

Crawley Borough Council

Minutes of Cabinet

Wednesday, 26 June 2019 at 7.00 pm

Councillors Present:

P K Lamb (Chair)	Leader of the Council
I T Irvine	Cabinet Member for Housing
C J Mullins	Cabinet Member for Wellbeing
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

Officers Present:

Natalie Brahma-Pearl	Chief Executive
Ann-Maria Brown	Head of Legal, Democracy and HR
Karen Hayes	Head of Corporate Finance
Chris Pedlow	Democratic Services Manager
Clem Smith	Head of Economy and Planning

1. Disclosures of Interest

The following disclosures of interests were made:

Councillor	Item and Minute	Type and Nature of Disclosure
Councillor Irvine	Occupational Sick Pay for Crawley Homes' Contractor Staff (Minute 14)	Personal Interest– Member of Unite Union
Councillor Lamb	Occupational Sick Pay for Crawley Homes' Contractor Staff (Minute 14)	Personal Interest– Member of Unite Union
Councillor Rana	Occupational Sick Pay for Crawley Homes' Contractor Staff (Minute 14)	Personal Interest– Former Member of Unite Union
Councillor P Smith	Occupational Sick Pay for Crawley Homes' Contractor Staff (Minute 14)	Personal Interest– Member of Unite Union

2. Minutes

The minutes of the meeting of the Cabinet held on 13 March 2019 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 14: *Occupational Sick Pay for Crawley Homes' Contractor Staff*

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 for 2018-2019

The Leader presented report [FIN/473](#) of the Head of Corporate Finance on the Treasury Management Outturn for 2018/19. The Cabinet was informed that Councillors were required under regulations to regularly review and scrutinise the Council's treasury management policy and performance. The report provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by Councillors. The report also meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Local Authorities (the Prudential Code).

The Cabinet was notified of some amendments which included paragraph 6.1, '*Maturity Structure of Debt Portfolio. 24 Months to 5 Years* – should have read £23m rather than £13m' and as result some of the percentages in the associated table were incorrect. Also it was noted that in Appendix 2, the last pie chart (Sector Diversification) did not a line with the table in Appendix 1 in relation to Corporate Bonds.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 June 2019. The Cabinet noted the Commission's comments.

RESOLVED

That the Cabinet approves the actual 2018/19 Prudential and Treasury Indicators as set out in report [FIN/473](#); and notes the Annual Treasury Management Report for 2018/19.

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. This report complies with these requirements.

7. Review of the Statement of Licensing Policy Gambling Act 2005 (2020 - 2022)

The Cabinet Member for Public Protection and Community Engagement presented report [HCS/14](#) of the Head of Community Services which set out the requirement that every 3 years the Council was to review Crawley Borough Council's Statement of Licensing Policy as pertains to Gambling Act 2005 ("Statement of Licensing Policy"). The report requested authorisation to conduct the statutory consultation on the proposed revision of the Council's Statement of Licensing Policy.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 June 2019, which was noted by the Cabinet.

Councillor Mullins spoke on report.

RESOLVED

That the Cabinet authorises the Head of Community Services to conduct the statutory consultation process in respect of the proposed revised Statement of Licensing Policy at Appendix A of report [HCS/14](#).
(Generic Delegation 5 will be used to enact this recommendation)

Reasons for the Recommendations

To agree and develop the proposed strategy to discharge the Council's role in its capacity of Licensing Authority for the 3 year period 2020 – 2022.

To ensure our policy is revised for the coming 3 years as required by section 349 of the Gambling Act 2005 and that this is done in accordance with procedures compliant with statutory guidance regarding consultation.

8. Crawley Growth Programme – Next Phase Projects and Update to S106 Allocation, Funding and Governance

The Cabinet Member for Planning and Economic Development presented report [PES/316](#) of the Head of Economy and Planning which provided a progress update to Cabinet on the Crawley Growth Programme, to seek Cabinet approval to consult publically on the next tranche of Programme schemes and to allocate further S106 monies to a number of schemes within the Programme.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 June 2019. The Commission expressed their support for the working being achieved by the Growth programme, which was noted by the Cabinet.

Councillors Mullins and Irvines spoke as part of the discussion on the report.

RESOLVED

That the Cabinet approves

1. going out to public consultation on the concept designs, as set out in Appendices A-C of report [PES/316](#) for the next tranche of Crawley Growth Programme schemes :
 - a) Manor Royal to Three Bridges cycle route;
 - b) Town Centre cycle route improvements;
 - c) Bus shelter “super hubs”.
2. expenditure of up to £783,000 from the existing CBC capital programme – Crawley Growth programme budget on the detailed design phase for the three schemes listed in the previous resolution, subject to consultation.
3. the allocation of £327,570 of received S106 developer contributions to West Sussex County Council, to be used for one of the Crawley Growth Programme schemes for which they are the Lead Authority
4. the transfer of Lead Authority for the Town Centre Commercial Space development project from West Sussex County Council to Crawley Borough Council.

That Full Council be recommended to approve

1. a further £600,842 of received S106 developer contributions is allocated to the CBC capital programme Crawley Growth programme budget and commit these funds to the specific projects as detailed in 7.2.2 of report PES/316
2. from within the existing Crawley Growth Programme budget, the allocation of £327,637 of received S106 developer contributions to the project schemes set out in section 7.2.2 of report PES/316
3. an increase to the overall Crawley Growth programme capital programme allocation of £6 million for the Town Centre Commercial Office Space project within the Crawley Growth programme, to be funded from contributions from existing funding commitments to the Crawley Growth Programme, subject to formal agreement with WSCC of a revised funding protocol.

Reasons for the Recommendations

The recommendations will allow Crawley BC to progress the referenced projects to the next phase.

The report to Cabinet of 4 October 2017 informed Members that the Crawley Growth programme will be part financed by an allocation of £2,481,000 of S106 funding. To date Crawley BC has received from developers £1,946,958 of the intended S106 monies. Of this amount Crawley BC has already allocated £1,018,547 to the Crawley Growth Programme. The purpose of the Full Council recommendations 1 and 2, was therefore to allocate received S106 funds to the Crawley Growth programme budget

within the CBC capital programme so these funds can in turn be allocated to specific projects.

The recommendation as described above will enable West Sussex County Council to allocate S106 monies to the delivery of the Manor Royal Highways improvements scheme, which was part of the Crawley Growth programme.

9. District Heat Network - Operations, Maintenance and Billing Contract

The Cabinet Member for Environmental Services and Sustainability presented report [HPS/20](#) of the Head of Major Projects and Commercial Services. The report sought approval to commence procurement for the appointment of an Operations, Maintenance and Billing (OMB) contractor for the Town Centre District Heat Network (DHN).

It was explained that within the Council currently there was not appropriate level of expertise to manage the operations, maintenance and billing of the DHN and thus there was a need to procure externally for this specialist role. The Cabinet was also informed that by appointing the OMB contractor at this stage of the DHN project was of benefit as the contractor would be able to be involved with the Council over the design of the DHN.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 June 2019. The Cabinet noted the Commission comments on the report.

Councillor B. Smith spoke as part of the discussion on the report.

RESOLVED

That the Cabinet:

1. approves the undertaking of a procurement exercise to enable the appointment of an operations, maintenance and billing contractor for the town centre DHN.
2. delegates authority:
 - a. to the Head of Major Projects and Commercial Services to undertake the procurement exercise to appoint the Operations, Maintenance and Billing contractor for the town centre DHN in accordance with the Council's Procurement Code.
(Generic Delegation 7 will be used to enact this recommendation)
 - b. to the Head of Major Projects and Commercial Services and the Head of Corporate Finance, in consultation with the Leader of the Council and the Cabinet Member for Environmental Services and Sustainability to enter into a contract with the most advantageous bidder, once the tender exercise is complete.
(Generic Delegation 7 will be used to enact this recommendation)

Reasons for the Recommendations

Operations, maintenance and billing functions associated with a District Heat Network are specialist functions, appropriate experience for which does not currently exist 'in house'. The recommendations will enable a procurement exercise to be undertaken to appoint a suitable qualified and experienced contractor to undertake these functions on behalf of the Council

10. Housing Infrastructure Fund (HIF) Agreements

The Cabinet Member for Housing presented report [SHAP/78](#) of the Head of Strategic Housing. The report set out how the Council had been successful in securing Housing Infrastructure Fund (HIF) grant funding of up to £6.4mil, from Homes England for two schemes, specifically Forge Wood and Telford Place respectively. It was detailed that HIF grant funding for Forge Wood would be use on acoustic barriers, whilst in respect of Telford Place, the funding would be used to providing new highways access, and carrying out site decontamination and public realm works.

It was noted due to the lengthy administration, negotiations and conditions associated with HIF grant funding, the report sought that officer delegated authority to finalise the terms and all associated terms and agreements necessary to ensure the Council was able to receive the funding.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 July 2019, including their general support for the Council receiving the HIF grant funding.

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

RESOLVED

That the Cabinet delegates authority to the Head of Strategic Housing Services and the Head of Corporate Finance in consultation with the Cabinet Member for Housing, to enter into the necessary agreements with respect to the Housing Infrastructure Fund approved for Forge Wood and Telford Place, if on satisfactory terms to the Council (*Generic Delegation 7 will be used to enact this recommendation*).

That Full Council be recommended to

approve an amended supplementary capital estimate of up to £6,423,280 (£4,423,280 and £2,000,000), funded from the Housing Infrastructure Fund as outlined in paragraph 3.2 of report [SHAP/78](#).

Reasons for the Recommendations

The Housing Infrastructure Fund is grant funding awarded to the Council by Homes England to provide the infrastructure required to unlock housing development. The funding is subject to the Council meeting specified conditions and obligations, including contracting with developers to deliver the infrastructure as well as delivering the 'unlocked' housing.

The value of the grant funding to be received across both schemes amounts to £6,423,280 (£4,423,280 and £2,000,000), and for reasons of State Aid compliance

the terms of the funding comes with arrangements to claw-back any added surplus emerging from each respective scheme against the projected cash-flows. The Council will have an obligation to 'ring-fence' any claw-back that may be received for recycling back into housing delivery in the borough. These claw-back arrangements are still in the process of being finalised with Homes England.

Due to the value of the funding involved, and the associated obligations, Officers

11. Financial Outturn 2018/19 Budget Monitoring - Quarter 4

The Leader of the Council presented report [FIN/472](#) of the Head of Corporate Finance, which sets out a summary of the Council's outturn for the year for both revenue and capital spending for the financial year 2018/19. It identifies the main variations from the approved spending levels and any potential impact on future budgets. It was noted that at Quarter 3 there was a projected transfer to reserves of £405,000, the actual transfer to reserves was £425,181, which would be transferred to the General Fund reserve.

Whilst at Quarter 3 there was a projected surplus on the Housing Revenue Account of £397,000, the actual additional transfer for investment in the maintenance and building of future housing was £401,000. On capital spending, £45.2114m was spent during the year, including £26.085m on new housing development. The revised budget was £48.663m

RESOLVED

That Cabinet

1. notes the outturn for the year 2018/19 as summarised in this report [FIN/472](#).
2. notes the allocation of S106 to specific schemes within the Crawley Growth Programme as outlined in paragraph 8.12 of report [FIN/472](#).
3. notes the Crawley Growth Programme report [PES/316](#), previously considered by Cabinet at this meeting, and its impact upon the capital programme.
4. Agree a supplementary capital estimate of £40,000 which will be funded from S106 contributions for the Memorial Gardens as outlined in paragraph 8.14 of report [FIN/472](#).

Reasons for the Recommendations

To report to Members on the outturn for the year compared to the approved budget for 2018/19.

12. Energy Procurement Contract Arrangements

The Cabinet Member for Environmental Services and Sustainability Portfolio presented report HPS/19 of the Head of Major Projects & Commercial Services. The report explained that the Council had participated in a flexible energy procurement arrangement since 2008 under a Framework contract with LASER (Local Authority Energy Buying Group) which is due for renewal on 1st October 2020. It was

noted the contractual arrangements cover the supply of gas and electricity to the Council's operational buildings and had achieved significant savings for the Council during that time period.

The report contains proposals for the Council's continued participation in those arrangements over the next contract period running from 1 October 2020 to 30 September 2024.

RESOLVED

That the Cabinet approves the Council's continuation in the LASER Framework Contract for energy procurement for the period from 1 October 2020 to 30 September 2024.

Reasons for the Recommendations

LASER benchmarks their purchasing performance each year and shares this information with its customers. This benchmarking exercise indicates that LASER has been able to deliver prices to customers at 4.6% below the market average over the last 4 years. Based on current consumption this level of performance would equate to a total saving in energy costs over the next 4 year contract period of £98,000 assuming similar performance levels.

Given the estimated savings achieved through a flexible procurement strategy, it is recommended that the Council continue its arrangement with LASER and participate in the framework contract for the 4 year period from 1st October 2020 to 30th September 2024.

The Pan Government Energy project recommended that to spread market risk, and avoid buying during periods of peak market pricing, "all public sector organisations adopt aggregated, flexible and risk-managed energy procurement" as provided under the LASER framework.

13. 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.

14. Occupational Sick Pay for Crawley Homes' Contractor Staff

Exempt Paragraphs 3 & 4

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising

between the authority or a Minister of the Crown and employees of, or office holders under the authority.

The Cabinet considered report CH/184 by the Leader of the Council. The Leader presented the report which sought to address the difference in occupational sick pay for contractors (as identified within the report), working within Crawley Homes compared to Council staff. He also explained the difference between the Council's terms and conditions in relation to the occupational sick pay compared to that used by the identified Crawley Homes' Contractor's terms and conditions, along with rationale for the proposal, how those contracts could be varied and the associated implications.

Councillor Rana presented the Overview and Scrutiny Commission's comments on the report to the Cabinet following consideration of the matter at its meeting on 24 June 2019. She informed the Cabinet that the Commission supported the proposal however there were split on the proposal following their in-depth discussion. The Cabinet noted the Commission.

Councillors Irvine and Mullins spoke as part of the discussion on the report.

RESOLVED

That the Cabinet

1. agrees, that is the Council's intention to instruct by way of a contract variation its contractors working within Crawley Homes (as defined within the report), to pay occupational sick pay for its staff based on those contracts, in accordance with the Local Government employees' scheme as set out in Appendix A of report CH/184
2. delegates the Head of Crawley Homes and the Head of Legal, Democracy and HR to amend the terms of the associated Crawley Homes contracts (as defined within the report) to require that our Contractors to pay the operatives engaged on the Crawley contracts occupational sick pay as set out in 2.2a.
(Generic Delegation 3 will be used to enact this recommendation.)
3. approves that in future procured major contracts include the principle of full occupational sick pay, subject to an assessment of the implications on a case by case basis.

That the Full Council be RECOMMENDED to increase the annual budget by £100,000 to cover the additional contract requirement

Reasons for the Recommendations

To enable the payment of occupational sick pay to Mears, MPS and Liberty staff engaged on the Crawley Homes contracts.

Closure of Meeting

With the business of the Cabinet concluded, the Chair declared the meeting closed at 7.55 pm

P K LAMB
Chair