

## Cabinet

Meeting held on Monday, 24 February 2020 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillor Tony Newman (Chair);

Councillor Alison Butler, Stuart Collins, Hamida Ali, Alisa Flemming, Simon Hall, Stuart King (non-voting – Job Share), Oliver Lewis, Paul Scott (voting – Job Share) and Manju Shahul-Hameed

**Also Present:** Councillor Tim Pollard, Jason Cummings, Jason Perry, Maria Gatland, Lynne Hale, Simon Hoar, Yvette Hopley, Helen Pollard, Sean Fitzsimons, Robert Ward, Clive Fraser, Helen Redfern, Leila Ben-Hassel, Janet Campbell, Sherwan Chowdhury, Patsy Cummings, Patricia Hay-Justice, Bernadette Khan, Shafi Khan and Louisa Woodley

**Apologies:** Councillors Jane Avis and Mario Creatura

### PART A

16/20 **Minutes of the previous meeting**

The part A minutes of the Cabinet meeting held on 20 January 2020 were agreed. The Leader of the Council signed the minutes as an accurate record.

17/20 **Disclosure of Interests**

There were none.

18/20 **Urgent Business (If any)**

There were no items of urgent business.

19/20 **Budget and Council Tax 2020/21**

a **General Fund and HRA Budget 2020/21**

The Leader thanked the Cabinet Member for Finance & Resources, the Section 151 Officer and her team for their work in producing the budget. It was stated that while increases in council tax were not desired it was prudent to ensure the council had a balanced budget. Ongoing budget pressures continued, however the Leader stated he hoped that the Government budget, which was to be announced on 11 March 2020, would reflect the pressures local government were under.

The Leader commended the budget to Cabinet.

Cabinet was provided with a presentation from the Cabinet Member for Finance & Resources which gave an overview of the financial pressures the council continued to face and the proposed budget. It was recognised that the scale of cuts facing local government were not to the same level as previous years but that there had not been a rebalancing of the central government grant which would address the high levels of demand for adult social care which were being experienced nationally.

The Croydon specific challenges of being historically underfunded were raised by the Cabinet Member, including the borough having the same level of challenges as an inner London borough but being funded as an outer London borough and the continued underfunding of Unaccompanied Asylum Seeker Children (UASC) by the Home Office. Despite these challenges, the Cabinet Member stated the council continued to manage its budget.

The Cabinet Member welcomed the small increase in grant the council would receive in 2020/21; however it was stated that this was against the backdrop of a  $\frac{3}{4}$  decrease in grant in recent years which had placed a huge amount of stress on council resources.

In terms of the 2020/21 budget, the Cabinet Member informed Members that there was a planned contribution of £5m to the reserves as it was recognised that significant risks remained. It was proposed to increase council tax by 1.99%, which was the level that Government assumed council tax would be raised, and which 93% of councils were doing nationally.

Prudent financial management was at the heart of the budget with money being placed in reserves, contingency budgets and detailed plans for proposed savings.

Despite the challenges faced by the council it had continued to deliver manifesto commitments and had protected and invested in frontline services. The Cabinet Member noted that over the six years of the Labour Administration there had been a net growth of £42m in people services, which it was stated was in direct contrast to the previous administration which had cut those services.

The council would continue to be innovative, it was stated, which would enable frontline services to be protected. Additionally, with the council focussing on prevention, there were benefits which could be realised not only for residents but also for the council's budget. Innovative measures included looking at sustainable solutions to combat the climate emergency and it was noted that there was a specific budget to tackle this.

Three quarters of the budget, the Cabinet Member noted, was allocated to people based services and this was an area of council services which had been growing year on year due to increasing demand. Prevention was key to managing the budget whilst demand continued to grow.

Members noted that the council had received increased income from council tax and this was attributed to improvements in collections. Furthermore, the Cabinet Member informed Members that the dividends from Brick by Brick were due to increase which would further support the budget going forward. The asset investment programme would also be accelerated, Members were informed, which would further support frontline services, and the Growth Zone programme would support further investment in the borough and increased business rates.

The Cabinet Member for Finance & Resources concluded that the recommendation to increase council tax by £1.29 per week was to support the delivery of services and reiterated that the budget had been carefully planned.

The Section 151 Officer presented her comments to Cabinet, which were detailed in the report. Members were informed that the council's reserves were expected to remain at £10m and that the council, unlike others in the country, had not used reserves to plug holes in the budget.

There had been a reduction in earmarked reserves over the previous three years to be around £12m at the end of 2019/20, however the Section 151 Officer stated that earmarked reserves were due to be replenished in 2021.

Members were informed that £9m had been allocated to fund UASC services and that this had been put in place due to insufficient government funding. The council would continue to lobby the Home Office for appropriate funding however it had been prudent to budget for this expenditure.

The Section 151 Officer informed Members that the savings which were outlined in the report had an associated delivery plan which was understood by each Cabinet Member and Executive Director.

Cabinet was informed that the setting of council tax levels was a political choice, however the proposed increase would lead to an additional £12m being raised which would support the balancing of the budget.

In terms of risk, the Section 151 identified that there were risks in terms of budget delivery and as such a forensic approach would be taken to ensure savings were delivered. Additionally, the increasing demand in adult social care remained a key risk. To mitigate these risks contingency had been included in the budget.

The Section 151 Officer recognised that the general fund reserves were low in terms of the size of the council, however stated that a substantial increase would take place during 2020/21.

Members were informed that the government's budgeting on a one year basis was a challenge for long-term financing of the council although, despite this challenge, a new Medium Term Financial Plan would be published.

The Section 151 Officer concluded that robust budget management was integral to ensure the long term stability of budgets.

The Cabinet Member for Homes & Gateway Services introduced the Housing Revenue Account budget recommendations. It was noted that over the previous four years there had been an annual decrease in rents of 1%, however, for 2020/21 it was proposed that there was an increase which was in line with government policy.

Members noted that there was no proposed increase in garage or parking space rents within the 2020/21 budget, although there was a proposed increase of 2% in service charges.

The Cabinet Member for Homes & Gateway Services informed Members that the budget included an investment of £27m in improvements to the council stock, ensuring residents had good quality homes.

Members thanked officers for the work which had gone into the formation of the proposed 2020/21 council budget.

In response to Member questions, the Cabinet Member for Finance & Resources stated that conversations had started with the NHS in relation to the funding gap in the One Croydon Alliance and ensuring the council was properly recompensed. The principle of fair funding of the Alliance had been agreed and discussions would continue to ensure appropriate contributions for the current and future financial years.

The Cabinet Member for Finance & Resources stated, in response to questions, that it was too early to definitively say what the impact of £1.6m savings in staff layers would be. The council was looking at staff structures and identifying where it could be more efficient, however any changes in staff would undergo the formal process with trade unions and consultation.

Members welcomed the planned increase in reserves and expressed a desire that this continued in future years. In response, the Cabinet Member for Finance & Resources noted that this would be possible if there was a commitment from government to fund local government properly in future years.

In response to concerns in terms of the deliverability of the budget, the Cabinet Member for Finance & Resources stated that the key areas of the budget would be carefully monitored and actions would be taken where necessary. Additionally, all savings had plans associated with them which would be monitored also. It was felt that a more prudent estimate had been taken.

The Cabinet Member for Finance & Resources noted that earmarked reserves were created for specific purposes and had been used for those purposes. The intention of the council was to replenish those reserves through the council tax collection surplus.

In terms of Q1 monitoring, the Cabinet Member for Finance & Resources clarified that if all the actions towards a saving had not been completed then the saving would not be reported. The Section 151 Officer informed Members that more stringent controls would be put in place, with high risk areas being reviewed on a monthly basis.

Members welcomed the increase in funding in adult social care, however it was noted by the Cabinet Member for Finance & Resources that nationally there continued to be a lack of funding which needed to be addressed as demand continued to outstrip funding. In terms of the Public Health grant, Members noted that there had been no indication of when the details would be published.

In response to Member questions, the Cabinet Member welcomed the New Addington Health & Wellbeing Centre and noted that life expectancy was significantly lower in New Addington than in the neighbouring ward of Sanderstead and as such it was prudent to open the first centre in this location. It was a facility which Members would welcome across the borough however it was not possible with current funding constraints.

The funding for the homelessness hub was welcomed by Members although the Cabinet Member for Finance & Resources noted that the requirement to bid against other boroughs was not ideal and that the grant did not cover all of the costs for this hub.

Cabinet was informed by the Cabinet Member for Finance & Resources that contrary to reports, the New Addington Boxing Club would receive support from the council to ensure the important resource was maintained.

In response to questions, the Cabinet Member for Finance & Resources confirmed that the figures on void properties and the budget implications of the voids would be provided to the Shadow Cabinet Member for Housing & Gateway Services following the meeting.

Officers and Cabinet Members were thanked for their work to ensure that the council's budget remained balanced whilst enabling significant

investment in children's services. That investment had been integral to the children's service improvement plans.

Members of the Opposition confirmed their support for fairer funding in terms of UASC and would continue to support the council's lobbying. The Leader thanked Members for their support and expressed hope that the new Home Office Minister was open to discussions on UASC funding.

The increase to the dedicated schools grant was welcomed by Members, however it was noted by the Cabinet Member for Finance & Resources that whilst there had been an increase of £20m, the bulk of this money had not been received by councils like Croydon. Additionally, huge pressures continued to be experienced in relation to high needs support and that while there had been an increase in funding this did not match the increased scale of support required.

In response to Member questions, the Cabinet Member for Finance & Resources informed Members that the Parklife project was being reviewed which was why there had not been any expenditure on this project during Q3 of 2019/20. In relation to the number of staff within the parks service, officers committed to provide this detail to the Shadow Cabinet Member for Culture, Leisure & Sport and detail on the variance on Fairfield Halls which was included in the Q3 report.

The Cabinet Member for Finance & Resources, in response to questions, noted that parking and driving fines were only issued when the driver had not driven or parked appropriately. Furthermore, Members were informed that 60% of issued fines were to vehicles coming into Croydon from out of the Borough.

Members noted that tackling climate change was vital and in response the council had committed £0.25m of revenue budget to have a dedicated team to look at this. Additionally, £7.5m was allocated within the capital budget on top of what the council was already doing to combat climate change. The climate emergency was an important area of focus for the council and this strand, it was stated, now ran throughout the budget.

Furthermore, the Cabinet Member for Finance & Resources informed Members that discussions had started to move pension fund investments away from fossil fuel investments as a further commitment to tackling climate change.

Members noted that the proposed increase in council tax was lower than the increase the previous year. Whilst it was recognised that the council tax bill was a significant bill for many households, it was stated that it represented good value for money given the services provided by the council. It was further stated that if the council had not experienced a reduction in government funding then it would not be necessary to have discussions on increasing council tax.

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

**RESOLVED:** To recommend to full Council

1. A **1.99%** increase in the Council Tax for Croydon Services (a level of increase Central Government has assumed in all Councils' spending power calculation).
2. A **2.00%** increase in the Adult Social Care precept (a charge Central Government has assumed all councils' will levy in its spending power calculations).
3. The GLA increase of 3.6%.  
With reference to the principles for 2020/21 determined by the Secretary of State under Section 52ZC (1) of the Local Government Finance Act 1992 (as amended) confirm that in accordance with s.52ZB (1) the Council Tax and GLA precept referred to above are **not excessive** in terms of the most recently issued principles and as such to note that no referendum is required. This is detailed further in section 3.8 of the report.
4. The calculation of budget requirement and council tax as set out in Appendix D and E. Including the GLA increase this will result in a total increase of 3.92% in the overall council tax bill for Croydon.
5. The revenue budget assumptions as detailed in the report and the associated appendices.
6. The programme of revenue savings, income and growth by department for 2020/21 (Appendix A).
7. The Council's detailed budget book for 2020/21 (Appendix B).
8. The draft Capital Programme as set out in section 11, table 18 and 19 of the report, except where noted for specific programmes are subject to separate Cabinet reports.
9. To increase the Asset Investment Fund by £100 million to £300 million.
10. To note there are no proposed amendments to the Council's existing Council Tax Support Scheme for the financial year 2020/21.
11. The adoption of the Pay Policy statement at Appendix H.

**RESOLVED:** To agree

1. A rent increase for all Council tenants for 2020/21, in line with the

Government's social rent policy which has legislated to increase social rents by CPI + 1%, which is equal to 2.7%

2. No increase to Garage and Parking space rents.
3. 2% increase to the service charges for caretaking, grounds maintenance and bulk refuse collection as detailed in section 12 of the report.

**RESOLVED:** To note

1. That in respect of the Council's public sector equalities duties where the setting of the capital, revenue and HRA budget result in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including such consultation as may be required.
2. The progress being made towards balancing the Council's financial position for 2019/20 as at Quarter 3 and the current projected outturn forecast of £2.371m as set out in the report at item 5b on the agenda.
3. The response to the provisional local government settlement which is attached at Appendix F of the report.
4. That pre-decision scrutiny of the proposed budget 2020/21 took place at the Scrutiny and Overview Committee on the 10<sup>th</sup> February 2020. The Scrutiny and Overview Committee agreed to recommend that the Cabinet Member for Finance and Resources be invited to attend a meeting of the Committee and provide an update on the bedding in of the Council's new financial monitoring systems in September 2020.
5. The statement on reserves and balances and robustness of estimates from the statutory Section 151 Officer.

**b Quarter 3 Financial Performance 2019/20**

The Cabinet Member for Finance & Resources noted that a huge amount of work had been undertaken since the Q2 monitoring report which was seen in the improved forecasted outturn for 2019/20. Whilst it was noted that an overspend of £2.4m remained there continued to be £8.4m of exceptional expenditure due to the Home Office not providing adequate funding for Unaccompanied Asylum Seeker Children.

Members were informed that the savings which had been made since Q2 were one off initiatives taken within 2019/20 and as such there would be some flow through to the next financial year; however the Cabinet Member stated that there was now a much better understanding of where the overspend was coming from. The Section 151 Officer reiterated that it

was important that the council had a much better understanding of where spending was taking place to enable the budget to be well managed.

In terms of the capital budget, the Cabinet Member stated the projections had been improved and that any underspend was due to timelines slipping.

In response to concerns raised, the Cabinet Member stated that capital budgets had been charged where appropriate. The review which had taken place between Q2 and Q3 had identified areas of transformation which were not being charged to the transformation budget, such as the digital service which was undergoing a large amount of transformation, and this had been rectified.

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

**RESOLVED:** To

1. Note the current revenue outturn forecast at the end of the third quarter of 2019/20 of £5.8m underspend, before exceptional items of £8.2m, resulting in a total overspend of £2.4m;
2. Note that the exceptional items of £8.2m relate to costs incurred by Croydon Council for Unaccompanied Asylum Seeking Children (UASC) and No Recourse To Public Funds (NRPF), due to woefully insufficient funding from the Home Office.
3. Note the ongoing engagement with and lobbying of Government by the Council for additional funding for Croydon, both in general terms and specifically Unaccompanied Asylum Seeking Children given Croydon's gateway status.
4. Note the HRA position of a £1.5m forecast overspend against budget;
5. Note the capital outturn projection of £277m, forecast to be an underspend of £159m against budget;

**RESOLVED:** To recommend to Council the approval to reduce to the capital programme by **£1.2m** as set out in Table 6 of the report.

**c Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2020/2021**

The Cabinet Member for Finance & Resources noted that the report found that the council was within all of the prudential indicators. The council was borrowing money for a number of programmes, however it was stated that

most of these programmes had their own income stream and so were not a burden on the council's finances.

Concerns were raised by some Members that the council was borrowing £1b and the figure was expected to rise to £2b. In response, the Cabinet Member stated that there was a mix of borrowing being undertaken by the council; including asset investment which generated annually £6.5m of revenue and Brick by Brick which was developing much needed housing and was providing dividend payments to the council. The Cabinet Member suggested that it was important to look at the wider context of the benefits that were associated with the borrowing streams.

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

**RESOLVED:** To recommend Council approve

1. The Treasury Management Strategy Statement 2020/2021 as set out in the report including the recommendations:
  - a. That the Council takes up borrowing requirements as set out in paragraph 4.5 of the report.
  - b. That for the reasons detailed in paragraph 4.14 of the report, opportunities for debt rescheduling are reviewed throughout the year by the Director of Finance, Investment and Risk (S151 Officer) and that she be given delegated authority, in consultation with the Cabinet Member for Finance and Resources and in conjunction with the Council's independent treasury advisers, to undertake such rescheduling only if revenue savings or additional cost avoidance can be achieved at minimal risk in line with organisational considerations and with regard to the Housing Revenue Account (HRA) as set out in the Council's Medium Term Financial Strategy 2019/2023.
  - c. That delegated authority be given to the Director of Finance, Investment and Risk (S151 Officer), in consultation with the Cabinet Member for Finance and Resources, to make any necessary decisions to protect the Council's financial position in light of market changes or investment risk exposure.
2. That the Council adopts the Annual Investment Strategy as set out in sections 4.16 and 4.17 of the report.
3. That the Authorised Limit (required by Section 3 of the Local Government Act 2003) as set out in paragraph 4.10 and as detailed in **Appendix C** of the report be as follows:

**2020/2021**  
**£1,840.757m**

**2021/2022**  
**£2,038.506m**

**2022/2023**  
**£2,085.274m**

4. That the Council approve the Prudential Indicators as set out in **Appendix C** of the report.
5. The Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in **Appendix D** of the report.
6. That the Council's authorised counterparty lending list as at 31<sup>st</sup> December 2019 as set out in **Appendix E** of the report and the rating criteria set for inclusion onto this list be approved.
7. That the Council adopts the Capital Strategy Statement set out below in section 3 of the report.

20/20

### **Delivering the Croydon Growth Zone**

Cabinet was provided with a presentation which gave an overview of the Croydon Growth Zone. The Cabinet Member for Environment, Transport & Regeneration (voting – Job Share) noted that the Growth Zone looked primarily at the town centre but the regeneration was in the context of the large amount of growth which had been witnessed across the borough since 2012.

The uplift in business rates which had been experienced was helping to fund the transformation of the town centre to create a modern European city. Whilst the transformation had begun it was noted by the Cabinet Member that it would take time before the ambition was fully realised. The town centre was due to be transformed with a large amount of consented and planned developments due to take place, which were delivering new homes and spaces in the town centre.

The Cabinet Member welcomed the redevelopment of East Croydon, however it was noted that this would be dependent upon the work of Network Rail to improve the Brighton Mainline and the associated works. The projects within the Growth Zone project were complex and it was important to continuously review and re-profile to ensure projects were taking place at the most convenient time.

The Cabinet Member highlighted a number of achievements to-date, including award winning meanwhile activities, the enterprise zone, plans for a creative campus and projects which looked to transform the subways. Social infrastructure continued to be key to the Growth Zone plans as it recognised that the regeneration of the town centre would impact communities across the borough.

The Cabinet Member for Economy & Jobs spoke on Croydon Works, a job brokerage service which had supported over 1,000 people to start their careers, with particular success in introducing people to opportunities within construction. The opportunities of the Growth Zone were highlighted as they enabled the creation of new jobs in the borough which supported residents into employment.

The 100 Apprentices in 100 Days initiative was noted by the Cabinet Member for Economy & Jobs as having further supported residents. Additionally, it was noted that the council in partnership with Croydon College had been successful in being awarded £393,000 of GLA funding for a project which would support employers to recruit apprentices in creative, digital and health and social care.

The Smart City workstream was highlighted by the Cabinet Member for Economy & Jobs as being integral to ensure the best of technology in the borough. The council continued to support new digital companies being set up in the borough.

Between January and March 2020 it was anticipated that 1,700 young people would have accessed digital workshops at the 14 roadshows which were due to be held in schools in the borough, further supporting residents to have good technology skills.

The Cabinet Member for Culture, Leisure & Sport informed Members that culture remained at the heart of regeneration. In recent years Croydon had enhanced its profile as a cultural hub with a broad programme of events and exciting activities. The success of this focus on culture had been realised with Croydon being awarded the Borough of Culture for 2023 and the Cabinet Member thanked officers and partners for their work.

2023 would be a fantastic year for Croydon and work to prepare for this had already begun. The Cabinet Member for Culture, Leisure & Sport informed Members that more details would be shared in a report to Cabinet in March 2020.

The Cabinet Member for Environment, Transport & Regeneration (non-voting – Job Share) noted that while HGVs represented only 4% of vehicular movements across the country they contributed to over 50% of casualties. As such, construction logistics had been an important area of focus within the Growth Zone to support the delivery of the developments whilst ensuring the safety of all. The construction logistics plan had supported the council to coordinate construction traffic in the borough to enable both residents and businesses to continue with minimal disruption.

Members were informed that additional funding of £10m had been secured from Transport for London for the Liveable Neighbourhoods programme and £0.5m for bus priority projects.

The Cabinet Member for Environment, Transport & Regeneration (non-voting – Job Share) recognised that the re-profiling of the Growth Zone did lead to some schemes having a short term funding reduction, whilst others were increased, however it was stressed there was no reduction in the overall project.

Members were informed that an external consultant's report had been commissioned to determine whether to design and build an energy network and it was suggested that the report would be taken to a Cabinet Member Advisory Committee, when established, for discussion.

The work of scrutiny members was recognised by the Cabinet Members and they were thanked for their work in reviewing the programme and making recommendations which had enhanced the Growth Zone programme.

Finally, the link between the Growth Zone and the council's commitment to tackle the climate emergency being faced by the borough was recognised and as such the council was committed to ensure that the Borough's regeneration was sustainable. It was integral to the success of the Growth Zone that Croydon was seen as a great place to live, study and invest.

The Cabinet Member for Safer Croydon & Communities thanked Cabinet Members and officers for the hugely significant report. The need for affordable community spaces across the borough was often considered a challenge and the Cabinet Member stated she was pleased to see that a detailed study on possible community spaces was being planned.

In response to Opposition Member concerns in relation to the Westfield development, the Leader informed Members that there would be a debate on the matter the following week after the Council meeting. Members were informed that the Leader had attended a meeting earlier that day with the developers at City Hall and that the developers had been clear that they were not leaving the city. It was stated that senior officials at Westfield did not recognise the narrative that had been circulated by Opposition Members and the Leader requested that councillors did not mislead residents.

The Leader further noted that when Westfield was first introduced to Croydon it was considered the first piece of the jigsaw to regeneration of the town centre; however it was now the last piece of the jigsaw. Westfield itself, it was stated, recognised that Croydon had transformed and the council would continue to hold them to account. It was however, acknowledged that there had been some large scale changes since the development was first proposed including Brexit and changes in the retail market and as such it was prudent for the developer to review its options.

In response to concerns relating to the reduction of the transport schemes within the Growth Zone, the Leader stated that the challenge was to

ensure the council supported the growth which was taking place and that it was necessary for Network Rail to invest in the Brighton Mainline to support council investment in the East Croydon area. The Cabinet Member for Environment, Transport & Regeneration (non-voting – Job Share) informed Members that there remained £35m of planned investment in transport and that the overall budget had not been cut. It was noted that it was prudent to regularly re-profile large scale projects to ensure investment took place at the right time and the Growth Zone was a £16m programme of works. In terms of concerns relating to public realm works at East and West Croydon stations, the Cabinet Member stated that it was important to work with partners at these sites and to redevelop the public realm once rail improvements had taken place as it would be impractical to remove the public realm to enable the rail/station improvements to take place.

Members welcomed the Growth Zone project and the further regeneration planned for the town centre.

Cabinet Members stated that it was disappointing that misinformation had been shared by some Members in relation to the Westfield development and suggested that the behaviour of some Members was damaging the reputation of the borough. The Leader stated that the Administration had not delayed the development of the project and that it was a priority of the council to ensure Croydon remained robust despite the challenges of Brexit.

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

**RESOLVED: To**

1. Approve the amended funding profile for projects as summarised in paragraph 3.7 of the report; and
2. Subject to the requirement to comply with the provisions of Part 4G of the Constitution in taking delegated decisions and the parameters previously approved in the October 2018 Cabinet report 'Delivering the Growth Zone (specifically Paragraph 3.88) delegate to the Executive Director of Place in consultation with the Executive Director of Resources (Section 151 Officer), the Cabinet Member for Finance and Resources, the Cabinet Members for Environment, Transport & Regeneration (Job Share) and the Cabinet member for Economy and Jobs, authority to make necessary changes to the funding and phasing of the approved Growth Zone projects list. Any such changes will be reported to Cabinet.

**Brick by Brick Business Plan 2020/21**

Members were provided with a presentation by the Cabinet Member for Homes & Gateway Services which gave an overview of the need for housing in the borough and the rationale for Brick by Brick. Members were directed to a quote on the Brick by Brick website which stated:

*“It’s a way for Croydon Council to deliver much needed homes for local people, with the proceeds that arise from this process returned to the council to help fund frontline council services. This means that the profit created by Brick By Brick stays within Croydon. Local people get priority to buy our homes, and unlike most private developers the profit doesn’t line the pockets of individuals or get sent to shareholders overseas.”*

Brick by Brick Ltd

The Cabinet Member highlighted that there were over 5,500 households on the housing waiting list, around 2,000 households in temporary homes and almost 1,000 children sleeping in emergency accommodation in Croydon. The council, it was noted, not only had a statutory duty to support those in need but also a moral duty to assist those residents.

The homes which Brick by Brick were building, the Cabinet Member noted, were of a high quality and were very sustainable. Additionally, to support local residents they were being offered on a Croydon First basis and were offered directly to those on the housing waiting list.

Colm Lacey, Chief Executive of Brick by Brick, also provided Cabinet with a presentation and gave an overview of the work of the company from when it started trading in 2016. The aim of the company was to ensure development of the area was undertaken differently with well-designed homes and support for the local community. Members were informed that the company was an important local employer with around 70% of employees being Croydon residents.

The presentation highlighted that 500 homes had been completed or were due to complete soon and that the company had delivered the refurbishment on Fairfield Halls in the last year. The trading figures, Members were informed, were due to be published in April 2020.

The Chief Executive acknowledged that Brick by Brick had experienced some challenges over the last 12 months with Brexit, which had impacted consumer confidence and the construction industry, some sites had been challenging and there had been difficulties with some contractors. However, Brick by Brick continued to develop and learn from those challenges.

Despite those challenges; there had been a number of opportunities as the company was starting to be the partner of choice for those seeking responsible development opportunities, the company had developed the

way it consulted with local residents to ensure it worked closely with communities and it sought to become more environmentally sustainable with its work being audited by a climate emergency team.

Members were informed that another 11 schemes were due to be completed before 2020 and pipeline schemes had been assessed. The assessment had enabled Brick by Brick to increase its affordability to 70% for upcoming projects which would further support local residents to afford homes in the borough. Work had also begun with the Crystal Palace Community Land Trust to deliver the first community housing project in the borough.

The Chief Executive highlighted the key aims of Brick by Brick for the next year which included the adoption of 'One Planet Living', a stringent set of sustainability principles, achieve planning consent for more than 30 schemes which would deliver 800 additional homes and to start construction on around 12 new sites.

The Cabinet Member for Finance & Resources noted that the Brick by Brick developments made a difference to residents by delivering affordable housing which was supporting the housing department to deliver savings as fewer families would require temporary and emergency accommodation. Additionally, it was noted, the dividends and interest received from Brick by Brick were supporting frontline services of the council. Whilst there were financial benefits to the model of delivery, the important area of focus was the delivery of homes for families in the borough.

Opposition Members noted that the Brick by Brick aim of delivering much needed homes in the borough was positive, however felt that the delivery was not. When Brick by Brick was set up it was stated that it would be self-financing by 2020, however the latest Business Plan set out that it would not be self-financing until 2023. Concerns were raised that the loan amounts from the council were increasing, whilst Brick by Brick failed to deliver homes and used much loved green spaces across the borough.

The Chief Executive stated that it had been previously discussed that the estimate of when Brick by Brick would be self-financing had been revised in light of new schemes being brought forward which required funding. The profits were laid out in detail and it was stated that they had not gone down and that there was more certainty in 2019/20 profits. The Cabinet Member for Finance & Resources further noted that the forecasted profits were significantly ahead of what had been budgeted and that the risks associated with the company were detailed in the Business Plan.

It was noted that the Business Plan stated that it had been found that family houses were more popular than flats and in response the Cabinet Member stated that there was a need for homes of every size across the borough. Research, it was noted, had found that 48% of those on the

housing waiting list required two bed homes whilst 20% required one bed homes.

The Leader noted the work of Brick by Brick and suggested that it was important that all Members noted that those living in the homes being delivered were benefiting as there was a need for more high quality and sustainable housing.

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

**RESOLVED:** To approve the proposed 2020/2021 Business Plan of BBB as set out in Appendix 1 of the report.

22/20

### **Stage 1: Recommendations arising from Scrutiny**

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

**RESOLVED:** To receive the recommendations arising from the Scrutiny & Overview Committee (10 February 2020) and Streets Environment & Homes (17 December 2019), and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on **11 May 2020**).

23/20

### **Investing in our Borough**

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

**RESOLVED:** To approve:

1. The contract award for the delivery of Enforcement Agency Services under a framework for the maximum value of £9,000,000 across 4 years, as set out at agenda item 9a.
2. The contract variation & extension award for Best Start suite of contracts at a maximum contract value of £12,893,000, an increase by £1,170,000, over a term of 5 months as set out at agenda item 9b.
3. The contract award for the delivery of the Addington Valley Academy SEN School for the maximum value of £14,183,745 across 34 months and to recommend to the Leader to delegate the approval for the various awards of contract, as set out at agenda item 9c.
4. The contract variation for the South London Waste Partnership Joint Waste Collection and Related Environmental Services to

increase the overall value by a yearly amount of £3,250,000 plus a one off payment of £1,379,000 for all boroughs within the partnership, of which Croydon spend will increase by £1,500,000 per annum plus a one off payment of £673,955, as set out at agenda item 9d.

**RESOLVED:** The Cabinet recommend to the Leader of the Council that prior to the next meeting of Cabinet in March, in respect of the New Addington Health and Wellbeing Centre project for the Lead Architect and Multi-disciplinary Professional Services, the Leader delegate the power to make decisions for awards of contract to the Cabinet Member for Environment, Transport & Regeneration (Job Share) in consultation with the Cabinet Member for Finance & Resources for the reasons set out in paragraph 3.4 of the report.

**RESOLVED:** To note

1. The list of delegated award decisions made by the Director of Commissioning and Procurement, between 18/12/2019 – 17/01/2020, as set out in section 4.2.1 of the report.
2. Property acquisitions and disposals agreed by the Cabinet Member for Finance & Resources in consultation with the Leader since the previous meetings of Cabinet, as set out in section 4.3 of the report.

a **Enforcement Agent Framework Award**

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

**RESOLVED:** To approve the award of the framework agreement for the delivery of Enforcement Agency Services split into Lots (Lot 1 – Collection of parking and traffic penalty charges and Lot 2 – Collection of council tax and business rates) in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for a maximum contract term of 2 years, plus 1+1 years extension, to the suppliers stated in Part B of the report and for the expected debt collection value of £9.78 million.

b **Variation to extend the Best Start contracts**

The Cabinet Member for Children, Young People & Learning informed Members that a report would be taken to a future Cabinet meeting which would look at the delivery of Best Start centres so as to ensure Croydon delivered the best outcomes for the children and families in the borough.

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

**RESOLVED:** To in accordance with Regulation 30 of the Council's Contracts and Tenders Regulations to extend the following Best Start contracts listed below by up to a further 5 months (1st April to 31st August 2020) for an aggregate value of £1,170,000 to give an overall maximum (aggregate) contracts value of £12,846,000:

1. Eight, Best Start Children's Centres with contracts/SLAs to four academies and five maintained schools. Five month extension value: £854,000.
2. Five, Community, Parenting Aspirations and Parenting Skills contracts (covering 6 lots). Five month extension value: £153,000.
3. One, Early Learning Collaboration contract. Five month extension value £138,000.
4. One, Parenting Infant Partnership contract. Five month extension value £25,000

**c Addington Valley Academy SEN School - Award of PCSA and Main Works Contract**

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

**RESOLVED:** To

1. Approve the award for the design and construction of Addington Valley Academy SEN Academy to the supplier listed in part B of this report for an estimated contract term of 34 months (this consists of 5 months of PCSA, 17 months of constructions and 12 months Defects Liability period) for a maximum contract value of £14,363,745 (including the supply of £180,000 loose furniture, fixtures and equipment).
2. Recommend the Leader to delegate the decision to approve the award of various contracts that are required to deliver this overarching contract, to the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Resources for the reasons as explained in paragraph 2.4 of the report
3. Note that the Chair of the Contracts and Commissioning Board has approved the award of the Pre-Construction Services Agreement to the supplier listed in Part B of the report.

d **South London Waste Partnership - Waste Collection Contract Variation**

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

**RESOLVED:** To, in accordance with regulation 30 of the Council's Tenders and Contract Regulations, approve a variation of the contract entered into with Veolia ES (UK) Limited on behalf of the South London Waste Partnership for Waste Collections and Related Environmental Services Contract, to provide for an increase in the annual contract value of £3,250,000 and a one off payment of £1,379,000, which for the term of the contract amounts to an additional £17,629,000 (until 2025). The impact for the London Borough of Croydon is increased expenditure of £1,500,000 a year for the remainder of the initial term (to 2025), and a one off lump sum of £673,955.

24/20

**Exclusion of the Press and Public**

The following motion was moved by Councillor Newman and seconded by Councillor Butler 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 as 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.

25/20

**Investing in our Borough**

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

**RESOLVED:** To approve

1. The contract award for the delivery of Enforcement Agency Services under a framework for the maximum value of £9,000,000 across 4 years, as set out at agenda item 11a.
2. The contract award for the delivery of the Addington Valley Academy SEN School for the maximum value of £14,183,745 across 34 months and to recommend to the Leader to delegate the approval for the various awards of contract, as set out at agenda item 11b.

a      **Enforcement Agents Framework Award**

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

**RESOLVED:** To approve the award of the framework agreement for the delivery of Enforcement Agency Services split into Lots (Lot 1 – Collection of parking and traffic penalty charges and Lot 2 – Collection of council tax and business rates) in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for a maximum contract term of 2 years, plus 1+1 years extension, to the suppliers stated in Part B of the report and for the expected debt collection value of £9.78 million.

b      **Addington Valley Academy SEN School - Award of PCSA and Main Works Contract**

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

**RESOLVED:** To

1. Approve the award for the design and construction of Addington Valley Academy SEN Academy to the supplier listed in part B of this report for an estimated contract term of 34 months (this consists of 5 months of PCSA, 17 months of constructions and 12 months Defects Liability period) for a maximum contract value of £14,363,745 (including the supply of £180,000 loose furniture, fixtures and equipment).
2. Recommend the Leader to delegate the decision to approve the award of various contracts that are required to deliver this overarching contract, to the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Resources for the reasons as explained in paragraph 2.4 of the report
3. Note that the Chair of the Contracts and Commissioning Board has approved the award of the Pre-Construction Services Agreement to the supplier listed in Part B of the report.

The meeting ended at 9.14 pm