

Cabinet

Meeting of held on Wednesday, 25 November 2020 at 6.30 pm. This meeting was held remotely

MINUTES

Present: Councillors Hamida Ali, Stuart King, Muhammad Ali, Jane Avis, Janet Campbell, Alisa Flemming, Oliver Lewis, Manju Shahul-Hameed, David Wood, Callton Young, Jeet Bains, Leila Ben-Hassel, Margaret Bird, Simon Brew, Richard Chatterjee, Sherwan Chowdhury, Nina Degrads, Felicity Flynn, Patricia Hay-Justice, Bernadette Khan, Shafi Khan, Toni Letts and Pat Ryan

Also Present: Councillors Jason Perry, Jason Cummings, Lynne Hale, Maria Gatland, Simon Hoar, Yvette Hopley, Vidhi Mohan, Helen Redfern, Scott Roche, Andy Stranack, Gareth Streeter, Louisa Woodley, Sean Fitzsimons, Robert Ward, Pat Clouder, Clive Fraser, Mario Creatura, Jeet Bains, Leila Ben-Hassel, Margaret Bird, Simon Brew, Richard Chatterjee, Sherwan Chowdhury, Nina Degrads, Felicity Flynn, Patricia Hay-Justice, Bernadette Khan, Shafi Khan, Toni Letts and Pat Ryan

Officers: Katherine Kerswell (Interim Chief Executive), Jacqueline Harris Baker (Executive Director of Resources), Elaine Jackson (Interim Assistant Chief Executive), Debbie Jones (Interim Executive Director of Children, Families & Education), Shifa Mustafa (Executive Director of Place), Heather Simmonds (Executive Director Localities and Resident Pathway), Lisa Taylor (Director of Finance, Investment & Risk and Section 151 Officer) and Guy Van Dichele (Executive Director of Health, Wellbeing & Adults)

PART A

84/20 **Minutes of the previous meeting**

Councillor Jason Cummings noted that the minutes had not detailed the questions asked by Shadow Cabinet Members, and requested that the minutes provided more detail.

The Chief Executive Officer and Monitoring Officer agreed for the minutes of the Cabinet meeting held on 19 October 2020 to be revised and brought back for approval at the next Cabinet meeting.

85/20 **Disclosure of Interests**

There were none.

86/20 **Urgent Business (If any)**

There were no items of urgent business.

Croydon Renewal Plan

The Leader introduced the report and explained that there were two parts to the report, and the discussions would be taken separately, following the joint introduction. It was explained that the first report was an overview of the improvement work and the second report was on the financial recovery plan, focused on the savings proposals in the coming years. The Interim Chief Executive highlighted the summary of the report, as it detailed the proposed changes to the council; ensuring continuous improvement, and having a combination of economy, efficiency and effectiveness within a financially sustainable budget. She further highlighted to the Cabinet that significant consultation had been had with council staff members; a staff survey, well-attended focus groups, and weekly webinars with the Leader of the Council and the Interim Chief Executive. She noted that there was a lot of upset and anger from staff members, and it was crucial to recognise how the staff were feeling, and to consider all the actions and suggestions outlined within the report. She concluded by stating that it was not the end of the engagement, and there would be further opportunity for people to add to the report and to consider improvements.

a Croydon Renewal Improvement Plan and the Croydon Renewal Improvement Board

The Cabinet Member for Communities, Safety & Resilience, Councillor David Wood, highlighted the proposed work in regards to the Croydon Communities Board, which would form an important part of the Croydon Renewal Improvement Board. The intended membership of this Board included a proposal to invite representatives from the voluntary sector, different faiths, tenants and residents, associations, businesses and communities. He requested that Councillors recommend anyone within their ward who could be considered as a representative of the Board. He added that it was an important part of the improvement plan delivery, and it was crucial to have resident and community engagement.

The Cabinet Member for Economic Recovery & Skills, Councillor Manju Shahul-Hameed, gave an update in regards to the economy and the shaping of the new priorities in regards to this, noting that 99% of the businesses were SMEs (small and medium-sized enterprises), micro-businesses and family run businesses. The first lockdown was the worst recession on record, and businesses were beginning to recover from this, but then the second lockdown in Croydon was announced. She explained that the impact from COVID-19 and the S114 notice was impacting the economy and businesses significantly, and expressed the importance of business partnership during this time. The Croydon Renewal Improvement Board would provide reassurance to Croydon residents and business owners and assist during the implementation of the changes required, specifically, the need for greater transparency and openness. She further noted that the partners she had spoken to had confirmed their

support for the Croydon Renewal Plan, and were willing to contribute to the process where possible.

The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, expressed the importance of partnerships during the ongoing work around the structural deficit within the council. She noted that this was not just between Members and Officers, but also with community organisations. She thanked everyone involved with this ongoing work, including the Local Strategic Partnership and the Safeguarding Board, in particular the Independent Chair, Di Smith, for her work towards ensuring the lives of the most vulnerable in the borough were safeguarded.

The Shadow Cabinet Member for Safer Croydon & Communities, Councillor Andy Stranack, raised concern to the Cabinet Member for Communities, Safety & Resilience regarding the proposed representation on the Croydon Renewal Improvement Board; it was felt the members from the Croydon Communities Board, in particular regard to Voluntary Services, was “tokenistic”.

In response, the Leader explained that the Board had been assembled to provide additional support and give further reassurance and engagement to residents and partners. The Cabinet Member for Communities, Safety & Resilience also clarified that the report stated that the Communities Board could have a representative on the Board; however, this was a draft version of the Terms of Reference, and it could be reviewed.

The Deputy Leader of the Opposition & Shadow Cabinet Member for Finance & Resources, Councillor Jason Cummings, asked when the final submission to MHCLG would be available to the Shadow Cabinet.

In response, the Leader explained that the submission was currently being drafted, but the majority of the information provided in both part A and part B of the Croydon Renewal Plan report would be included within the submission. The Interim Chief Executive added that the council was working closely with MHCLG to complete a final submission by mid-December, with the aim for it to be discussed at Cabinet on 14 December 2020, for submitting on 15 December 2020. She explained that the figures continued to change, so the submission could have some caveats, but MHCLG were aware of this.

The Shadow Cabinet Member for Culture, Leisure & Sport (Job Share), Councillor Vidhi Mohan, queried whether the Asset Investment Strategy would be discontinued, as it was not clear from the report.

In response, the Cabinet Member for Croydon Renewal, Councillor Stuart King, explained that the Grant Thornton report recommended a review to assess all council assets; this would include Croydon Park Hotel and the Colonnades Leisure and Retail Park.

The Leader confirmed that supplementary questions would not be asked due to time constraints.

The Leader of the Conservative Group thanked all council staff for their continued efforts to support the community during the COVID-19 pandemic, and now through the financial situation. He noted that the Cabinet had been speaking about the change of culture needed for the council, and asked whether the Councillors previously responsible for the impacted areas would be expelled. He further queried how growth was being built into the budget, despite the reports outlining that libraries and recycling centres were to be closed, services cut and ward budgets frozen.

In response, the Leader of the Council explained that the report was setting out the scale of change that was needed to make the required improvements, and included recommendations from a range of review work, which had either been completed or was underway. It was further highlighted that these reviews sought to address the fundamental challenges regarding financial resilience and the governance of decision making. The Improvement Board would comprise of experts in their field, addressing these challenges and would focus on all areas within the council. She explained that in addition to this, along with the Non-Executive Committees, Scrutiny & Overview Committee, Scrutiny Sub-Committees, and the General Purposed & Audit Committee, Members should have received all the relevant information and assurance required.

Shadow Cabinet Member for Finance & Resources, Councillor Jason Cummings, noted that the council was currently at the maximum potential borrowing limit; however, the capitalisation direction sought to add a borrowing of approximately £130m. He explained that he was presuming that there would be significant transformation money in order to make the additional changes to the council structures that would be required to meet future budgets, in addition to the redundancy costs detailed in the reports, which would also be capitalised. He asked what the consequences of exceeding the borrowing limits would be and how these consequences would be managed.

In response, the Cabinet Member for Croydon Renewal, Councillor Stuart King, clarified that the borrowing limits were set by the council and, where possible, these borrowing limits would be reduced. There was also an ongoing capital review of what was in the Medium Term Financial Strategy (MTFS). The Director of Finance, Investment & Risk and Section 151 Officer, Lisa Taylor, agreed with the Cabinet Member for Croydon Renewal and added that all borrowing strategies for 2021/22 would be reviewed.

The Shadow Cabinet Member for Clean Green Croydon, Councillor Helen Redfern, noted that one of the remaining key priorities was to keep the streets of Croydon clean and safe; she queried why the council had redirected a different grant intended to fund flood alleviation marking

Riddlesdown into the general fund, which specific streets would be kept clean and safe with that grant money, and the impact this would have on the council's future ability to bid for grants from government bodies.

In response, The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali, explained that the money had been received from the Department for Environment, Food and Rural Affairs (DEFRA) for a number of schemes across the borough, and the council did not set the conditions of money dedication. These were still in the pipeline, due to the financial position of the council and due to the complexity of the jobs; he confirmed that these schemes had merely been paused and not stopped. The releasing on funds would be agreed on a scheme-by-scheme basis, and a business case for the work in Riddlesdown had been submitted and was awaiting the outcome from the Spending Control Panel. He further added that, in the meantime, the council would continue to undertake gully cleaning and respond to emergency flooding situations.

The Shadow Cabinet Member for Families, Health & Social Care, Councillor Yvette Hopley, noted that the report stated that the Adults Directorate was to be “modernised” and “transformed”; however, she raised concerns that Appendix A stated that the Administration had a poor track record of transforming services, and questioned how this would be achieved by borrowing money in the form of capitalization, in addition to the £15m transformation money already received.

In response, the Leader explained that the objective of the Improvement Plan and the accompanying Improvement Board, in addition to the Non-Executive Committees, was to oversee the ongoing work, and to provide external challenge and scrutiny where needed. She further noted that the challenge was significant, and would take time to resolve, and that was the reason clear objectives had been set, alongside an improvement plan, with strong external challenge.

The Shadow Cabinet Member for Economy & Jobs, Councillor Simon Hoar, requested that the Leader of the Council apologise on behalf of the Administration, as the Former Leader had not, to the Council staff for the loss of 400 jobs and the further stress endured due to the issuing of the S114 notice. He further requested statistics on how many more jobs would be lost. The Leader of the Council explained that she had apologised to the Council since becoming the Leader, however, she apologised again for the loss of jobs and the position the council was in. She explained that she was a new Leader, with a new Cabinet, and they would be addressing and resolving the difficulties being faced.

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

RESOLVED: To

1. Agree to recommend to Full Council the approval of the development of the Croydon Renewal Improvement Plan, noting the first high level draft at Appendix A of the report.
 2. Agree to recommend to Full Council the approval for consultation on the terms of reference and membership for the Croydon Renewal Improvement Board at Appendix B of the report.
 3. Agree to recommend to Full Council to delegate to Cabinet in January 2021 approval of the final version of the Croydon Renewal Improvement Plan.
 4. Recommend that the feedback on the terms of reference and membership for the Croydon Renewal Improvement Board following consultation and feedback from Scrutiny & Overview Committee (S&O), General Purposes & Audit Committee (GPAC), Staff, Partners and MHCLG is presented to Full Council in January 2021.
 5. Note the outcome of the recent staff survey and staff focus groups and that their contents are reflected in the high-level draft Croydon Renewal Improvement Plan at Appendix C of the report.
 6. Agree to recommend to Full Council that the Interim Chief Executive is delegated authority to submit to MHCLG the proposal for a capitalisation direction, in consultation with the Leader of the Council, Cabinet Member for Croydon Renewal, Cabinet Member for Resources and Financial Governance, the Director of Finance, Investment and Risk, and that an update be presented to the next relevant Cabinet meeting when this is completed.
 7. Agree to recommend approval to Full Council; the adoption of the new Council Priorities and Ways of Working in Appendix D and that this replaces the Council's Corporate Plan 2018-2022, which forms part of the Council's policy framework.
 8. Note that the Interim Chief Executive in her statutory role as Head of Paid Service will, in accordance with her Section 4 duty under the Local Government and Housing Act 1989; commence consultation on a restructure of the Council's management arrangements. Following formal consultation, the proposals will be brought back to Cabinet and Full Council for final decision.
- b **Croydon Renewal Financial Recovery Plan and the submission to MHCLG for the Capitalisation Direction**

The Cabinet Member for Culture & Regeneration, Councillor Oliver Lewis, explained to Cabinet that savings were to be sought through the closure of libraries and a change in service provision, and the following had been considered whilst drafting the proposal; footfall, book issues, PC sessions, geography, and the cost of repairs and maintenance. There would be a

consultation on the closure of the libraries in Broad Green, Bradmore Green, Sanderstead, Shirley and South Norwood. He noted that the libraries had been invested in since being brought back in-house which had resulted in technological improvements, increases in the book fund, and enhanced partnerships through the Libraries Consortium; however, consolidation was necessary in response to the Council's financial situation. The Cabinet Member for Culture & Regeneration also explained to the Cabinet that COVID-19 had a huge impact on leisure providers, therefore, Croydon Council would be focused on working in partnership with the GLL to enhance sustainability. He explained that this could result in some facilities operating differently to how they did before, and other facilities may cease operation altogether. Croydon would continue to seek a share of the Government's £100m fund and would engage with communities and stakeholders when necessary. In regards to the museums and archive service, the Cabinet Member for Culture & Regeneration explained that they would begin to work closely with the libraries, and would deliver their statutory services jointly. He added that the proposals allowed Croydon to protect its involvement in the London Borough of Culture for 2023.

The Cabinet Member for Families, Health & Social Care, Councillor Janet Campbell, informed Cabinet that the proposed budget would allow the necessary repositioning of Adult Social Care, whilst still delivering the service and meeting the financial targets. Following consultation with residents, the Cabinet Member sought to carefully reduce demands by 5%; Croydon Council would be working closely with internal staff, the community, partners, volunteers, and infrastructure groups to provide alternative services. She assured Cabinet that she would ensure progress was measured, and that the council would spend accordingly to what could be afforded. The Cabinet Member for Families, Health & Social Care added thanks to the council staff and the LGA for their continued commitment to serve the public. She concluded by outlining the eight core focuses in Adult Social Care:

- To ensure good quality information and advice for people.
- To work closely and creatively with service residents and families to find alternative ways to care for them.
- To give residents control over their spending, such as direct payments.
- Good commissioning of accommodation and care.
- Working closely with partners, especially in health and the voluntary sector.
- Conducting an appraisal of in-house services, and establishing how best to use them.
- Maximising efficiency from our contracts and to renew or end them appropriately.
- To improve the planning work with young people before they come through to Adults, Services and Transitions.

The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali, thanked the staff who had been working on the proposals and the staff who worked on delivering vital services to the residents of Croydon. He explained that it was an ongoing process and decisions were being made in discussion, engagement and consultation with relevant stakeholders, unless otherwise stated that decisions had been made previously. He noted that the proposal included plans to streamline the parks maintenance service by merging all current resources for development and maintenance of the various parks into one team. There would also be radical changes in the maintenance regime, including changes to grass cutting and the discontinuation of bedding schemes. He emphasised that partnership working was being looked at, with the Friends of Parks groups, to ensure sufficient support was in place.

The Cabinet Member for Sustainable Croydon further explained there would be changes to parking charges, including future emissions based parking charges. He noted that the borough continued to grow in population and density, so it was crucial to continue reviewing parking charges in order to contribute to the maintenance of the access routes to homes, businesses and other amenities and to reduce the adverse environmental and public health impact associated with non-essential car use. He noted that the number of vehicles registered in Croydon was growing, from 132,000 in 2001, to 148,000 in 2016, and 159,000 in 2019. He highlighted that under the Road Traffic Regulation Act 1984, it did not authorise the council to use parking charges solely to raise revenue. He further explained to Cabinet that the structure requirements under the Environmental Protection Act stated that authorities were legally required to operate one Household Recycling Centre (HRC), but Croydon currently operated three. There was an option to close either one or two of the HRCs, which would generate a saving from the operational and running costs of the sites, and capital funding could be provided to improve the facilities of the remaining HRC site(s).

The Cabinet Member for Housing & Gateway Services, Councillor Jane Avis, explained that the savings proposals for Housing services needed more information before they could be progressed any further. These services were looking at how to reduce demand in temporary and emergency accommodation, and how best to innovate these services. She added that Gateway services had already made some significant savings, and further savings would also be confirmed.

The Leader of the Conservative Group noted that the report included the closure of five libraries and two HRCs, which would have a devastating impact on residents, particularly the most vulnerable, and asked how equity would be achieved for these residents.

In response, the Leader explained that the reports set out new priorities, and sought to replace the existing Corporate Plan with a view ensure the budget gap was addressed. As a result, all services across the council needed to be considered and assurances made to address the structural

deficit in order to resolve any ongoing overspends. She further stated that tackling inequality and poverty within the borough had always been a priority of the Administration and, despite facing some difficult budget decisions, would seek to ensure the most vulnerable in the community continued to receive important support from the council and confirmed this would remain a priority.

The Shadow Cabinet Member for Homes and Gateway Services, Councillor Lynne Hale, stated that in relation to Brick by Brick, the non-payments of 2019-20's interest of £14m, and the £5m dividend, in addition to the £11m interest due this financial year, amounted to £30m. She noted that this was nearly half of the projected £67m overspend. She questioned why these payments were being written off, and noted concern that external investigators were needed to identify that Brick by Brick had not been paying what was owed. She further asked which documents previous Cabinet Members were relying on to assure residents and Councillors that repayments were being made.

In response, the Leader of the Council noted that Item 6 on the agenda was "*Strategic Review of Companies and other investment arrangements - Brick by Brick Croydon Ltd ("BBB") Shareholder decision*" which had a full report and set out the recommendation. She explained that the report highlighted concerns about the oversight from the council in regards to the relationship with its company structures, which was why the strategic review had been commissioned. The report focused on how the council could strengthen their role as a shareholder and made reference to Brick by Brick as a wholly owned company.

The Shadow Cabinet Member for Transport, Environment & Regeneration, Councillor Gareth Streeter, explained that despite the report stating that the increase of the parking charges was not a fiscal measure, he did have concern for the rise of an additional £8m collectively being requested from residents. He questioned what consideration had taken place in regards to the impact on the lower paid and most vulnerable residents as well as local businesses. He noted that following COVID-19, the highstreets needed the council's support.

In response, the Cabinet Member for Sustainable Croydon clarified that £5m was related to street safety, and primarily came under the schemes which were currently implemented, and gave the example of school streets. He explained that any future decisions on the Low Traffic Neighbourhoods (LTNs) were subject to consultation and mentioned there was a separate report, already agreed by Cabinet, which outlined the breakdown of costs. He noted to the Shadow Cabinet Member that a climate emergency had been declared, and this emergency had been magnified by the public health crisis and the financial crisis. The proposed schemes would address both the climate change impact and air quality impact on residents, and mitigate the rise in vehicles within the borough as it was not currently sustainable.

The Shadow Cabinet Member for Children, Young People & Learning, Councillor Maria Gatland, noted that the auditor's report recommended the implementation of plans for looked after children and care leavers, and asked how the finances would be controlled within Children's services. She further asked the Cabinet Member how many families would be impacted by the removal of specialist nursery transport for children with disabilities, and how would this affect the Administration's priority to tackle inequality and poverty.

The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, agreed with the Shadow Cabinet Member that Children's services were under pressure financially but were also in need of growth. She explained all services, but in particular regards to children with disabilities and looked after children, would be receiving external challenge, which would help form the budget decisions that were made. She added that historically the service had been underfunded and these areas would be focused on in terms of right sizing the budget where necessary.

The Cabinet Member for Children, Young People & Learning clarified that the provision of specialist nursery transport was a non-statutory service, which was not provided by the majority of other local authorities, and noted a small number of families would be affected. It was confirmed a total of 27 children had been using the service, and there would be individual conversations with all families involved. The saving from not supplying this service would be £113,000 from September 2021 until March 2022, and a further £57,000 from 2022 to September 2023. The Cabinet Member for Children, Young People & Learning explained that each care package would be looked at on an individual basis to ensure they would still meet the needs of the young person moving forward. She reassured the Shadow Cabinet Member that the reviews which take place during the transition point of the young person's life were focused on the individual and decisions were made carefully and were delivered in a sensitive way. She explained that this was in line with the Administration's commitment to moving forward as a council and ensured that equality for all was achievable and work to look after the most vulnerable would continue.

The Shadow Cabinet Member for Clean Green Croydon, Councillor Helen Redfern, noted that in September 2020, the Cabinet Member for Clean Green Croydon had approved an extension to the contract with Veolia for management of the HRCs. She explained that over the full 14 year term, some of which was backdated, increased the cost to £20.7m; the benefit of this was to protect the three HRCs whilst improving Croydon's future negotiating position by bringing the contract dates in line with those of the South London Waste Partnership (SLWP). She asked the Cabinet Member if the contract would be renegotiated as the HRCs were no longer protected and the services were to be reduced. In response, the Cabinet Member for Clean Green Croydon confirmed that all proposals set out in the report would be subject to negotiations with the contractors.

The Shadow Cabinet Member for Culture, Leisure & Sport (Job Share) noted that the Administration had been forced to close or reduce many of the culture aspects in Croydon, and queried how this would affect the London Borough of Culture in 2023, and if the money granted to the London Borough of Croydon from the Mayor of London would have to be returned. He further asked how the research room in the museum would be impacted, as the museum was due to be closed for two years with a plan to re-open with a reduced service.

In response, the Cabinet Member for Culture & Regeneration explained that the proposals had been designed to protect the Borough's involvement in the London Borough of Culture, and it is an achievement that Croydon can be proud of. He noted that since joining Croydon Council in 2014, he had always championed culture and the arts as part of civic life, and the development in these areas had been great. In regards to the museum, he further clarified that there would be continued access to the archives and the council would work closely with partner organisations to facilitate activities where possible.

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

RESOLVED: To

1. Note that the in-year savings options approved at Cabinet and Full Council in September 2020 to reduce the forecast overspend this year and amend the 2020/21 budget have been reviewed and revised as part of the quarter 2 financial monitoring from £27.9m to £10.2m.
2. Note and recommend to Full Council the latest in-year forecast revenue budget overspend of £30m and the further risks that are likely to materialise which could increase the overspend up to £67m in this financial year.
3. Consider the additional in-year savings for 2020/21 that will be presented to the extraordinary meeting of Full Council on 1 December 2020 to respond to the S.114 notice.
4. Consider and recommend to Full Council the savings proposals for consultation as set out in this report for the Medium Term Financial Strategy and 2021/24 and note that consultation will begin on 9 December 2020. To note that the outcome of this consultation will be brought back to Cabinet and Full Council as part of the 2021/22 budget setting process in February / March 2021.
5. Delegate to the Executive Director of Place authority to commence the statutorily defined and required consultation to review the provision of library services.

6. Note that the September Cabinet and Full Council noted that an in-year review and future review of the capital programme was underway and that it would be reported back to the November cycle of meetings. Pressure of work has resulted in this report needing to be deferred. It will be reported to the December cycle of meetings.

88/20

Strategic Review of Companies and other investment arrangements - Brick by Brick Croydon Ltd ("BBB") Shareholder decision - Directors and articles of association

The Leader of the Council introduced the report that presented the strategic review, which was commissioned by Cabinet in September 2020 and conducted by PwC; she thanked PwC for their hard work in completing the review in time for consideration at Cabinet. She explained that the strategic review was commissioned to look at the council's company structures following the external auditors report in the public interest which raised a number of questions and concerns about the nature of relationships between the company structures. The report primarily focused on Brick by Brick Croydon Ltd. ("BBB"); however, the review also included other company structures such as Croydon Affordable Homes, Growth Zone, the Revolving Investment Fund (RIF), and the Asset Investment Fund (AIF).

The Leader informed Cabinet that the review found a number of concerns regarding the financial governance within the organisation of BBB, which had led to a strong recommendation to appoint a Finance Director to oversee the relationship between the council as a sole shareholder. This had also been an area of concern highlighted in the report in the public interest. The Leader also highlighted that the report identified a number of options that could be available to the council, based on the findings of the strategic review. The recommendations included a request to commission further work to advise the council of the best options in regards to BBB. The report raised concerns for the governance and the need to strengthen this; however, it did not recommend any structural changes at this time. The report recognised the impact of the financial situation on the capacity to continue investment, however, it recommended that the Growth Zone should remain in place with increased reviewing.

The Leader of the Council explained that she was recommending that all recommendations outlined in the strategic review were accepted, and that an action plan was drawn up, which would inform the Croydon Renewal Improvement Plan. The report also suggested a number of other actions in regards to the council being the sole shareholder of BBB, this included the appointment of two non-executive Directors to the Board, who were known to have strong backgrounds in finance, as a way to ensure there was capacity to inspect the BBB accounts, Board minutes and reports.

The Cabinet Member for Croydon Renewal, Councillor Stuart King, highlighted recommendation 1.3 in the report and explained that, until the review was completed, the council were minimising any further funding to BBB. It had been recognised that a little more would need to be spent to protect a far greater sum, and it had been stated in the report that there were approximately 20 schemes currently on site with existing funding agreements. He explained that if funding was to be stopped to BBB, the risk could be that cash flow problems would be created, ultimately increasing the risk to both the council and the taxpayers.

The Cabinet Member for Croydon Renewal continued by reassuring Cabinet that the £30m identified as a risk within the budget report would continue to be secured from BBB; however, it had been outlined as a risk to ensure openness and transparency. He also noted that he welcomed the appointment of the two non-executive Directors; stating he had met them both on a number of occasions and explained he felt confident that they were good appointees. He queried if the two non-executive Directors appointed were not council employees, and whether there were advantages to this.

The Executive Director of Resources and Monitoring Officer, Jaqueline Harris-Baker, clarified that there was no requirement for the non-executive Directors to be council employees, and the selection had been made on the suitability of the candidates in terms of their capacity and the relevant skills required.

The Executive Director of Resources and Monitoring Officer continued by referencing an item contained within the PwC report, and drew attention to page 121 of the pack. One of the key observations and recommendations was the need to improve the capability and the capacity in respect of financial governance and it was confirmed that there was no requirement for non-executive directors to be council employees. The selection had been made on the suitability of the candidates, taking into account their capacity and the relevant skills required to do the task and, at present, that was seen as an advantage in terms of the skills that are required in respect of the Brick by Brick Directors, who, by law, were required to act in the interest of the company and was deemed a separate legal entity from the local authority.

The Cabinet Member for Resources & Financial Governance, Councillor Callton Young, noted that many residents would have found it difficult to believe that the council were considering investing more money in BBB; however, he seconded the comments made by the Cabinet Member for Croydon Renewal and explained that this was to protect the public money already invested.

The Chief Executive further agreed that there were significant issues that would need to be resolved in regards to the council's determination of its future relationship with BBB, and there was ongoing dialogue with MHCLG regarding this. She further thanked the Chair of Scrutiny &

Overview, Councillor Sean Fitzsimons, for his willingness and support in regards to the reports.

The Cabinet Member for Homes & Gateway Services, Councillor Jane Avis, stated that the position the council was in with BBB was regretful, and despite being reluctant to accept BBB in 2014, she recognised that it was believed to be the only option at the time to resolve the housing crisis in Croydon. It had been relatively successful in the delivery of homes, street properties and emergency accommodation, and she had been assured that the current schemes would deliver additional homes. She thanked the officers who had worked extremely hard to ensure affordable homes were being delivered.

The Leader of the Opposition felt that the report highlighted the Labour council's incompetence, and that there had been a lack of diligence. He noted that the Cabinet should have been focused on protecting public money and should not have allowed the finances to get in to this position; he noted that the council had loaned BBB up to £250m of borrowed money, which was a disgrace. As a matter of urgency, he requested the schemes that had already commenced be completed as soon as possible and followed by requesting that any sites that had not yet began, be stopped immediately.

In response, the Leader of the Council noted that the strategic review highlighted that the original business case, and the intention behind the company, was to deliver affordable housing and to bring in additional revenue. The RIPI highlighted some of the fundamental problems and challenges in the execution of that policy and the focus had to be to protect the public investment, as stated by the Cabinet Member for Resources & Financial Governance and the Cabinet Member for Croydon Renewal. She also highlighted recommendation 1.4 in the report, and explained that all site transfers would be paused until the council had considered all options; a further report on this would be presented to Cabinet in January 2021.

The Shadow Cabinet Member for Homes and Gateway Services, Councillor Lynne Hale, noted that she was pleased the Cabinet Member for Croydon Renewal was hopeful the £30m would be received, and requested that the Shadow Cabinet be updated accordingly. She queried how much overspend there was in regards to Fairfield Halls, as there appeared to be conflicting figures.

In response, PwC Consultant, Chris Buss, explained that the current arrangement with Fairfield Halls was that the loan was supposed to be recovered from the development at the rear of the site, which had not yet been transferred to the council. There was a risk that some of the money spent would not be recovered, and it was dependent on the sales. He agreed to feedback to Councillor Hale regarding the exact figures.

The Chair of the Scrutiny Streets, Environment & Homes Sub-Committee, Councillor Leila Ben-Hassel, explained that the report regarding BBB was discussed at the Sub-Committee, and projected capital receipts and an overview of the governance structure and operational arrangements were requested. She asked whether transfers of loans to BBB had been made without loan agreements in place. She further asked about the capacity of the Planning department, and if there was any way to increase capacity to ensure it was possible to clear the backlog of developments.

In response, PwC Consultant, Chris Buss explained that there was no evidence that money had been transferred without loan agreements in place, however, some of the loan agreements had since expired and he noted that the council were holding BBB to them as if they had not expired.

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

RESOLVED: To

1. Note the recommendations set out in the report by PwC, and refer the report to the December meeting of the Scrutiny and Overview Committee for their challenge and assessment. A report from that meeting to be presented at the January Cabinet meeting alongside an action plan.
2. Authorise the initial further work required on the options identified by PwC regarding the Council's interest in BBB in order to best inform further consideration of those options at the January Cabinet meeting.
3. Agree that funding of BBB shall continue in line with current loan arrangements and conditions, provided that all funding for construction, and completed unit purchases shall be reviewed on a site by site basis.
4. Agree that all site transfers to BBB, be halted until the Council has completed the options appraisal.

RESOLVED: That the Cabinet, on behalf of the Council, exercising its functions as sole shareholder of BBB to:

5. Approve the special resolutions contained in Appendix [2] of the report to amend the articles of association of BBB to
 - I. allow quorate meetings to take place with any two Directors present, removing the requirement for an Executive Director to be present and
 - II. provide for the provision of all unanimous or majority decisions taken by the Directors and minutes of all Directors meetings to the Council as sole shareholder.

6. Approve the ordinary resolutions contained in Appendix [2] of the report to appoint two Non-Executive Directors to the Board of BBB (both with a finance background), also noting and agreeing that BBB shall indemnify those new Directors in accordance with the company's articles of association and by utilising the company's own insurance policy.
7. Approve the ordinary resolutions contained in Appendix [2] of the report to remove the two current Directors of BBB, in their capacity as Directors (also noting Executive Directors are employees of the company).
8. Approve the ordinary resolution contained in Appendix [2] of the report to provide for the right of the Council as sole shareholder to inspect any of the Company's accounting or other records or documents at any time.

RESOLVED: To recommend to Council that it note the recommendations set out above, which are to be considered by Cabinet on 25th November 2020 and that Council shall receive a verbal update in respect of the outcome, in accordance with recommendation xii of the "Croydon Renewal Plan and amendments to the 2020/21 General Fund Budget" report to Council of 21st September 2020.

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Scrutiny Stage 2 Responses to Recommendations arising from Scrutiny & Overview Committee on 22 July 2020 and Scrutiny & Overview Committee on 25 August 2020

The Chair of Scrutiny & Overview Committee, Councillor Sean Fitzsimons, noted that there was currently a problem with time efficiency in regards to these responses being reported to Cabinet, and he would liaise with the relevant officers to solve this.

The Chair of Scrutiny Children & Young People Sub-Committee, Councillor Robert Ward, noted the difficulties of receiving diagnostic information, and stated that Scrutiny Committees should receive the information requested in a timely manner.

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

RESOLVED: To approve the response and action plans attached to the report at Appendix A and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

Investing in our Borough

The Cabinet Member for Resources & Financial Governance, Councillor Callton Young, introduced the report and highlighted that the report included the contracts on electricity and gas supplies. He informed Cabinet that the council's Contracts and Commissioning Board recommended that the award of the corporate contracts were approved, and that the framework agreements for electricity and gas supply set out in Part B of the report be agreed for three years, with the option to extend for one further year.

In response to the Shadow Cabinet Member for Finance & Resources, it was confirmed that an asset fire sale was not essential, but was good practise to ensure the expertise were sought to receive the correct advice on valuations.

The Shadow Cabinet Member for Culture, Leisure & Sport (Job Share), Councillor Vidhi Mohan, noted that the telephone parking contract was going to cost the council approximately £950,000 over four years, and asked how much the council would earn from parking charges above the £950,000 over the course of the next four years. He further asked if a risk assessment had been done in regards to this revenue, and if mitigation measures had been put in place. The Executive Director of Place agreed to respond to Councillor Mohan with an answer.

The Shadow Cabinet Member for Transport, Environment & Regeneration, Councillor Gareth Streeter, further asked, on the telephone parking charges, why an equalities assessment was not completed, as it was thought older residents could be impacted by this. The Cabinet Member for Resources & Financial Governance agreed to take a view and feedback any details to Councillor Streeter regarding the equalities work which had been done regarding this contract.

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

RESOLVED: To approve the awards of the Gas & Electricity Supplies Contracts in accordance with the recommendations set out in the report at agenda item 8a, as set out in section 4.1.1 of the report.

RESOLVED: To note

1. The contracts between £500,000 and £5,000,000 anticipated to be awarded by the nominated Cabinet Member, in consultation with the nominated Cabinet Member for Resources and Financial Governance or, where the nominated Cabinet Member is the Cabinet Member for Resources and Financial Governance, in consultation with the Leader, as set out in section 4.2.1 of the report.

2. The list of delegated award decisions made by the Director of Commissioning and Procurement, between 25/09/2020 – 19/10/2020, as set out in section 4.2.2 of the report.

a **Electricity and Gas Supplies Contract Award**

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

RESOLVED: To approve

1. The award of call off contract under LASER Framework Agreements for gas supply to the supplier, and for the estimated contract values, set out in attached Part B report, for a contract term of 3 years and 4 months with the option to extend for a further 1 year.
2. The award of a call off contracts under the LASER Framework Agreements for electricity supply to the supplier, and for the estimated total contract value, set out in the attached Part B report, for a contract term of 3 years and 4 months with the option to extend for a further 1 year.

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Exclusion of the Press and Public

The following motion was moved by Councillor Callton Young and seconded by Councillor Oliver Lewis to exclude the press and public:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

The motion was put and it was agreed by the Committee to exclude the press and public for the remainder of the meeting.

The meeting ended at 21:26