

## Cabinet

Meeting of held on Monday, 18 October 2021 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, CR0 1NX. To view the meeting webcast - <https://webcasting.croydon.gov.uk/croydon/meetings/13407>

### 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, Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale, Simon Hoar, Yvette Hopley, Scott Roche, Andy Stranack, Sean Fitzsimons, Robert Ward, Pat Clouder, Patsy Cummings, Clive Fraser and Louisa Woodley
- Officers:** Caroline Bruce (Head of Business Intelligence, Performance and Improvement)  
Bianca Byrne (Head of Commissioning and Procurement Corporate)  
Matthew Davis (Deputy Section 151 Officer)  
Richard Ennis (Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive)  
Gavin Handford (Director of Policy & Partnerships)  
Sarah Hayward (Interim Executive Director Place)  
Robert Hunt (Assets Manager)  
Elaine Jackson (Interim Assistant Chief Executive)  
Debbie Jones (Interim Executive Director Children, Families & Education)  
John Jones (Interim Monitoring Officer)  
Katherine Kerswell (Chief Executive)  
Annette McPartland (Director of Operations)  
Peter Mitchell (Interim Director of Commercial Investment)  
Nish Popat (Head of Corporate Finance)  
Stephen Wingrave (Head of Asset Management & Estates)

The Leader of the Council (Councillor Hamida Ali) invited Cabinet to take part in a minute's silence in memory to Sir David Amess and noted that everyone would join in the nation's grief of the murder of a man during the course of doing a consistency surgery. It was reflected that the terrorist attack had been an attack on democracy.

The Leader stated that whilst she had not had the privilege of meeting Sir David Amess that it was clear from the reflections of others that he had represented the best of elected representatives; he had been passionate, represented his community and had been a strong advocate for his constituency. She added her deepest condolences to the family and friends of Sir David Amess.

The Leader of the Opposition (Councillor Jason Perry) added that the events had been shocking and added his thoughts and prayers for the family and friends of Sir David Amess. It was noted that regardless of politics, it had appeared that Sir David Amess had been a good man and therefore the loss had been greater. The Leader of the Opposition stated that he felt that it remained important to keep democracy open and that terrorist events such as the murder should not create divide between elected representatives and the electorate; but that it remained important that everyone continued to be mindful of security.

## **PART A**

### **137/21 Minutes of the previous meeting**

The part A minutes of the Cabinet meetings held on 12 July 2021, 26 July 2021 and 16 August 2021 were agreed. The Leader of the Council signed the minutes as accurate records.

### **138/21 Disclosure of Interests**

The Leader of the Council noted that following Council on Monday 11 October 2021 there was a new Code of Conduct and asked Members to confirm that their interest were up to date.

Members confirmed that their Register of Interests had been updated.

The Cabinet Member for Croydon Renewal (Councillor Stuart King) informed Cabinet that in relation to item 5 of the agenda (Property Disposal Update as part of the Interim Asset Disposal Strategy) he had a conflict of interest arising from his employment and that following receiving advice from the Interim Monitoring Officer (John Jones) he would withdraw from the meeting for the duration of that item.

### **139/21 Urgent Business (If any)**

There were no items of urgent business.

### **140/21 Property Disposal Update as part of the Interim Asset Disposal Strategy**

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) began by noting that there had been a large petition from residents in his ward in relation to the recommended disposal of Heath Lodge and so stated that he would not participate in the decision making for that disposal.

The Cabinet Member welcomed the emphasis placed on good governance within the development of the report; including the business cases for disposals, independent valuations and appointing suitably qualified agents to market the properties. It was noted that Savills had been appointed for the disposals of Croydon Park Hotel and College Green to ensure best value was achieved. The Cabinet Member

highlighted that ten formal expressions of interest were received for Croydon Park Hotel and College Green sites. Those expressions of interests had been analysed by both Savills and officers and had led to a short list of eight viable bidders for Croydon Park Hotel and six bidders for College Green.

Members' attention was drawn to paragraphs 5.6 and 5.14 of the report and the implications of obtaining the values set out in the report. Furthermore, paragraph 11 was also highlighted as it showed the positive revenue and capital consequences of the disposals. In particular it was noted that for every £10 million reduction in capital borrowing the council would stand to save around £790,000 during the lifetime of the loan.

The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) queried how monies received from the sales might benefit the council's financial position. Furthermore, he noted that the park lodges of Asburton and Heath Lodges were from a time when park keepers remained on site and did not reflect current practices of running parks. In light of this, the Cabinet Member queried whether there was precedent of disposing of similar properties elsewhere.

In response to the questions, the Cabinet Member for Resources & Financial Governance stated that it was normal practice for council to dispose of surplus assets as it cost money to maintain them. It was noted that money had been invested in the Lodge to look at alternative uses of the property, however it was now in a state of disrepair. It was felt that it was right and proper to dispose of surplus assets to support Croydon's renewal. The Cabinet Member confirmed that when the council received capital receipts that money would be used in order to keep costs down elsewhere in the council.

In response to a question from the Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali), the Cabinet Member confirmed that Savills had undergone a consultation exercise with adverts in the Estates Gazette and a data room which interested parties could visit to understand what was on offer. The Cabinet Member noted also that as part of the shortlisting offers interviews had been undertaken. The Head of Asset Management & Estates (Stephen Wingrave) added that around 5,000 adverts had been sent to Savills contacts and in the case of Croydon Park Hotel; specific adverts were sent to the hotel industry.

The Leader of the Council (Councillor Hamida Ali) noted that professional advice had been sought but queried as to the level of engagement with the Assurance & Improvement Panel and whether their opinion had been sought as another form of external advice. In response, the Cabinet Member confirmed that all conversations with the Panel in relation to the disposal and achieving best consideration had been positive. He added that in addition to external advice, independent valuations had been sought and competition had driven the price of the disposals.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted that whilst she did not like the idea of disposing of any assets she recognised that this was a decision which had to be made and in doing so the council was receiving a higher return than had been anticipated.

It was noted by the Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) that there had been positive commentary in relation to Croydon Park Hotel but queried whether the Administration accepted that the purchase had not been a good investment decision. In response, the Cabinet Member stated that there was an acceptance that markets changed and that the hotel market had suffered during the pandemic. It was stated that the Cabinet Member was not there to look back at history but to help fix the situation and find solutions. It was highlighted that the council was receiving a higher amount than had been anticipated and that money would be used to towards fixing the financial challenge faced by the council.

It was felt by the Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) that the sales of Croydon Park Hotel and College Green had become inevitable in the face of the financial challenge faced by the council. It was noted that the sale of the two assets and the two Lodges would bring in around £30million to the council. In light of this, the Shadow Cabinet Member queried whether this money would be reinvested into council services or staff. In response, the Cabinet Member stated that the money would be in the form of capital receipts and so would be used within the constraints of capital receipts. However, it was further highlighted that there would also be benefit in terms of interest payments on the loan.

Councillor Robert Ward noted that the College Green site was associated with the Fairfield Halls, and queried whether the external auditors value for money report had been received by the council. The Chief Executive (Katherine Kerswell) advised Members that the report had been received but that the external auditors had been requested the council not proceed with any further work in relation to it as they had wanted to do some further research themselves. It was stated that the council were waiting for the external auditors to conclude their work on the report.

The Leader of the Council confirmed with those in attendance that there were no questions on the Part B report and so proceeded to ask Cabinet to consider and agree the recommendations in the Part A and Part B reports.

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

**RESOLVED** on the basis of the terms set out in Part A and B of the report to

1. Approve the disposal of the Croydon Park Hotel;

2. Approve the disposal of the College Green site;
3. Delegate the approval for the disposal of Heath Lodge, Grangewood Park by auction to the Interim Corporate Director Resources in consultation with the Cabinet Member for Croydon Renewal and to note the representations made following the Notice for the disposal of public open space;
4. Delegate the approval for the Disposal of Ashburton Lodge by auction to the Interim Executive Director Resources in consultation with the Cabinet Member for Croydon Renewal;
5. Approve the extension of the leases for Concord and Sycamore House;
6. Agree to the amended asset disposal list as detailed in section 7 of this report; and
7. Note the update on the Investment Asset performance as detailed in section 8 of the report.

141/21

### **Council Tax Support Scheme Review**

The Cabinet Member for Croydon Renewal (Councillor Stuart King) informed Members that the report sought approval to undertake a statutory consultation on the introduction of an income banded Council Tax support scheme. It was noted that the support scheme cost in region of £35 million in 2021/22; a cost which had been rising for a number of years and was estimated to rise to £40 million within the following few years.

It was highlighted by the Cabinet Member that the council had not been properly funded by the government for this support and that funding had decreased since 2013. Following changes in the funding from government in 2013, the Cabinet Member noted, a number of councils had moved to amend their support schemes with the introduction on income banding; however Croydon had not.

It was felt that an income banded scheme was a simpler and fairer scheme to operate for both the council and residents. It was stated that the proposed scheme took into account combined household income with support targeted at households with the lowest incomes and greatest needs. The Cabinet Member stated that the scheme would protect pensioners, care leavers under the age of 25 and non-working disabled residents; with around 9000 households continuing to be protected. The Cabinet Member highlighted that there was also a recommendation to introduce a hardship fund to support residents in the transition from the current scheme to the new scheme.

The Cabinet Member stated that he had made it clear with officers that it was important that there was genuine and meaningful consultation with experts and the stakeholder community who understood the Council Tax scheme to ensure the scheme which was consulted on achieved the objectives and there were no unintended consequences. It was confirmed that the final details of the scheme would take into account the outcome of the consultation.

In response to the question from the Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis), the Cabinet Member for Croydon Renewal stated the reason for the increasing costs in recent years had been due to the rise in numbers who were working poor, who were struggling to make ends meet and had become eligible for support.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) queried how much the increased efficiency of running the new scheme may result in terms of savings and whether that had been factored into the expected savings of £45.7 million.

The Cabinet Member highlighted paragraph 3.8 of the report and noted that an average 40% of Universal Credit claimants had between eight to 12 changes in entitlement per year. Each time an entitlement changed then the council recalculated the Council Tax liability and instalments due. By moving to an income banded scheme, the Cabinet Member stated there would be efficiencies in terms of the administration of the scheme which were confirmed to be in region of £250,000 per year which had not been included within the savings figure in the report.

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) queried what consideration had been given to support care leavers from the age of 25 to transition into paying for Council Tax. Furthermore, she queried how long it was intended the hardship fund would be in operation for. In response, the Cabinet Member stated that the hardship fund would be in operation of the first year of the new scheme. He further noted that one of the purposes of the consultation was to ensure the scheme and fund served the purposes of supporting people.

Concerns were raised by the Cabinet Member for Resources & Financial Governance (Councillor Callton Young) that a resident had challenged that the proposed scheme, alongside the changes to Universal Credit, was too much to bear and queried whether a disabled resident who was not working would be impacted by the change. In response, the Cabinet Member stated that without knowing the full details he was unable to categorically confirm; however highlighted that vulnerable disabled residents would not be affected by the proposals as they were specifically protected. The Cabinet Member stressed that it was important to use the consultation to fully understand all the possible scenarios.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) noted that there had been a number of comments at the

meeting in relation to those residents who would not be affected by the changes to the Council Tax support scheme, however noted that around £5.7 million of support currently provided would no longer be available. It was noted that there were a significant number of people in the borough who were on low incomes and would no longer receive support. In light of this impact, the Shadow Cabinet Member queried whether the Cabinet Member felt the proposal to be at odds with the way the Labour Group had spoken about Government changes to benefits.

The Cabinet Member stated that he felt there were differences in the way the Government was proceeding with changes to Universal Credit and how the council were seeking to address the financial challenge it faced. The council, it was stated, were seeking to protect the most vulnerable whereas the Cabinet Member stated the Government were proposing a blanket cut which did not take into account the needs of those impacted. Additionally, it was highlighted, the council were consulting on the proposals and seeking the views of experts to ensure there were no adverse impacts; whereas the Cabinet Member stated the Government had taken a decision despite the objections it faced.

The Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) queried how many households would be negatively impacted by the proposed changes and whether the capital receipts from asset sales could be used to support this service and reduce the impact on residents.

The Cabinet Member noted, in response, that 10% of the savings were proposed to be reinvested into the hardship fund. In terms of the number of households which could be impacted by the change, the Cabinet Member stated the figure was likely around 20,000 however, it was suggested that the consultation would enable the council to understand the impact the hardship fund would have on mitigating the worst impacts.

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

**RESOLVED: To**

1. Approve statutory consultation on the introduction of a new income banded Council Tax Reduction (Support) Scheme for working age claimants from 1<sup>st</sup> April 2022.
2. Agree that the recommended scheme to be consulted on be an income banded Council Tax Support scheme, which:
  - Retains 100% protection for Pensioners, care leavers under 25 and Disabled non-working residents
  - Utilises income bands of £50
  - Has a maximum level of income per week before someone is not eligible for CTS of £450 per week or £23,400 per year

- Has a maximum discount awarded for (not protected) working age residents of 80%
- Introduces a Hardship Fund to support residents transition from the current CTS scheme to an income banded scheme

142/21

### **Consultation on the Closure of Purley Leisure Centre**

The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) stated that the council did not want to close facilities and recognised the impact the decision would have on users of the leisure centre; however stressed that it was no longer an option to continue as was. It was stated that Purley pool lacked sufficient space to enable it be a sustainable facility and was losing money year on year. Additionally, it was noted the facility was nearly 40 years old and required significant investments in its plants and mechanical equipment in order for it to reopen.

Members were informed that Purley leisure centre was first put forward for closure in 2007 when the previous Administration had built Waddon leisure centre. Since that date, the Cabinet Member stated, subsequent Administrations had kept Purley leisure centre open by patching up issues. It had led to a situation where there was an unsustainable venue which would require significant investment to undertake all of the required repairs in order for it reopen.

The Cabinet Member highlighted that there was provision within the Local Plan for a new publically accessible wet facility as part of the redevelopment of the site; and it was stated that it was the Cabinet Member's view that the people of the south of the borough deserved a new leisure facility and so he hoped the council could work with interested parties to bring such a development forward.

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) queried what mitigations had been put in place to ensure school children were able to access swimming classes. In response, the Cabinet Member noted that since the start of the pandemic in March 2020 Purley leisure centre had been unable to reopen due to the air handling system failing government standards for public buildings. In light of this, the council had looked to relocate user groups to alternative facilities. It was recognised, however, that such relocation did present additional journey times for many schools.

The Cabinet Member added that the council were communicating with schools as widely as possible as to the options available. It was noted that there were a range of other leisure facilities in the south of the borough including; New Addington, Waddon and gym facilities at Monk's Hill. It was noted by the Cabinet Member that it was important that the council not only communicated the options available but also how they might travel to them.



*The Cabinet Member for Homes (Councillor Patricia Hay-Justice) left the meeting at 19:22 and returned at 19:26.*

The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) welcomed the start of the consultation and queried whether it was possible to understand usage of other leisure centres during the consultation period. The Cabinet Member stated that it was possible to assess membership databases for leisure centres which were open and whether people were travelling to use other facilities.

It was noted by the Leader of the Council (Councillor Hamida Ali) that councillors had received a large volume of contact from residents who were concerned about the impact of the closure. The national funding available to leisure centres during the pandemic was highlighted in the report, however it was noted that Purley was not eligible for the funding. The Leader requested information on the work to ensure a more fit for purpose facility was developed in the south of the borough.

The Cabinet Member informed Cabinet that he had received a letter from Swim England earlier that day and quoted the letter as saying: Purley is the main facility in Croydon that causes them concern as it currently provides a good amount of water space, but was approaching 40 years since it was built and that ongoing unsustainable investment would be expected at this point. It was highlighted by the Cabinet Member that there was recognition from the national swimming body that the situation would be unsustainable.

It was noted that the site of the leisure centre comprised of a multi-story car park and an old Sainsbury's supermarket which was being leased to a developer. The Cabinet Member stated that the council had made it clear that it was expected that any development on the site would bring forward a new facility for the south of the borough. It was the desire of the council for there to be modern, publically accessible wet facility at the site.

The Cabinet Member noted that the leisure industry had suffered during the pandemic as facilities were unable to open for long periods of time. Whilst there was national leisure recovery fund available and the council was successful in being awarded just under £1 million; this funding did not cover Purley leisure centre due to the inadequate air handling system which meant it was unable to open and was ineligible. It was stressed that the issues faced at Purley were chronic and that even if the repairs could be undertaken the site would continue to not breakeven.

It was stated by the Shadow Cabinet Member for Culture & Regeneration (Councillor Jeet Bains) that several pages of the report focussed on what cannot be done to save the facility, but that only one paragraph considered all the options. As such, he queried what work had been done to try to keep the centre open.

The Cabinet Member confirmed that the council had looked all of the options around the viability of Purley pool and had sought to keep it open. The council had sought funding and had spoken to community groups who were potentially interested in operating the building but no concrete options had materialised. It was highlighted that Purley leisure centre had been an ongoing concern since 2007 and that should the investment take place to reopen the facility it would continue to lose money and be unviable.

Concerns were raised by the Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) that the loss of the facility would lead to a loss of users who would either go elsewhere or not attend a leisure centre at all. It was noted that Waddon leisure centre was not located that far away but that it was challenging to access via public transport from Purley or Coulsdon. The same issue faced residents if they wished to use the New Addington site. With this in mind, he raised concerns that residents in the south of the borough would struggle to access leisure facilities and there would be an impact on people's health and wellbeing.

The Cabinet Member encouraged Members to direct residents to the consultation so the council could fully understand the impact of the decision and develop mitigations, where possible. Whilst it was hoped that people would continue to use the leisure centres, it was recognised that residents may use the facilities in neighbouring boroughs.

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

**RESOLVED: To**

1. Not reopen Purley Leisure Centre; and
2. Consult with residents on the mitigations of using alternative leisure facilities at Waddon and New Addington.

143/21

**Report in the Public Interest Action Plan - Quarter 2**

The Leader of the Council (Councillor Hamida Ali) noted that the Quarter 1 report had been considered at Cabinet in June 2021 and at that stage over half of the actions had been deemed complete. At quarter 2, it was noted that the council were reporting two thirds of actions as being complete which the Leader felt was clear evidence that the Administration continued to make significant progress in addressing the root causes of the council's financial and governance challenges. The Leader highlighted that in the last quarter a stronger framework of oversight for the council's companies had been introduced, the council had worked with the Centre of Governance & Scrutiny to develop a scrutiny work programme and access to information protocol. Additionally, it was noted that an internal

audit against reported progress had been undertaken to provide assurance to Members and residents that the changes had been made.

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) welcomed the report and the progress which had been made to implement the recommendations in order to ensure there was good practice within the council which could be benchmarked against other London councils. Officers were thanked for their work in progressing the action plan.

It was noted by the Leader that a lot of the work being undertaken required cultural change which would take time and that a number of actions would require continuous assurance to be undertaken to ensure the council remained on track financially, on a governance point but also culturally. Members were advised that the Member Learning & Development Panel had agreed a training programme which would lead to further progress.

The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) noted that the Report in the Public Interest had resulted in 99 actions and he felt that it was no small accomplishment that 62 of those actions had been completed. In terms of the outstanding actions; the Cabinet Member queried when those might be considered completed. In response, the Leader drew Members attention to paragraph 3.7 which set out the high priority recommendations from the external auditors which had been tackled first and were either considered complete or underway.

In terms of the outstanding actions, the Leader stated that these related to the cultural change piece of work which related to the wider Croydon Renewal programme and a range of work streams.

The Leader of the Opposition (Councillor Jason Perry) welcomed the report but noted that almost a year on there remained one third of actions considered outstanding. Whilst it was recognised that many of the actions would remain ongoing, he queried when all actions would be considered complete. In terms of the governance of the companies, he asked whether it was now considered the subsidiaries were opaque. The Leader reiterated that the Member's Learning & Development Panel had agreed a training programme which was due to be delivered by March 2022 and work in relation to Member induction following the Local Elections in May 2022. It was further noted that appendix 1 of the report set out when the actions were anticipated to be completed.

The Leader highlighted that previous Cabinet meetings had considered reports which addressed the governance of companies which had been important pieces of work to ensure the council exercised its proper shareholder responsibilities. It was stated to be an important area of progress and the RIPI action plan was assisting in ensuring the council addressed the challenges it was facing.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) noted that within the reported there was feedback from the General Purposes & Audit Committee (GPAC); that the review of the use of transformation funding be taken to the GPAC meeting in October 2021 and that a report on the lessons learnt in relation to Croydon Park Hotel be taken to GPAC in November 2021. The Shadow Cabinet Member sought clarification as to when those reports would be received. The Interim Corporate Director of Resources (Section 151 Officer) and Deputy Chief Executive (Richard Ennis) advised Members that both reports would be taken to the November meeting of GPAC as further analysis was to be undertaken.

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

**RESOLVED: To**

1. Note and agree on the progress the Council has made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (appendix 1) with 62 out of 99 actions complete;
2. Note the outcome of the first tranche of work to properly evidence what has been achieved so far following the initial internal audit of actions delivered to provide full assurance to members and residents on the changes achieved; and
3. Agree the Refreshed Action Plan including actions marked complete, progress updates against open actions and identification of actions to be embedded going forward as business as usual.

144/21

**Financial Performance Report - Month 5 (August 2021)**

The Cabinet Member for Croydon Renewal (Councillor Stuart King) introduced the report and noted that at Quarter 1 the council was forecasting a balanced budget for the 2021/22 financial year and period 5 report (August 2021) continued to forecast a balanced budget. It was noted that this was due to a good response from departments to the challenges faced by the council and ensuring they lived within the budgets set. In particular, the Cabinet Member highlighted that Children's, Adult's and Resources were all forecasting underspends.

Members were informed that risk mitigations had been identified to the value of £11.4 million, which it was noted was an indication of departments responding to the challenge and identifying mitigations which could be used against any overspends over the course of the year.

In comparison, the Cabinet Member noted that at the same point in 2020/21 the council was reporting an overspend of £49 million which he felt was an indication of the work undertaken by the Administration to fix

the finances and ensuring vital public services continued to serve the people of Croydon.

The Cabinet Member highlighted to officers and elected Members that whilst there were budgets, they did not have to be spent and he hoped that message was feeding through the organisation.

Whilst the Cabinet Member noted the progress which had been made, he stated that it would be wrong to consider that the financial challenge had been resolved. It was stressed that there was lot still to be done, not just in the current financial year but also in developing proposals for the 2022/23 budget; as such ensuring there were risk mitigations in place was imperative should risks arise.

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted that concerns remained within the Housing Revenue Account (HRA) and the overspend which was being projected. In light of this, it was stated that a great deal of work had been underway to manage the spend. The Cabinet Member for Homes highlighted that some savings forecasted for 2022/23 would be in place by the end of 2021/22 which would assist in mitigating the HRA expenditure. Furthermore, the Cabinet Member for Homes welcomed the Gateway team into the Homelessness team which it was felt would supplement the preventative work which was being undertaken by the council which would reduce the need for temporary and emergency accommodation.

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) noted that risk still remained and queried what efforts had been made to ensure risks were understood and quantified.

In response, the Cabinet Member for Croydon Renewal confirmed there remained an overspend within the HRA but that there had been some positive movement as a result of actions taken by the department and Cabinet Member. In terms of temporary and emergency accommodation, the Cabinet Member noted that this was an issue that was faced by a number of London councils as there was an issue of rising costs due to a shortage of appropriate accommodation.

In terms of identifying and quantifying risks, the Cabinet Member stated that it was an important task and that he felt one of the strengths in the way the council had approached the financial reporting in 2021/22 had been to identify quantifiable and unquantifiable risks. He stated that he was pleased that £11.4 million of mitigations had been identified which would support responding to any of the risks, should they arise.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) noted that underspend with Adults Social Care had reduced in period 5 by £35,000 due to an increase in the number of people supported by the mental health service; however it was highlighted that the service remained on track to underspend. It was noted by the Cabinet

Member that at the time the report was written it was not known if the NHS funding for hospital discharge would continue after 30 September 2021, however Members were informed that this had since been confirmed and would be reflected in the period 6 report.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) broadly welcomed the financial performance indicated within the report but highlighted that it was performance against a budget which had received £50 million of capitalisation direction funding. As such, it was noted that the real challenges would be seen in the years to come when the capitalisation direction was not available. In terms of the HRA budget, the Shadow Cabinet Member queried whether the intention was for the HRA reserves to be used or for the budget to be brought to a balanced position before the year end. In response, the Cabinet Member for Croydon Renewal acknowledged that the budget was balanced in part due to the capitalisation direction, but stressed that the position was also due to work to tackle overspends and hard decisions made by the Administration.

In terms of the HRA, the Cabinet Member for Homes confirmed that she and officers were working to ensure that the overspend was contained so that the reserves were not required, but stated that the economic environment may impact that ambition.

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

**RESOLVED: To**

1. Note the General Fund is projecting a net favourable movement of £0.378m from Period 4. Service departments are indicating a £3.365m overspend (Month 4 £3.742m) with this being netted off as in the past four months against release of a one off Covid Grant (£3.451m) confirmed to Croydon Council for 21/22 by MHCLG as part of the Local Government Finance Settlement;
2. Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of the report. Should these risks materialise or the mitigations not be effective the Council could overspend by £7.814m (Month 4 £11.664m);
3. Note the Housing Revenue Account (HRA) is projecting a £0.742m (Month 4 £0.696m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances which at the moment there are sufficient balances to cover this;
4. Note the capital spend to date for the General Fund of £8.235m (against a budget of £138.688m) and for the HRA of £5.713m

(against a budget of £183.209m), with a projected forecast variance of £36.899m on the general fund against budget and nil forecast variance against budget for the general fund;

5. Note, the above figures are predicated on forecasts from Month 5 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time;
6. Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel remain. However, restrictions have been lifted for ring-fenced accounts such as the Pensions Fund, Housing Revenue Account and Coroner's Costs as these do not directly impact on the financial position of the General Fund. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis; and
7. Note that due to no Cabinet Meeting in September 2021 Period 4 has not been presented to Cabinet. Period 4 position has been provided for as Appendix 3 of the report to ensure there is a clear audit trail for Members between Period 5 and Period 4; and
8. Note that the Council has received a one off financial support of £2.3m from Government to help cover the pressures within Unaccompanied Asylum seeking Children (UASC), which means the Council still funds £2.20m of pressures.

145/21

### **Finance, Performance & Risk performance report (Croydon Renewal and Improvement Plan)**

The Leader of the Council (Councillor Hamida Ali) noted that Cabinet had seen iterations of the report at previous meetings which responded to the Administration's commitment to be open and transparent to both Members and residents. It was noted that the report was beginning to show some progress on key targets across the council; however the Leader stated that the report was a snapshot in time only.

The Leader highlighted that two thirds of performance measures were on track, but noted that the report highlighted areas where more progress was required.

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) welcomed the report and the move to making performance management public and opening the council up to greater scrutiny. In particular he welcomed the data on frontline services which a number of queries from residents were in relation to.

The Cabinet Member for Resources & Financial Governance suggested that in previous years performance, which should have been measured and had not been done as would have been expected, and so welcomed the KPIs within the report which would support the improvement work that was being undertaken within the council.

The Chief Executive (Katherine Kerswell) advised Members that it was unlikely that the report would be entirely finalised as it was piece of work which was constantly built upon. As data and information was analysed, greater understanding was developed. Members were further advised that it was the ambition for data sheets to be available on the website to enable the public to access them and analyse them.

Members were advised by the Chief Executive that the council had invited those who had undertaken the non-statutory rapid review for the Ministry of Housing Communities & Local Government in 2020 had been invited to return to Croydon to assess the work which had been undertaken in the previous year. One of the areas that had been raised during the previous review had been the lack of a performance report and the introduction of such a report was welcomed.

In response to questions, the Chief Executive advised that the council could learn from the Local Government Association but advised caution in terms of the organisation not getting beyond itself as it remained on the road to recovery. It was highlighted that the report was only as good as the information provided and it was important that officers understood the value of the report and it was used to support delivery improvements.

The Leader of the Opposition (Councillor Jason Perry) welcomed the performance report and questioned whether the Leader would commit to maintaining such a report; whether the data was positive or negative. In response the Leader confirmed that the performance report would continue to be provided and would be enhanced. It was noted that it was an important tool for the council to understand the performance of services.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) noted that the data was not only important for Members but the public also. The recycling data was raised by the Shadow Cabinet Member as it was noted that the council was not meeting recycling rates and that there had been significant drops in recent months. In light of this, he queried what the cause of the drop was and whether it was resulting in the council paying more for landfill.

In response, the Cabinet Member for Sustainable Croydon stated that for 2020/21 the garden waste collection was not included in the data. Members were informed that if the rates for Q1 and Q2 were combined it showed an increase in recycling rates; however it was noted that due to covid-19 general waste collection had increased by 20%, which was a trend seen elsewhere. Additionally composting waste tonnage had



increased by 12 – 15%, which alongside the general waste increase, had resulted in a reduction in the recycling rate. Members were informed that an update from the Department for Environment, Food & Rural Affairs was due to be published later in the year which would show the national picture.

Concerns were raised by the Shadow Cabinet Member for Sustainable Croydon (Councillor Scott Roche) that staff were concerned about job security as it was reported there were rumours of further cuts to staffing within the council; as such he queried what the council would say to those members of staff. The Leader stated that the approach to the budget for 2022/23 was to protect as many services as possible. One of the areas of focus was reviewing the contracts the council let to ensure they were achieving best value for money. The Leader, however, stated that she was not in a position to confirm there would be no cuts but assured Members that the council would work with staff and trade unions.

The Chief Executive requested that Members informed her of any staff who were expressing concerns so she could speak with them directly. It was noted that staff had been upset recently in relation to coverage on savings proposals as they had not been spoken to. This was due to there not being any firm proposals in place; however Members were advised that senior staff had spoken to the affected staff directly. The Chief Executive further highlighted that she had undertaken a webinar with staff the previous week and had highlighted the need for further savings to be made.

Concerns were raised in relation to responsive repairs by the Shadow Cabinet Member for Families, Health & Social Care (Councillor Yvette Hopley). She noted that she had raised concerns at the Council meeting during the previous week but felt that there had not been a realisation as to the situation. Given her concerns, she queried whether the figures contained within the report were accurate and whether boiler repairs would be included within the report going forward.

The Leader informed Members that the council was aware that there was a need to fully baseline performance in terms of repairs; as such the indicators within the report would be updated following work to fully review the Axis contract.

The Shadow Cabinet Member confirmed that she had reported her concerns to the Executive Directors and the Cabinet Member in advance of the Council meeting.

In response to the concerns raised the Cabinet Member for Homes (Councillor Patricia Hay-Justice) confirmed that the issues raised at the Council meeting had been followed up and that a response would be provided to the Shadow Cabinet Member by the end of the week. In terms of the data, the Cabinet Member noted that the performance levels were those in relation to the London average however more robust measures

would be put in place. The Cabinet Member provided assurances that any issues would be reported in the performance report as there was no intention to hold back data as the intention was to understand where there were issues and to improve the service. The Cabinet Member further welcomed contributions for additional measures and informed Members that the council was in conversation with tenants and leaseholders in terms of what benchmarking they thought should take place.

Members were informed by the Cabinet Member for Homes that in relation to measure HOU41 c, d and e, that she and the Leader were due to meet with the Managing Director of Axis to discuss the responsive repairs contract.

Councillor Robert Ward requested clarification in terms of the Value for Money report on Fairfield Halls, and why the report had been paused. In response, the Chief Executive advised the external auditors (Grant Thornton) had requested to complete some further work which was being undertaken. Once that work had been completed, the external auditors would advise the council of the outcome. Members were advised that the report had been provided to only herself and the Section 151 Officer (Richard Ennis) in confidentiality only.

The Shadow Cabinet Member for Children, Young People & Learning (Councillor Maria Gatland) noted that a red indicator had 29% of Child Protection children subject to a plan for second or subsequent time against a target of 18% and queried what was causing that performance and the work which was being done to tackle it.

In response, the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) confirmed that the performance figure was high, however stated that all red indicators were reviewed regularly both at the Children's Improvement Board and in one to one meetings. It was stated that the increased in Child Protection cases was directly linked to covid-19. As children and young people were returning to school, more families were being referred. The Interim Executive Director of Children, Families & Education (Debbie Jones) advised Members that the cases were reviewed very regularly and that the situation in Croydon was similar to the experiences of statistical neighbours as there had been an increase in children on Child Protection Plans generally.

The Shadow Cabinet Member for Communities, Safety & Business Recovery (Councillor Andy Stranack) welcomed the commitment of providing performance reports, but raised concerns in relation to the council not adopting a new Community Safety Strategy. Additionally he suggested that indicators should be provided which monitored the council's relationships and partnerships with the voluntary and community sector.

Clarification was provided by the Leader of the Council that a Community Safety Strategy was in place as the previous Strategy had been extended

to enable the council to engage with stakeholders to develop a new Strategy which reflected the priorities of the council. The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) further informed Members that the draft Strategy had been discussed at a scrutiny meeting and was due to go to the next Safer Croydon Partnership meeting.

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

**RESOLVED: To**

1. Review the corporate FPR report (appendix A) as at 31 August 2021 with regard to overall performance against the Croydon Renewal Plan. Noting areas of good performance and those of concern.
2. Note the progress made, and areas of concern, against programmes and projects in relation to milestones, deliverables and issues.
3. Note the progress made against savings and growth targets as identified in the Croydon Renewal Plan. More detail on this area can be found in Table 2a of the Financial Monitoring Report also being presented at this Cabinet meeting.
4. That Cabinet identify areas of performance within the FPR report (appendix A of the report) where they require deeper analysis and benchmarking (where applicable) to be presented in the next FPR report at the 15 November Cabinet for discussion and action.

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**Investing in our Borough**

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

**RESOLVED: To note**

1. The request for approval of the Children with Disabilities – Care Provider Register (CPR) procurement strategy as set out at agenda item 11a of the agenda and section 5.1.1 of the report;
2. 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 5.2.1 of the report;

3. The list of delegated award decisions made by the Director of Commissioning and Procurement since the last meeting of Cabinet, as set out in section 5.3.1 of the report; and
4. The list of September recess delegated award decisions for contracts over £5,000,000 in value made by the nominated Cabinet Member in consultation with the Cabinet Member for Resources & Financial Governance or, where the nominated Cabinet Member is the Cabinet Member for Resources & Financial Governance in consultation with the Leader since the last meeting of Cabinet, as set out in section 5.4.1 of the report.

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### **Children with Disabilities - Care Provider Register (CPR)**

The Cabinet Member for Resources & Financial Governance, Councillor Callton Young, informed Cabinet that the purpose of the report was to seek approval to tender for a care provider register (CPR) for the purchase of domiciliary and care packages for children and young people up to the age of 17. Members were informed that currently the council spot purchased domiciliary care services and this report sought to move from off contract spend to contract spend to support the management of costs.

It was noted that the CPR would be for a total of four years with anticipated spend being in the region of £1.6 million per annum, with a total anticipated spend of £6.4 million. This was in comparison to current spend being in the region of £2.7 million per annum; which would result in savings of £10.8 million over the four year term of the contract. It was further highlighted that the price for standard care could be capped at a maximum of £20 per hour and complex care at £28 per hour.

The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, added that the procurement framework would allow for a consistency of approach and experience for residents across the borough which was not always the case with spot purchasing. The Cabinet Member stated that she had reviewed the report closely to ensure that whilst savings would be made that the quality of care remained high.

The Shadow Cabinet Member for Children, Young People & Learning, Councillor Maria Gatland, welcomed the approach but questioned whether there would be a reduction in services for children and young people as a result of the CPR. In response, the Cabinet Member for Children, Young People & Learning stated that the Care Quality Commission ratings would be assessed and that children would not see a worst service. She stated that she was confident that the work which went into the development of the report would mean there would be a good quality service. Furthermore, it was noted that reviews would be undertaken on a case by case basis and would look at not only the support for the young people, but what that meant for the family and siblings.

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

**RESOLVED: To**

1. Approve the strategy detailed in the report for the procurement of a contract for a period of four years for the delivery of domiciliary and personal care during the period 1st April 2022 to 31st March 2026. The total estimated annual value is £1.6m which results in a total aggregated value of £6.4m over the 4 years.
2. Note that the Director of Commissioning and Procurement has approved the waivers listed below under Regulation 19 of the Council's Tender and Contract regulations:
  - To adjust the split between cost and quality evaluation ratio as required under regulation 22.4 to 60% cost / 40% quality.
  - To adjust the social value evaluation criteria from 10% as required under regulation 22.5 to 5%.

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**Exclusion of the Press and Public**

This item was not required as the Part B items were agreed in the Part A session of the meeting.

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**Minutes of the previous meeting**

The part B minutes of the Cabinet meeting held on 26 July 2021 were agreed. The Leader of the Council signed the minutes as an accurate record.

150/21

**Property Disposal Update as part of the Interim Asset Disposal Strategy**

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

**RESOLVED** on the basis of the terms set out in Part A and B of the report to

1. Approve the disposal of the Croydon Park Hotel;
2. Approve the disposal of the College Green site;
3. Delegate the approval for the disposal of Heath Lodge, Grangewood Park by auction to the Interim Corporate Director Resources in consultation with the Cabinet Member for Croydon

Renewal and to note the representations made following the Notice for the disposal of public open space;

4. Delegate the approve for the Disposal of Ashburton Lodge by auction to the Interim Executive Director Resources in consultation with the Cabinet Member for Croydon Renewal;
5. Approve the extension of the leases for Concord and Sycamore House;
6. Agree to the amended asset disposal list; and
7. Note the update on the Investment Asset performance.

The meeting ended at 8.58 pm