

Cabinet

Meeting of held on Wednesday, 4 December 2024 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Mayor Jason Perry (Chair);

Councillor Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale, Yvette Hopley, Ola Kolade and Scott Roche

Also Present: Councillor Stuart King, Amy Foster, Callton Young

PART A

240/24 **Apologies for Absence**

Apologies were received from Councillor Andy Stranack, Leila Ben-Hassell and Chief Executive, Katherine Kerswell.

241/24 **Minutes of the previous meeting**

Minutes of the last Cabinet meeting held on 20th November would be presented at the 22nd of January 2025 Cabinet meeting.

242/24 **Disclosure of Interests**

There were none.

243/24 **Urgent Business (If any)**

There were no items of urgent business.

244/24 **Stage 1: Recommendations Arising from Scrutiny**

The Executive Mayor and Cabinet received the recommendations arising from Scrutiny from the meeting of the Streets & Environment Sub-Committee on 8 October 2024.

The Executive Mayor and Cabinet, **RESOLVED** to;

1. Receive the recommendations arising from the meeting of the Streets & Environment Sub-Committee on 8 October 2024 (Appendix 1).

2. To provide a substantive response to the recommendations (a Scrutiny Stage 2 Report) at the Cabinet meeting on 12 February 2025.

245/24

Outcome of the Ofsted Inspecting Local Authority Children's Services Inspection (Publication of Report to Follow)

The Executive Mayor introduced the report advising following a full inspection of Children's Services by Ofsted in October 2024, Croydon has retained its 'Good' rating.

Despite 'significant challenges' still faced by the Council, Ofsted's report highlighted the hard work of social workers and practitioners to support children and young people. The Executive Mayor thanked these staff, as well as the young people involved in shaping services, the Senior Leadership Team and Cabinet Member for Children and Young People, Councillor Gatland.

Cabinet Member for Children and Young People, Councillor Maria Gatland welcomed the report and advised of the improvements found by the inspectors in most areas, despite the Council's significant financial challenges and increasing demand. There were areas of practice requiring improvement and the report recognised the realistic plans in place to achieve this. The willing engagement of social workers in the inspection indicated their pride and a wider culture change in the organisation. The excellent work of social workers was highlighted throughout the report.

Within the report Corporate Parenting had been described as a strength for the Council and thanks were extended to staff and to the excellent team of young ambassadors for their wide-ranging work and influence.

It was noted that Independent visitors and Early permanence had also been identified as strong areas of practice and the high ambitions of staff for children in the virtual school and the wraparound support available was noted as having positively improved outcomes.

Thanks were extended to the Senior Leadership Team for their work despite the challenges.

Corporate Director of Children, Young People and Education, Debbie Jones advised hearing, listening and responding to the voices of young people was central to the work. The report's description of staff as 'tenacious, committed and skilled' was highlighted. The Council had a clear strategic direction and plans in place to achieve further improvements.

Elenor Brazil, Education Lead from the Improvement and Assurance Panel advised achieving a 'Good' Ofsted rating had formed part of the

agreed exit strategy. The 'Good' outcome was solid and key areas of the report were highlighted:

- The challenging circumstances in Croydon recognised including financial challenges, post covid and size of service.
- Excellent management supervision and oversight.
- Direct work with young people.
- Good plans for C&YPE.
- Different interventions, recognition of children's differing needs.
- Children entering care appropriately and life story books work.
- Good organisation of family time.
- The virtual school.
- Tenacious staff and strong offer for young people.
- Leadership awareness of areas requiring change.
- A strong quality assurance framework.
- Strong partnerships, although health could be better.
- Strong systemic practice in place; upheld by good training and development.

There were four areas identified as for improvement which the service was aware of and had plans to improve.

The Improvement and Assurance Panel's congratulations were extended to the staff and leadership of the Council for a good outcome.

Young Ambassadors described their experience of becoming involved with the Council. Through being an ambassador, they felt their opinions had been heard and noted the ongoing improvements happening. They described the influence young people could have by attending multi agency meetings.

The Housing Ambassador advised how the engagement offer had developed over time. The ambassador opportunity was empowering for young people to have their voices heard. Ambassadors were passionate about their specific areas and felt staff had done a good job of matching young people to their roles.

Shadow Cabinet Member for Children and Young People, Councillor Amy Foster noted the language used in the report regarding the staff should be a source of pride as well as the recognition of the Youth Ambassador's work. Recognition was given to the work undertaken since 2020 to achieve a second 'Good'.

The Executive Mayor and Cabinet, **RESOLVED** to;

2.1 Note and consider the outcome and findings from Ofsted's inspection of Croydon's Children's Services which concluded on 25th October 2024 and judged the Council's services for children as 'good'.

2.2 Note that improvement plans will be reviewed and refreshed to ensure they address all the issues raised in the inspection report.

246/24

Equality Annual Report 2023/2024

The Executive Mayor introduced the report advising the Council's Equality Strategy had been refreshed in 2023 to better align with the Executive Mayor's Business Plan. Key achievements in the annual report included the Borough of Culture, work with partners to tackle violence against women and girls, restoring Croydon's status as a 'dementia friendly' borough and support and development of Council staff.

Interim Assistant Chief Executive, Marie Snelling advised of the council's duty to improve the lives of Croydon residents and to create a positive workplace and opportunities for staff. Significant work had been undertaken in 2023/34 to deliver the strategy. Scrutiny and Overview Committee had heard directly from officers and partners on the recent progress within in the organisation. Both the officer EDI Board and the Corporate Management Team were dedicated to driving the Council's equalities work forward.

Shadow Cabinet Member for Finance, Councillor Callton Young welcomed the approach to capture job candidate's protected characteristics at an earlier stage and the inclusion of EDI objectives in all staff appraisals. The importance of Black History Month for Croydon residents was raised and it was asked how the Council could add more scholarly depth to its Black History Month activities to better meet the month's objectives, noting the presence of an eminent local scholar within Croydon Supplementary Education Project.

Officers welcomed this feedback and the suggested this approach could be achieved by working closely with partners. The Executive Mayor thanked the Shadow Cabinet Member for their question and agreed this would be considered going forward.

The Executive Mayor and Cabinet, **RESOLVED** to;

2.1. Consider and note the Annual Report detailing progress made in delivering the Equality Strategy 2023-27.

2.2. Note that the Equality Annual Report is to be referred for noting and discussion at Full Council each year, as previously agreed by Full Council to ensure that progress delivering the Equality Strategy is visible and accountable to all Councillors and the community.

247/24

2024-25 Period 6 Financial Performance Report

The Executive Mayor introduced the report, noting the slight improvement to the Council's financial position from Period 5. In-year Financial Recovery Plans were underway and £21.9m in savings have been delivered this year.

Cabinet Member for Finance, Councillor Jason Cummings advised the report detailed a £2.2 million improvement to the forecast variance for year end. This was based on small improvements in the Resources and Sustainable Communities, Regeneration and Economic Recovery (SCRER) directorates and £1.2 million corporately. Demand led pressures were ongoing in Housing, Children's and more recently in Adult Social Care.

Shadow Cabinet Member for Finance, Councillor Callton Young noted the forecast overspend remained at £17.6 million overall, despite utilisation of £13 million earmarked reserves and £5 million contingency reserves. External demand pressures had meant some departments were stuck with overspends; Children's (£13.9 million), Housing (£15.7 million) and SEN Transport (£6 million). It was asked whether it was unfair to expect departments to make additional savings and whether there were further plans to utilise earmarked reserves and if so what risks this would pose to the Council.

The Executive Mayor responded confirming the 'One Council' approach to the financial recovery plans. Despite improved stability at Croydon the financial challenges were significant this year.

Section 151 Officer and Corporate Director of Resources, Jane West advised there were other areas which could be considered for spend reductions without impacting services to residents. Similar pressures were being seen across London and Croydon's improved financial data had supported good understanding of the issues. Other options to achieve a balanced budget by year end included further capitalisation, potential use of revenue reserves, the risks to further utilisation of reserves were noted. The Corporate Management Team and organisation remained focussed on reducing the in-year overspend.

Cabinet Member for Finance, Councillor Jason Cummings challenged the language of departments being stuck with overspends and advised it was a significant effort for departments to hold the current the overspend position and highlighted the financial recovery plan and actions being taken by departments detailed within the report.

The Executive Mayor and Cabinet, **RESOLVED** to;

2.1 to note the General Fund revenue budget outturn is forecast to overspend at financial year end by £17.6m at Period 6, after the budgeted utilisation of £38m capitalisation directions requested from the Ministry of Housing, Communities and Local Government (MHCLG), utilisation of the

£5.0m risk contingency budget and utilisation of £13.0m corporate earmarked reserves.

2.2 to note that all service directorates have been asked to reduce their net expenditure so that the annual budget can be balanced at the end of the year through the in-year Financial Recovery Plan as set out from paragraph 4.9.

2.3 to approve inter-directorate virements from Corporate to service directorates for pay inflation (£6.768m) (para 4.116).

2.4 to note the progress in Medium Term Financial Strategy (MTFS) savings achievement of £21.9m (79.1%) against the total savings target of £27.7m as set out in paragraph 4.138.

2.5 to note the work that is continuing on the Council's Transformation Programme as set out from paragraph 4.136.

2.6 to note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £8.0m.

2.7 to note the General Fund capital programme 2024-25 forecast underspend of £23.2m against the revised capital budget of £118.5m.

2.8 to note the HRA capital programme 2024-25 forecast underspend of £8.3m against the capital budget of £57.2m.

2.9 to note the Council's historic borrowing and subsequent debt burden continues to be critical to the non-sustainability of the Council's revenue budget as set out from para 4.159. Dialogue with MHCLG continues around options of further financial support from Government in regard to the level of structural indebtedness to ensure the Council can deliver sustainable Local Government services.

2.10 to note that the Council continues to operate Spend Control Panels, and tightened the criteria from July 2024, to ensure that stringent financial control and assurance oversight are maintained.

2.11 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.

Fees and Charges 2025-26

The Executive Mayor introduced the report advising Fees and Charges were reviewed annually as part of the budget setting process and were set at an appropriate level for the economic climate. This was good practice in line with the Council's aim of providing value for money. This

year Fees and Charges were being updated to keep in line with inflation, regulatory or market standards.

Cabinet Member for Finance, Councillor Jason Cummings noted this was a business as usual report and there were no exceptional changes to be highlighted.

Shadow Cabinet Member for Finance, Councillor Callton Young noted the following percentage increases to fees and Charges for; Parking charges (10%), Bowls for elderly (13.6%) and Graves and cremation (>20%). The anticipated response from groups using these services and the amount of additional income expected to be raised from these increases were queried.

The Executive Mayor responded that generally increases were in line with inflation but there were some increases due to regulatory or market conditions. Some of these had been benchmarked against other local authorities. Director of Finance, Allister Bannin advised of the comparisons which took place regarding the market alongside a review of cost recovery to deliver services. Extra income generated was estimated at approximately £1 million. It was noted that these rises were a normal level and in line with cost recovery pressures.

The Executive Mayor and Cabinet, **RESOLVED** to;

2.1 Have due regard to the equalities impact assessment in Appendix 2 in making the decisions set out in these recommendations.

2.2 Approve the fees and charges as set out in Appendix 1 to the extent that they fall within the authority of the Executive to determine.

2.3 Approve delegation for further in-year amendments to fees and charges for the financial year 2025-26, to the relevant Corporate Director following consultation with the relevant Cabinet Member and the Executive Mayor.

249/24

Treasury Management Strategy Statement and Annual Investment Strategy - Mid-Year Review 2024/25

The Executive Mayor introduced the report which detailed the Council's treasury management activities for the first six months of 2024/25 and was a statutory requirement to the Chartered Institute of Public Finance and Accountancy (CIPFA). The strategy created flexibility for the Council to prudently invest to save in the long term and was in line with the Executive Mayor's commitment to make Croydon the most efficient Council in London.

Cabinet Member for Finance, Councillor Jason Cummings advised the report had been discussed at Audit and Governance Committee, with no

formal changes recommended. The report would be recommended to Council for final approval.

The proposed increases were for the operational boundary and authorised limit, not for additional spending or borrowing. An increased limit meant should an invest to save opportunity present itself in future, this could then be taken up at pace. Any such decision would be subject to normal Council decision making processes and would be reported to Cabinet.

Leader of the Opposition, Councillor Stuart King commented that it was understandable the Council was seeking greater flexibility to respond to changes in circumstances and potential opportunities.

The property strategies referred to within the report around individual property buy backs and bulk purchases of new developments were queried and it was asked how the borrowing needs of the General Fund and Housing Revenue Account (HRA) would be managed within this new limit.

Corporate Director of Housing, Susmita Sen advised the Housing Supply New Build Framework would be applied to new supply and housing acquisitions. A solution was set out within the Capital Programme report regarding Temporary Accommodation.

Cabinet Member for Finance, Councillor Jason Cummings noted the importance of the interaction between General Fund and HRA borrowing and how potential future purchases were structured. The most efficient positioning would be considered and set out explicitly for the committee when any future opportunities were brought for consideration.

The Executive Mayor and Cabinet, **RESOLVED** to;

- a) Consider the comments received from Audit and Governance Committee on 20th November relating this report.
- b) Consider the contents of the mid-year report on the treasury management activity for 2024/25.
- c) Recommend to Full Council that it agrees to increase the current Operational Boundary and Authorised Limit to £1,769.5m and £1,819.5m respectively to bring it in line with the projected Capital Financing Requirement (CFR) for capital expenditure and for the prudential management of the Council's financial affairs.

The Executive Mayor introduced the strategy, this represented the minimum capital spending necessary to maintain the Council's statutory duties, noting under the previous administration unviable and unmanaged capital schemes had wasted tax payers money. The strategy offered a select number of prudent opportunities to invest to save over the longer term and with no additional discretionary spend.

Cabinet Member for Finance, Councillor Jason Cummings reiterated that the Capital Strategy and spend was focussed on the maintenance of statutory services and invest to save opportunities. The Council was unable to justify capital expenditure beyond this. Many other local authorities were in a similar position and significantly reducing their capital expenditure.

Section 151 Officer and Corporate Director of Resources, Jane West advised the report set out the framework and a detailed plan for 2025/26 would be brought to Cabinet in February/March 2025.

Shadow Cabinet Member for Finance, Councillor Callton Young welcomed the report and queried the capitalisation direction figures, the requirement for future borrowing set out in the report at Paragraph 4.4.0 and an update on the debt write off negotiations with the Ministry for Housing, Communities and Local Government (MHCLG).

Section 151 Officer and Corporate Director of Resources, Jane West clarified the paragraph cited set out the position as of the previous budget setting process in March 2024. The Medium Term Financial Strategy had subsequently set out the gap identified. The impact of the new government's financial settlements for Croydon was still unknown. Borrowing figures would need to be revisited as income generation from capital receipts was finite and therefore some of the balance would need to be borrowed.

The Council continued to pursue conversations with government regarding the Council's debt burden and was awaiting the financial settlement expected on 19 December which would provide further clarity.

Cabinet Member for Finance, Councillor Jason Cummings suggested the opposition group could support the council's requests for the new government to come forward with assistance for Croydon.

The Executive Mayor and Cabinet **RESOLVED**, to recommend to Full Council for consideration and approval:

2.1 The Council's 2024-30 General Fund Capital Programme which includes planned expenditure of £554.3m (including capitalisation directions) across the six year period. This includes expenditure financed through borrowing of £250.7m over the six years, during which time the Minimum Revenue Provision (MRP) "paying down" of the capital financing requirement would be £186.7m. The MRP annual borrowing cost would

increase incrementally by an average £2.1m each year over the six years. The cost of this future borrowing will be factored into the Council's Medium Term Financial Strategy.

2.2 The transformation projects set out in the table at paragraph 4.33 of this report to be included into the 2024-30 General Fund Capital Programme.

2.3 The 2024-30 Housing Revenue Account (HRA) Capital Programme which includes planned expenditure of £394.7m with borrowing of £153.4m.

2.4 The Council's Capital Strategy, as detailed within Appendix A of this report.

2.5 Note the Council's historic legacy borrowing and debt burden continues to be critical to the non-sustainability of the Council's revenue budget. Dialogue with MHCLG 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.

251/24

Progress Update on Tranche 1& 2 Asset Disposals, Seeking Approval for Tranche 3 of Asset for Disposal - Part A

The Executive Mayor introduced the report advising of the approach to dispose of Council assets to generate income to manage the Council's debt burden. The third tranche of disposals were not 'quick wins' and were expected to take longer to achieve. The administration remained committed to reducing the debt and delivering value for money and effective services for residents.

Cabinet Member for Finance, Councillor Jason Cummings highlighted the difficulties around tenancy agreements, service provision and relocation. Thanks were extended to all partners involved for their time and patience with the processes. The instruction from government by the Improvement and Assurance Panel had been that Croydon had to do everything possible to deal with its financial difficulties.

Leader of the Opposition, Councillor Stuart King requested more narrative on the asset disposals progress agreed in Tranches 1 and 2 and it was queried whether the increase of estimated disposal transactions (68) within the current financial year was realistic.

The capacity to conclude Tranche 1 and 2 by March 2025 was queried and confirmation sought that this would not compromise consultation with members and tenants.

In response Cabinet Member for Finance, Councillor Jason Cummings advised a progress update on asset disposals could be circulated to members.

The increase in disposals was realistic and essential to not increase the Council's borrowing forecast. There had been some instances where communication with tenants had not been timely, any such issues could be raised with the Cabinet Member.

The Executive Mayor and Cabinet, **RESOLVED;**

2.1 To note the progress made on tranche 1 and 2 disposals.

2.2 To approve tranche 3 of sites for disposals as set out in Appendix 1 of this report together with indicative book values as set out in exempt Part B Appendix 1.

2.3 To delegate authority to the Corporate Director of Resources and s151 Officer to agree the terms and final price for each disposal included within tranche 3.

2.4 The delegations in this report shall only be exercised following: i. sign off of a business case/ financial assessment by the Corporate Management Team (CMT) ii. formal Red Book valuation, if required, on a property to be sold; and iii. formal marketing unless there is a clear special purchaser or offer made considerably in excess of the market value.

2.5 To note that the target value for disposals for tranche 3 and that disposals of tranche 3 assets will commence immediately alongside tranche 1 & 2 disposals.

The Executive Mayor extended thanks and best wishes to the Corporate Director of Young People, Debbie Jones and Corporate Director of Sustainable Communities, Regeneration and Economic Recovery, Nick Hibberd who were both leaving Croydon Council.

Councillor Stuart King thanked the two Corporate Directors for their work on behalf of the opposition.

252/24

Exclusion of the Press and Public

This was not required.

The meeting ended at 7.38 pm