

## Cabinet

Meeting of held on Monday, 6 December 2021 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, CR0 1NX. To view the meeting webcast, please go to <https://webcasting.croydon.gov.uk/13865-Cabinet>

### MINUTES

- Present:** Councillor Hamida Ali, Stuart King, Muhammad Ali, Janet Campbell, Patricia Hay-Justice and Oliver Lewis
- Also Present:** Councillor Alisa Flemming (attended remotely), Manju Shahul-Hameed (attended remotely), Callton Young (attended remotely), Jason Perry, Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale, Simon Hoar, Yvette Hopley, Scott Roche, Andy Stranack, Sean Fitzsimons, Clive Fraser, Mario Creatura, Leila Ben-Hassel, Patsy Cummings, Nina Degrad, Bernadette Khan and Louisa Woodley
- Officers:** Nigel Cook (Head of Pensions)  
Shelley Davies (Director of Education)  
Matthew Davis (Deputy Section 151 Officer)  
Steve Dennington (Head of Spatial Planning & Interim Head of Growth & Regeneration)  
Richard Ennis (Interim Corporate Director of Resources (Section 151))  
Scott Funnell (Head of Commissioning & Procurement)  
Gavin Handford (Director of Policy & Partnerships)  
Sarah Hayward (Interim Corporate Director Sustainable Communities, Regeneration & Economic Recovery)  
Elaine Jackson (Interim Assistant Chief Executive)  
Debbie Jones (Interim Corporate Director Children, Young People & Education)  
John Jones (Interim Monitoring Officer)  
Katherine Kerswell (Chief Executive)  
Annette McPartland (Interim Corporate Director Adult Social Care & Health)  
Peter Mitchell (Interim Director of Commercial Investment)  
David Padfield (Interim Corporate Director Housing)  
Helen Parrott (Head of Communication & Engagement)  
Nish Popat (Head of Corporate Finance)  
Charles Quaye (Finance Manager)  
Stephen Wingrave (Head of Asset Management & Estates)

### PART A

164/21

#### Disclosure of Interests

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) informed the meeting that in 2015/16 she had been Mayor of Croydon and during that time she had raised money for CAYSH. Subsequent to that,

she and her husband had considered becoming responsible landlords which was one of the services provided by CAYSH. The Cabinet were informed that since that time she had ceased that application.

165/21

### **Urgent Business (If any)**

There were no items of urgent business.

166/21

### **Independent Non-statutory Review: Follow Up - Report**

Cabinet considered a report which summarised the findings, acknowledgements and recommendations of an independent follow-up report. It highlighted where progress has been made and included any additional recommendations the Council could consider to take stock, learn lessons, or provide the assurances that will be required moving forward. The Leader of the Council (Councillor Hamida Ali) provided Cabinet with an introduction which set out:

- That in October 2020 the Ministry for Housing, Communities & Local Government (MHCLG) commissioned a non-statutory rapid review, following which the Improvement & Assurance Panel was established;
- A year on from the non-statutory rapid review, the council had invited the team back to assess the council's position against the Improvement & Assurance Panel recommendations, the recommendations of the non-statutory rapid review and to consider questions the council had in relation to the financial position of the organisation in particular;
- Given the council's different position from a year ago, the Leader welcomed the positive assurance within the report; that significant progress had been made and that there were positive signs in relation to the council's financial performance;
- Notable changes were included in the report, such as organisational cultural but it was recognised that the council was at the start of a three to four year journey of recovery and that there was still much to do; and
- Thanking Chris Wood (lead reviewer) and the panel for their work and Mr Wood for joining the meeting to speak to his report and answer questions.

The Lead Reviewer (Chris Wood) provided Cabinet with an introduction to the report and set out:

- That good progress had been noted, in particular in terms of emergency measures and it was felt that those steps were the right measures;
- Difficult decisions had been made;
- It had been noted that those in the council had noticed the change, with one person remarking that the council previously had not

cared about money but had become one which cared about money;

- The unsophisticated emergency measures were felt to be right but were not sustainable and the council needed to develop more elegant and sophisticated measures to manage the council going forward, which the council recognised;
- It was felt that what had saved the council in the last year was that no one was in denial and those in the council continued to recognise that the council was only at the start of the road to recovery; and
- The council was facing a range of complex challenges and it was imperative that it developed a sophisticated and transformative approach; such as by committing to digital service delivery, shared services and redesigning services.

During the consideration of the recommendations, the following points were made:

- The Leader noted that the Improvement & Assurance Panel had raised the importance of moving to a more transformative approach. This was a move that the council wanted to make, however it was noted that it would be challenging;
- The Cabinet Member for Croydon Renewal (Councillor Stuart King) stated that he felt the one year review had been helpful and that it would be something the government may consider for other local authorities which had undergone a non-statutory rapid review;
- The Cabinet Member for Croydon Renewal noted the report was an independent assessment and he hoped that residents would take confidence from the amount of progress which had been made, both in terms of implementing recommendations and the improvements in financial management, however it was reiterated that there was more work to be done;
- The Cabinet Member for Homes (Councillor Patricia Hay-Justice) stated that since March 2021, the council had needed to focus a great more deal on housing in particular on repairs and resident engagement. It was noted that in the report the Housing Improvement Plan was in draft format and the Cabinet Member requested Mr Wood's view on that draft Plan
  - In response, Mr Wood advised that many of factors that led to the council being in difficulty were also present in the issues raised at Regina Road, in that the checks and balances in the council had failed 18 months before, including ensuring complaints were dealt with;
  - The real focus for the council was to ensure it was listening to customers and it was felt that this was an issue that was found across the organisation; and
  - Mr Wood advised he had spoken to the Interim Corporate Director of Housing (David Padfield) in relation to his concerns on the Improvement Plan. It was reported that the Plan felt like a tick box exercise, that it lacked small targets,

focused too much on technical solutions rather than the customer service challenges and ensuring that empathy was at the heart of work.

- The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) noted the council was undergoing a transformative process in terms of financial governance, culture and service delivery. It was stated that it was important to put residents at the forefront and to empathise with them. He queried what Mr Wood would like to see should he return to assess the council in a year;
- The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) stated that the commitment of the administration was to protect frontline services by renegotiating contracts and to reduce costs, but queried what Mr Wood had seen successfully done in other local authorities
  - In response, Mr Wood advised that he would like to see a permanent leadership team who would be in place throughout the council's journey;
  - He felt that the digital service was a key area of transformation as it supported delivering services at a lower cost; and
  - It was noted that there were talented people in place looking to resolve the issues which had been uncovered in commissioning and procurement which would support better outcomes.
- The Leader of the Opposition (Councillor Jason Perry) thanked Mr Wood and the panel for their work and welcomed the reported progress which had been made but suggested that the state of the council could not have been any worse. It was noted that there were themes within the report and the reports of the Improvement & Assurance Panel in relation to the pace of change and lack of transformation; and
- The Leader of the Opposition further stated that the council's financial position was relying on government loans, Covid grants and traffic management fines. It was suggested that the council's cuts were hitting the most vulnerable in the borough, but the council were not listening to concerns which were raised.
  - In response, the Leader of the Council stated that there would be a proper scrutiny process as part of the budget development process and that the administration were seeking to protect the most vulnerable.

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

**RESOLVED: To**

1. Note the update provided by the non-statutory review team in relation to their original recommendations and milestones; and

2. Note progress made by the Council's response, nine months on, to those same recommendations and milestones.

167/21

## **2022/23 Budget and Three-Year Medium Term Financial Strategy**

Cabinet considered a report which focussed on the General Fund with further General Fund budget reports, the capital budget report and the Housing Revenue Account being brought to the January 2022 and February 2022 Cabinet meetings. The Leader of the Council (Councillor Hamida Ali) provided Cabinet with an introduction which set out:

- The report was the first in a series of reports which would be considered by Cabinet on the 2022/23 budget;
- It was felt that the report evidenced the large amount of work which had been undertaken across the council, both politically and at an officer level;
- It was clear that work remained as there was a budget gap to close;
- The draft budget included £24 million of savings and a further £58 million were being brought forward to fill not only the budget gap but to also manage the significant financial pressures in the budget;
- The council had been focussing on addressing the corporate failings which had led to the financial pressures faced by the council and there were £27 million in general reserves which was felt to be evidence of the focus on addressing those issues;
- The context of the financial pressures included the reduction in government investment in councils, structural underfunding faced by the council and an 81% reduction in revenue support grant since 2010 which equated to £96 million reduction;
- It was noted that there was significant concern within the community as to the impact of the savings on them, however it was highlighted that once the budget was balanced there would remain almost £280 million of controllable budget which was dedicated to meeting the needs of residents;
- Members were committed to minimising the impact on residents and had focussed on where savings could be found; such as through contracts, making better use of office spaces and utilising technology;
- The budget would enable all of the libraries and children centres to remain open, fortnightly bin collections to continue and services for vulnerable residents to be protected;
- Risks and uncertainties remain which were set out within the report and work would continue over the following months to close the budget gap but it was felt that the report represented a solid foundation for that work;
- The working of the voluntary and community sector during the pandemic was highlighted and the Leader informed Cabinet that she had asked officers to review options to delay the planned

changes to voluntary sector funding so it was aligned to the commissioning round which was due to start in 2023/24 which was felt to have benefits for both the council and the borough;

- That a paper would be taken to the Capital Board with a recommendation to approve the use of alternative funding streams to provide short term stability to the voluntary and community sector until the Community Fund funding round had come to a close. The aim was to provide support through the use of one off money that would not impact the budget gap for 2022/23; and
- Affected community organisations would be written to over the following days with the final outcome.

The Leader of the Council invited the Interim Corporate Director Resources (Section 151 Officer) (Richard Ennis) to provide a professional view of the draft budget. He advised Members that:

- He felt that significant progress had been made towards delivering a balanced budget, in particular for 2022/23 but work had also been undertaken to ensure future years were on a firmer financial footing;
- There was more work to be completed, as outlined in the report, including the risks which were being worked through to ensure that a balanced budget was delivered;
- An unbalanced budget in December was not uncommon as there was normally work still to be done;
- The council would not know the grant settlement until later in the month, as set out in the report;
- He felt the report was an open report which set out the current position and that all the savings and pressures were included and mitigations were being developed;
- Reserves were continuing to be built and this would be brought together in a report in February 2021; and
- The draft proposals would be considered by the General Purposes & Audit Committee and Scrutiny Committees.

During the consideration of the recommendations, the following points were made:

- The Cabinet Member for Croydon Renewal (Councillor Stuart King) thanked all those who had been involved in the development of the draft budget and acknowledged how robust and constructive the challenge had been throughout the Star Chamber process which he felt had contributed to the progress which had been made. It was felt by the Cabinet Member that the budget process had shown the council's preparedness to take difficult decisions;
- The Cabinet Member highlighted some key assumptions and risks, including an assumption of a council tax increase of 1.99%, a 1% adult social care levy, contract inflation of 3% and pay inflation of 2%. Additionally there was a provision in the budget for a New Homes Bonus which itself included risks in relation to a

government review which was underway. The Cabinet Member further highlighted that negotiations were ongoing with the NHS to ensure the current level of service remained in place. Finally it was noted that the capitalisation direction of £50 million and £25 million were still to be formally confirmed;

- The Cabinet Member proposed that recommendation 1.4 in the report be amended that the report be taken to the Cabinet meeting on 24 January 2022 to ensure that Cabinet had time to respond to findings of the work to reduce growth pressures;
- The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) noted that some of the decisions within the draft budget were not easy decisions but noted that the discussions had been robust. It was felt that the budget protected frontline services and focussed on transforming the way the council operated by reducing spending on contracts and back office functions whilst ensuring service delivery was sustainable and efficient. It was noted that there were growth items within the budget; including £360,000 for grass cutting;
- The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) stated that she felt the work within adult social care was transformational, with reduced demand and a robust front door. It was felt that this could only be achieved with staff who were committed to change. Cabinet were informed that provider services option appraisal was underway and the outcome would be fed back to Members. Whilst savings of £14million had been identified, the Cabinet Member stressed that the council was continuing to safely review care packages;
- The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted that as of November 2021 temporary accommodation had been provided to 2020 households in the borough and over 200 people at risk of homelessness had been supported each month. Furthermore she stated that the council was recognising the issues within housing and were addressing them. She concluded by querying whether the council was making the most of grants which were available to ensure benefits for residents were being maximised
  - In response, the Cabinet Member for Croydon Renewal noted the benefit of grant money and that it was important to utilise pots of external funding, where available, however cautioned that it was important that the right balance was struck so as to not put additional pressure on staff. As such it was noted that it was important to ensure the council targeted funding where there was a good prospect of being successful
- The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) noted the Leader's request to review and delay the reduction to the Community Fund. She highlighted that Croydon were one of a few boroughs which continued to provide rent subsidy and discretionary business rate relief to the VCS organisations. Additionally, it was noted, that

voluntary and community sector organisations were approached when asset disposals were considered and support was offered to help them acquire assets;

- The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) highlighted that over 3,500 young people were in care in the borough and it had been important to ensure that support was provided to some of the most vulnerable in Croydon. The Cabinet Member stated that the council had received over 2,522 referrals, 769 early help assessments had been completed since May 2021, over 3000 children in need had been supported and 663 care leavers had received care services. It was noted that the borough continued to support more per head of unaccompanied asylum seeker children (UASC) than anywhere else in the country and, that despite intervention, there remained a £1million shortfall in funding which was expected to increase and so the Cabinet Member called for a more sustainable long term solution which meant all parts of the country took their fair share to support the most vulnerable young people in the country;
- The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) welcomed the news in terms of the voluntary and community sector funding as it was recognised that the sector played an important part in society. Whilst it was recognised that the council was having to make difficult decisions, the Cabinet Member felt that it was important to consider the root causes such as the historic underfunding for UASC, underfunding for the impact of the pandemic and an 81% reduction in government grant. Furthermore, the Cabinet Member highlighted that Croydon was not as well funded as neighbouring boroughs and queried what the impact would have been on the General Fund had Croydon been funded to the same level as Lambeth
  - In response, the Cabinet Member for Croydon Renewal stated that Lambeth received £463 per resident as opposed to Croydon who received £247 per resident. It was stated that Croydon faced the same demographic challenges as Lambeth.
- The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) noted the large amount of work which had been undertaken by officers. It was noted that in the non-statutory rapid review there were comments in relation to reserves and the possibility that should budget pressures continue the contributions to reserves may reduce. Additionally the Shadow Cabinet Member highlighted table 7 of the report which outlined the history of the reserve levels and stated the recent increase in reserve levels was only as a result of borrowing from the previous year's budget. Given the concerns raised, the Shadow Cabinet Member queried how at risk the reserves were.
  - In response the Interim Corporate Director of Resources advised that there were two types of reserves – general reserves and earmarked reserves. It was noted that the general reserves in April 2021 were at £27.5 million which



was one of the highest levels at that point in London due to the challenges which the council was facing. The report noted that the earmarked reserves of £4 million were too low and so it was the intention to build those reserves with £10 million budgeted in the report. The Interim Corporate Director advised Members that at period 7 the council was broadly balanced and, should it remain so, the £7 million could be used to rebuild the earmarked reserves.

- The Cabinet Member for Croydon Renewal felt that the argument to refocus attention from general fund reserves to earmarked reserves was persuasive but that it was important to see the detail, including how earmarked reserves could be drawn upon. In response to the Shadow Cabinet Member's statement that the current position was only as a result of borrowing, the Cabinet Member countered by stating that it was also as a result of the savings which had been achieved.

The Cabinet Member for Croydon Renewal proposed that recommendation 1.4 be amended to read "Request officers to continue to work on reducing growth pressures and report back any changes to the January 24th Cabinet" to enable Members to review the outcome of the work.

The Cabinet Member for Homes seconded the amendment.

Cabinet agreed the amendment.

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

**RESOLVED: To**

1. Note the significant progress towards delivering a balanced budget for 2022/23 and future years and the current budget gaps still to close;
2. Consider the contents of paragraph 3.24 of the report in respect of the identified risks to the budget process and make any recommendations in respect of the risks to the budget process;
3. Request that Cabinet request the Corporate Director of Housing to bring a report to the February 7<sup>th</sup> Cabinet setting out how a reduction to the in-year and future year pressures against the existing Temporary Accommodation budget will be managed and achieved;
4. Request officers to continue to work on reducing growth pressures and report back any changes to the January 24<sup>th</sup> Cabinet;

5. Support the growth and savings schedules included at appendix 1 of the report, and
6. In principle, to recommend these to Full Council as part of the budget approval process. To note that officers will commence planning for the implementation from April 2022 where appropriate where appropriate, but that any such proposals are subject to approval at February Council;
7. Ask the Corporate Management Team to continue work to identify further invest-to-save opportunities that improve the efficiency and effectiveness of the Authority, and minimise any service reductions;
8. Request the Corporate Management Team to ensure that there are sufficient resources to deliver the MTFs and report back in this respect in the January and February Cabinet reports;
9. Make any recommendations and comments that will further the ability for the Improvement Panel to make a positive recommendation to the Secretary of State for the Department of Levelling Up, Housing and Communities [DLUHC] in respect of the Council's progress and specifically confirming this year's £50m capitalisation direction and also next year's £25m (2022/23) capitalisation respectively in order to give financial certainty to the Council (a further £5m capitalisation is budgeted for in 2023/24);
10. Note the Council is undertaking further work in respect of the potential to maximise its capital receipts and the potential use of these to reduce its borrowing requirements subject to Cabinet and Council agreement;
11. Note that the scrutiny sub committees will have had initial discussions prior to this December Cabinet meeting and they and the Scrutiny and Overview Committee will undertake their scrutiny and overview work on the budget proposals and feed recommendations and comments for consideration into the January and February Cabinets;
12. Note the intention to take a report to the General Purposes and Audit Committee [GPAC] about the reserves strategy and its relationship to the MTFs prior to Cabinet taking a decision to recommend a budget to Full Council
13. Note the significant financial implications, approved in the March 2021 Budget at Full Council, from any policy changes and operational enforcement and income modelling changes, in respect of Healthy Neighbourhoods (formally referred to as Low Traffic Neighbourhoods), that will require the Council to find alternative savings in this respect;

14. Note that at this report's dispatch prior to the consideration of the Pensions Committee on 3<sup>rd</sup> December of a report recommending an actuary supported reduction in employer contributions that are part of the savings in 2022/23 preceding a further triennial pension review that will consider employer contributions for 2023/24 onwards. The savings in this respect are £3.400m in 2021/22 and £2.760m in 2022/23 (reducing as a part saving was already included in existing proposals for 2022/23) should the Pensions Committee scheduled on 3<sup>rd</sup> December agree to recommend these to Cabinet. An update will be provided at the actual Cabinet meeting;
15. Welcomes the additional 'one off' funding from the Home Office in 2021/22 and the temporary mandate of the national Transfer Scheme and request the Improvement Panel to support the cross party view of the Council in making further recommendations to the Secretary of State to fully fund the estimated circa. £4.5m of additional costs of Unaccompanied Asylum Seekers [UASC] that continue to fall disproportionately on the Croydon Council Tax payer; and
16. Note that officers continue to work on the closure of the draft accounts for 2019/20 and 2020/21 in response to dealing with the external auditors findings as reported to the General Purposes and Audit Committee [GPAC] and that this could have significant implications for the medium Term Financial Strategy and request officers to complete this work as soon as possible and at the latest ahead of the final February Cabinet.

168/21

### **Financial Performance Report – Month 7 (October 2021)**

Cabinet considered a report which set out the Council's current General Fund revenue budget projected outturn for the full financial year 2021-2022 as at Month 7, October 2021. The Cabinet Member for Croydon Renewal (Councillor Stuart King) provided Cabinet with an introduction which set out:

- That he was pleased to report that the budget remained balanced with a net forecast underspend of just over £400,000;
- The net departmental overspend was now at £3m, which was higher than he would like but was at the lowest level during the financial year. It was felt that this was a sign that department were responding positively to the need to control spend;
- Quantified risks were greater than identified mitigations by around £0.5m which was in part due to the value of Medium Term Financial Strategy (MTFS) savings for the current year and the risk of non-delivery had risen. The principle cause being the parking account;
- Spend against both the general fund and Housing Revenue Account (HRA) capital programmes continued to be slow;

- That there could be no room for complacency as the state of economy was a concern and winter pressures would grow;
- There were approximately 1,000 asylum seekers housed in hotels across the borough which had a financial implication on the council; and
- At the equivalent point in 2020/21 the council was £30m overspent with a further £36m of identified risks which materialised.

During the consideration of the recommendations, the following points were made:

- The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) welcomed the favourable movement of £1m in the general fund budget but raised concerns that the capital budget remained underspent. Further questions were asked in relation to the steps being taken by the council to ensure it was properly funded for the asylum seekers placed in the borough and whether there had been any issues in relation to the grant conditions for the Contain Outbreak Management Fund.
  - In response, the Interim Corporate Director Resources (Section 151 Officer) (Richard Ennis) advised Members that there had a huge focus on balancing the general fund budget, however it was recognised that the capital budget was underspent and a new Capital Board had been established. It was noted that underspending on capital would cause issues for the council in future years, as such star chamber exercises were also due to take place to look at the capital budget;
  - In terms of asylum seekers; the Interim Corporate Director Resources advised the council welcomed the support provided for Unaccompanied Asylum Seeking Children from the Home Office but that officers were raising the pressures faced from those who were placed in hotels in the borough; and
  - The Interim Corporate Director Resources advised that the wording on page 102 was not accurate. The council were ensuring it was following due process and utilised all of the funding provided.
- The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) welcomed the improvement on previous years but noted that the budget was balanced due to a loan from the government. Concerns were raised that the MTFS savings which were at risk of being delivered had increased from less than £1m to over £5m and queried how close those risks were to materialising and impacting the final year position
  - In response, the Cabinet Member for Croydon Renewal noted that at the last Cabinet meeting he had requested the Chief Executive (Katherine Kerswell) to review the robustness of the MTFS savings and the outcome of that review was contained within the report. He further noted that

the fees and charges review had been undertaken earlier in 2021 and queried why there was an identified risk in relation to this work in the report;

- The Interim Corporate Director Resources advised that a fees and charges report would be taken to Cabinet in January as part of the financial performance. The Interim Corporate Director Sustainable Communities, Regeneration & Economic Recovery advised that risks in her directorate were largely in relation to parking which had been impacted during the pandemic and the delay in introducing ANPR cameras. Members were advised that the risk set out in the report was at the upper end of the estimate and that once more work had been completed it was hoped that the figure would reduce. Additionally, it was highlighted that there was an identified risk in relation to SEND transport and Members were advised that significant work was underway to model the demand to right size the budget going forward.

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 £1.020m from Period 6. Service directorates are indicating a £3.030m overspend (Month 6 £4.050m) with this being netted off as in the past six months against the release of a one off Covid Grant (£3.451m released = 31% of the grant) confirmed to Croydon Council for 21/22 by DLUHC as part of the Local Government Finance Settlement;
2. Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £11.356m (Month 6 £11.063m). However to note the Council does have the £7.799m of covid grant that can be used to offset such pressures.
3. Note the Housing Revenue Account (HRA) is projecting a £0.786m (Month 6 £0.733m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances. There are sufficient balances to cover this expenditure.
4. Note the capital spend to date for the General Fund of £13.593m (against a budget of £188.688m) and for the HRA of £9.915m (against a budget of £183.209m), with a projected forecast variance of £45.472m on the General Fund against budget and

£7.184m forecast variance against budget for the Housing Revenue Account;

5. Note, the above figures are predicated on forecasts from Month 7 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 and Social Care Placement Panels remain. Restrictions have been lifted for ring-fenced accounts such as the Pension Fund, Housing Revenue Account and Coroner's Expenditure as these are directly outside of the General Fund's control. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.
7. Note that the Council has received a one off financial sum of £2.36m from the Government to help cover the pressures related to Unaccompanied Asylum Seeking Children (UASC) and care leavers which Croydon bears disproportionately to other local authorities due to the siting of the Home Office's Lunar House. However this means the Council and Croydon tax payers still fund £1.615m of disproportionate costs in this financial year post the Grant support. These costs will continue throughout the MTFS for which the Government has not indicated any financial support to date.
8. Note that in addition to the UASC pressures, Croydon Borough has taken on c1000 asylum seekers who have been placed in eight hotels by the Home Office without consultation with the Council. The hotel costs are funded by the Home Office, however the Council is be responsible for further ancillary services particularly around safeguarding, public health, children & youth provision and broader community support. These additional costs, which are currently being calculated have been flagged within the unquantified risks section of this report, and could clearly result in further financial pressures for the Council.

169/21

### **Croydon Council's Local Government Pension Scheme Employer Contribution Review 2021/2022 to 2022/2023**

Cabinet considered a report which set out that changes to the Local Government Pension Scheme regulations to allow scheme employers, of which the Council is one, to request a review of the contribution rate set out by the most recent actuarial valuation. The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) provided Cabinet with an introduction which set out:

- The report set out the changes to the Local Government Pension Scheme regulations. The Chief Executive had requested that the Pension Committee review the scheme actuary;
- The outcome of the review was that following strong investment performance there was scope for the council to temporarily reduce its contribution to 23.2% of pay per annum;
- Temporarily reducing the contribution rate would save £6.2m in 2022 and 2023;
- The cost of benefits to the pension member would remain the same; and
- It was noted that pensions was a very sensitive issue and that the actuaries provided independent professional advice in relation to this matter.

The Head of Pensions (Nigel Cook) advised Cabinet that:

- The option set out within the report was a new opportunity following changes to the regulations;
- The option was one of risk and prudence. The proposal to reduce contributions by 2.5% in 2021/22 and 2% in 2022/23 had been carefully assessed against a range of scenarios;
- The risk analysis had found that there was a 75% chance of achieving the pensions fund goal within a 20 year period;
- The next triennial valuation cycle was due to start in 2022 which would look at the council's ability to meet its future liabilities; and
- It was felt the proposal was a measured risk and that the scheme actuaries had assessed the risk.

During the consideration of the recommendations, the following points were made:

- The Cabinet Member for Croydon Renewal (Councillor Stuart King) noted that at paragraph 3.1 of the report it was stated that the financial aspects, analysis and potential impact of the risks were commercially sensitive. Concerns were raised that a pension fund member may be concerned to see the detail restricted and queried why this information had been placed in Part B. A further question was asked as to the status of rescinding the decision in relation to property transfer proposal;
  - In response, the Head of Pensions advised that the actuaries requested that their reports be restricted but noted that the scheme was secured by regulation and it was felt that the local government pension scheme was one of the safest schemes in the UK; and
  - It had been felt that following carefully assessing the risk that the property transfer and reduction in contributions would tip the scale in terms of risk. Members were advised that the actuarial view was the combination of proposals

was too risky and that the Pensions Committee had considered matter and deferred any further decision in relation to the property transfer until more information had been provided.

*Councillor Patricia Hay-Justice left the meeting at 8.23pm.*

- The Leader of the Council (Councillor Hamida Ali) noted that staff were concerned about the security of their pensions and queried whether any assurance could be provided to pension scheme members. Additionally, the Leader noted that some councillors had queried whether the contribution level could be dropped further to provide more savings for the council to protect frontline services.
  - The Head of Pensions advised that the Local Government Pension Scheme had evolved in the preceding 2/3 decades. The assurances officers could provide were that entitlements accrued to-date were protected and that the scheme would continue to evolve to ensure it was affordable for local authorities; and
  - In response to the query of reducing the contributions further, the Head of Pensions advised that the mid-cycle review had shown the scheme as being potentially overfunded in the future. However, the actuary had assessed and modelled different scenarios and had found that £6.2m gave the council a 75% certainty of reaching its targets within 20 years.

The Leader of the Council noted that it was important to ensure any decisions were prudent and that the council protected staff pensions.

*Councillor Patricia Hay-Justice returned to the meeting at 8.29pm.*

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

**RESOLVED:** To request that the Scheme Actuary certify the change in contribution rates via a revised Rates and Adjustments Certificate.

170/21

### **Croydon Local Plan Review - publication of the Proposed Submission draft**

Cabinet considered a report which sought approval to publish the Proposed Submission draft of the Croydon Local Plan Review prior to submission to the Secretary of State. Preparation of the proposed content of the Local Plan Review was required under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Cabinet Member for Culture & Regeneration (Councillor Oliver Lewis) provided Cabinet with an introduction which set out:



- The Local Plan review set out how the council would respond to the challenges of the national housing crisis and the global climate challenge;
- The challenge for Croydon was to deliver the target of 42,000 new homes by 2039. The Cabinet Member thanked residents and stakeholders who had participated in the discussion on how to tackle that challenge;
- The Plan supported the development of a prosperous and innovative economy and thriving communities;
- Proposed changes to the Plan included details on three areas of transformation: Purley Way, East Croydon station and the North End quarter; on how they could be developed to deliver much needed homes, spaces for jobs and community facilities;
- That the Cabinet Member had asked officers to complete transport modelling of the Purley Way before 1500 homes were completed in the area;
- Since publication the Cabinet Member had received representations in relation to the Purley Way chapter, with concerns in relation to the height of focal buildings. He informed Cabinet that he had reviewed those representations and proposed that the prescriptive detail in relation to the height of focal buildings be deleted;
- Should the draft Plan be agreed there would be six weeks of consultation in the New Year which would ensure feedback was gathered on the proposed changes from local businesses, the community and stakeholders; and
- Following the consultation the Plan would be submitted to the Planning Inspectorate to examine.

During the consideration of the recommendations, the following points were made:

- The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) highlighted the importance of the work in tackling climate change and the housing challenge. It was noted that Croydon was the 4<sup>th</sup> highest borough susceptible to surface water flooding nationally and that planning had a role to play in mitigating those risks. It was hoped that planning guidance would be introduced which would support more sustainable communities;
- The Cabinet Member for Croydon Renewal (Councillor Stuart King) queried site allocation reference number 20 (page 454 of the agenda) as the proposed use was for residential development, however he understood the site was already residential. Additionally he highlighted Thornton Heath pond and the importance of celebrating it as being the heart of the area, but queried whether that could be achieved via an introduction of water feature;
  - In response, the Head of Spatial Planning and Interim Head of Growth & Generation (Steve Dennington) advised that

officers had taken the view that site reference 20 had the scope to increase housing capacity at the site. In terms of the water feature; the Head of the Spatial Planning advised the Plan provided guidance on future development and should material considerations arise to suggest that it was not the best option that would be considered.

- The Cabinet Member for Homes (Councillor Patricia Hay-Justice) noted the Plan set out how the council intended to provide much needed housing, but did not set out how those properties would look. She welcomed the Plan and intention to build new homes but suggested the challenge would be ensuring they were good quality homes for all members of society; and
- The Shadow Cabinet Member for Culture & Regeneration (Councillor Jeet Bains) noted that 9,753 homes had been proposed for the Croydon Opportunity Area, 5,735 homes for Purley and 7,515 homes in Purley Way. Concerns were raised that the council was proposing over 40,000 homes be built when it was felt the council's enforcement team was unable to enforce the rules properly and that enforcement orders were ignored. In light of those concerns, the Shadow Cabinet Member suggested that the Plan would lead to uncontrolled and low quality housing in the borough.
  - In response, the Cabinet Member stated that within the Local Plan there was provision for a new leisure facility in Purley as part of any redevelopment of the Purley Pool site. The Cabinet Member further noted that it was important that the council addressed the challenges it faced; whether in relation to community provision or housing for residents and he felt that the Plan sought to achieve that.

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

**RESOLVED: To**

1. Approve the publication of the Proposed Submission draft of the Croydon Local Plan review (Appendix 1) its associated additional Sustainability Appraisals (Appendix 2) and updated additional supporting evidence for six weeks for representations to be made upon it, in accordance with Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012;
2. Approve that the Proposed Submission draft of the Croydon Local Plan be recommended to Full Council for submission to the Secretary of State upon conclusion of the statutory 6-week publication period; and
3. Delegate minor and/or factual changes to the Proposed Submission draft of the Croydon Local Plan including the Policies Map, prior to publication to the Director of the Director of Planning

and Sustainable Regeneration in consultation with the Cabinet Member for Culture and Regeneration.

171/21

### **Croydon Safeguarding Adult Board Annual Report 2020/21**

*Councillor Oliver Lewis left the meeting at 8.55pm.*

Cabinet considered a report which detailed the activity and effectiveness of the Croydon Safeguarding Adult Board (CSAB) from 1 April 2020 to 31 March 2021. The report was submitted by the CSAB Independent Chair, Annie Callanan. It ensured that the statutory partners (Council, Health and Police), residents and other agencies were given objective feedback on the work and effectiveness of local arrangements for safeguarding adults. The report covered the 2020/21 priorities, demonstrating what had been achieved and the work which needed to continue throughout 2021/22. The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) provided Cabinet with an introduction which set out:

- The CSAB was statutory multi-agency board which had the responsibility for overseeing adult safeguarding across the agencies in Croydon;
- The report had been considered and agreed by the Board in October 2021 and had been presented to the Health & Social Care Scrutiny Sub-Committee;
- The report outlined the work of the agencies during the preceding year and included the work of the Voice of the People sub-group; and
- It was noted that the pandemic had presented major challenges to adult safeguarding but it was stated that those challenges had been met and embraced.

*Councillor Muhammad Ali left the meeting at 8.56pm.*

The Independent Chair of the CSAB (Annie Callanan) provided Cabinet with context to the report and set out:

- The CSAB was made up of mainly of three statutory partners: the Police, the NHS and the local authority. It was the local authority who retained the lead responsibility for adult safeguarding under the Care Act;
- The Board's core duties were to publish the report, publish a strategic plan and commission safeguarding adult reviews when things went wrong;
- The Board provided assurance that the arrangements which were in place were effective and were working;
- The Board worked with agencies across Croydon to prevent neglect and abuse and took timely and proportionate responses when neglect or abuse had occurred;
- The report was produced by the Board which was overseen by the Independent Chair;

- It was noted that there had been a large volume of interest in the report at scrutiny;
- The voice of the people and the voice of those with lived experiences were highlighted and it was noted that work continued to ensure all residents were represented; and
- She was humbled by the work during the pandemic to ensure that safeguarding continued during difficult circumstances.

The Leader of the Council (Councillor Hamida Ali) thanked the Independent Chair for all of her work.

*Councillor Muhammad Ali returned to the meeting at 9:01pm.*

During the consideration of the recommendations, the following points were made:

- The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) welcomed the work of the CSAB and noted the interlinking work with the Children's Safeguarding Board to ensure the residents of Croydon were protected and that families were supported holistically;
- The Cabinet Member for Families, Health & Social Care noted that the work of the Board had been cross party and thanked Councillors Hopley and Bird for their input. Additionally David Williams (Metropolitan Police Service) was thanked for all of his work and well wishes were provided for his retirement; and

*Councillor Oliver Lewis returned to the meeting at 9:04pm.*

- The Shadow Cabinet Member for Families, Health & Social Care (Councillor Yvette Hopley) thanked the Independent Chair for her hard work, and in particular throughout the pandemic. She noted that the Board was an example of good cross-party working and stated that she was looking forward to the working party day which was due to take place.

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

**RESOLVED:** To note the Annual Report of the Croydon Safeguarding Adult Board (CSAB).

172/21

**Dedicated Schools Grant (DSG) School Funding 2022/23 Formula Factors**

*Councillor Stuart King left the meeting at 9.06pm.*

Cabinet considered a report which outlined the factors which were proposed for the setting of the schools budgets for 2022/23 through the Authority Proforma Tool (APT). These factors had been consulted on

through Schools Forum meeting on 4 October 2021 and were voted on and approved on 8 November 2021 at forum with the exception of the PFI factor. The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) provided Cabinet with an introduction which set out:

- The DSG Management Plan had been taken to the General Purposes & Audit Committee (GPAC) in October 2021 and provided an updated on the councils plans to manage the balance, pressures and potential savings;
- The DSG was a ring fenced grant and the report specifically focussed on the schools block element of the funding, which was directly transported to schools;
- The Schools Forum was working in phased manner to the national funding formula; and
- The report had been considered and agreed by the Schools Formula.

*Councillor Stuart King returned to the meeting at 9.08pm.*

The Chair of the Schools Forum (Jolyon Roberts) provided Cabinet with context to the report and set out:

- The Schools Forum was a 40 member committee which met monthly. The membership included Head Teachers, Governors, officers and Councillors;
- The Forum dealt with the allocation of the DSG, which was valued at almost £400m. However, Schools Forum decisions only affected the schools block elements of the funding;
- The schools block funded mainstream and academy schools in Croydon and amounted to £286m; however the Forum had discretion in terms of certain elements of that funding;
- Assurance was provided that the Schools Forum considered the funding formulas in detail and debated matters at length;
- The Schools Forum was working towards a general strategy of the hard funding formula calculations in anticipation of its introduction;
- Thanks was provided to those who had chaired the working parties on each element of the DSG; and
- Concerns were raised in relation to the high needs block, however it was noted that there was a gap between the amount allocated and the amount spent which had primarily been caused by the decision to include 18 to 25 year old young people in the high needs block without additional funding. Mr Roberts stated that this gap had been reducing.

The Leader of the Council (Councillor Hamida Ali) thanked Jolyon Roberts for providing a context to the report and for his work with the Schools Forum.

During the consideration of the recommendations, the following points were made:

- The Chair of Scrutiny & Overview & Committee (Councillor Sean Fitzsimons) expressed concern that the report had been considered by GPAC and not the Children & Young People Scrutiny Sub-Committee. He noted that the only opportunity for scrutiny to consider the report was to call-in the decision. He requested that in future such reports were included in the Scrutiny Work Programme;
- The Shadow Cabinet Member for Children, Young People & Learning (Councillor Maria Gatland) welcomed the report and thanked Jolyon Roberts for his contribution. Assurances were provided by the Shadow Cabinet Member that the detail was fully considered by the Schools Forum; and
- The Cabinet Member committed that the council would look to have a discussion with scrutiny in relation to the DSG. The Cabinet Member further thanked all of the Head Teachers, teachers and teaching assistants in the borough for their work in ensuring the young people of the borough received an education during such a challenging period.

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

**RESOLVED:** To approve the provisional funding formula for Croydon schools for the financial year 2022/23 for maintained schools, and the academic year 2022/23 for academies, in line with the recommendations of the School Forum:

- a. To agree for the phased implementation of the National Funding Formula in 2022/23 to ease the potential turbulence of moving to a hard formula at a later stage; and
- b. To agree the funding formula factors set out in Table 2 and paragraphs 4.5.1 to 5.5 of the report already voted on at schools forum.

173/21

### **Investing in our Borough**

Cabinet considered a report which set out the contract awards and strategies to be agreed by Cabinet, contract decisions anticipated to be made under delegated authority, contract award decisions made by the Director of Commissioning & Procurement, and property lettings and disposals. The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) provided Cabinet with an introduction which set out:

- The property disposals were decisions made by the Cabinet Member for Resources & Financial Governance in consultation with the Leader of the Council;
- Assurances were provided that the three properties outlined in the Interim Asset Disposals report had been assessed as being surplus and that the sites had been properly marketed; and
- That officers were requesting a variation on disposal price of up to 10% so that a report did not need to be taken to Cabinet if there was a small variation in price.

***Motion to extend the meeting at 9.25pm:***

*The Leader of the Council (Councillor Hamida Ali) proposed to extend the guillotine of the meeting by half an hour in accordance with paragraph 1.5 (c) of Part 4D of the Constitution.*

*The Deputy Leader of the Council seconded the motion and Cabinet agreed.*

***RESOLVED:*** *To extend the guillotine of the meeting by half an hour in accordance with paragraph 1.5 (c) of Part 4D of the Constitution.*

The Shadow Cabinet Member for Communities, Safety & Business Recovery (Councillor Andy Stranack) queried the sale of Goldcrest Youth Centre as he stated there were a number of community groups in need of venues. The Head of Asset Management & Estates (Stephen Wingrave) advised that a report would be taken to Cabinet in January and that officers were meeting with ward councillors later that week to discuss the proposals.

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 contract extension and variation for the Young People and Care Leavers Service as set out at agenda item 11a and section 5.1.1 of the report.
2. The request for approval of the award for Parking ANPR cameras as set out at agenda item 11b and section 5.1.1 of the report
3. 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.

4. 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.
5. Property lettings, acquisitions and disposals to be agreed by the Cabinet Member for Resources and Financial Governance in consultation with the Leader since the last meeting of Cabinet, as set out in section 5.4.1 of the report.

174/21

### **CAYSH Young People and Care Leaver's Service - Extension of Contract**

Cabinet considered a report which recommended the extension of the Young Person & Care Leavers Service for a further 12 months to 30 September 2022 at a cost of £567,240 for a maximum aggregate value of £5,386,703 to enable a review and a recommission of the service provision. The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) provided Cabinet with an introduction which set out:

- The council had a statutory duty to support a wide range of residents who were homeless or at risk of homelessness as outlined in the Homelessness Reduction Act 2017;
- To meet the statutory duty the council used a range of supported housing services;
- Support was either directly provided through the sourcing of new accommodation or indirectly through support and advice; and
- The proposed decision would provide the council with time to fully recommission the service.

During the consideration of the recommendations, the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) noted that three of the outstanding recommendations from the Ofsted inspection focused on how the council supported young people with housing. She stated that the council was committed to delivering the best service to young people in the borough.

The Shadow Cabinet Member for Homes (Councillor Lynne Hale) informed Cabinet that she would submit a detailed question in relation to the contract and queried whether the notes of the Commissioning Board could be viewed by Members. The Interim Monitoring Officer (John Jones) advised the meeting was private and that councillors would need to submit a formal request with a reason for the request. This request would be formally considered.

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

**RESOLVED:** To



1. Approve (in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations) an extension by way of variation of 'The Young Person & Care Leavers Service' contract awarded to CAYSH for an extension period of 12 months to 30<sup>th</sup> September 2022 at an additional cost of £567,240 for a maximum aggregated contract value of £5,386,703.00
2. Note that the Contracts and Commissioning Board has endorsed the above recommendation.

175/21

### **Parking ANPR Cameras contract award**

Cabinet considered a report which recommended the award of a contract to the preferred bidder set out in the Part B report following a competitive tender in compliance with the Council Tender and Contracts Regulations and Public Contract Regulations. The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) provided Cabinet with an introduction which set out:

- The ANPR cameras would manage the environmental impact of vehicle traffic in the borough; including the management of the vehicle emissions surcharges;
- It was important the council had an automated system as work was currently being undertaken manually and would enable staff resources to be redirected; and
- There would be increased compliance in areas such as where there are no right turns.

During the consideration of the recommendations, the Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) noted that the proposed contract award responded directly to one of the points made by Chris Wood and the need to digitise services to achieve efficiencies.

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

#### **RESOLVED: To**

1. Approve the award in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the contract for the provision of ANPR cameras, back end IT system to manage and control the camera network and images, associated support and maintenance and hosting of the camera management system for a contract term of 10 years (with breaks in years 3,6 and 8) to the Provider and for the contract value stated in the Part B report on this agenda.
2. Note the contractor name and contract value will be published following contract award.

176/21 **Exclusion of the Press and Public**

This item was not required.

177/21 **Croydon Council's Local Government Pension Scheme Employer Contribution Review 2021/2022 to 2022/2023**

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

**RESOLVED:** To request that the Scheme Actuary certify the change in contribution rates via a revised Rates and Adjustments Certificate.

178/21 **Parking ANPR Cameras contract award**

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

**RESOLVED:** To

1. Approve the award in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the contract for the provision of ANPR cameras, back end IT system to manage and control the camera network and images, associated support and maintenance and hosting of the camera management system for a contract term of 10 years (with breaks in years 3,6 and 8) to the Provider and for the contract value stated in the Part B report on this agenda.
2. Note the contractor name and contract value will be published following contract award.

The meeting ended at 9.38 pm