- *Carbon Reduction:* Crawley Borough Council's Carbon and Waste Reduction Strategy (2012) commits the Council to being carbon neutral by 2050. The council met its initial 20% reduction within 5 years target one year early and now aims to reduce its emissions by another 20% by 2020. The town centre DHN will play a significant part in achieving both of these goals.
- *Income stream to the Council:* Council funding to the scheme would achieve an income of 5% per annum for the 40 year duration of the project.

## **Closure of Meeting**

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.48 pm

P K LAMB  
**Chair**