

Cabinet

Meeting of Cabinet held on Wednesday, 26 July 2023 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Mayor Jason Perry (Chair);

Lynne Hale (Deputy (Statutory) Executive Mayor and Cabinet Member for Homes (Vice-Chair)), Councillors Jeet Bains (Cabinet Member for Planning and Regeneration), Jason Cummings (Cabinet Member for Finance), Maria Gatland (Cabinet Member for Children and Young People), Ola Kolade (Cabinet Member for Community Safety), Scott Roche (Cabinet Member for Streets and Environment) and Andy Stranack (Cabinet Member for Communities and Culture)

Also Present: Councillor Margaret Bird (Deputy Cabinet Member for Health and Adult Social Care), Councillors Rowenna Davis (Chair of Scrutiny and Overview Committee), Stuart King (Leader of the Opposition), Callton Young (Deputy Leader of the Opposition and Shadow Cabinet Member for Finance), Janet Campbell (Deputy Leader of the Opposition and Shadow Cabinet Member for Health and Adult Social Care), Amy Foster (Shadow Cabinet Member for Children and Young People), Chrishni Reshekaron (Shadow Cabinet Member for Homes), Christopher Herman (Shadow Cabinet Member for Streets and Environment), Richard Chatterjee

Apologies: Councillor Yvette Hopley (Cabinet Member for Health and Adult Social Care)

PART A

28/23 **Disclosure of Interests**

There were none.

29/23 **Minutes of the Previous Meeting**

The minutes of the Cabinet meeting held on Wednesday 28 June 2023 were agreed as an accurate record.

30/23 **Urgent Business (If any)**

There were no items of urgent business.

Secretary of State

The Executive Mayor highlighted with Cabinet of the positive update received from the Secretary of State, Michael Grove.

The Statement acknowledged the improvements made over the past year, and confirmed the strengthening of the Improvement Panel emphasising that the Panel's role would be to support and guide the council and intervene as a last resort if dissatisfied with the improvement process.

This demonstrated the government's confidence in the council's ability to address challenged faced.

31/23

Scrutiny Stage 2

The Executive Mayor introduced the Scrutiny Stage 2: Recommendations arising from Scrutiny report and welcomed the committee's focus on the Council Tax Hardship Scheme and providing a report on the transformation programme.

The Chair of Scrutiny and Overview Committee, Councillor Rowenna Davis, addressed the Cabinet and highlighted three areas of discussion:

- Council financial recovery. The Period 2 financial monitoring report had shown a £3.8 million pounds of overspend and high level of unfilled vacancies across all departments which impacted services residences received.
- 15% council tax rise. The hardship scheme to help with residents struggling had shown that 98 awards were made and 283 applications had been received, which was low. There were concerns that the low uptake of funding was a result of residents unaware of the support available. There was also a recommendation for a revised letter to residents for those falling into arears with help they would be entitled to.
- The work of the Home Sub-Committee and insight to the homelessness restructure. The Sub-Committee heard that the service had prevented 24% of homeless cases which was below the London average highlighting the scale and detriment of hardship homeless residents were in. The Sub-Committee welcomed the aims of the restructure and emphasis on prevention which included face to face appointments for those facing homelessness.
- The Housing repairs contract. Officers were commended for the huge amount of work put into the smooth transition of the new contractors scheduled to take over, though concerns were raised that the system used to report housing problems was in itself currently under review.

The Cabinet Member for Finance, Councillor Jason Cummings, clarified on the Period 2 financial report that the departmental £3.8 million pounds overspend was balanced by the use of contingency which was a normal process within the council, and the year-end position forecasted would address balance and not overspend. The update of the council tax support was noted to be shockingly low. The update was not measured as a high or low take up, though the take up only occurred after the £33 million pound worth of council tax support that was already given out in the earlier stages.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, acknowledged that homeless prevention was not provided as it should and shared that with the transformation taking place the homelessness support would to be given as early as possible and staff restructure would signify the significant change. Officers was thanked for their housing repairs procurement work.

The Executive Mayor in Cabinet **RESOLVED:**

To approve the response and action plans attached to this report at Appendix 1 and 2 and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

32/23

Regina Road Project – Outcome of Ballot and Next Steps

The Executive Mayor introduced the Regina Road Project – Outcome of Ballot and Next Steps report which resulted in a resounding “yes” vote to proceed with the council’s Landlord Offer (as agreed by Cabinet on 22 March 2023). The Landlord Offer proposed the demolition and redevelopment of the three aging towers and properties in the immediate surrounding area within the red line boundary on the Regina Road Estate.

Mr Leon Mcleod, a resident and part of the working group shared with Cabinet his perspective on the Regina Road project to date, which was transparent and slowing improving.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale thanked the residents of Regina Road who participated in the ballots and shared with Cabinet that the report set out the next steps for rebuilding the area, following the approval of the Landlord Offer. On-going conversations with residents also played a key role in the progress of the rebuild.

The Corporate Director for Housing, Susmita Sen, addressed Cabinet of the amendment to the recommendation in the report to paragraph 2.2.3 (recommendation 1.2.3 below), which was noted.

The Shadow Cabinet Member for Homes, Councillor Chrisshni Reshekaron welcomed the Regina report project and thanked the project lead and staff for all their work.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To consider the outcome of the Ballot (“Are you in favour of the proposal to demolish and rebuild homes as shown within the red line boundary on the Regina Road estate) in which the majority of eligible residents voted “Yes” as detailed at Section 4 of this report.
- 1.2. Subject to statutory processes for obtaining suitable Planning Permissions and other relevant permissions/ consents for the purposes of the project and having due regard to the equalities considerations, the financial and legal implications and risks set out within the report:
 - 1.2.1 To agree the demolition of the three towers and immediate surrounding area included within the red line shown in the Landlord Offer;
 - 1.2.2 To confirm and approve the Landlord Offer in Appendix A;
 - 1.2.3 To approve the project to deliver in phases 200 new social rented homes on the Regina Road Estate. In addition, up to 25 replacement homes (to include the option of shared equity) for eligible existing leaseholders/freeholders within the red line area.
- 1.3. In accordance with the Landlord Offer, approve the commencement of acquisition of freehold/ leasehold interests on the properties within the red line area via negotiation in the first instance and under terms that would apply pursuant to a Compulsory Purchase Order (CPO).
- 1.4. Delegate authority for the approval of compensation packages for the acquisition of individual freehold/leasehold interests to the Corporate Director of Housing in consultation with the Corporate Director of Finance and Section 151 Officer.
- 1.5. To authorise preparation in due course of a Compulsory Purchase Order to cover all properties within the red line shown in the Landlord Offer.
- 1.6. For the reasons set out in section 4, to delegate authority to the Corporate Director of Housing to agree whether or not homes within the red line shown in the Landlord Offer are considered to be

obsolete in accordance with the definition used by the Greater London Authority in their Affordable Housing Capital Funding Guide.

- 1.7.** To approve the continued rehousing of all secure tenants remaining in the properties within the red line area to enable vacant possession of the blocks in accordance with the Landlord Offer in order that the delivery of the proposed redevelopment of the Regina Road Estate can proceed, including, if necessary, by way of service of the requisite statutory notice seeking possession from secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985.
- 1.8.** To delegate authority to the Corporate Director of Housing, in consultation with the Cabinet Member for Homes, to serve demolition notices under the Housing Act 1985, as amended, in order to suspend qualifying tenants from exercising their Right to Buy (RTB) for a period of up to 5 years from the date of service. Further, in consultation with the Director of Legal Services and Monitoring Officer, to settle any claims pursuant to the service of such notices.
- 1.9.** To note the following actions to provide early decant capacity for residents:

 - (i) Allocation of the 12 new homes at Trellis Mews to residents of nos 1-87 Regina Road wherever possible, according to their Housing Need.
 - (ii) Subject to internal governance processes, purchase up to 50 homes suitable for rehousing sufficient residents on a temporary or permanent basis, according to Housing Need.
 - (iii) To ensure nos 1-87 Regina Road and other properties within the red line area are emptied as may be necessary as detailed design progresses through ongoing design engagement with Croydon Local Planning Authority, with the financial implications to be addressed via the Housing Investment Plan.
 - (iv) Subject to internal governance processes, build up to 9 new build homes at Malton House as part of Phase 1 social rent/shared equity homes at Regina Road
- 1.10.** To authorise officers to apply to the Greater London Authority for Investment Partner Status, and for funding towards new homes, both social rented and shared equity, to be built to rehouse existing residents in phases at Regina Road and Malton House in accordance with the Landlord Offer in Appendix A.

- 1.11. To authorise the Corporate Director of Housing to apply to the Local Planning Authority for all the necessary Planning Permissions and other statutory consents for the demolition of all properties within the red line area and for the rebuilding on a phased basis within the context of an indicative Masterplan for the area within the red line in the Landlord Offer in Appendix A.

33/23

Update on the Housing Transformation Programme

The Executive Mayor introduced the Update on the Housing Transformation Programme report which provided an in-depth overview of the progress made in thirty-two live projects.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, shared with Cabinet that the voice of the residents continued to shape the transformation of the whole service and thanked all officers and Housing Improvement Board in acknowledging residents' views within the project.

The Shadow Cabinet Member for Homes, Councillor Chrishni Reshekaron, noted that one of focus for the transformation programme was the prevention of homelessness, and asked what would be done to address the increase of homelessness within the borough and what support would be provided to residents who find it difficult to pay rent due to the cost-of-living crisis.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, noted that the prevention of homelessness was a key area of transforming the housing service, to review the service provided for residents and within departments. There would be a new service commencing in Autumn to address homelessness. The Corporate Director of Housing, Susmita Sen, added that as a service, homelessness was to be addressed at a much earlier stage, 24% was not good enough and the aim was to reach the 40% average mark. The prevention of homelessness would include understanding the causes of homelessness with a series of interventions in support. This would be on a case-by-case merit.

The Executive Mayor added that there were a number of hardship funds available for general household support as well as council tax for residents to apply and noted that the housing service was on a journey of transformation and commended all officers and other supporting Panels for their work to engage early intervention to prevent the homelessness.

The Executive Mayor in Cabinet **RESOLVED:**

To note the progress since December 2022 on the Housing Transformation Programme.

2023-2024 - Period 2 Financial Performance Report

The Executive Mayor introduced the 2023-2024 Period 2 Financial Performance Report which remained on track for a balanced budget.

The Cabinet Member for Finance, Councillor Jason Cummings, informed that to be in a position of Period 2 where we are predicting a year end balance was welcomed and hoped for continuation of this throughout the year. The report highlighted departmental overspend which was mainly demand-led in particular to do with placements costs and the total year end position that generated sat within the £5 million contingency in the budget so it would not result in the year end overspend. It was noted that there was intention for all departmental budgets be helped through the course of the year with overspend pulled back in individual departments.

The Shadow Cabinet Member for Finance, Councillor Callton Young, noted the council's hope to avoid overspend in the children's and adults department, and asked how confident was the council's capacity to deliver the savings at the pace required, and the confidence of the deliverable ability of another robust adult's social care savings plan and making the next plan land.

The Executive Mayor confirmed confidence as there was a responsible physical financial management in place within the council and dealing with the budgets of the council in an appropriate way, understanding the position the council was in. The Cabinet Member for Finance, Councillor Jason Cummings, added his confidence in the council's departmental ability to deliver savings targets, in particular within the adult's social care department. Demand pressure sat outside of the ability for the council to control, and as such a need for service would be required which costs were being managed.

The Leader of the Opposition, Councillor Stuart King, noted that it was an error not to include the Period 1 financial report figures to gain a fuller picture of the financial performance report, and further noted a change in the reporting on the quantifying risks and opportunities with values attached was no longer provided.

The Cabinet Member for Finance, Councillor Jason Cummings, informed that the Period 1 financial report did not provide any accuracy in figures which was reliable to make predictions and thus it was better for reports to start at Period 2. The Director of Finance, Allister Bannin, shared with Cabinet the reason for the change in format within the report, highlighting that it was best for the quantifiable and non-quantifiable risks to be added within each directorate forecast to include in the narrative to review their position that included the risks and how it was being dealt with, and not hidden within the appendices.

The Executive Mayor in Cabinet **RESOLVED:**

- 1.1. To note the General Fund revenue budget outturn is forecast to breakeven at Period 2, after the forecast utilisation of £63m capitalisation directions requested from DLUHC and £3.8m of the corporate risk contingency budget. It is not planned in advance to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.
- 1.2. To approve an increase to revenue expenditure budgets fully funded by new government funding for the Homelessness Prevention Grant (£1.9m) and Asylum Dispersal Scheme (£0.9m).
- 1.3. To note the progress in MTFs savings achievement as set out in paragraph 4.85.
- 1.4. To note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.81.
- 1.5. To note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £1.7m.
- 1.6. To approve the net budget increase in 2023-24 General Fund and HRA capital programme budgets resulting from 2022-23 net slippage of £18.422m (GF) and £0.625m (HRA).
- 1.7. To approve a net budget increase to the 2022-26 General Fund capital programme budget of £1.541m (in addition to slippage), as set out in paragraph 4.101.
- 1.8. To note the General Fund capital programme 2023-24 forecast underspend of £0.040m against the revised capital budget (to be agreed by Council) of £144.332m.
- 1.9. To approve a budget increase to the 2022-26 HRA capital programme budget of £11.232m (in addition to slippage), as set out in paragraph 4.102.
- 1.10. To note the HRA capital programme 2023-24 forecast overspend of £4.073m against the revised capital budget (to be agreed by Council) of £33.248m.
- 1.11. 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 regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

- 1.12. To note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 1.13. To note that current forecasts are based on the best available information at the time and will be subject to review and change during the financial year.

35/23

Parking Policy 2023

The Executive Mayor introduced the Parking Policy 2023 report which replaced the current policy for 2019-2022 to ensure the policy aligned with the needs and expectations of our residents, businesses, and partners.

The Cabinet Member for Street and Environment, Councillor Scott Roche, shared with Cabinet that the policy ambition was underpinned by the four quality drivers [Fair, Supportive, Efficient, and Transparent] to ensure it supported the Mayor's business plan. The parking policy was framed on five policies to deliver on the ambitions by (1) supporting the local economy, (2) appropriate parking management, (3) supporting disabled residents, (4) efficient service management, and (5) intelligence data led enforcement. The policy sets out the council's strategic approach to manage road space, responding fairly to customer needs.

The Shadow Cabinet Member for Street and Environment, Councillor Christopher Herman, noted the number of outstanding control parking zone petitions, and asked if the parking policy resolve this, and if the service as a whole achieved for residents what was required.

The Cabinet Member for Street and Environment, Councillor Scott Roche, confirmed that the parking policy would resolve and achieve what was required.

The Executive Mayor acknowledged and praised the Director of Sustainable Communities, Steve Iles, for the years of work and service he had contributed to the Council as he retired at the end of August.

The Executive Mayor in Cabinet **RESOLVED** to:

- 1.1. Note the priorities of the draft new parking policy to be fair, supportive, transparent and efficient as set out in Appendix A.
- 1.2. Delegate authority to the Corporate Director of Sustainable Communities, Regeneration and Economic Recovery, in consultation with the Executive Mayor, Cabinet Member for Streets & Environment and the Cabinet Member for Finance to:
 - 1.2.1. Approve the draft Parking Policy for public consultation.

1.2.2. Adopt the Parking Policy taking into account the outcome of the consultation to ensure the policy addresses the needs of the community, whilst enabling the objectives of the Executive Mayor's Business Plan.

1.2.3. Develop the proposed action plan into a programme of initiatives to meet the objectives of the parking policy.

1.2.4 Recognise that the Parking Policy is a live document and in accordance with this to review and amend the policy periodically to ensure that it reflects the needs of the community and remains compliant with legislation.

36/23

Brick by Brick Croydon Ltd Update Report and Land Acquisition by HRA - July 2023

The Executive Mayor introduced the Brick by Brick Croydon Ltd Update Report and Land Acquisition by HRA July 2023 report, which described the progress made since the last update in November 2022.

This item included two confidential appendices relating Belgrave and Grosvenor – a legal paper and the valuation of the site.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet of the progress made which was significant as the number of outstanding issues minimised. There were a lot of detail within the report relating to sites and the progress of its current position. Further, the long-term implications relating to leaseholders, shared ownership, and other circumstances relating to the current tenants were to be cleared and clarified.

The Shadow Cabinet Member for Finance, Councillor Callton Young, welcomed the progress that had been made relating to Brick by Brick, and supported the principle of HRA as proposed in the recommendation but with the council's fiduciary and other duties referenced in paragraph 9.2 in the report.

The Cabinet Member for Finance, Councillor Jason Cummings, responded to the comments and noted that the progress had fit in with the financial projections in the MTFs with no delay with receipt of money or risks to the financial forecast made.

The Executive Mayor thanked officers and Brick by Brick in resolving the longstanding issues and welcomed future updated reports.

The Executive Mayor in Cabinet **RESOLVED:** To

- 1.1. To note the progress on asset disposals and the financial position of Brick by Brick Croydon Ltd (BBB) since the last update report presented to Cabinet on 30th November 2022.
- 1.2. To approve that the Council under its Housing Revenue Account (HRA) purchase the freehold of the previous Printworks site on Portland Place in South Norwood for a consideration of £0.854m from BBB with the aim of the site being allocated for future housing regeneration opportunities in South Norwood.
- 1.3. To approve that the Council can vary the Belgrave and Grosvenor Option Agreement, subject to agreement with BBB, to include the ability to acquire the Belgrave & Grosvenor site for £1.217m all-inclusive of costs incurred by BBB.
- 1.4. To approve that once the variation to the Belgrave and Grosvenor Option Agreement has been agreed with BBB, the Council via its HRA can acquire the site from BBB with the aim of the site being allocated for future housing regeneration opportunities in South Norwood.
- 1.5. To delegate to the Corporate Director Resources and S151 Officer, in consultation with the Executive Mayor, Lead Member for Finance and Director of Commercial and Property to acquire any asset (including land and property) from BBB subject to appropriate due diligence.

37/23

Lease Acquisition and Underlease Disposal at RedClover Gardens (Part A)

The Executive Mayor introduced the Lease Acquisition and Underlease Disposal at RedClover Gardens report, which provided details of a proposal to enter into a Headlease with Regen Capital for 85 units and subsequently underlease the units to a Registered Provider (RP) subsidiary of Mears Group to provide effective housing. The report further provided detailed examination of Regen's Capital's proposal, including an explanation of the financial benefits and the various options that were available to the Council when selecting an underlease.

This item included additional confidential information.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet of the opportunity for ongoing savings and ability to receive capital receipting via brick by brick. With the complications, there were no set up of separate companies, this was a more standard set up to produce a good end result for council and residents in temporary accommodation to being more suitable permanent homes.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, acknowledged the arrangement that the council would receive 85 affordable homes of 1 – 3 bedrooms properties.

The Shadow Cabinet Member for Finance, Councillor Callton Young, welcomed the paper and recommendations which was detailed well.

The Executive Mayor in Cabinet **RESOLVED:**

- 1.1. To approve that the Council enter into a Headlease with Regen Capital or an associated entity for 125 years of 85 units at the RCG development as detailed in this report, with lease payments over 50 years but with a 2 year rent free period at the start of the term of the Headlease and the option to buy the freehold interest for a £1 at the end of the 50th year of the term of the Headlease and to delegate authority to the Corporate Director of Housing in consultation with the Corporate Director of Resources, Lead Member for Finance and Lead Member for Housing to enter into final agreements subject to final financial and legal due diligence.
- 1.2. To approve that the Council enter into an Underlease with Mears or one of its subsidiaries for 10 years of 85 units at the RCG development as detailed in Sections 5 and 6 of this report and delegate authority to the Corporate Director of Housing in consultation with Corporate Director of Resources, Lead Member for Finance and Lead Member for Housing to enter into final agreements subject to final legal due diligence.
- 1.3. To note that the proposal set out in this report can only progress once final funding is confirmed by Regen Capital, which is subject to financial funding rates and macroeconomic conditions that will be prevalent on the day of completion.
- 1.4. To delegate authority to the Corporate Director of Housing, in consultation with Corporate Director of Resources, the Executive Mayor, Lead Member for Finance and Lead Member for Housing, to renegotiate terms of the Headlease or Underlease, should this be required due to macroeconomic conditions prior to completion, but not to deviate by more than £2.00m from reported benefits of this proposal as set out within this report.
- 1.5. To note that the Council will receive 85 affordable housing units subject to the approval by the Council's Local Planning Authority to a variation of the existing S106 Planning Agreement, to provide much needed affordable homes which are currently being sourced from the private rental market at a premium.
- 1.6. To note subject to Recommendation 1.3 that the Council will hold 100% Nomination rights for all 85 affordable units for the period of the lease as (originally) required under the S106 Agreement

entered into between the Council's planning authority and Brick by Brick Croydon Ltd, the developer (BBB).

38/23

Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works (Part A)

The Executive Mayor introduced the Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works report which aims to appoint architects and a supporting consulting team through a suitable framework that complied with Public Procurement Regulations.

This item included additional confidential information.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, informed Cabinet that the regeneration of Regina Road would procure a wide range of professionals via a suitable framework and the report sought approval to move ahead with the essential act.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To approve the procurement strategy contained within this report to appoint Architects and supporting consultant team via a suitable framework which is compliant with Public Procurement regulations to progress the Regina Road project, including the Malton House site. The scope of services is to progress the technical design and contract information required to enable the later procurement of a contractor/ developer to start on site.
- 1.2. To note the procurement actions already taken by the project team to appoint consultants using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations to undertake key surveys.

39/23

Exclusion of the Press and Public

This was not required.

The meeting ended at 7:30pm

