

Cabinet

Meeting held on Monday, 12 April 2021 at 6.30 pm. This meeting was held remotely

MINUTES

- Present:** Councillor Hamida Ali, Stuart King, Muhammad Ali, Janet Campbell, Alisa Flemming, Patricia Hay-Justice, Oliver Lewis, Manju Shahul-Hameed and Callton Young
- Also Present:** Councillor Jason Perry, Jason Cummings, Lynne Hale, Simon Hoar, Yvette Hopley, Helen Redfern, Scott Roche, Andy Stranack, Gareth Streeter, Sean Fitzsimons, Robert Ward, Pat Clouder, Jerry Fitzpatrick, Leila Ben-Hassel, Sherwan Chowdhury, Patsy Cummings, Nina Degrad, Bernadette Khan and Shafi Khan
- Officers:** Chris Buss (Interim Director of Finance, Investment & Risk and Section 151 Officer)
Sarah Hayward (Interim Executive Director Place)
Asmat Hussain (Interim Executive Director Resources)
Elaine Jackson (Interim Assistant Chief Executive)
Katherine Kerswell (Interim Chief Executive)
Annette McPartland (Director of Operations)
Sue Moorman (Director of Human Resources)
Rachel Soni (Director of Commissioning and Procurement)

PART A

55/21

Two Minute Silence in Memory of His Royal Highness, Duke of Edinburgh

The Leader of the Council (Councillor Hamida Ali) invited those in attendance to join a two minute silence in memory of His Royal Highness, Duke of Edinburgh.

Following the two minute silence the Leader spoke on behalf of the Administration who sent their deepest condolences to Her Majesty, The Queen at such a sad time for her and the Royal Family following the sad loss of their father, grandfather and great grandfather. It was noted that countless residents would recall the Duke of Edinburgh's visits to Croydon in 1960, 1983 and in 1996 to mark the 400th anniversary of the Whitgift Almshouses.

The Leader remarked that it was difficult to articulate a viewpoint or sentiment on the passing of His Royal Highness which had not already been observed over the previous three days, but highlighted two particular tributes; his unfailing and unstinting support for Her Majesty, The Queen as the longest serving consort in history and the contribution he had made through his lifelong public service. The Leader highlighted his passion and

early recognition of the importance of conservation; which she felt that Croydon would want to associate itself with to tackle the climate emergency facing the nation. His Royal Highness, Duke of Edinburgh's commitment to the interests of all young people through the establishment of the Duke of Edinburgh's Award almost 65 years ago was also noted by the Leader.

The Leader concluded that the council wished both Her Majesty, The Queen and the Royal Family their most sincere thoughts and prayers during such a difficult time.

The Leader of the Opposition (Councillor Jason Perry) noted that they were all saddened to hear of the passing of His Royal Highness, Duke of Edinburgh on the previous Friday and on behalf of the Opposition he also sent their sincere condolences to the Her Majesty, The Queen and the Royal Family. It was also noted by the Leader of the Opposition that Prince Philip, Duke of Edinburgh had been the longest serving consort to a British Monarch and that he had dedicated his life to the service of his Queen and country.

It was highlighted that the Duke of Edinburgh had been around for all the lives of those present at the meeting and had been a part of the fabric of the United Kingdom and the wider Commonwealth for a number of decades with his sense of duty and service being an inspiration for so many generations. However, above all it was stated by the Leader of the Opposition that he had been a husband, father, grandfather and great grandfather and those family bonds were important during such sad times.

56/21 **Disclosure of Interests**

There were none.

57/21 **Urgent Business (If any)**

There were no items of urgent business.

58/21 **Financial Performance Report - Period 10**

The Cabinet Member for Croydon Renewal stated that there had been a recognition across the council that there was a need for much greater rigour in terms of financial management which included the frequency with which Cabinet received and interrogated financial reports. To that end, the Cabinet Member informed Members that the report was the first on the monthly reports which would be taken to Cabinet meetings setting out the council's financial position. It was noted that the report before Cabinet related to month 10 of 2020/21, which set out the council's position at the end of January 2021 and followed the Quarter 3 report, which ran to month 9, which was considered in March 2021.

The Cabinet Member highlighted that there had been movement in the confirmed overspend to £69.1 million with detail behind the change being detailed within the report. It was further noted that there had been a net improvement of £1.4 million in departmental spend.

It was noted that this report set out the positive impact of the Spend Control Panel in managing spending within the council, however the Cabinet Member stated that he felt the Panel should not only ensure spend was authorised and the appropriate budget was in place, but should begin to challenge whether the spend was necessary as it was stressed that whilst a budget exists it did not mean it needed to be spent.

The Cabinet Member concluded by highlighting the current costs of Covid-19 to the council which had increased by £4.4 million to overall cost of £40.9 million. As such, the pandemic remained a significant and ongoing financial challenge.

The Cabinet Member for Resources & Financial Governance noted that the reduction in departmental spending of £1.4 million marked the council turning a corner, in a small way, but it was stressed that it was important that the Spend Control Panel continued to deliver. The report outlined over £8.1 million of expenditure had been rejected by the Panel and the Cabinet Member stated that he felt that going forward it would be beneficial if this was given context and that HRA (Housing Revenue Account) expenditure was separated.

The Interim Director of Finance, Investment & Risk (Chris Buss) confirmed that while a budget is given it did not mean it had to be spent and he felt that it was a cultural change which was required within the organisation to support it living within its means going forward. The Interim Director advised that it was taxpayer's money which was being spent and, as such, should only be spent when necessary. It was felt that the lesson was beginning to be understood and was becoming part of the culture of the council, but it was recognised that it would take some time before it was fully embedded.

The Leader stated that she felt that it was positive move that monthly financial reports had started and that there had been some movement in departmental spending.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) queried whether there was a particular area of the council which was following bad practice in terms of raising purchase orders following receiving the product and whether this was due to problems within the system. In response, the Interim Director of Finance, Investment & Risk advised that the council had got itself into bad practice and that there was no department which was particularly worse than others. Members were advised that good practice was to assess whether the service needed to be ordered, consider the procurement options and have the paperwork in place before service was delivered. Raising

purchase orders appropriately was noted to be an element within good organisations.

The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) welcomed what he felt were the green shoots of recovery within the council but queried whether any areas of the council which were causing concern and required additional attention going forward. The Interim Director of Finance & Resources advised Members that a report was being drafted which looked at the issues which may exist with regard to the delivery of required savings.

The Interim Chief Executive (Katherine Kerswell) confirmed that all directors were looking at the 2021/22 savings plans and part of the conversation with services was assessing preparedness and the risks to delivery of the savings. Additionally the expectation that services would be delivered to budget or below was being made clear and that income was generated. It was recognised that there were still a number of unknowns in terms of the impact of covid-19 which would be important to the delivery of budgets. Members were advised that savings, budgets and income were all being carefully monitored.

In terms of specific concerns, the Interim Chief Executive advised that it was in terms of the adult and children social services saving plans and ensuring the high standards of care were maintained whilst reducing spend to as close as possible to the London average.

It was noted that table four of the report included £8.1 million of rejected spend by the Spend Control Panel, and the Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) queried whether there was a risk that those requests would return and be approved. The Interim Director of Finance, Investment & Risk advised that the majority of those items were unlikely to come back and cause issues to 2020/21 accounts. It was noted that the number of items rejected by Directors before reaching the Spend Control Panel was unknown, but it was felt that it was positive that the message that such spending would not be approved was being heard.

In response to queries from the Cabinet Member for Resources & Financial Governance the Interim Director of Finance, Investment & Risk advised Members that future reports would not include the HRA, Pension Fund and Coroner's Court as that expenditure was not subject spend controls; but it was stressed that they should be subject to the same governance principles which was to spend only when needed.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted that table four included the HRA and welcomed the HRA being subject to the same restrictions as the rest of the council to ensure spending was controlled. She further queried whether there was an indicative financial impact of the third lockdown as she noted that the impacts of the first and second lockdowns were reported.

In response, the Interim Director of Finance, Investment & Risk advised Members that a monthly return was submitted to MHCLG in terms of the impact of the pandemic on the council's spending and it was reported that in the couple of months prior to the meeting there had not been a significant change in impact. The Interim Director stated, however, that he was not able to give an accurate indication of the impact.

Following on from the Interim Chief Executive's concerns, the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) provided details of the mitigations which were in place to support driving down social care costs whilst maintaining good levels of care. It was noted that the departments were working closely with finance colleagues to undertake benchmarking. Work was also being undertaken with the Children's Improvement Board, the Children's Safeguarding Board and the Local Government Association (LGA) to understand the hidden harms faced by adults and young people during lockdown and the support which was required which could be provided within the financial envelope provided.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) expressed surprise that Cabinet Members were suggesting that change had taken place when the council's financial position was reported to have worsened by £4.4 million. It was noted that one of the issues raised within the Report in the Public Interest was the council's position in terms of overspend and available resources. In light of this, concerns were raised that should all the identified risks materialise then the council's reserves would be used, including £20 million budgeted contribution to reserves, which would lead to the council being unable to balance a budget once more and questions were asked as to what would happen should the risks materialise.

In response, the Leader noted that part of the change in position was in anticipation that risks would crystallise and she confirmed that the council was closely monitoring and anticipating risks. The Cabinet Member for Croydon Renewal thanked the Shadow Cabinet Member for his challenge but noted that the net position of the council from month 9 to month 10 saw an improvement of £800,000. Whilst the overspend had increased, due to the Interim Director of Finance, Investment & Risk assessing the risks and moving them to overspend as they had crystallised. It was stressed that it was important that the Interim Director expressed his view on risks.

The Cabinet Member felt that it was important to recognise that it appeared that change was being made as it was felt that improvement had been made between months 9 and 10 when looking at overspend and identified risks. It was noted by the Cabinet Member that he had seen an indicative month 11 report which he suggested showed further improvements at the departmental level. Whilst it was felt that improvements were being made the Cabinet Member stressed that the

Administration was not becoming complacent, rather than an element of delivering cultural change was to recognise when progress had been made.

The Leader added that as part of the work to ensure the organisation was ready for the 2021/22 financial year that important conversations had taken place across the organisation to reflect upon it being everyone's responsibility to engage with the work being undertaken and to deliver the budget that had been set.

It was noted by the Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) that risks of £26.6 million to the council remained, principally from Brick by Brick, whereas the previous leadership of the council had suggested that it would be unlikely that Brick by Brick would financially impact the council. Concerns were raised in terms of the governance of the company and any assurance assessment. In response, the Leader stated that over the previous five months there had been a clear examination of the arrangements with Brick by Brick and other council owned bodies, including an external review of governance arrangements.

The Interim Director of Finance, Investment & Risk advised Members that it would be difficult to give audit assurance as the accounts had not been audited by the council. It was noted that the 2019/20 accounts had been recently audit by an external party and were publically available. In terms of the impact of the Brick by Brick outstanding debt, the Interim Director advised that this would be dependent on the outcome of work being undertaken by the council's external auditors in relation to Fairfield Halls. Whilst it was not possible to give any figures with any certainty, it was suggested that a substantial proportion of the interest owed to the council would be paid back.

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

RESOLVED: To

1. Note the net projected general fund financial overspend of £69.1m for the full year as at the end of Month 10, January 2021 which includes all projected COVID-19 related expenditure and income of £40.9m, a net increase of £4.4m from Period 9, see section 5 of the report.
2. Note that a number of risks may materialise which would see the variance increase. These include dividends and interest receivable from Brick By Brick (both historic accrued and in-year expectations) of £20.5m, and pending external audit verification of assumptions around 2019/20 accounting treatment of MRP and Transformation funding that could impact by £6.0m. Should all these risks which total £26.6m materialise, which is unlikely, the impact on the

current forecast overspend of £69.1m is an increased overspend to £95.7m, with draft general fund reserves of just £7.4m.

3. Note, the above figures are predicated on forecasts from Month 10 to the year end and therefore could be subject to change. Forecasts are made based on the best available information at the time.
4. Note that the Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a daily basis. Further details on the outputs of the SCP is provided within section 5 of the report.
5. Note that ELT are to continue to take further immediate action to mitigate spend during the remainder of the financial year, and work with their departments to ensure forecast figures are thoroughly reviewed.

59/21

Croydon Renewal and Improvement Plan - Performance Reporting Framework & Measures

The Leader of the Council (Councillor Hamida Ali) informed Cabinet that the report provided an update on the work which had taken place to develop and reform the council's management systems. This took into account the reviews which had been undertaken, including the Report in the Public Interest (RIPI). It was noted that one of the key recommendations of the RIPI had been to develop a monthly performance and risk reporting regime and the report provided an update on work to develop a suite of reporting mechanisms to strengthen internal controls within the council.

The Leader highlighted that Members were due to receive the first of the monthly reports in June 2021 as more work was required to develop full performance report which would cover not only financial data. This report, it was noted, would be underpinned by a tracker which was coordinated by the council's Programme Management Office which would manage a central source of reliable data for the council. It was highlighted that Appendices A and B of the report set out some of the source data which would form part of the suite of reporting. The Leader stated that she had noticed that there were only two housing related performance indicators at Appendix A and neither related to the quality of the housing service which she felt could be looked at as part of the ongoing work to develop the performance reporting.

The Interim Assistant Chief Executive (Elaine Jackson) advised Members that capturing all of the data from across the council was a significant piece of work but was important for Members, residents and staff to understand how the council was delivering. It would enable the council to celebrate what it was doing well and focus on areas which required improvement.

The council was moving towards providing one dataset for the whole organisation and the Interim Assistant Chief Executive advised that this would drive change and would ensure there was a consistent means of measuring performance. It was stated that Members could be assured that officers were working on creating the suite of performance indicators and that the report provided an update on that work. The Interim Assistant Chief Executive confirmed that the housing metrics would be looked at in greater detail to ensure that the right areas of housing delivery were being reported on.

Members thanked the Interim Assistant Chief Executive and officers who had been working on developing the reporting framework.

The Cabinet Member for Croydon Renewal (Councillor Stuart King) stated that he felt that the report gave an update on the reporting framework which he felt it provided the council with opportunities to improve service delivery and would take into account benchmarking which was important to ensure that the council provided good services. It was noted, however, that when benchmarking had previously been discussed it had been felt that it was difficult to find the right authority to benchmark against and the Cabinet Member stated that he hoped that this challenge could be resolved.

In terms of Appendix A, the Cabinet Member also highlighted the relatively small number of housing related measures and further stated that he felt that there were not enough environmental quality of life measures. It was suggested that such a measure could be associated with the number of school streets which had been delivered and the number of children who were benefitting from safe school entries. Whilst it recognised that measuring matters such as procurement exemptions was important for organisations corporately, it was felt that a suite of universal indicators should be developed which reflected residents' concerns such as; refuse collections, street lighting and measures in relation to safety, as an important barometer was understanding how the organisation was regarded by those who lived in the area.

The Cabinet Member queried how the performance indicators could be split in terms of the renewal programme, such as "living within our means" and those which were more customer focus and customer satisfaction. The Cabinet Member further queried whether external organisations, such as the LGA, had provided any advice on the development of the performance indicators.

In response, the Interim Assistant Chief Executive confirmed the council had worked with the LGA and London Councils in developing the performance framework. In terms of benchmarking, Members were advised that there was a suite of data available to the council and that the council could begin to benchmark against authorities with similar profiles; as had been done when the budget had been developed. It was stressed

that the organisation needed to become used to using metrics on a daily basis.

Members were advised that via the Improvement Panel the council had been able to work with Essex County Council to build the performance management systems which had been beneficial. Furthermore, London Councils were due to review the process put in place to ensure it was efficient and fit for purpose however it was recognised that with any new processes it would need to develop to respond to flaws which arose.

In response to the Cabinet Member, the Interim Assistant Chief Executive confirmed that it was anticipated that the appendix would become more resident friendly and meaningful for residents over time, however it was stressed that it was important for the organisation to report on a number of areas beyond those which residents would be readily interested in.

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) welcomed the tangible indicators and the proposed list within Appendix A of the report. In respect of the suggestion of a school streets indicator, the Cabinet Member suggested the indicator should be in relation to walking and cycling with a proxy indicator in relation to school streets. Furthermore it was noted that indicators in relation to street lighting and refuse collection also helped the council to hold contractors to account, which residents wanted.

The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) noted that Members could contribute in identifying more indicators which reflected priorities for residents and business communities. In terms of confidence, the Cabinet Member queried what level of confidence could be given to residents and businesses that the actions would be achieved by the identified timescales. In response, the Interim Assistant Chief Executive advised that she was confident of the timescales within the report as officers had been working to map it out. It was noted that a version of the performance report would be available in the coming months but would be reviewed further in November 2021 to ensure it was working effectively and provided the required information.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted that there were only two housing indicators but stated that customer satisfaction surveys were already undertaken by the housing team which could feed into indicators so as to avoid duplication. In terms of duplication, the Interim Assistant Chief Executive confirmed that it would be important to avoid this so as to avoid putting additional pressure on staff to report data twice.

It was noted by the Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) that a further report would be taken to the Cabinet meeting in June 2021 which would include the final set of performance measures; however it was queried whether this report would

include the benchmarking data and current performance levels to enable Members to analyse targets. The Shadow Cabinet Member further queried whether there was a clear indication of how over or under performance versus the targets would be interpreted.

Concerns were raised by the Shadow Cabinet Member in terms of the fly tipping indicator which had been set previously which had been consistently exceeded until a point when it had not been met, but the previous Cabinet Member had considered the drop in performance a positive matter.

In response, the Leader confirmed that the report to be taken at the June 2021 Cabinet meeting would include the performance framework and would set out what the indicator was being measured against. The Interim Assistant Chief Executive further confirmed that a clear methodology would be available.

The Shadow Cabinet Member for Families, Health & Social Care (Councillor Yvette Hopley) noted that the framework would be important for the council, but concerns were raised that a number of the indicators within adult social care were demand led and that a number of items were difficult to benchmark and measure. Further concerns were raised that those indicators related to the most vulnerable residents in the borough who required support.

It was stated by the Shadow Cabinet Member that the interpretation and evaluation of data would be important, alongside futureproofing services and the delivery of services in light of budget reduction strategies. She stated that she hoped that data and information would be provided which could be available and understandable for all.

The Leader, in response, confirmed that the reporting on the performance indicators would form part of a regular report to Cabinet which would mean it was part of the public domain. A single source of information would be created which could be used operationally but it was recognised that it would be important that it was accessible for all and included data that residents would be interested in. The Interim Assistant Chief Executive further advised that officers would work with each department to add some context to go alongside the performance data and a session going through the data could be arranged with Shadow Cabinet Members.

The Shadow Cabinet Member for Homes (Councillor Lynne Hale) noted that there appeared to be a number of duplications within Appendix A of the report and queried whether any performance indicators had been considered but not included and reason for not including them. Additionally, concerns were raised that there were only two indicators relating specifically to housing which the Shadow Cabinet stated she found both surprising and disappointing. This was especially in light of the issues experienced at Regina Road and the Shadow Cabinet Member

requested a statement on the delay in publishing the independent report until after the elections on 6 May 2021.

In response to the concerns raised in relation the delay in publishing the independent report into Regina Road, the Interim Executive Director Resources (Asmat Hussain) stated that she had advised that due to the council being in a period of heightened political sensitivity, due to the pre-election period, that the report should not be disclosed, discussed or published until after the elections. It had been felt that as there five by-elections, with one being held in the ward of Regina Road, that there was a risk that the report could be used as part of an election campaign and the council was required to abide by statutory guidance.

The Interim Assistant Chief Executive advised that work was ongoing with directors in Place and Health, Wellbeing & Adults to add further measures. It was further noted that assurance checks were required also to remove and avoid duplication and that it would be important that the measures were continually reviewed to ensure that it reflected future reports and decisions.

The Cabinet Member for Croydon Renewal reflected that he had felt the discussion had been very helpful and showed Members engagement with developing an effective framework and understanding the measures before the data was applied. It was noted that there were over 170 measures proposed and the Cabinet Member stated that it was likely this figures would grow to over 200 following consideration by the Scrutiny & Overview Committee and queried how relative importance of those measures would be determined.

The Cabinet Member reflected whether there could be best value performance indicators which covered those areas which residents would have the highest levels of interest in. In response, the Interim Assistant Chief Executive recognised that a number of the measures listed in the appendix were operational and, as such, it was suggested that it could considered whether those were reported by exception both where there was over and under performance.

In response to the reflection from the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) the Leader noted that there would be some reporting which would be considered more internal, such as sickness levels and third party payments, and so it would be important to ensure reporting was audience appropriate and so potentially there would be different categories of reports. The stress report, it was noted, would pick up on areas of concern and Members would be able to ask officers to focus on and provide additional information on. The Interim Assistant Chief Executive stated that it was hoped that a dialogue on the reporting would be developed which was informed by real time information.

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

RESOLVED: To

1. Note the work that has taken place to date in order to address areas of performance reporting where weaknesses have been highlighted within the Croydon Renewal and Improvement Plan.
2. Review the set of performance measures in **Appendix A** of the report which will be used to measure performance against the delivery of actions within the Croydon Renewal Improvement Plan. A finalised set with targets will be presented to Cabinet on 7 June 2021
3. Note the roadmap **Appendix B** which details future work and delivery of additional reports in order to have a complete suite of reports in place by September 2021.
4. Note that the report be reviewed at Overview and Scrutiny for input and comment on the proposals contained within this report. Any recommendations received, will then be contained in the report update to Cabinet on 7 June 2021.

60/21

Report in the Public Interest Progress Update

The Leader of the Council (Councillor Hamida Ali) stated that the report provided an updated on the Report in the Public Interest (RIPI) and specifically the action plan and progress against the action plan which had been agreed by Council in November 2020. It was noted that there were 99 actions in total, some of which had been added as a result of consultation with the General Purposes & Audit Committee (GPAC) and the Scrutiny & Overview Committee (SOC); around a third of which had been completed.

The updated action plan the Leader stated included an updated timeline from that which was agreed by Council in November as that initial timeline had been indicative. Following review of the timeline it was noted that half of the actions were due to be completed by June 2021.

It was highlighted that the report contained updated on the recommendations from the external auditor which had been deemed to be high priority; seven of which had been completed and progress updates were provided on the remaining two actions. Further updates were provided on key actions which had been completed; including around the budget setting process, the strategic review of the council's companies, the interim asset disposal strategy, delivery plans for children and adult's social care, monthly reporting and learning and development for members.

The Leader highlighted that the report set out future reporting against the action plan, with the key reporting points being to Cabinet, Council, GPAC and SOC. Reporting, it was proposed, would be incorporated within the quarterly renewal improvement plan reporting.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) noted that it would be beneficial if a log of Members training was recorded. In response the Interim Executive Director of Resources (Asmat Hussain) advised that as part of the Ethics Committee review a register would be developed which recorded the training Members had attended. This would provide oversight not only for Members, but for residents also.

The Leader of the Opposition (Councillor Jason Perry) raised concerns that over a third of the original actions had slipped by a number of months. It was noted that the RIPI had been issued as a result of the council's financial situation and corporate blindness and the Leader of the Opposition expressed concern that the council was reverting to form with key milestones being missed and a perceived lack of transparency with an important housing investigation report being withheld.

In response the Leader of the Council noted that the agenda signified the grip that the Administration had on addressing the situation the council faced and ensuring progress continued to be made to change that situation. It was noted that the timeline considered and agreed by Council in November 2020 included a timeline of no later than April 2021; however those timelines had been reviewed as a result of a large amount of activity to develop a detailed submission to the Ministry of Housing, Communities & Local Government (MHCLG) for a capitalisation direction and the Croydon Renewal Improvement Plan which included over 400 recommendations. The Leader felt that there could be no doubt as to the scale of work which had gone into both securing the capitalisation direction and providing assurance to residents and Government that there was a clear understanding the work which was required to secure improvement.

It was noted that the updated timeline included many of the actions being completed by June 2021 which recognised and reflected the work which had been done across the council. It was further highlighted that five months after the action plan had been published a third of actions had been completed. This, the Leader felt, set out both the clarity of grip and acknowledgement of progress made, however to ensure the council remained realistic it had been important to review and update the timelines.

The Leader raised concerns in relation to the manner the Leader of the Opposition was describing a legal observation and determination as to what could be published during a pre-election period. The Interim Executive Director of Resources advised Members had received guidance in relation to the pre-election period and that the council was acting in

compliance with statutory obligations. The Leader of the Opposition was advised that if he had concerns in relation to the publication of documents that he was welcome to speak with the Interim Executive Director of Resources. The Cabinet Member for Croydon Renewal (Councillor Stuart King) further added that matters such as appropriateness of publishing investigations during a pre-election period was a matter for officers to advise on. It was noted that the RIPI included concerns that decisions had been taken following improper interference from Members and that the council was following the advice of the Interim Executive Director of Resources showed how the council was learning from prior failings.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) reflected that the RAG rating used within the report was one that he had not seen before and which had given rise to an item having a RAG rating of green and an action completion rating of 0/1 (R3 – Use of Transformation Funding). In terms of transformation funding, the Shadow Cabinet Member expressed concern that this issue had been outstanding for a while, especially as it was listed as a risk on financial reports, and queried when the actions on this item would be recorded as 2/2 being completed.

In response, the Interim Director of Finance, Investment & Risk (Chris Buss) advised that he had spoken to the external auditor in relation to the matter of transformation funding the previous week and it was hoped that this issue could be concluded by the end of April 2021 in terms of the appropriateness, or otherwise, use of the funding in 2019/20. It was recognised that these matters took longer than would be desired due to availability of both council and external audit staff to provide and assess evidence. The Interim Director of Finance, Investment & Risk advised that should the use of transformation funding be detrimental to 2019/20 accounts it could possibly have a positive impact on 2020/21 accounts. This was due to any capital receipts which were not used in 2019/20 for transformation purposes were then available for either transformation funding or capital expenditure in 2020/21 and future years. Members were advised that the outcome of the discussions with the external auditor would not impact the bottom line of the council's finances but would be matter of the money coming out of different parts of the budget.

In light of the pre-election period, the Shadow Cabinet Member queried whether a report on the outcome of discussion on the use of transformation funding would be available prior to the election. In response, the Interim Director advised that the use of transformation funding did not form part of a report and was a matter in relation to 2019/20 accounts. However, should the Shadow Cabinet Member or a colleague ask a question in relation to the matter at the GPAC meeting at the end of April an appropriate answer would be provided as to the current situation. The Leader added that the future reporting on the action plan would also provide opportunities to question areas of the plan.

Councillor Robert Ward stated that the Brick by Brick 2019/20 accounts had been published late and that he felt the auditors comment were particularly damning. He queried why the directors pay had not been published as part of the accounts. In response, the Interim Director of Finance, Investment & Risk advised that directors pay would only be published if they were direct employees, such as the Chief Executive, of Brick by Brick. It was his understanding that the non-executive directors were not directly paid by Brick by Brick in 2019/20.

The Shadow Cabinet Member for Children, Young People & Learning (Councillor Helen Redfern) noted that the RIPI had highlighted the overspend in children's social care required effective action to be taken to manage both demand and resulting cost pressures. It was highlighted that appendix 1 of the report showed that a number of deadlines had been missed in relation to the requirement. As such, the Shadow Cabinet Member queried what had been done to ensure the department responded to the time critical nature of the recommendations and ensured Croydon's children continued to receive the right support without incurring unintended future costs. In response, the Leader reiterated that the original timeline had only gone to April 2021 and the updated timeline went to June 2021 and would ensure the council would realistically be able to complete and track actions.

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) welcomed Councillor Redfern to her new role as Shadow Cabinet Member and thanked Councillor Maria Gatland for her years of service to the borough and her commitment to the children of the borough. It was recognised that she had always been a passionate advocate for supporting the most vulnerable and the Cabinet Member wished her well in her future endeavours.

The Cabinet Member stated that benchmarking was being undertaken closely with the finance department and external auditors to ensure the council was getting best value for money in the commissioning of contracts and placements. Members were informed that this work was being undertaken in a timely manner and was being supported by the Department for Education and the Local Government Association. Whilst the council was looking to drive down costs, the Cabinet Member stressed that children's safety was at the forefront of all work.

It was noted by the Cabinet Member that discussions had been held at scrutiny committees in relation to ensuring the council had the right number of children within social care and the plans to return children home, where appropriate, in a safe manner. It was noted that that reducing costs whilst maintaining high levels of service and returning children home safely went hand in hand.

The Cabinet Member further highlighted that as the country came out of lockdown there would be hidden harm which would need to be responded

to. This was an area which the council was monitoring closely alongside responding to the actions within the RIPI.

It was stressed that the council was committed to delivering good services at value for money whilst ensuring that vulnerable residents were safeguarded.

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

RESOLVED: To

1. Note and agree the progress the Council has made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (at appendix 1 of the report) with 35 out of 99 actions complete;
2. Note that the recommendations as suggested by General Purposes and Audit Committee and the Scrutiny & Overview Committee that were agreed at Cabinet on January 18th have been added to the action plan (at appendix 2 and 3 of the report);
3. Agree the refreshed action plan for the recommendations including actions marked complete, new actions and amended deadlines;
4. Note the current proposed reporting structure, including dates, as set out in this paper that quarterly reports go to Cabinet, General Purposes and Audit Committee, Scrutiny & Overview Committee and Full Council; and
5. Agree to recommend to Full Council the approval of the refreshed action plan.

61/21

Real Letting/Resonance Property Fund Extension

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) informed Members that in 2014 the council had invested £29.4 million for the acquisition of 182 properties which were let by St Mungos on a temporary basis to homeless household. 289 secure tenancies had been provided to homeless households during the period of the investment and in addition broader support was provided to the families at no cost to the council.

On exiting the funding the Cabinet Member stated the council would benefit from a capital receipt which was anticipated to be in excess of the original capital investment and would be used to offset council borrowing costs and support the council's financial recovery. Members were informed that the original date for the council to exit the fund had been February 2022, however given the adverse economic impact of the pandemic Resonance had approached the council and other large

investors to recommend that the fund be extended to better support the planned exit.

It was noted that the report detailed that by exiting in February 2023 it was expected that the anticipated increased capital receipts would be protected and that it would be easier for residents to sell the fund onto an institutional investor, as originally planned. This would avoid disruption to existing tenants whilst providing the council with an annual investment income of just over £1 million. It was further noted that the latest possible date for the capital return would be brought forward from February 2025 to February 2024.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) stated that she was pleased with what had been achieved with the investment, as in addition to the investment 289 tenancy lettings had been secured which had benefited those homeless families. It was noted that 182 homes had been delivered as part of the scheme for the council's use for temporary accommodation. The proposed extension, it was noted would be positive for tenants as it would mean there were no disruptions to their tenancies and St Mungos would continue to assist those tenants in securing permanent tenancies. The Cabinet Member further confirmed that the council would acquire first bidding rights for those properties for use as temporary accommodation in perpetuity.

It was noted by the Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) that it was positive that 182 homes had been delivered through the Real Lettings Scheme which gave homes to families at affordable rents. However, it was noted that the scheme had been agreed in 2013 when it was suggested by the Shadow Cabinet Member the council was more interested in providing affordable housing. In light of the anticipated capital receipts from the sale of the fund being returned to the council, the Shadow Cabinet Member queried whether the Administration had lost interest in investing in affordable housing.

In response, the Cabinet Member for Resources & Financial Governance stated that the capital receipt would be used to reduce the council's borrowing and there would be a net benefit to the council. Furthermore, the Cabinet Member confirmed that the council did support the delivery of affordable housing.

The Shadow Cabinet Member for Homes (Councillor Lynne Hale) requested confirmation the long term position for the council was to reduce the availability of suitable housing for homeless people and families in the borough. In response the Cabinet Member for Resources & Financial Governance stated the council was looking to manage its finances and live within its means. To meet this priority it was important that the council took a different approach. It was important to balance the budget and to look at alternative options for affordable housing without allowing those two priorities to come into conflict. The Cabinet Member for Homes further reiterated that when the council exited the fund it would

have first bidding rights to the properties. It was stressed that the council remained committed to ensuring the delivery of homes within the borough and to drive homelessness levels down to zero; through the delivery of homes and working with organisations such as Crisis.

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

RESOLVED: To

1. Agree to a one year extension of the Council's participation in the Real Lettings Property Fund 1 from February 2022 to February 2023 with a planned sale date of December 2022 for the reasons set out in this report and delegate to the Chief Executive acting in consultation with the section 151 officer and the Council's Monitoring Officer the authority to agree all necessary documentation to secure that extension; and
2. Agree to the variation of the Limited Partnership Agreement to provide for a winding up period of the fund after the end of its legal term of one year, rather than the current three years, with the effect that the latest possible date for return of capital to Croydon is therefore brought forward from the current position of February 2025 to February 2024.

62/21

Call-In Referral to Cabinet: Crystal Palace and South Norwood Low Traffic Neighbourhood (Deferred)

The Leader of the Council (Councillor Hamida Ali) informed Members that the report had been deferred due to the Pre-Election Period and would be considered at a future meeting of Cabinet following the elections on 6 May 2021.

63/21

Investing in our Borough

The Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) queried how successful the building works contract had been in light of recent lack of success in terms of maintenance of properties. In response the Cabinet Member for Resources & Financial Governance (Councillor Callton Young) noted that the extension to the contract had been agreed under permitted delegation. The extension report stated the contract had been performing well with customer satisfaction being at the expected level; however due to the concerns raised in terms of maintenance the Cabinet Member confirmed that he would look at the contract further.

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

RESOLVED: To approve

1. The Care UK – Provision of Care Home Services Variation Extension of Contract which will result in an award for a maximum term of 21 months as set out at agenda item 9a, and section 4.1.1 of the report.

RESOLVED: To note

1. The contracts between £500,000 and £5,000,000 anticipated to be awarded under delegated authority from the Leader by the nominated Cabinet Member, in consultation with the Cabinet Member for Resources and Financial Governance and with the Leader in certain circumstances, before the next meeting of Cabinet, as set out in section 4.2.1 of the report; and
2. The list of delegated award decisions made by the Director of Commissioning and Procurement, between 26/02/2021 – 16/03/2021, as set out in section 4.2.2.

64/21

Care UK - Provision of Care Home Services extension of contract

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) informed Cabinet that it was being asked to approve the extension and variation to the existing contract for the provision of care services in accordance with Regulation 30 of the Tenders and Contracts Regulations for a period of 21 months until 31 March 2023. This contract extension would be at a value of £10.7 million.

Members were informed that the service related to the outsourcing of care services. Three schemes had been developed as part of the Homes for the Future PFI scheme; Heavers Resource Centre with 60 beds had opened in 2008, Addington Heights with 50 beds had opened in June 2010, and Langley Oaks with 40 beds had opened in July 2010. The Cabinet Member highlighted that the current contract for the provision of care services was due to end on 26 June 2021 and the three homes were rated as Good by the Care Quality Commission (CQC).

In addition to the ongoing impact of Covid-19 on the market and levels of demand for services; the report proposes an additional month variation to allow the market to return to pre-Covid-19 levels. This would allow time for analysis to be undertaken to understand future demand. It was highlighted by the Cabinet Member that this analysis was an important part of the council's cost saving strategy so as to enable evaluation of the full market. A further report would be taken to Cabinet in January 2022 which would set out the option for future delivery.

The Cabinet Member for Families, Health & Social Care noted that the commissioning team had spoken to several other providers prior to going back to Care UK and recommending an extension to the contact. It was

highlighted that there were 286 care homes in Croydon with 1396 residential beds and 1376 nursing home beds and that the market was changing. It was stated that it was important that time was taken to enable the council to fully understand the future care market and provision would be required from March 2023.

It was noted by the Shadow Cabinet Member for Families, Health & Social Care (Councillor Yvette Hopley) that the contract was an important one as it looked after the borough's vulnerable elderly residents, however concerns were raised that the previous Cabinet Member for Families, Health & Social Care had announced that the Care UK contract had not been fit for purpose and the service would be brought in house. In light of this, the Shadow Cabinet Member queried why the contract extension was now viewed as the best option.

In response, the Cabinet Member for Families, Health & Social Care stated that the council was doing good business and were ensuring the safety of elderly and vulnerable residents. Furthermore, it was noted that CQC had rated the service as Good. The Cabinet Member for Resources & Financial Governance further added that a new approach to commissioning and procurement was being introduced in Croydon as it was recognised that there was a large volume of high value contracts which needed to be reviewed. A report which set out the new approach would be taken to Cabinet in May 2021. The Cabinet Member stressed that it was important that the council reviewed the markets in light of changes to secure value and quality and the proposed extension gave the council the opportunity to do that.

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

RESOLVED: To

1. Approve the extension and variation of the contract for the provision of care services with Care UK in accordance with Regulation 30 of the Tenders and Contracts Regulations for an additional period of 21 months until 31 March 2023 for an additional value of **£10,700,000**.
2. Note that the Contracts and Commissioning Board has endorsed the above recommendation.
3. Note that the total value of the extension (£10,700,000) will take the overall value of the contract to approx. £72m. This figure is £3m below the original estimated award value of £75m.

Exclusion of the Press and Public

This item was not required.

The meeting ended at 8.32 pm