

## Cabinet

Meeting of held on Monday, 26 July 2021 at 6.30 pm in Council Chamber, Town Hall,  
Katharine Street, CR0 1NX

### MINUTES

- Present:** Councillors Hamida Ali, Stuart King, Muhammad Ali, Alisa Flemming, Patricia Hay-Justice, Oliver Lewis, Manju Shahul-Hameed and Callton Young
- Also Present:** Councillors Janet Campbell, Jason Perry, Jason Cummings, Lynne Hale, Simon Hoar, Yvette Hopley, Helen Redfern, Scott Roche, Andy Stranack, Sean Fitzsimons, Robert Ward, Pat Clouder, Jerry Fitzpatrick, Jeet Bains, Leila Ben-Hassel, Sherwan Chowdhury, Patsy Cummings, Nina Degrad, Clive Fraser, Maria Gatland, Maddie Henson, Bernadette Khan, David Wood and Louisa Woodley
- Apologies:** Councillors Mario Creatura and Yvette Hopley
- Officers:** Doutimi Aseh (Interim Director Law & Governance), Chris Buss (Interim Director of Finance, Investment & Risk and Section 151 Officer), Rebecca Clews (Lead Coordinator of Rough Sleeping and Homelessness Services), Shelley Davies (Director of Education), Matthew Davis (Deputy Section 151 Officer), Gavin Handford (Director of Policy & Partnerships), Sarah Hayward (Interim Executive Director Place), Asmat Hussain (Interim Executive Director Resources) Elaine Jackson (Interim Assistant Chief Executive), Debbie Jones (Interim Executive Director Children, Families & Education), Katherine Kerswell (Chief Executive), Alison Knight (Interim Executive Director Housing), Annette McPartland (Director of Operations), John Montes (Senior Policy Officer), Yvonne Murray (Director of Housing Assessment & Solutions), Ian Plowright (Head of Transport) and Nish Popat (Head of Corporate Finance)

### PART A

112/21 **Disclosure of Interests**

There were none.

113/21 **Urgent Business (If any)**

The Leader of the Council (Councillor Hamida Ali) advised Cabinet that the Croydon Best Start report would be taken under urgent business. The Leader outlined that the report was urgent to enable the council to meet the procurement deadline of November 2021 after initial consultation was

delayed from January to May 2021, due to the consultation on the Croydon Renewal Plan and approval of Council.

114/21

### **Croydon Best Start**

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) briefly introduced the Croydon Best Start paper, outlining that the Council had completed a consultation which looked at the future delivery model of children's centres within the borough. The consultation was centred on moving from the current model of nine designated children's centres and 11 service access points to ensure better service delivery and reach across the borough.

The Cabinet Member provided the context of the paper, providing an outline of the core focus and features of the program, including the working partnerships with children's centres and targeted and wrap around supports for families.

The Cabinet Member outlined the proposed delivery model, which sought to provide a number of centres across the borough that offered different services, based on the needs of the area. The proposed centres and spokes were provided as below:

| <b>Locality</b> | <b>Children's Centre Hub</b> | <b>Children's Centre Spoke</b> | <b>Area covered</b> |
|-----------------|------------------------------|--------------------------------|---------------------|
| North           | Kensington Avenue            | Winterbourne                   | North West          |
|                 |                              | PIP House                      | North East          |
| Central         | Selhurst                     | Malling Close                  | Central East        |
|                 |                              | Shirley                        | Central East        |
|                 |                              | Aerodrome                      | Central West        |
| South           | Woodlands                    | New Addington                  | South East          |
|                 |                              | Byron                          | South West          |
|                 |                              | Purley Oaks                    | South West          |

The Cabinet Member highlighted the importance of the consultation period, which was extended to ensure that ample opportunity was provided to members of the community to provide feedback. This feedback, included responses from children, which had played a meaningful role in the final proposed model, particularly the recommendation to retain Purley Oaks and Shirley children's centres as part of a coordinated delivery model for Croydon.

The Cabinet Member noted that two thirds of Council budget goes towards supporting education, children and young people and vulnerable adults and as such it was imperative that this money ensured every Croydon child has the best start in life, and that the newly developed delivery model sought to provide that.

Along with the children's centres it was proposed that there were a number of outreach services from churches, community halls, schools,

nurseries, hospitals, libraries and more. The Cabinet Member concluded the presentation and handed over to Debby MacCormack (Early Help Manager).

The Early Help Manager described recent interactions with a local family and the wraparound support they were able to access through a children's centre; which provided Members with a clear insight into how children's centres supported families.

Shelley Davis (Director of Education) provided an overview of the consultation and the budget in relation to this matter. The Director of Education advised that the council had received 1365 responses plus a number of individual responses to the consultation, along with 90 responses from the year 5 children from Purley Oaks Primary School. The Director of Education also highlighted that the proposed model aimed to achieve a total saving of £1.1m across the children's centres and the Best Start programme, whilst still ensuring that there was provision of services across the borough.

The Leader of the Council (Councillor Hamida Ali) summarised the discussions noting that these are vital services and that it was very positive that the council had been able to respond to the feedback from the community, and continue an appropriate service delivery within the funding available.

The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) questioned whether, throughout the consultation process, any new partnerships were developed, noting that there are organisations that may be able to tie in to this space. The Cabinet Member welcomed further collaboration opportunities following the tender process.

Councillor Louisa Woodley sought assurance that the Woodlands Hub would operate more than three days per week and services would not diminish from what had been offered in the past from Fairchild, which had been acknowledged as superior to that of others in the area. The Councillor noted that the level of deprivation in New Addington was considerable and there was a high level of need in the area. The Cabinet Member noted that the specifics could be provided until the commissioning process had concluded and specific providers had been appointed.

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) noted the strategy and lent his support to the amended delivery model, which he noted had been informed by public consultation.

The Shadow Cabinet Member for Children, Young People & Learning (Councillor Maria Gatland) welcomed the report and in particular the decision to dismiss the original proposal to close Purley Oaks and Shirley Children's Centres, noting that consultation had shown the importance of

those two centres within the community. The Shadow Cabinet Member, however, questioned how the cut to teams and the proposed further budget cut of £195,000 for parent aspirations and parenting skills services would affect the service offer. The Director of Education clarified that the savings were from across the whole of the Best Start Programme, including parenting, as outlined in the report. The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Approve the re-design of the Best Start Children's Centres into a 3 Hubs and 8 Spokes locality model to provide greater efficiency and co-ordination of service delivery within a reduced budget. This recommendation has been informed by public consultation.
2. Note that the Director of Commissioning and Procurement as Chair of the Contracts & Commissioning Board has approved the Procurement Strategy contained in this report and a number of waivers in accordance with Regulations 19.2 of the Council's Contracts and Tender Regulations. The Procurement Strategy will potentially result in Contract awards for a maximum value of £1,431,533, of which for Lot 1, Child Development and School Readiness services is £1,162,533 and for Lot 2, Parent Aspirations and Parenting Skills services is £269,000. Contracts will be for a term of 2 years and 4 months.

115/21

**Housing Improvement Plan and Board**

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) introduced the Housing Improvement Plan, which she noted had been designed to provide an update to Cabinet on further progress to resolve problems at 1-87 Regina Road and assist the residents affected. Furthermore the report outlined the actions taken to address the issues identified by an independent assessment carried out by ARK Consultancy (ARK) as requiring an immediate response. The Cabinet Member reminded Cabinet that on 17 May 2021 Cabinet approved an initial action plan for the housing service and agreed to the establishment of an independently-chaired Housing Improvement Board. The Cabinet Member advised that the report asked Cabinet to note the draft terms of reference of the Housing Improvement Board that would oversee implementation of the Housing Improvement Plan and ensure that tenants and leaseholders have a say in shaping the future of the housing service.

It was noted that the report also asked Cabinet to note the approach the Council was taking to develop the emerging Croydon Housing Improvement Plan for the housing service, which built upon the initial Action Plan.

The Leader of the Council questioned if there was any information coming from council residents from the door to door visits which councillors had

been undertaking across the borough. The Cabinet Member advised that the Road Shows were underway and that they had been very popular and the community was very engaged. The Interim Executive Director of Housing (Alison Knight) provided further advised that thus far on the whole people were pleased to have been engaged and had asked how they could become a part of the resident panels or as part of the Housing Improvement Plan. Members were advised that ward councillors would be informed of any particular issues, as they arose.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) queried what type of engagement opportunities had been provided to the residents of Regina Road and what type of feedback had been provided. The Cabinet Member for Homes clarified that types of engagement had ranged from virtual meetings, direct contact via written letters to individuals, door knocking by tenancy officers and other officers and councillors, as well as information provided via community notice boards. Thus far residents had been pleased by the level of engagement and continued to be interested in the next steps. The Cabinet Member further advised that the Leader of the Council would also be engaging with Regina Road residents via a meeting in August 2021.

Councillor Leila Ben-Hassel thanked officers and the Cabinet Member for engaging with the Streets, Environment & Homes Scrutiny Sub-Committee which welcomed the update on the Housing Improvement Plan and were assured that the emerging plan was on the right track, noting that progress had been impeded by the council's restructure. The Councillor noted that the plan provided lines of accountability that would underpin the Improvement Plan moving forward. The Sub-Committee also noted that there were concerns around resourcing of the casework for officers and recommended a diagram be produced to map out the communication routes of casework, enquiries, complaints and the escalation process for councillors and MPs should be included. It was noted that the Sub-Committee also welcomed greater collaboration with the Tenants and Leaseholder Panel meetings moving forward. Councillor Ben-Hassel concluded by noting that an Engagement Plan had been requested for the whole of the Borough.

Councillor Clive Fraser welcomed the progress that had been made, but noted that there was quite a way to go before the tenant aspirations were met. The Councillor noted that he felt that the culture needed to change and that repairs needed to be made in a more timely fashion. The Councillor noted that a Stock Conditions Survey would take place and was positive that this would provide clarity about the next steps. The Cabinet Member was thanked for visiting Regina Road in person, noting the importance of this visit to the residents. The Cabinet Member acknowledged all of the comments made and reiterated the council's commitment to the residents of Regina Road. The Cabinet Member also noted that since April 2021 there had been 2,500 repairs made across the borough, and was confident that this number would continue to rise.

Councillor Sean Fitzsimons stated that he looked forward to the formal responses being provided to Cabinet in relation to the Streets, Environment & Homes Scrutiny Sub-Committee's recommendations. Additionally, the Councillor noted the importance of clause 9.6 and 9.7 of the Housing Improvement Plan, referencing 9.6 the Councillor read "The plan will include a review of the Housing Revenue Account (HRA). The options to best meet the needs of council tenants and to manage and maintain the HRA stock should be considered as plans are developed." Councillor Fitzsimons also approved of the inclusion of considering value for money in relation to building works and maintenance. Regarding clause 9.7 reference to "a 30-year business plan" the Councillor requested further information on what was happening with the business plan, noting its importance to long-term budgeting. The Cabinet Member confirmed that there would be a 30 year business plan and it was due to be provided to Cabinet in September 2021. The Councillor reiterated that the Business Plan and Review of the HRA (Housing Revenue Account) needed to be scrutinised. In response, the Cabinet Member committed that a discussion would be held with the Chair of the Streets, Environment and Homes Scrutiny Sub-Committee regarding future scrutiny.

The Shadow Cabinet Member for Homes (Councillor Lyne Hale) welcomed the proposals set out in the paper, but noted concerns around whether the Housing Improvement Board would be able to comment on whether the council was meeting the objectives set out in the Housing Improvement Plan. The Shadow Cabinet Member questioned what data would be used, and what assurances would be provided in terms of the quality of the data, to ensure the council was held accountable. Furthermore, the Shadow Cabinet Member noted that she had recently requested the data that supported the Housing Self-Assessment but that she had been informed that it could not be provided. Given this situation, the Shadow Cabinet member queried when Cabinet would be provided with intelligence and data that would accurately inform decision making.

The Shadow Cabinet Member also noted that whilst the tenants at Regina Road required attention, there were hundreds of other tenants and leaseholders across the borough who also required a suitable housing service. The Leader and the Cabinet Member confirmed that the Housing Improvement Plan focused on an improved data set. The Interim Executive Director further clarified that work continued to ensure that the correct KPIs were utilised within the Croydon Renewal Plan and the Croydon Performance Indicators. This included, but was not limited to, using tenant satisfaction surveys and comparative data from other councils. The Interim Executive Director advised that those improved data sets, alongside key milestones would be used to report to the Housing Improvement Board.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Note the further progress in improving housing conditions at 1-87 Regina Road and further actions in response to the recommendations of the report by ARK, detailed at Appendix 1 of the report.
2. Note the draft Terms of Reference of the Housing Improvement Board, detailed at Appendix 2 of the report, to be agreed under delegated authority.
3. Note the approach to development of the emerging improvement plan for the housing service to be put to the Housing Improvement Board for input.

116/21

**Private Sector Housing Assistance Policy 2021**

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) stated that the Housing Renewal Service aimed to support homeowners and private tenants to maintain their properties to a good standard, through repairs and adaptations. The Cabinet Member advised that by raising standards in those properties contributed to safer, stronger and more sustainable communities, improved health and wellbeing and improved the environment. By supporting people to remain living in their own homes reduced the financial pressure on the council by reducing costs of long term care. The Cabinet Member noted that the loans and grants enabled the council to make a positive impact on the lives of Croydon residents. The Cabinet Member also shared a study case and testimony with Cabinet which provided positive feedback.

The Shadow Cabinet Member for Homes (Councillor Lynne Hale) welcomed the report, noting the multitude of options available for Croydon residents to enable them to live safely and independently in their own homes. The Shadow Cabinet Member questioned how this information would be shared with residents and was advised by the Cabinet Member that the information would be disseminated more widely than just online, including via lunch clubs and councillors within their wards.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Approve the Private Sector Housing Assistance Policy 2021 (“the Policy”), Appendix A to the report.
2. Delegate authority to the Executive Director of Housing to make minor amendments to the Policy including in relation to typographical errors or updating post holders titles as necessary.

3. Note that in respect of the 6 month Pilot Scheme detailed at paragraph 3.4 of the report and Section 10 of Appendix A, the outcome of the Pilot will be reported back to Cabinet to determine whether or not it is appropriate for the Pilot scheme to be incorporated into the Private Sector Assistance Policy beyond that 6 month time frame.

117/21

### **Rough Sleeping Initiative Fund 2021-22 (RSI4)**

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) introduced the Rough Sleeping Initiative, which noted that the Ministry of Housing, Communities & Local Government (MHCLG) had provided Croydon Council with £1.7m in Rough Sleeping Initiative Grant funding in 2021-22. The Cabinet Member advised that the paper provided an overview of rough sleeping in Croydon, the objectives, the allocation and expected outcomes of the grant funding. The Cabinet Member noted that Croydon and Redbridge had the highest numbers of new rough sleepers.

The Leader of the Council (Councillor Hamida Ali) noted that Croydon had a strong record in securing funding to support rough sleepers, and welcomed the news that it had received the largest proportion of funding.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) highlighted paragraph 6.5.2 within the paper in which it stated, "An outcome of the short term nature of funding cycles is that services delivered are primarily short term". The Councillor noted that consistent funding was required in order to have a long term impact. The Cabinet Member queried, in relation to paragraph 6.5.3, when the Cabinet could expect to see a clear strategic direction incorporating the council's priorities and clarity regarding Croydon's minimum service offer for rough sleepers. The Cabinet Member for Homes agreed with the statement and noted that the council would continue to work with rough sleepers.

The Interim Executive Director of Housing (Alison Knight) noted that the drafting of a Housing Strategy would include a wider needs assessment across the borough was underway as well as an Emergency Accommodation and Temporary Accommodation Strategy which would look at all issues across the borough. Furthermore, the Lead Coordinator of Rough Sleeping and Homelessness Services (Rebecca Clews) noted that the short term funding prevented issues and enhanced the services provided by the council.

The Shadow Cabinet Member for Communities, Safety & Business Recovery (Councillor Andy Stranack) began by offering his thoughts and prayers to the family of Shane Jerome, a young person from Croydon, who was murdered during the previous week. Following on, the Councillor noted that a majority of the funding was being used for officer wages and questioned whether this was the most appropriate use of funding or whether private sector experts or links to the voluntary and business sector could be utilised. The Leader of the Council noted that the Cabinet

Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) had recently met with police and others on the very important issue of violence, in all its forms, and stated that the council extended its condolences to all families affected by violence.

The Cabinet Member for Homes, the Interim Executive Director and the Lead Coordinator confirmed that the council continued to work closely with partners from the voluntary and charitable sector on this agenda, including collaborating on proposals submitted to MHCLG. Additionally, Members were advised that some of the funding went towards prevention as well as intervention. The Cabinet Member for Croydon Renewal (Councillor Stuart King) suggested that the output, rather than the input, was important and noted the government's confidence in the council to deliver outcomes, as evidenced by receiving the largest allocation of the grant.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED:** To note the contents of the report.

118/21

### **2021/22 (Part) Local Implementation Plan Funding, Bus Priority Funding and Active Travel Funding Programme**

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) advised Members of a correction to be made to the report, noting that under the Financial Impact statement it should read £4.6m instead of £4,600. The Cabinet Member advised that the report outlined and recommended expenditure for 2021/22 on a programme to deliver Croydon Local Implementation Plan objectives, Central Government's Sustainable and Active Travel objectives and the Mayor of London's/TfL's Streetspace Plan objectives. The Cabinet Member also advised that the recommendations were aligned to the recent Croydon Climate Crisis Commission recommendations that the Cabinet had previously received and would make a contribution towards Croydon's response to the climate change challenge.

The Cabinet Member noted in normal times, Transport for London (TfL) would have allocated funding to each London local authority to support the delivery of proposals within the authority's Local Implementation Plan. However, TfL's income sources had largely disappeared due to the Covid19 Lockdown, and TfL had become dependent on financial support from central government. As such the usual process had changed.

The Cabinet Member advised that the report related primarily to active travel objectives and that the current round of Active Travel funding had to be spent and associated projects delivered by 11 December 2021. The Cabinet Member noted the difficulties experienced whilst trying to deliver these arrangements but reminded Cabinet that the funding was essential to deliver on a number of Croydon Climate Crisis Commission

recommendations including Green Your Neighbourhood. Furthermore, it was noted that there was no certainty as to what funding will be made available to Croydon, or in what form for the remainder of the financial year and due to the continually changing funding circumstances.

The Shadow Cabinet Member for Sustainable Croydon (Councillor Scott Roche) noted that the report provided an opportunity to undertake thorough consultation and questioned how the council would consult appropriately. The Cabinet Member advised that consultation was underway and different projects / elements of the programme would have their own appropriate consultation and engagement processes.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED:** To agree

1. The expenditure of external ring-fenced funding indicated within Table 1 of Section 3 of the report, expenditure, subject to any further advice of the S151 Officer / Director of Finance, Investment and Risk.
2. The delivery of the potential programme summarised within Section 3 of report, the extent and scope of that programme dependent on funding allocations to Croydon Council still to be confirmed by TfL; and subject to other matters outlined in Section 3 of the report.

119/21

### **Novation of building works and profession services contracts from Brick by Brick for Fairfield Halls**

The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) advised that the report followed on from decisions made at the Cabinet meeting held on 17 May 2021, where it was agreed to treat the heritage restoration of Fairfield Halls as capital expenditure, and agreed in principal to the novation of the contracts from Brick by Brick. The Cabinet Member advised that the paper sets out the novation of contracts from Brick by Brick to Croydon Council and highlighted the importance of the novation of contracts taking place. Furthermore, confirmation was provided that the list of contracts to be novated included all of the appropriate contracts and due diligence had been undertaken.

The Leader of the Opposition (Councillor Jason Perry) queried what the further costs of the novation would be and asked for clarity on where the Coast to Capital Funding had been spent. The Cabinet Member advised that the associated costs were set out in the Part B report. In addition, the Interim Executive Director Place (Sarah Hayward) advised that there was a schedule of anticipated costs within the Part B report and in relation to the Coast to Capital funding question, a response would be provided outside of the meeting.

*The Cabinet moved the recommendation to Exclude the Press and Public (minute no. 123/21) to discuss the Part B report. The Cabinet made the decisions below in Part A following the discussion in Part B.*

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Agree to proceed with the novation of the Fairfield Halls refurbishment contracts and associated contracts, with outstanding costs to borne by the Council, once certified by the Quantity Surveyors (Chronos Ltd) (not including any potential additional remedial works)
  - i. Novation of the Principal Contractor (Vinci) building works contract from Brick by Brick to the Council, and financial commitment for outstanding retentions.
  - ii. Novation of the Contract Administrator (MICA Architects) contract from Brick by Brick to the Council.
  - iii. Novation of the Quantity Surveying (Chronos Ltd) contract from Brick by Brick to the Council.
  - iv. Novation of other professional services contracts from Brick by Brick to the Council.
  - v. Assignment of completed contracts warranties and guarantees.
2. Note:
  - i. The recommendations above could not be made under delegated authority (as envisaged in the May Cabinet report) due to its potential overall value
  - ii. Brick By Brick will continue to pay relevant contractors on the Council's behalf whilst the recommended novations are completed, from 1st April and forecasted to August 2021 these payments are under £50,000 (managed under delegated authority)
  - iii. The progress of the non-intrusive survey works

120/21

**Governance of Croydon Council Companies**

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) advised that until now, there had been a lack of coordination and consistency in relation to strategic oversight, governance, monitoring, reporting and company administration arrangements. The recommendations contained within the report sought to rectify those issues.

The Cabinet Member advised that the principal measure would be to establish Croydon Companies Supervision and Monitoring Panel (CCSMP), chaired by the Section 151 Officer with permanent support

from the Director of Law and Governance, Monitoring Officer and Director of Commercial Investment and Capital. The meetings of the CCSMP would be attended by council nominated directors and member representatives, with other officers invited from time to time.

Members were informed that the report responded to recommendation 20 of the Report in the Public Interest, that stated: 'The Cabinet and Council should review its arrangements to govern its interest in subsidiaries, how the subsidiaries are linked, the long-term impact of the subsidiaries on the Council's financial position and how the Council's and taxpayers interest is safeguarded'.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) requested clarification as to whether elected Members would sit on, or routinely attend, the CCSMP and additionally requested further information on how the CCSMP would interact with scrutiny and audit functions of the council and what level of visibility there will be of the CCSMPs progress outside of Cabinet. The Cabinet Member clarified that no elected Members would be on the CCSMP and that the Panel will report to Cabinet on a bi-annual basis, as outlined in the paper. It was advised that scrutiny could invite the chair of the Panel to attend meetings.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Approve the establishment of a Croydon Companies' Supervision and Monitoring Panel (CCSMP) for the purposes and with the responsibilities described in this report.
2. Approve the appointment of the S151 Officer as chair of the CCSMP, with other permanent membership and invited attendees as described in the report.
3. Approve the Terms of Reference for the CCSMP set out at Appendix 2 to the report.
4. Delegate to the s151 Officer in consultation with the Council's Chief Executive the authority to approve the appointment and removal of Council nominated directors from the boards of Group entities in accordance with paragraph 3.5.2 of the report. Group is defined at paragraph 2.2 in the report.
5. Delegate to the s151 Officer the authority to make arrangements for company secretarial, accounting and administration in relation to the Group entities in accordance with paragraph 3.5.3 of the report.

**Financial Performance Report - Month 2 May 2021**

The Cabinet Member for Croydon Renewal (Councillor Stuart King) advised Cabinet that the report sets out the council's General Fund position at Month 2 (May 2021). The Cabinet Member highlighted that the in-year departmental budget overspend has risen by approximately £600,000 to £4m, principally as a result of a £3m adverse movement within the Place Department. Additionally the identified risks had risen slightly by approximately £200,000, to sit at £11.8m. The Cabinet Member noted that £10m of that were new risks and were not linked to Medium Terms Financial Strategy savings. The Cabinet Member also noted that the report identified potential saving opportunities of £8.8m to mitigate those overspends.

The Cabinet Member acknowledged that the council was not where the Administration had hoped to be in month 2, but that the report demonstrated the continued need for the spend controls to be in place. The Cabinet Member also noted that the council continued to make difficult decisions to address the challenges, and noted that there had been positive change across the departments. The Cabinet Member highlighted that the Health, Wellbeing and Adults department was underspent and that the Resources department was operating within budget. The Cabinet Member noted that the Housing Revenue Account position had improved from the previous month.

The Leader of the Council (Councillor Hamida Ali) noted that there had been positive effects across the organisation.

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) welcomed paragraph 2.2 of the report that stated, "it is expected and required that services formulate plans to address these overspends over the coming month." Additionally the Cabinet Member welcomed paragraph 3.10, particularly the statement, "Directorates are working up proposals to bring these savings at risk back on track." The Cabinet Member summarised that these statements applied pressure to ensure spending remained on track, and noted his confidence that this would continue throughout the year.

The Cabinet Member requested that the Section 151 Officer elaborate on the work that was being undertaken to keep things on track. In response, the Interim Director of Finance, Investment & Risk and Section 151 Officer (Chris Buss) confirmed that the council was taking a proactive approach as forecasts were received, by challenged council spend and undertook comprehensive comparative work with previous months to ensure reporting was robust. The Interim Director confirmed that their work was planned going forward to robustly challenge savings proposals across the council.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) noted the council's shortfalls in the past and challenged

whether the current performance was good enough. The Cabinet Member for Croydon Renewal clarified that the council continued to work towards delivering services within budget and advised that he took solace in that there were signs that behavioural change was bedding in.

The Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) noted that table 3 of the report showed significant sums of risk mitigation through staff reductions and questioned what the estimate was for further staff reductions and therefore costs and spending in the coming months. The Cabinet Member for Croydon Renewal clarified that table 3 identified staffing underspend, linked to reductions that had already taken place. Furthermore, the Interim Director confirmed that at the time, there were no other staffing reductions planned.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

**RESOLVED: To**

1. Note the General Fund is projecting a net adverse movement of £0.583m from Period 1. Service departments are indicating a £4.034m overspend with this being netted off against £3.451m release of a one off Covid Grant confirmed to Croydon Council for 21/22 by MHCLG as part of the Local Government Finance Settlement;
2. Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £3.676m;
3. Note the Housing Revenue Account (HRA) is projecting a £1.595m overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances;
4. Note the capital spend to date for the General Fund of £3.071m (against a budget of £176.005m) and for the HRA of £5.701m (against a budget of £127.412m);
5. Note, the above figures are predicated on forecasts from Month 2 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time; and
6. Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel remain. However, restrictions have been lifted

for ring-fenced accounts such as the Pensions Fund, Housing Revenue Account and Coroner's Costs as these do not impact on the financial position of the General Fund. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.

122/21

### **Croydon Renewal and Improvement Plan - Performance Reporting Framework & Measures Update**

The Leader of the Council (Councillor Hamida Ali) noted that the report provided an update to Cabinet on the work to develop a new performance reporting framework with a full report was expected to be available from September 2021. The Leader reminded Cabinet that this was a key action in the Council's Action Plan, in response to the Report in the Public Interest, to develop a monthly finance, performance and risk report. The Leader asked Members to review paragraph 4.3, which sets out the progress since the June 2021 Cabinet meeting.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) requested access to the report in to the use of Transformation Funding. In response, the Interim Director of Finance, Investment & Risk (Chris Buss) advised that the report would form part of the external auditors report on the 2019/20 Accounts and that once received would be taken to the General Purposes & Audit Committee.

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

#### **RESOLVED: To**

1. Note the progress that has taken place with regard to the development of the FPR report alongside a suite of reports in order to improve the corporate offer.
2. Review the corporate FPR report (appendix A) as at 31 May 2021 with regard to performance measures.
3. Note the progress made with programmes and projects in relation to milestones, deliverables and issues
4. Note the progress made against Savings and growth targets as identified in the CRP

123/21

### **Exclusion of the Press and Public**

The following motion was moved by Councillor Oliver Lewis and seconded by Councillor Stuart King to exclude the press and public:

"That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of

business on the grounds that it involves the likely disclosure of exempt information falling within paragraph 3 indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

The motion was put and it was agreed by the Committee to exclude the press and public for the remainder of the meeting.

124/21

### **Novation of building works and profession services contracts from Brick by Brick for Fairfield Halls**

The Leader of the Council delegated authority to the Cabinet to make the following decisions:

#### **RESOLVED: To**

1. Agree to proceed with the novation of the Fairfield Halls refurbishment contracts and associated contracts, with outstanding costs to borne by the Council, once certified by the Quantity Surveyors (Chronos Ltd) (not including any potential additional remedial works)
  - i. Novation of the Principal Contractor (Vinci) building works contract from Brick by Brick to the Council, and financial commitment for outstanding retentions.
  - ii. Novation of the Contract Administrator (MICA Architects) contract from Brick by Brick to the Council.
  - iii. Novation of the Quantity Surveying (Chronos Ltd) contract from Brick by Brick to the Council.
  - iv. Novation of other professional services contracts from Brick by Brick to the Council.
  - v. Assignment of completed contracts warranties and guarantees.
2. Note:
  - vi. The recommendations above could not be made under delegated authority (as envisaged in the May Cabinet report) due to its potential overall value
  - vii. Brick By Brick will continue to pay relevant contractors on the Council’s behalf whilst the recommended novations are completed, from 1st April and forecasted to August 2021 these payments are under £50,000 (managed under delegated authority)
  - viii. The progress of the non-intrusive survey works

The meeting ended at 9.04 pm