

Council

Meeting held on Wednesday, 28 February 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 Degrad, 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, Tamar Barrett, Eunice O'Dame, Ian Parker, Ria Patel, Jason Perry, Ellily Ponnuthurai, Holly Ramsey, Helen Redfern, Chrishni Reshekaron, Scott Roche, Manju Shahul-Hameed, Nikhil Sherine Thampi, Luke Shortland, Andy Stranack, Alasdair Stewart, Esther Sutton, Catherine Wilson, Robert Ward, Callton Young and Fatima Zaman

Apologies: Apologies of lateness were received from Councillor Alisa Flemming who subsequently joined the meeting at 6.48pm.

PART A

95/24 **Minutes of the Previous Meeting**

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

96/24 **Disclosure of Interests**

There were none.

97/24 **Urgent Business (if any)**

There were no items of urgent business.

98/24 **Announcements**

1. The Chair, informed Council that Councillor Mike Bonello, the ward councillor for Woodside Ward elected in 2021, had left the Council as a Member. On behalf of all Members, the Chair thanked him for his service to Croydon Council and in particular to the residents of Woodside Ward and wished him the very best in his future endeavours.
2. The Chair advised that Council had received two amendments for the budget item and the amendments overlapped with two decisions to be made by full council, the budget setting process, allocation of financial resources to appropriate heads of expenditure and separately, the Members Allowances Scheme.

He explained that if the published order of business was followed, Council would run the risk of deciding on the Member Allowance Scheme for 2025 based on the current budget provision. So, to ensure efficient conduct of the business of the meeting, he would vary the order of business to consider the budget item before the Scheme of Members' Allowances item and if the budget was not agreed, he would be asking Council to allow the Scheme to be deferred to the meeting on 6 March 2024.

3. The Chair gave update on his charities and announced forthcoming events:
 - The Chair's Curry evening at the Dawat Restaurant in Norbury organised by the Asian Resource Centre of Croydon had been successful and raised a lot of money for the Mayoral Charities.
 - The Chair had agreed to add to Croydon Council's flag raisings and a flag to mark Autism Action Week would be raised at 1pm on Tuesday 2 April 2024.
 - Young Stars of Croydon, a performance by over 100 young people and a joint fundraiser with Councillor Manu Shahul-Hameed's Love Not Hate Foundation would be held on Saturday 2 March at Whitgift School.
 - A Gala Dinner would be held at the Hilton Purley Way on Friday 26 April 2024. The Chair thanked all Members for their support and looked forward to seeing them at these events.
4. Mayor Jason Perry announced that he was pleased to present a balanced budget which demonstrated financial discipline, good governance, and delivered for residents of Croydon to Council.

Croydon Pay Policy Statement 2024/25

The Cabinet Member for Finance MOVED the recommendations as contained in the report, Councillor Callton Young SECONDED the motion, and Council:

RESOLVED to:

- 2.1 To approve the annual Pay Policy Statement for the financial year 2024-25 (as recommended by General Purposes Committee on 19 February 2024) and proceed to publish it in accordance with the requirements of section 39 of the Localism Act 2011;
- 2.2 To note the clarification within the Pay Policy Statement 2024-25 in relation to the definition of Deputy Chief Officers;
- 2.3 To note that the Market Supplement Policy and Procedure is under review. Pending the outcome of the review, the Pay Policy Statement 2024-25 in reference to market supplements may then require amending, subject to full Council approval following consideration and recommendation by General Purposes Committee;
- 2.4 To note that the Chief Executive and Head of Paid Service's salary, which has been due for review since April 2023, was reviewed at Appointments and Disciplinary Committee on 15 February 2024. Appointments and Disciplinary Committee agreed the recommendation that the pay for the Chief Executive and Head of Paid Service be contractually attached to the national pay review body covered by the Joint Negotiating Committee for Chief Executives, and that the Chief Executive and Head of Paid Service will therefore receive the 3.5% JNC Chief Executive's pay award for 2023/4. The salary for this post will then be £199,210 effective from 1 April 2023. The contract of employment will be varied, in consultation with the postholder;
- 2.5 To note the proposed changes set out in the Pay Policy Statement to obtaining approvals in relation to salary packages of £100k or more, and to request officers to prepare the necessary reports setting out consequential proposed changes to the Appointments and Disciplinary Committee's terms of reference, and any other necessary changes to the Council's Constitution, for consideration by General Purposes Committee and to be recommended to full Council.

100/24 **Scheme of Members' Allowances**

The Chair moved, it was seconded by Councillor Luke Shortland and unanimously RESOLVED that this item be considered after the Council's Budget item.

Subsequently, as the Budget was not agreed, it was moved by the Chair, seconded by Councillor Luke Shortland and Council unanimously;

RESOLVED: that this item be deferred to the second budget meeting on 6 March 2024 and should follow the budget item on that agenda.

Councillor Holly Ramsey left the meeting and did not participate or vote on the rest of the items on the agenda.

101/24 **The Council's Budget 2024-25**

Questions to the Executive Mayor

In response to questions, the Executive Mayor explained the following:

- The domestic violence budget was protected and ring fenced within the 2024/25 budget and an additional £70,000 had been allocated to the service.
- Council was working with its public health colleagues to protect, safeguard the most vulnerable in the borough and with voluntary sector colleagues to support those who are suffering from domestic violence.
- There was no cut to the domestic violence budget and the Family Justice Service was also protected within the budget.
- The proposed opposition amendment did not reverse the increase in Council Tax in the 2023/24 budget.
- There were ongoing meetings and correspondence between the Executive Mayor and officers within central government regarding how to move forward with the Council's debt.
- The Council's £1.6billion debt was not spiralling but burden was being offset by a sale of assets and last year's budget ran on a balanced budget basis so there was stable financial management in the Council's budget system.
- A transformation plan/strategy would be presented at cabinet soon and a transformation director had been appointed to deliver the plan.
- The transformation programme was important as once the sale of assets was done the debt burden could rise through further capitalisations, so the programme's aim was to transform the Council's operations making them more efficient. This would be a major focus in the current and future years.

Questions to the Cabinet Member for Finance

The Cabinet Member for Finance, Councillor Jason Cummings, thanked staff in finance and across the Council for their hard work in preparing the budget. He said that coming up with savings to balance the budget. In response to questions, he explained the following:

- Transformation was a key part of how the council would bring long-term sustainability back to the Council.
- The cumulative savings that could potentially be generated by the project by-project approach was listed in Appendix GD of the budget papers.
- Many of the transformation projects were in the scoping and development stages.
- The Council was moving suppliers into a different payment system that would allow savings even if the overall value of the contract would not change.
- The reduction of the budget to support the transmission program from £10m in 2023/24 budget to £5m in 2024/25 was intentional as initially a larger budget was needed to facilitate more bids from departments for future transformation.

Questions to the Chair of Overview and Scrutiny Committee

Members of Council asked questions of the Chair of the Overview and Scrutiny Committee, Councillor Rowenna Davis, who thanked officers for their support of Scrutiny and made the following comments and responses:

- Savings identified in the budget were ambitious, particularly after so many years of cuts, but Members were largely reassured that these would be deliverable.
- There was an exception with homes where Members understandably felt that they couldn't be reassured about the budget without the initial results from the Council's stock condition surveys, which were expected in the summer.
- A key risk highlighted for this year was the fact that the £5,000,000 economic demand pressures budget had been removed, and that was highlighted by the Section 151 officer herself last year.
- Scrutiny had recommended that the support from the Hardship fund should be better advertised but this was rejected but Scrutiny's biggest concerns remained the long term.
- The budget only balanced because of capitalisation from governments, which enabled Croydon to borrow and sell assets to meet costs.
- The debt remained a crippling burden as 17p out of every £1 paid by residents would be used to service the debt.
- Councillor Rowenna Davis had been incredibly impressed with the level of engagement by cabinet members and officers with Scrutiny and felt that the speed and quality of the information had been better than previously.
- Though the £5m Economic Contingency Fund removed from this budget had made the budget riskier, Scrutiny was assured by officers that the

Council's data collection and the budget setting were far more accurate this year, and there were other available contingency funds.

- Scrutiny had reviewed contract management and future procurement as a dedicated item and there was an understanding that there was a long way to go on it.
- Scrutiny would be reviewing the Community Safety Partnership and conducting a deep dive into the progress made with the Violence against Women and Girls Strategy. Both would involve community engagement and Members were welcomed to attend.
- The budget was a good example of Scrutiny adding value and working together with the administration to do a better job.

Members then engaged in a debate on the recommendations. Council heard that:

- There was a range of support available to Croydon residents who were struggling the cost of living crisis.
- The Council would spend £64m in servicing its debt in 2024/25 and to balance, the budget would need to deliver over £30m in savings.
- In the present challenged financial circumstances, the Council should strive to find ways to improve the lives of residents especially the most vulnerable.
- The Council could not return itself to a fully sustainable position without exceptional financial support and debt write-off from central government.
- It was possible to make changes to the budget that would improve the outcomes for the borough's most needy and vulnerable. It was essential now, more than ever, to explore those options because Croydon was home to some of the poorest neighbourhoods in the country.
- There was a gap in the provision of targeted support for pupils' transition from year 6-7, a time young people were vulnerable to being exploited or drawn into criminal behaviour.
- Croydon Council needed a radical transformation to develop into a Council which puts the residents in the environmental best.
- The budget setting processing could be made more accessible and transparent for residents.

In conclusion, the Cabinet Member for Finance, Councillor Jason Cummings, stated that Councils were in a difficult position with funding. He said that as promised, the budget would not raise council tax through the cap this year

rather it would reduce Croydon's reliance on capitalisation by £25m more in 2025 than 2024, protect housing, provide for the Regina Road development and restore financial governance and discipline.

Members then voted on the Budget and Council Tax Report and Council;

RESOLVED: with 33 votes for and 36 votes against, to reject the Budget and Council Tax-setting proposals before Council.

Councillor Stuart King, the Opposition Leader then summarised the reasons for this resolution, asking the Mayor Jason Perry to revise the proposals in light of growth items contained in the Labour amendment. He further stated that Labour Group Members would be open to other options that secured their proposed budget changes as they were committed to setting a balanced budget in line with the Council's legal duty.

Councillor Ria Patel stated that the Greens, who also submitted an amendment could not support the executive's proposals because residents would be paying more council tax for services whilst the Special Responsibility Allowances remained untouched and the capitalisation directions, used to fund the employee budget were not sustainable ways of financing local government instead a long-term agreement was needed with the central government.

Councillor Claire Bonham, the Liberal Democrat Independent Member stated that she did not support the proposals as the approach to funding the budget by capitalisation directions, was not sustainable and other options such as Amendment Support Board, transformation and proposals by other opposition groups that would be debated next week could be explored.

The Chair advised, Mayor Jason Perry to reconsider the budget proposal in the light of the objections, and either submit a revised proposal or respond to the objections in relation to the original proposal and give reasons.

He advised that as the Council had a legal duty to agree a budget by the statutory deadline 11 March 2024, as previously agreed, there would be a meeting of full Council on 6 March. The Chair moved that the Scheme of Member's Allowances be considered after the budget on 6 March 2024.

This was seconded by Councillor Jason Cummings and put to the vote;

RESOLVED:

That Item 7, Scheme of Members' Allowances, be deferred and considered after the budget item at the meeting on 6 March 2024.

The meeting ended at 8.46pm.

Signed:

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Date:

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