

Public Document Pack

Council

Meeting held on Monday, 7 March 2022 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

- Present:** Councillor Sherwan Chowdhury (Chair);
Councillor Felicity Flynn (Vice-Chair);
Councillors Kola Agboola, Hamida Ali, Muhammad Ali, Jade Appleton, Jeet Bains, Leila Ben-Hassel, Sue Bennett, Margaret Bird, Mike Bonello, Simon Brew, Alison Butler, Janet Campbell, Robert Canning, Louis Carserides, Richard Chatterjee, Chris Clark, Stuart Collins, Mary Croos, Jason Cummings, Patsy Cummings, Mario Creatura, Nina Degrads, Jerry Fitzpatrick, Sean Fitzsimons, Alisa Flemming, Clive Fraser, Maria Gatland, Lynne Hale, Patricia Hay-Justice, Maddie Henson, Simon Hoar, Yvette Hopley, Karen Jewitt, Humayun Kabir, Bernadette Khan, Stuart King, Ola Kolade, Toni Letts, Oliver Lewis, Stephen Mann, Stuart Millson, Michael Neal, Ian Parker, Andrew Pelling, Jason Perry, Helen Pollard, Tim Pollard, Joy Prince, Badsha Quadir, Helen Redfern, Scott Roche, Pat Ryan, Paul Scott, Manju Shahul-Hameed, Caragh Skipper, Andy Stranack, David Wood, Louisa Woodley and Callton Young
- Apologies:** Councillor Jamie Audsley, Luke Clancy, Pat Clouder, Steve Hollands, Shafi Khan, Oni Oviri, Gareth Streeter and Robert Ward

PART A

1/21 **Minutes of the Ordinary and Extraordinary meetings held on 16 December 2020**

The minutes of the meeting held on 16 December were agreed as an accurate record.

2/21 **Disclosure of Interests**

There were none.

3/21 **Urgent Business (if any)**

There were no items of urgent business.

4/21 **Announcements**

Mayor Sherwan Chowdhury updated Council on his recent Mayoral engagements, which included visiting Bangladesh for a fundraising event where he promoted Croydon amongst high profile ministers, and where he met the British High Commissioner. On 21 February 2022, Mr Mayor had spoken at the International Language Day at Braithwaite Hall, which he attended with a number of other councillors and the Council's Director of Education. Local artists and performers had taken part in the event who represented the multi-cultural place that Croydon is. The Mayor then promoted a charity dinner at the Royal Tandoori Selsdon, and informed Council that he would be attending a tree-planting ceremony to mark Her Majesty the Queen's Platinum Jubilee 2022. He would also be celebrating Bangladeshi Independence Day on 31 March.

The Mayor then invited the Leader of the Council, Councillor Hamida Ali, to make announcements. Councillor Ali spoke about the horror of the sustained and unprovoked attacks taking place against innocent people in Ukraine. She declared the Council's solidarity with Ukraine, and stated that she admired their courage and defiance. Councillor Ali mentioned how London communities had rallied their efforts of support, and gave details of opportunities to contribute to charities and offer aid to Ukrainians.

The Mayor then invited the Chief Executive, Katherine Kerswell, to speak, who thanked Richard Ennis, Nish Popat and Chris Buss for stepping in and acting as interim Section 151 officers until such time as the permanent position was filled. The Chief Executive then welcomed the incumbent Section 151 officer, Jane West to Croydon.

5/21 **Council Tax and Budget**

Before discussion of the item the Mayor reminded all present that an additional recommendation had been included in this item, asking Council to note a capitalisation direction letter from the Government.

Questions to the Leader

Members were then offered the opportunity to submit questions on the Budget to the Leader.

Councillor Jason Perry asked if the Leader regretted agreeing to the formation of the myriad of subsidiary companies that the Council was responsible for.

The Leader responded that the administration had faced significant challenges over the last 16 months. For example, not having had sufficient oversight of its own companies; but that that had not deterred it from putting the Council on a much better financial footing. The Leader pointed out that the Council now had proper oversight of its interests, that the budget was

projecting an in-year underspend, and that it had a record of delivering £44m of savings at the end of the financial year.

Councillor Perry submitted a supplementary question, asking if the administration had had sufficient oversight when it agreed to companies being formed, and of the tangled web of accounts which had left a £73m hole in its budget for the next year.

The Leader responded that it was not only the responsibility of the majority group at the time for making decisions on the options put to the Council, but that non-executive committees with members from all groups had contributed to these decisions being made. The Leader also pointed out that there had been a lack of professional advice around the refurbishment of Fairfield Halls when the report had been submitted to Cabinet, and that members of the Chamber had not been properly informed of all the risks at the time.

Councillor Nina Degradis then submitted a question to the Leader, asking how this budget provided investment in services, residents value, and priorities the most, to which the Leader replied that the management and implementation of the budget across the council had enabled the administration to protect frontline services that residents valued. The Leader mentioned that they had focussed on making savings in areas that affected residents the least, such as building use and senior staffing. The Leader went on to say that there was growth projected within the budget which could be used to support Special Education Needs, carers, and youth provision, all of which were top priorities identified by residents.

Councillor Lynne Hale then questioned the Leader, asking at what point she was aware that the reason Grant Thornton, the Council's independent accounts manager, was not able to sign off the 2019-20 accounts was due to their concerns about the treatment of £114m related to Croydon Affordable Homes and Croydon Affordable Tenancies.

The Leader responded that these issues had featured in Scrutiny and Overview Committee meetings, General Purposes and Audit Committee meetings, and Cabinet meetings, and that bank reconciliations and Croydon Affordable Homes had been highlighted in a paper that had gone to Cabinet in December. The Leader asserted that it was not known that the risk would transform in the way that it had to date, and that the scale and detail of the issues had emerged over time.

Councillor Hale then asked if the Labour Group had dismissed Grant Thornton as a result, and if so, when this had been done, to which the Leader responded that it was not true.

Councillor Maddie Henson submitted a question asking how the Leader thought that providing support to people fleeing war in Ukraine for the safe haven of Croydon would affect the budget in future. The Leader responded that although Central Government had not fulfilled all of its promises to reimburse Local Authorities for the financial contributions they had made for

refugees it had been positive that some in-year funding had been received. The Leader also assured Council that affects on the budget had been looked at in Cabinet, and that she had applied to the Bishop of Croydon for Borough of Sanctuary status.

Questions to Cabinet Members

Councillor Sean Fitzsimons stated that through work done by the cross-party Scrutiny committee some risks had been identified in the budget, and that the committee had set out some recommendations in response to those risks. They did, however, feel confident that this was a robust and sustainable budget and that the previous and incumbent S151 officers had ensured that the risks could be adequately mitigated.

Councillor Helen Redfern asked how and when Councillor Fitzsimons had notified the Head of Internal Audit of their concerns of suspected fraud involved in the refurbishment of Fairfield Halls, to which Councillor Fitzsimons replied that it had happened following a Council meeting. He stated that he was following guidance written in the Constitution of Croydon Council.

Councillor Redfern submitted a supplementary question to clarify whether it was only after the Labour Group had voted against referring the Report in the Public Interest (RIPI) findings to the police that Councillor Fitzsimons' suspicions were raised. Councillor Fitzsimons insisted there was no evidence of fraud at that moment in time, but that once he had heard from officers he made his judgment.

Councillor Chris Clark asked how important cross-party involvement was to Councillor Fitzsimons in the functioning of scrutiny, to which Councillor Fitzsimons explained that Croydon had much more cross-party involvement on its Scrutiny panel than most other Local Authorities, and that he had been very proud to be part of a committee on which councillors from both sides made large contributions and helped form the recommendations. Councillor Fitzsimons took the opportunity to thank all members for their commitments to Scrutiny over the last year in holding the Council to account.

Councillor Clive Fraser asked if the Chair of Scrutiny and Overview Committee agreed that timely and effective responses to Members' Enquiries was pertinent to the effective scrutiny of the budget, to which Councillor Fitzsimons agreed that Access to Information was a vital part of the role, and that he hoped going forward that there would be resources in place to better support providing that access. In response to a supplementary question on the issue, Councillor Fitzsimons admitted that he had expressed scepticism of the new system but that he looked forward to seeing what it offered.

The Mayor then reminded members that one of the Council's improvement actions was to task the General Purposes and Audit Committee (GPAC) with assessing the Council's reserves strategy before the budget was agreed. Mr Mayor then invited the Independent Chair of GPAC, Dr. Olu Olasode, to update Council on the committee's conclusions.

Dr. Olasode explained that GPAC had sought assurances from officers around processes used to identify risk whilst developing the budget. This action was agreed upon after the first RIPI to ensure that all risk and liabilities had been properly considered. The committee carried out this risk assessment in March 2022 and noted that there were a number of unknown risks, which had been factored in in different ways to give sufficient buffer within the reserves proposal. The committee had explored the Council's reserves and had found that they were adequate. It also noted that there would be a general reserves balance of around £27.5m.

Council then moved onto the substantive item: the Council Tax Debate.

Addressing Council the Leader MOVED to approve the Budget, and noted tireless efforts by officers to fix the council's finances and put it on a surer financial footing for the future. The Leader believed that this administration had achieved better financial management, governance, transparency and trust in the Council. The Leader pointed out that the budget was projecting an underspend, which was in stark contrast to the position twelve months prior. She stated that, despite lack of support from Central Government to deliver on promises it made to provide finances for various programmes, the Budget proposed £55m of service savings. However, difficult decisions had to be taken and the only choice members could take was to increase Council Tax. It had ensured, however, that the most vulnerable were protected from paying any at all, through the Council Tax support measures put in place, and that this Budget made services more efficient and maximised protection for key services for residents. The Leader then recognised the work of Scrutiny and Overview Committee and GPAC in reviewing the Budget and thanked officers for their hard work, which demonstrated how the Council had improved its governance processes.

Councillor Stuart King SECONDED the motion and reserved his right to speak.

The Mayor then declared that the Opposition had formally submitted an amendment to the Budget and invited Councillor Cummings to speak.

Councillor J Cummings MOVED the amendments, and mentioned that the Labour leadership had made the lives of children, the elderly and school teachers harder by closing Purley Pool. Councillor J Cummings explained that the amendment was written in consultation with officers and included achievable timescales and allowed time for a proper procurement process to take place.

Councillor Jason Perry SECONDED the motion and reserved the right to speak.

Councillor Oliver Lewis responded that the amendment had not taken into account that Purley Pool required an entirely new development, and likened the amendment to a sticking plaster. He also stated that the amendment had

not been costed correctly as it did not contain contingency in the Community Infrastructure Levy (CIL) budget, which would lead to budget cuts.

Councillor Patsy Cummings repeated that they were looking to use CIL money to make a new pool and leisure centre as the current site was not fit for purpose, and she encouraged all members to cooperate for the good of residents.

Councillor Perry then described how the Labour leadership had closed the pool when it had reopened others, despite huge opposition from residents, schools and businesses, and that it was not sufficient to tell residents to use pools in neighbouring areas or areas in other parts of the borough as they should be able to use local facilities.

The Mayor then put the amendment to the vote.

RESOLVED not to amend the Budget to include Purley Pool Refurbishment and Modernisation Project.

Councillor Perry, as Leader of the Opposition, was awarded ten minutes to speak on the motion. Councillor Perry stated that he looked forward to the new system of governance that was voted in favour by the residents of Croydon: to an elected Mayor system, after the May 2022 Borough Council elections. He raised again that the accounts were not signed off for 2020-21 and that there was a £73m hole in the accounting. He said that the Labour administration had bankrupted the borough and bypassed procurement rules for the Fairfield Halls refurbishment, and that the result was to increase Council Tax. Councillor Perry then listed a number of public services which had suffered funding cuts due to the poor financial management of the Labour administration, including libraries, children's services, youth services, and parks and open spaces. He also pointed out that failures to deliver opportunities for increasing revenue, such as the Westfield project, had cost the Council millions in business rates, and that the sale of assets had been worth less financially to the Council than it was worth to the community to retain those assets. He stated that Croydon needed a Conservative Mayor to secure its future.

Councillor Young responded that the Council had been faced with enormous challenges, despite which the administration had managed to stabilise the finances and deliver a balanced budget with a forecast of modest underspend. Councillor Young claimed that Councillor Perry did not believe that there was a real issue around fair funding, at which point Councillor Perry requested to make a Point of Personal Explanation that he had been misquoted, and that he had said that it was true that funding had been cut.

The Mayor then called on Councillor Kolade to speak, who stated that the circumstances under which this budget was developed reflected badly on Croydon, and that local tax was very high whilst the level of service provision was very low. He stated that cuts had been made to the services and avenues of support that affected the most vulnerable, and that the Labour

administration had approved the cut to Council Tax support for 15,000 residents during a time when nursery school fees and energy bills were rising.

Councillor Janet Campbell talked about the focus of Adult Social Care, and that budget cuts and controlled spending had been reviewed in order to continue to provide statutory services and keep residents safe during financial challenges. Councillor Campbell spoke about the initiatives that Adult Social Care had delivered to support the borough, including the Newly Qualified Social Worker programme, and that Adult Social Care had residents' voices as the focus of Adult Social Care. Councillor Campbell encouraged cross-party investment in mental health hubs and a care network across the borough.

Councillor Hoar then attributed the financial mismanagement of the Labour administration to the downfall of the borough, as they had been in power for the last twelve years, and accused the current members of passing the buck.

Councillor Fitzpatrick stated that the Leader had restored sound governance and set a sustainable budget and that her Cabinet had fulfilled the pledges it had made to do so. The work to put a strong financial strategy in place had been greeted by the governance inspection panel with nods of satisfaction, and that the improvements in the council were a source of hope and pride and that they were able to deliver this despite twelve years of Conservative austerity and cuts.

Councillor Hale accused the Labour administration of having missed opportunities and not grasping the transformation of services in Croydon. She stated that approved budgets of the past had not been delivered and that huge loans had been racked up, the debts of which were being passed on to residents.

Councillor King argued that despite this the Opposition failed to deliver a substantial alternative budget, and that this Budget provided support through the cost of living crisis, invested in tackling the climate emergency, invested in parks and green spaces, and Croydon's recovery.

At the conclusion of the debate the Mayor took recorded votes on the three recommendations.

The first recorded vote was for recommendation 1.3: 1.99% increase for Croydon Services in 2022/23 (in line with government's core spending power assumptions) as detailed in Section 10 of the report and Appendix 1E.

The members who voted in favour were: Councillors Kola Agboola, Hamida Ali, Leila Ben-Hassell, Sue Bennett, Mike Bonello, Alison Butler, Janet Campbell, Robert Canning, Louis Carserides, Chris Clark, Stuart Collins, Mary Croos, Patsy Cummings, Nina Degrads, Jerry Fitzpatrick, Sean Fitzsimons, Alisa Flemming, Felicity Flynn, Clive Fraser, Patricia Hay-Justice, Maddie Henson, Karen Jewitt, Humayun Kabir, Bernadette Khan, Stuart King, Toni Letts, Oliver Lewis, Stephen Mann, Joy Prince, Pat Ryan, Paul Scott,

Manju Shahul-Hameed, Caragh Skipper, David Wood, Louise Woodley, Callton Young, Sherwan Chowdhury.

The members who voted against were: Councillors Jade Appleton, Jeet Bains, Margaret Bird, Simon Brew, Richard Chatterjee, Mario Creatura, Jason Cummings, Maria Gatland, Lynne Hale, Simon Hoar, Yvette Hopley, Ola Kolade, Stuart Millson, Michael Neal, Ian Parker, Andrew Pelling, Jason Perry, Helen Pollard, Tim Pollard, Badsha Quadir, Helen Redfern, Scott Roche, Andy Stranack.

The recommendation was carried; 37 votes in favour and 23 against.

The second recorded vote was for recommendation 1.4: a 1.00% increase in 2022/23 for the Adult Social Care precept (in line with government's core spending power assumptions) as detailed in Section 10 of the report and Appendix 1E.

Council voted **UNANIMOUSLY** in favour of the recommendation.

The third recorded vote was for recommendation 1.5: To note the draft Greater London Authority precept on the Collection Fund and increase of 8.8% as set out in Appendix 1F.

The members who voted in favour were: Councillors Kola Agboola, Hamida Ali, Leila Ben-Hassell, Sue Bennett, Mike Bonello, Alison Butler, Janet Campbell, Robert Canning, Louis Carserides, Chris Clark, Stuart Collins, Mary Croos, Patsy Cummings, Nina Degrad, Jerry Fitzpatrick, Sean Fitzsimons, Alisa Flemming, Felicity Flynn, Clive Fraser, Patricia Hay-Justice, Maddie Henson, Karen Jewitt, Humayun Kabir, Bernadette Khan, Stuart King, Toni Letts, Oliver Lewis, Stephen Mann, Joy Prince, Pat Ryan, Paul Scott, Manju Shahul-Hameed, Caragh Skipper, David Wood, Louise Woodley, Callton Young, Sherwan Chowdhury.

The members who voted against were: Councillors Jade Appleton, Jeet Bains, Margaret Bird, Simon Brew, Richard Chatterjee, Mario Creatura, Jason Cummings, Maria Gatland, Lynne Hale, Simon Hoar, Yvette Hopley, Ola Kolade, Stuart Millson, Michael Neal, Ian Parker, Jason Perry, Helen Pollard, Tim Pollard, Badsha Quadir, Helen Redfern, Scott Roche, Andy Stranack.

Councillor Andrew Pelling abstained.

The recommendation was carried; 37 votes in favour, 22 against and one to abstain.

6/21

Recommendations of Cabinet or Committees to Council for decision

The recommendations to Council were taken in two blocs. The first bloc included recommendations 1.1, 1.2, 1.6, 1.7, 1.8, 1.9, 1.11, 1.12, 1.13, and

1.14. The second bloc included recommendations 1.10, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20 and 1.21.

RESOLVED: The Members of Council resolved to agree the following recommendations:

- 1.1 The General Fund revenue budget for 2022/23 as set out in appendices 1A to 1D;
- 1.2 The Council's request for a capitalisation direction from the Department of Levelling Up, Housing and Communities [DLUHC] of up to £50m for 2021/22 and up to £25m for 2022/23 as set out in paragraph 9.26 of the report;
- 1.3 1.99% increase for Croydon Services in 2022/23 (in line with government's core spending power assumptions) as detailed in Section 10 of the report and Appendix 1E;
- 1.4 A 1.00% increase in 2022/23 for the Adult Social Care Precept (in line with government's core spending power assumptions) as detailed in Section 10 of the report and Appendix 1E;
- 1.5 To note the draft Greater London Authority precept on the Collection Fund and increase of 8.8% as set out in Appendix 1F;
- 1.6 With reference to the principles for 2022/23 determined by the Secretary of State under Section 52ZC (1) of the Local Government Finance Act 1992 (as amended) confirm that in accordance with Section 52ZB (1) the Council Tax and GLA precept referred to above are not excessive in terms of the most recently issued principles and as such to note that no referendum is required. This is detailed further in section 10 of the report;
- 1.7 The calculation of budget requirement and council tax as set out in Appendix 1E and 1F including the GLA increase will result in a total increase of 4.11% in the overall council tax bill for Croydon;
- 1.8 The revenue budget assumptions as detailed in the report and the associated appendices;
- 1.9 The detailed programme of revenue savings, income and growth items, by directorate, as set out in Appendix 1B;
- 1.10 That based on the advice of the Pension Fund Actuary and the Fund's independent investment advisors (as provided to the Pension Committee), and upon the wording of the Hymans Robertson recently issued Draft Rates and Adjustments Certificate, the Council agrees not to progress plans to transfer properties to the Pension Fund (as detailed in Section 12 of the report);
- 1.11 The Council's 2022/23 HRA revenue budget as set out in Section 15 of the report;
- 1.12 The amendment to the previously approved General Fund capital budget to reflect the change in requested transformation funding

requests (to be financed by the use of flexible capital receipts) as detailed in section 16 of the report;

- 1.13 The list of individual transformation projects as detailed in Section 16 of the report;
- 1.14 In relation to the Facility Agreement with Brick By Brick Croydon Ltd:
 - i. Approve variations to the Facility Agreement to: a. change the repayment structure to allow flexibility in the way the Council can apply repayments, as explained in section 9 of the report; and b. reflect the inclusion of £1.379m of outstanding liabilities post the Fairfield Halls expenditure review.
 - ii. Approve that the Section 151 Officer shall be authorised to finalise the varied terms thereof and make decisions in respect of the loan repayment application (in consultation with the Brick By Brick Shareholder Cabinet Advisory Board)
 - iii. Note that these changes shall be reported to Cabinet as part of the next Brick By Brick quarterly update in addition to briefings to the Brick By Brick Shareholder Cabinet Advisory Board;
- 1.15 In exercising its functions including in making decisions on the setting of the 2022/23 budget and proposed changes, due regard is to be had to the public sector equalities duties as detailed in Section 20 of the report;
- 1.16 That in setting the Budget and Council Tax members must have regard to the Section 151 Officer's statutory report under Section 25 of the Local Government Act 2003 on the robustness of the estimates made for the purposes of the Council Tax calculations and the adequacy of the proposed financial reserves as set out in Section 11 of the report, and in particular the risks relating to the accounting treatment of Croydon Affordable Homes and Croydon Affordable Tenures leases;
- 1.17 Consider the comments and recommendations from the budget engagement with local residents, businesses and representatives of non[1]domestic rate payers as set out in Appendix 11;
- 1.18 Note the planned contribution to reserves set out in Section 11 of the report which will be confirmed subject to the final 2021/22 outturn and reported to Cabinet as part of the Outturn report in July 2022;
- 1.19 In respect of the Council's public sector equalities duties, where the setting of the capital, revenue and HRA budget result in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including such consultation as may be required; and
- 1.20 The recommendations and comments of the Scrutiny and Overview Committee and the General Purposes and Audit Committee as will be communicated as draft minutes or verbally reported to this meeting.

There were no items on the agenda for which it was necessary to exclude the Press and Public.

The meeting ended at 9.02 pm

Signed:

.....

Date:

.....

This page is intentionally left blank