

LONDON BOROUGH OF CROYDON

To: All Member of Council
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STATEMENT OF EXECUTIVE DECISIONS MADE BY EXECUTIVE MAYOR IN CABINET ON 30 NOVEMBER 2022

This statement is produced in accordance with Regulation 12 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Further to the associated public notice of Key Decisions no scrutiny call-in has been received, and therefore the following decisions can be implemented.

The following apply to the decisions listed below:

Reasons for these decisions:

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=3454>

Other options considered and rejected:

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=3454>

Details of Conflicts of Interest declared by the Decision Maker: None

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Decision Maker: None

The Executive Mayor has made the executive decisions noted out below:

Key Decision no.: N/A

Decision Title: CORPORATE ASSET MANAGEMENT PLAN

Details of decision:

Having carefully read and considered the Part A report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Executive Mayor in Cabinet

RESOLVED: To

1. Approve the Corporate Asset Management Plan attached at Appendix 1;
2. Approve the proposed Corporate Property and Disposal Strategy attached at Appendix 2; and
3. Note the list of proposed asset disposals attached at Appendix 3 which will be subject to relevant decision making in accordance with the Financial

Regulations and any service provision decisions, including statutory consultation where required.

Key Decision no.: 7922EM

Decision Title: BRICK-BY-BRICK UPDATE

Details of decision:

Having carefully read and considered the Part A report, the associated confidential part B report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Executive Mayor in Cabinet

RESOLVED: To

1. Note the progress on delivery of key developments by Brick by Brick Croydon Ltd.
2. Note the progress on BBB finances as provided within Part B of the report. This has been included as Part B to ensure management financial information remains commercially confidential.
3. Delegate authority to the Corporate Director of Resources and Section 151 Officer, in consultation with the Monitoring Officer and the Cabinet Member of Finance, to enter into a Letter of Comfort to be provided to Brick by Brick Croydon Ltd, under the Council's shareholder function. Information has been included within the Part B report.
4. Consider the PwC review, including recommendations, within the Part B report, agree to proceed with the option set out in Part B.
5. Note that under delegated authority the Corporate Director of Resources and Section 151 Officer, in accordance with paragraph 9 of the Financial Regulations, has approved to vary the Option Agreements on Regina Road, Malton House and Belgrave & Grosvenor Road to include an option for the Council to purchase those sites instead of setting off against the loan agreement and to extend the buy back option period for Regina Road and Malton House. The Council is currently working with BBB to varying the Option Agreements. This is further detailed within Section 2 of this report.
6. Delegate authority to the Corporate Director of Resources and Section 151 Officer, in consultation with the Monitoring Officer and the Cabinet Member for Finance, to exercise buy-back option(s) under the relevant option agreement(s) for the undeveloped sites earmarked by BBB for disposal, should these be required. The value of any such buy backs shall either be paid to BBB or be set off against the Loan agreement, as varied within the option agreement(s).

7. Delegate to the Corporate Director of Resources and Section 151 Officer, acting as lender, in consultation with the Monitoring Officer to vary the Loan agreement with BBB to permit set off values under recommendations 5 and 6 above if required.
8. Delegate authority to the Corporate Director of Resources and Section 151 Officer, acting as shareholder, in consultation with the Monitoring Officer and Cabinet Member for Finance to instruct BBB not to dispose of the undeveloped 5 sites on the open market if the Council decides to consider exercising its buy back option(s) in accordance with recommendation 6 above.
9. Delegate authority to the Corporate Director of Resources and Section 151 Officer, in consultation with the Monitoring Officer, Executive Mayor and the Cabinet Member for Finance, to approve that BBB may dispose of developed properties in the open market at less than 95% of red book value (including where this a key decision and above Corporate Director delegations within the Financial Regulations) on the request of BBB as in accordance with the Loan Facility Agreement.
10. Delegate authority to the Corporate Director of Resources and Section 151 Officer in consultation with Cabinet Member for Finance and Corporate Director of Housing and subject to any final due diligence, whether to purchase 12 new properties at the Trellis Mews development as detailed in Section 6 of this report with a further recommendation within Part B.
11. Approve updated amendments to the Terms of Reference of the Brick By Brick Shareholder Mayor's Advisory Board (formerly Brick by Brick Shareholder Cabinet Advisory Board) as set out at Appendix C to reflect changes to appointments and to confirm the governance model as set out in the November 2021 Cabinet report (attached as a background paper), including delegations as follows:
 - a. Delegate to the members of the Brick by Brick Shareholder Mayor's Advisory Board the authority to exercise limited shareholder functions on behalf of the Council when making recommendations to Brick By Brick relating to risk in accordance with Section 5 of this report (recognising, however, that Brick By Brick shall make its own independent decisions).
12. Approve the process for appointment and removal of directors from the Brick By Brick board of Directors in accordance with Section 5 of this report; and delegate authority to the Corporate Director of Resources & S151 Officer in consultation with the Executive Mayor, Cabinet Member for Finance and Chief Executive on appointments and removals of Directors of the board of Brick by Brick Croydon Ltd, who shall have authority to exercise shareholder functions on behalf of the Council to approve such appointments and removals (any such appointments or removals shall be notified as part of the next scheduled report to the Executive Mayor in Cabinet).

Key Decision no.: N/A

Decision Title: PERIOD 6 FINANCIAL PERFORMANCE REPORT

Details of decision:

Having carefully read and considered the Part A report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Executive Mayor in Cabinet

RESOLVED: To

- 1.1 Note the General Fund is now forecast to be balanced at Month 6. Service directorates are indicating a £19.895m overspend. This is offset by £5.795m corporate underspend, £4m use of earmarked inflation reserves, £5m use of the general contingency budget and a £5.1m reduced contribution to General Fund Balances.
- 1.2 Note the reduction in the planned contribution to General Fund Reserves from £6.9m to £1.8m and the forecast General Fund Reserve of £29.3m at 31 March 2023.
- 1.3 Note that a further number of risks and compensating opportunities may materialise which would see the forecast change.
- 1.4 Note the actions being taken through the Deficit Recovery plan. Further details are in paragraph 2.16.
- 1.5 To approve the non-delivery of the MTFs savings as indicated within Table 5 and detailed in Appendix 3.
- 1.6 Note the Housing Revenue Account (HRA) is projecting an end of year position of a £4.424m overspend, due to inflation, disrepair costs and void rents.
- 1.7 Note the Capital Programme spend to date for the General Fund of £14.019m (against a budget of £112.069m) with a projected forecast underspend of £14.793m for the end of the year.
- 1.8 Note the Housing Revenue Account Capital Programme spend to date of £0.580m (against a budget of £22.083m), with a projected forecast underspend of £2.385m for the end of the year.
- 1.9 Note, the above figures are predicated on forecasts from Month 6 to the year end and therefore could be subject to change as forecasts are made based on the best available information at this time.
- 1.10 Note, the Council continues to operate a Spend Control Panel to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through

increased scrutiny, such as the monthly assurance meetings, improved communication and budget manager training from CIPFA.

Key Decision no.: 7722EM

Decision Title: 2023-2024 BUDGET UPDATE, MEDIUM-TERM FINANCIAL STRATEGY AND SAVINGS PROPOSALS

Details of decision:

Having carefully read and considered the Part A report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Executive Mayor in Cabinet

RESOLVED: To

- 1.1 Note the interim outcomes of the Opening the Books exercise including the financial adjustments resulting from Croydon Affordable Homes/Croydon Affordable Tenures and other historic legacy errors (as set out in paragraph 3.5).
- 1.2 Approve a further allocation of £250k from the Council's contingency reserve for the Opening the Books project.
- 1.3 Approve a virement of £798k from the Council's contingency reserve to the Assistant Chief Executive's budget for the Corporate Programme Management Office.
- 1.4 Note the negotiations with DLUHC in relation to the evidence needed to agree a further package of support in relation to both the legacy financial issues that have come to light, the level of indebtedness and for the future years 2023/24, 2024/25, 2025/26 and 2026/27.
- 1.5 Agree a period of public consultation and engagement on the proposals for returning the Council to financial and operational sustainability that includes
 - a. The savings options set out in Appendix B;
 - b. Transformation Programme in Appendix C;
 - c. The list of assets for disposal set out in Appendix E;
 - d. The closure of Whitehorse Day Centre; and
 - e. The closure of Cherry Orchard Garden Centre.

These proposals shall form part of the 2023/24 budget consultation process.

The outcome of the public consultation shall be reported back to Cabinet for a decision as part of the budget and council tax setting.

Signed: Monitoring Officer

Notice date: 08 December 2022