

# Council Supplementary Agenda



**2. Minutes of the Previous Meeting (Pages 3 - 14)**

To approve the minutes of the meeting held on 6 March 2024 as an accurate record.

Katherine Kerswell  
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## Council

Meeting held on Wednesday, 6 March 2024 at 6.30 pm in Council Chamber, Town Hall,  
Katharine Street, Croydon CR0 1NX

## MINUTES

**Present:** Councillor Tony Pearson (Chair);

Councillors Appu Srinivasan, Kola Agboola, Jade Appleton, Jeet Bains, Leila Ben-Hassel, Sue Bennett, Adele Benson, Margaret Bird, Claire Bonham, Simon Brew, Janet Campbell, Louis Carserides, Richard Chatterjee, Chris Clark, Sherwan Chowdhury, Stuart Collins, Mario Creatura, Jason Cummings, Patsy Cummings, Nina Degrads, Rowenna Davis, Danielle Denton, Samir Dwesar, Lara Fish, Sean Fitzsimons, Alisa Flemming, Clive Fraser, Amy Foster, Simon Fox, Gayle Gander, Maria Gatland, Brigitte Graham, Matt Griffiths, Lynne Hale, Patricia Hay-Justice, Maddie Henson, Christopher Herman, Yvette Hopley, Mohammed Islam, Karen Jewitt, Mark Johnson, Humayun Kabir, Stuart King, Ola Kolade, Joseph Lee, Endri Llabuti, Enid Mollyneaux, Stella Nabukeera, Michael Neal, Eunice O'Dame, Ian Parker, Ria Patel, Jason Perry, Ellily Ponnuthurai, Holly Ramsey, Helen Redfern, Chrishni Reshekaron, Scott Roche, Manju Shahul-Hameed, Luke Shortland, Andy Stranack, Alasdair Stewart, Esther Sutton, Catherine Wilson, Robert Ward, Callton Young and Fatima Zaman

**Apologies:** Apologies for absence were received from Councillor Holly Ramsey and lateness from Councillors, Alice Flemming, Stuart Collins and Louis Caserides

## PART A

### 102/24 **Minutes of the Previous Meeting**

The minutes of the meeting held on 28 February 2024 were agreed as an accurate record.

### 103/24 **Disclosure of Interests**

The Monitoring Officer granted a general dispensation to all Members to enable the discussion and decision on the Budget report and Scheme of Members' Allowances.

104/24 **Urgent Business (if any)**

There were no items of urgent business.

105/24 **Announcements**

1. The Chair reminded Members that, in accordance with section 106 of the 1992 Act, where a payment of Council Tax that a Member was liable to make had been outstanding for two months or more at the time of the meeting, the Member must disclose the fact of their arrears and not participate in the vote on the Council's budget.
2. The Chair moved that the process used in the second budget meeting last year be adopted for the consideration of the budget item. This was seconded by Councillor Luke Shortland and put to the vote and;

**RESOLVED:**

That the following process be used for the consideration of the budget item:

- Members would ask both the Mayor and Cabinet Member for Finance questions for 30 minutes.
  - There would be no provision for questions to the Scrutiny Chair- as these were fielded at the previous budget meeting on the original proposals on 28 February 2024.
  - The executive proposals would be moved and seconded followed by the moving and seconding of the amendment.
  - 4 Members would speak to the amendment and Council would vote on whether to amend the proposals.
  - If successful, the Amended Council Tax & Budget 2024-25 proposals would become the basis for the debate and vote on the Council Tax & Budget 2024-25.
  - If the vote to amend the executive proposals was unsuccessful, the executive proposals would remain the basis for the debate and final vote on the Council Tax & Budget 2024-25.
3. Mayor Jason Perry announced that the Greater London Assembly had awarded £53.8m to Croydon Council for the redevelopment of Regina

Road. The Mayor thanked the Deputy Mayor and Cabinet Member for Housing Councillor Lynne Hale and officers for their hard work.

## 106/24 **The Council's Budget 2024/25**

It was agreed that the order of the meeting would include fifteen minutes of questions to the Executive Mayor followed by fifteen minutes of questions to the Cabinet Member for Finance.

During the 15 minutes of Questions to the Executive, the Mayor responded that:

- Council Tax support remained in place but the Hardship Fund was reduced this year because of lack of take up so the fund was moved into culture tax to support residents who needed support the most.
- The Chancellor of the Exchequer had extended the Household Support Fund for six months.
- The Mayor confirmed that he had written directly to the Chancellor of the Exchequer to review his decision to close the fund to be extended.
- The Regina Road grant, the Housing Transformation Plan, Housing Strategy were evidence of the ongoing work to deliver improvement to Croydon residents.
- Asset disposal and capitalisation directives were not a sustainable way to operate and Croydon had requested for a bailout from the government and there were ongoing regular meetings between the Mayor and government ministers to discuss additional financial support for the Council.
- There was a robust process in place which involved independent external advisers, partners and proper marketing to ensure that the Council's assets for sale were not undervalued and best value was realised.
- Regarding the £18m Levelling up grant to Croydon, work was expected to commence in the summer in light of the 26 March 2024 deadline for the use of the grant. The grant was expected to among other things, improve investments in the Town Centre.
- The forthcoming transformation programme would detail what the council would start doing less although a lot of consideration had been given to ensure the provision of essential services.

- The results of the public engagement on the budget would inform the Transformation programme.
- The Council worked through Schools Partnership introduced last year to ensure there were no holes in transition from year six, where young people were most at risk of being exploited into crime and violent behaviour in a bid to do the best for Croydon's young people.
- The Cabinet Member for Finance stated that the impact of the extension of the Household Support Fund was £500m nationally and £3m for Croydon which was the equivalent of 2000 support packages to the most vulnerable people in the borough and hoped that the fund would be extended further.

During the fifteen minutes of questions to the Cabinet Member for Finance, Councillor Jason Cummings responded that:

- There were options open to the Council to reduce its debt burden such as debt reduction and restructure was one option in terms of how the debt burden could be dealt with.
- The Cabinet Member for Finance has attended the meetings with Minister to discuss write off negotiations.
- The whole of local government was under significant amount of financial pressure, Councils across London were unable to balance their budget in year against the figures they predicted. It was excellent that Croydon had been able to present a balanced budget.
- Croydon continues to perform uniquely among the number of Councils that currently issued section 114 notices and were subject to government commissioners as it was able to present a balanced budget while other Councils even though they were receiving capitalisation direction support, were overspending, and struggling to balance their budgets.
- Regarding the sign off of the Council's previous year accounts, including the 1920's it was expected, they would be presented at the next meeting the Audit and Governance Committee and then be signed off in the near future. Thereafter, a new set of accounts would be signed off every six months.
- The Council would rather have historic accounts fully audited and signed off and not used in the backstop because of the level of public interest and the need to have confidence that the Council's accounts have been signed properly.
- To ensure the Council's financial reports and contracts were accessible and transparent, there was a period monitoring report, the capital program

was tracked within the period monitoring report and had been made accessible to the Scrutiny Committees.

- Each of the Council's assets were being sold at the best point in time that they could firstly be brought to a position where they could be sold, and it is access to requirements, but also the best point to bring it to the market.
- Croydon Council was not increasing debt this year. It was inaccurate to equate capitalisation directions with debt. The Capitalisation directive simply allowed the Council to use capital receipts or borrowing to fund the general fund. The savings delivered by the budget were unmatched by other Intervention Councils.
- If the Council were to rely on the use of £38m capitalisation directives every year, in about two years, the amount of money the Council would be spending on debt servicing would increase, and the pressure on services would also increase. It had been stated by the Improvement Assurance Panel that the Council would require some level of government assistance and external help.
- All areas of the Council were being reviewed in a bid to identify ways to generate income, such as fees and charges, which had not been updated for sometime and income opportunities that did not penalise residents such as efficiencies and reductions and or moving to a system of earlier intervention to avoid and complex interventions later in the process.
- Mayor Jason Perry moved the recommendations in the budget report and Councillor Jason Cummings seconded and reserved his right to speak. The Mayor explained that Croydon was investing in creating a safe and secure environment and addressing issues such as violence and crime. He advised that the Council must deliver balanced budgets and not rely on government for financial support or putting additional pressure on Croydon's taxpayers.
- Council then debated the amendment put forward by the Labour Group Amendment
- In moving the Labour Group amendment, the Leader of the Opposition, Councillor Stuart King stated that the Labour Group's amendments did not amount to an alternative budget, nor were they an endorsement of any areas of the budget but Group had focused on how the budget could better tackle disadvantage and respond to resident priorities. He explained that as the amendments had been certified by the Council's most Senior Finance Officer as reasonably calculated and deliverable, they had shown it was possible to make changes to the budget that improved the outcomes for some of the boroughs most vulnerable without compromising the setting of a balanced budget.

- Councillor Ria Patel argued that Labour's amendment did not go far enough as the Green Group were proposing cutting all Special Responsibility Allowances. She stated that that Croydon had to move away from a cabinet system of governance, to the directly elected mayor model and a proper constitution that reflected the real responsibilities of the members or the voices of residents.
- Councillor Alasdair Stewart stated that at the General Purposes Committee, Members had taken seriously their responsibility to have due regards to the Independent Report on allowances in London, something the School Council must also do as the amendment directly contradicts the independent report on the unanimous recommendations of the General Purposes Committee.
- Councillor Callton Young who had seconded the moving of the amendment in closing the debate, argued that if agreed the amendments would generate savings by reducing the cost of political appointments, not responsible for executive decision-making or the scrutiny of both and the savings from the amendments could be used for any combination priorities detailed in the amendment report such as the reinstation a Grade Nine House Safeguarding Officer post, as recommended in the recent Child Trade Card review of serious new violence or the funding of a grade 14 post to improve oversight and delivery of the Council's savings.

Council then voted on the amendment and:

**RESOLVED**, with 33 votes in favour, 36 votes against and no abstentions not to amend the budget proposals in accordance with that put forward by the Labour Group.

- Council then debated the amendment put forward by the Green Group Amendment
- In moving the amendment, Councillor Esther Sutton stated the Green Group wanted to see a fairer, greener council that was kinder and more compassionate to its residents. Our amendment goes on to address a number of areas that are of concern to residents, and these have been carefully costed.
- She advised that benefits would include improvement of community safety, reinstated Neighbourhood Safety Officer and Commissioned services for violence prevention or public health perspective, better training for officers and members, inclusion of a carbon budget and installation of infrastructure to improve public transport and support active travel, e.g., better cycle provision, bus priority lanes and bike lockers.



- Councillor Callton Young stated that the labour Group could not support a budget that was inconsistent with the fundamental principle of national pay bargaining and the benefits from the hard work of trade unions.
- Councillor Lynne Hale stated that the Improvement Assurance Panel (IAP) noted the Council's most senior officers were experienced appointees and their support to the operation of the Council's governance arrangements was very capable and so reducing their pay or dismissing them as the amendment was proposing could not be supported when their efforts were being independently and highly commended.
- In closing the debate, Councillor Ria Patel stated that capitalisation directives and borrowing money with high interest rates, were not a sustainable solution to the council's problems and the Green Group amendment set out savings that could be invested into front line services and Special responsibility allowances needed to be fairer and reflect responsibilities.

Council then voted on the amendment and:

**RESOLVED**, with 3 votes for, 34 votes against and 32 abstentions not to amend the budget proposals in accordance with that put forward by the Green Group.

Council then debated the substantive motion, which was the Executive Mayor's original budget proposal. Members argued that:

- The budget had a capital allocation to enable investment in Croydon's Parks and open spaces.
- The budget showcased the Council's commitment and determination to protect and enhance green spaces, clean up, and improve district centres across the borough.
- while the capitalisation directives and savings identified in the budget may work in the short term, there were concerns about Croydon's long-term viability.
- This balanced budget would enable the dedicated teams across the Council's departments to continue to support the children and families.
- Once a balanced budget was set for the year ahead, Members had to present a united front in making representations to the government to secure an agreement on fair funding for crime.
- Engagement and transparency were required in the budget setting process.

**RESOLVED**, with 34 votes for and 35 against and no abstentions, to reject the budget proposals put forward by the Executive Mayor.

- The Chief Finance Officer then outlined the requirement for Members to pass a budget, and the Chair **MOVED** that members withdraw from the meeting to hold discussions in private for up to 20 minutes This was **SECONDED** by Councillor Luke Shortland and **RESOLVED** to adjourn the meeting for 20 minutes to consider the advice of the Officer.
- Members withdrew from the Chamber at 9.01pm and returned at 9.22 pm.
- Mayor Jason Perry **MOVED** the budget proposals as contained in the report. This was **SECONDED** by Councillor Jason Cummings.
- Councillor Stuart King, Leader of the Opposition, on behalf of the Labour group stated that they would abstain from the vote as they understood the statutory requirement for the council to set a budget and the significant impact of not doing so. Councillor Ria Patel, speaking on behalf of the Green reiterated the reasons why they would be voting against the budget.

The Chair put the recommendations to the vote and Council:

**RESOLVED**, with 34 votes for, 3 against, and 32 abstentions to:

- 2.1 Note the responses to the budget engagement with residents and statutory consultation with businesses as set out in the Budget Cabinet Report, Appendix G J.
- 2.2 Note the equalities impact assessment undertaken on the budget proposals as set out in the Budget Cabinet Report, Appendix G N.
- 2.3 Note the Scrutiny Budget Report and the Executive response to the recommendations in the Scrutiny Budget report relating to the budget proposals, Appendix F.
- 2.4 To agree an increase in the Croydon element of the 2024-25 council tax charge by 2.99% (Band D £53.98)
- 2.5 To agree a 2% increase (Band D £36.11) in the 2024-25 Adult Social Care precept levy.
- 2.6 To agree the calculation of the council tax requirement of £259,761,449 and council tax as set out in Appendix B and note that the inclusion of the Greater London Authority precept will result

- in a total increase of 5.69% (Band D £127.35) in the overall Croydon council tax bill.
- 2.7 To approve the setting of the Council's own total net expenditure budget for 2024-25 at £361.267m (Appendix C).
  - 2.8 To agree the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as recommended by Cabinet of 14 February 2024 (Appendix D).
  - 2.9 To agree a £5m budget in 2024-25 to support the transformation programme as recommended by Cabinet of 14 February 2024.
  - 2.10 To agree the Reserves Policy as set out in Appendix G M of the Revenue Budget and Council Tax Levels Report 2024-25 as recommended by Cabinet of 14 February 2024.
  - 2.11 To agree that the Corporate Director of Resources be authorised to collect and recover National Non-Domestic Rate and council tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992.
  - 2.12 To agree that the necessary determinations are made as billing authority under Section 11B of the Local Government Finance Act 1992 for financial year 2024-2025 to the effect that where permitted, for dwellings that have been unoccupied and substantially unfurnished for a period of at least one year the amount of Council Tax will be increased by 100% where the period is less than 5 years, by 200% where the period is at least 5 years but less than 10 years, and by 300% where the period is at least 10 years, and that the discount under Section 11(2)(a) shall not apply.
  - 2.13 To agree that the necessary determinations are made under Section 11C of the Local government Finance Act 1992 as billing authority for financial year 2025-2026 to the effect that where permitted, for dwellings where there is no resident of the dwelling and the dwelling is substantially furnished, the amount of Council Tax will be increased by 100%, and the discount under Section 11(2)(a) shall not apply.
  - 2.14 To agree that the Council Tax Support scheme (statutory local council tax reduction scheme) under Section 13A (2) of the Local Government Finance Act 1992 is not changed from that agreed by Full Council resolution on 1<sup>st</sup> March 2023.
  - 2.15 To agree the Council's 2023-29 General Fund Capital Programme which includes planned expenditure of £479.68m (including capitalisation directions) across the six years as recommended by Cabinet on 14 February.

- 2.16 To agree the Council 2024-25 Housing Revenue Account Capital Programme with a total investment planned of £57.24m with borrowing of nil as recommended by Cabinet on 14 February 2024.
- 2.17 To agree an increase to the 2023-24 HRA capital budget from £33.248m to £37.162m, owing to increased major repairs and improvements, with this £3.914m increase funded by HRA reserves as recommended by Cabinet on 14 February 2024.
- 2.18 To agree the Council's Capital Strategy (Appendix H A), as presented within the Capital Programme and Capital Strategy 2023-29 Report to Cabinet on 14 February 2024.
- 2.19 To agree The Treasury Management Strategy Statement 2024-25 as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024-25 Report to Cabinet on 14 February 2024 (Appendix I).
- 2.20 To agree the Prudential Indicators as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024-25 Report to Cabinet on 14 February 2024 (Appendix I).
- 2.21 To agree the Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix B of the Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024-25 Report to Cabinet on 14 February 2024 (Appendix I).
- 2.22 To agree the Borrowing Strategy and Investment Strategy as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024-25 Report to Cabinet on 14 February 2024 (Appendix I).
- 2.23 To note the requirement for Members to undertake training in order to have the appropriate knowledge and skills to enable them to understand and scrutinise the Council's treasury management as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024-25 Report to Cabinet on 14 February 2024 (Appendix I).
- 2.24 To note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of

indebtedness to ensure it can deliver sustainable local government services.

107/24

### **Scheme of Member's Allowances**

The Chair of the General Purposes Committee Councillor Sean Fitzsimmons MOVED the recommendations as contained in the report, Councillor Callton Young SECONDED the motion, and Council;

#### **RESOLVED TO:**

- 1.1** give due consideration to the Independent Panel Report (IPR) on the Remuneration of Councillors in London for 2023 ("Remuneration Report" Appendix 1) when considering this report and proposals around the Members Allowance Scheme.
- 1.2** agree that **No Increase** would be applied to the Member Allowance Scheme for 2023/24, which had been proposed at a 3.88% increase to align with the LPSS;
- 1.3** agree the Members' Allowances Scheme for 2024/25 (Appendix 3).
- 1.4** agree that the Director of Legal Services be authorised to comply with the statutory requirements to publicise the 2024/25 Members' Allowances Scheme, the IPR and make all necessary updates to the Constitution; and,  
To note:
- 1.5** that the General Purposes agreed to undertake a review of the Members Allowance Scheme in 2024 as detailed in paragraph 4.9 and 4.10.
- 1.6** A recommendation around any uplift aligned to the LPSS applicable for the Members Allowance Scheme 2024/25 would be proposed to Full Council by GPC late 2024 / early 2025.
- 1.7** give due consideration to the Independent Panel Report (IPR) on the Remuneration of Councillors in London for 2023 ("Remuneration Report" Appendix 1) when considering this report and proposals around the Members Allowance Scheme.
- 1.8** agree that **No Increase** be applied to the Member Allowance Scheme for 2023/24, which had been proposed at a 3.88% increase to align with the LPSS;

**1.9** agree the Members' Allowances Scheme for 2024/25 (Appendix 3).

**1.10** agree that the Director of Legal Services be authorised to comply with the statutory requirements to publicise the 2024/25 Members' Allowances Scheme, the IPR and make all necessary updates to the Constitution; and,

To note:

**1.11** that the General Purposes agreed to undertake a review of the Members Allowance Scheme in 2024 as detailed in paragraph 4.9 and 4.10.

**1.12** that a recommendation around any uplift aligned to the LPSS applicable for the Members Allowance Scheme 2024/25 would be proposed to Full Council by GPC late 2024 / early 2025.

The meeting ended at 9.21pm

**Signed:**

**Date:**

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