



**CABINET
AGENDA**
for the meeting
on
25 November 2020
at
6.30 pm

To: Croydon Cabinet Members:

Councillor Hamida Ali, Leader of the Council
Councillor Stuart King, Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal
Councillor Muhammad Ali, Cabinet Member for Sustainable Croydon
Councillor Jane Avis, Cabinet Member for Homes & Gateway Services
Councillor Janet Campbell, Cabinet Member for Families, Health & Social Care
Councillor Alisa Flemming, Cabinet Member for Children, Young People & Learning
Councillor Oliver Lewis, Cabinet Member for Culture & Regeneration
Councillor Manju Shahul-Hameed, Cabinet Member for Economic Recovery & Skills
Councillor David Wood, Cabinet Member for Safety, Communities & Resilience
Councillor Callton Young OBE, Cabinet Member for Resources & Financial Governance

Invited participants:

Councillor Louisa Woodley, Chair of the Health & Wellbeing Board
All other Members of the Council

A meeting of the **CABINET** which you are hereby summoned to attend, will be held on **Wednesday, 25 November 2020** at **6.30 pm**. **This meeting will be held remotely**

JACQUELINE HARRIS BAKER
Council Solicitor and Monitoring Officer
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17 November 2020

PLEASE NOTE: Members of the public are welcome to remotely attend this meeting via the following web link: <https://webcasting.croydon.gov.uk/meetings/11099>

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AGENDA – PART A

1. Apologies for Absence

2. Minutes of the previous meeting (Pages 5 - 18)

To approve the minutes of the meeting held on 19 October 2020 as an accurate record.

3. Disclosure of Interests

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

4. Urgent Business (If any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Croydon Renewal Plan (To Follow)

Cabinet Member: Leader of the Council, Councillor Hamida Ali
Officer: Interim Chief Executive, Katherine Kerswell
Key decision: no

6. Strategic Review of Companies and other investment arrangements (To Follow)

Cabinet Member: Leader of the Council, Councillor Hamida Ali
Officer: Interim Chief Executive, Katherine Kerswell
Key decision: yes

7. Scrutiny Stage 2 Responses to Recommendations arising from Scrutiny & Overview Committee on 22 July 2020 and Scrutiny & Overview Committee on 25 August 2020 (Pages 19 - 26)

Cabinet Member: All Cabinet Members

Officer: Executive Director of Resources, Jacqueline Harris Baker

Key decision: no

8. Investing in our Borough (Pages 27 - 34)

Cabinet Member: Cabinet Member for Resources & Financial Governance, Councillor Callton Young

Officer: Executive Director of Resources, Jacqueline Harris Baker

Key decision: no

a) Electricity and Gas Supplies Contract Award (Pages 35 - 46)

Cabinet Member: Cabinet Member for Resources & Financial Governance, Councillor Callton Young

Officer: Executive Director of Place, Shifa Mustafa

Key decision: yes

9. Exclusion of the Press and Public

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“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.”

PART B AGENDA

10. Electricity and Gas Supplies Contract Award (Pages 47 - 50)

Cabinet Member: Cabinet Member for Resources & Financial Governance, Councillor Callton Young

Officer: Executive Director of Place, Shifa Mustafa

Key decision: yes

Cabinet

Meeting of Cabinet held on Monday, 19 October 2020 at 6.30 pm. This meeting was held remotely

MINUTES

Present: Councillor Alison Butler, Stuart Collins, Hamida Ali, Janet Campbell, Alisa Flemming, Stuart King (voting – Job Share), Oliver Lewis, Paul Scott (non-voting – Job Share), Manju Shahul-Hameed and Callton Young

Also Present: Councillor 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, Muhammad Ali, Jamie Audsley, Leila Ben-Hassel, Margaret Bird, Simon Brew, Patsy Cummings, Nina Degrad, Felicity Flynn, Patricia Hay-Justice, Bernadette Khan, Shafi Khan, Toni Letts and David Wood

Officers: Katherine Kerswell (Interim Chief Executive), Jacqueline Harris Baker (Executive Director of Resources), Debbie Jones (Interim Executive Director of Children, Families & Education), Shifa Mustafa (Executive Director of Place) and Lisa Taylor (Director of Finance, Investment & Risk and Section 151 Officer)

PART A

The meeting was chaired by the Statutory Deputy Leader, Councillor Alison Butler.

74/20 **Minutes of the previous meeting**

The minutes of the Cabinet meeting held on 21 September 2020 were agreed.

75/20 **Disclosure of Interests**

There were none.

76/20 **Urgent Business (If any)**

There were no items of urgent business.

Croydon Together: Update on our ongoing response to COVID-19 (verbal update)

The Director of Public Health, Rachel Flowers, advised Members that from Saturday 17 October, London and Croydon had moved into a High Alert tier which reflected that COVID-19 was being transmitted across the borough.

The Director thanked everyone for their commitment to working to reduce the transmission of the virus and stressed the need to focus on washing hands, wearing a face covering and to maintain social distance to further reduce the transmission of the virus.

Whilst it was noted that COVID-19 caused mild symptoms in most it could be devastating for some, and as such the Director of Public Health reiterated the message of Hands, Face, Space.

Members were advised that being in a High Alert tier meant people could no longer socialise indoors outside their household or social bubbles. However, people could meet up with others outside their household up to the Rule of Six. The need to adhere to these regulations was due to the virus thriving on people socialising and, as such, it was important that people maintained social distancing at all times.

The Director of Public Health advised Cabinet that there were 11 patients at Croydon University Hospital as of that morning and there were none in ITU (Intensive Treatment Unit), however two people had sadly passed away the previous week. Those two patients, it was noted, had underlying health conditions.

Whilst the incidence rate was low in Croydon, compared to the rest of London, it was rising with the incidence rate at 76 per 100,000, the R rate being over 1 and test positivity at 3.5%. The Director of Public Health stressed the need for everyone to continue supporting the measures to reduce transmission in order to slow the increase that was being experienced.

The Chief Executive stated that she fully supported the measures shared by the Director of Public Health and noted her tireless commitment to the residents of Croydon throughout the pandemic.

The Cabinet Member for Families, Health & Social Care offered her condolences on behalf of the council to those who had lost loved ones during the pandemic. It was noted that the council remained committed to supporting its residents during this period and in response to rising cases, the council's Gold Group had increased its meetings to twice weekly. The council was also planning ahead to ensure support for shielding residents was available.

It was noted by the Cabinet Member for Families, Health & Social Care that BAME residents, and in particular men, had presented late to hospital during the first wave and so issued a plea to all BAME residents to present early in future waves.

The Director of Public Health was thanked for her clear and consistent messaging throughout the pandemic. Furthermore, the Chair of the Health & Wellbeing Board thanked the Director for her work in liaising with Deloitte in relation to the issues experienced with the testing centre in New Addington. Members were advised that the Chair of the Health & Wellbeing Board had attended a community meeting earlier that day and there had been a commitment from Deloitte to work with the community and the generator powering the centre had been quietened.

Members were advised that a detailed report on Winter Preparedness was due to be considered by the Health & Wellbeing Board later that week. The work of officers and partners was noted by the Chair of the Board as being an important element of the borough's response to the pandemic.

Concern was raised by the Shadow Cabinet Member for Families, Health & Social Care that with the abolition of the Adult Social Services Review Panel, much of the confidential information which had previously gone to the Panel was no longer being shared. The Cabinet Member thanked the Shadow Cabinet Member for consistently being a champion of care homes in the borough and stated that she was in discussion with the Executive Director of Health, Wellbeing & Adults in relation to the safeguarding report which would be sent to those councillors who had previously been on the Panel on a regular basis.

In response to Member questions, the Director of Public Health advised that there were positive cases in every super output area in the borough. The virus was across the borough and there were no particular hotspots. The Director of Public Health confirmed that the Public Health team was reviewing the data on a daily basis to establish whether there were any trends. Whilst there was a relatively low number of cases in the borough, the Public Health team was looking to develop data which would show the incidence rate in each ward without any personal identifiable information. In the meantime, the Director confirmed that should concerns arise regarding a particular area these would be shared with the Chief Executive, Leader and ward councillors.

The Director of Public Health confirmed that monitoring the R rate was important as it related to the doubling of transmission. At the time of the meeting, it was noted that the doubling of the incidence rate was being seen every three to four weeks. It was stressed that it was hoped that there would not be an exponential rise in cases in Croydon and that the data at the time was not evidencing such a rise.

In response to concerns raised, the Director of Public Health stated that she had not chosen the site for the testing centre, rather that the council had identified four sites which were in line with the requirements for a testing centre. The final decision on the location had been made by Deloitte. The Director confirmed that she had visited the site and had apologised for the issues experienced by residents. Lessons had been learnt and new measures were being put in place, such as signage. It was noted that it had been important to ensure that there was a fixed Croydon testing site and that 75% of tests daily were for Croydon residents.

Additional concerns were raised in relation to students at Coulsdon College who were reportedly not wearing face coverings on buses or in shops. The Cabinet Member for Children, Young People & Learning stated that Transport for London had been asked to put on more school buses in response to resident concerns. It was also noted that further conversations were required with education providers to stress the Hands, Face, Space message. The Cabinet Member concluded that it was important that it remained a two-way conversation and that everyone took responsibility and worked together as there had been reports that some students felt they were being alienated and blamed for the rise in cases.

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

RESOLVED: To note the presentation provided by the Director of Public Health.

78/20

Sustainable Croydon - a year on update

The Chair advised Cabinet that the order of the agenda would be revised to enable an external guest to speak on this item, as such this item was taken as the fourth substantive item at the meeting. The order items were taken in the meeting was:

- 77/20 Croydon Together: Update on our ongoing response to COVID-19
- 79/20 Developing Croydon's new Community Safety Strategy
- 80/20 District Centre Prosperity - Purley BID
- 78/20 Sustainable Croydon – a year on update
- Followed by the order as published in the agenda

The Chair noted that a Citizen Assembly had been established in which residents across the borough participated and recommendations from the Assembly had been received by the Council. The report outlined the ongoing work to create a sustainable borough.

The Cabinet Member for Environment, Transport & Regeneration (voting – Job Share) noted that 15 months had passed since the Council had declared a climate crisis and whilst steps had been taken to advance this agenda there had also been dramatic changes with the pandemic and financial circumstances facing the authority. Despite these challenges, the

Cabinet Member stated that it was important that this agenda was kept on track to ensure an improved future for the borough.

The Cabinet Member noted the activity that had taken place in the previous 15 months and that this reflected cross Cabinet working with the Cabinet Member for Clean Green Croydon working to increase recycling rates in the borough, the Cabinet Member for Culture, Leisure & Sport's work on supporting woodlands and the success of being awarded Tree Oscars, and the Cabinet Member for Homes & Gateway Services and her work to improve the energy efficiency of homes across the borough. For his part, the Cabinet Member stated the Council had worked to reduce car journeys in the borough and supported the shift to active travel with 26 school streets now introduced.

Miatta Fahnbulleh, Chief Executive of the New Economics Foundation and Chair of the Croydon Climate Crisis Commission, was welcomed to the meeting.

The Chair of the Commission informed Members that the original purpose for the Commission was to look at options to rapidly reduce emissions in the borough to achieve the aim of being carbon neutral by 2030 through the use of fair and just changes. It was highlighted that it was important the changes also supported the creation of jobs and protected communities.

The impact of the pandemic had highlighted the scale of the crisis facing the country and shone a light on a number of issues including living standards, cuts in the local government funding, and the impact of a natural crisis when there was not action or preparation in place. The challenge now, it was suggested, was how we respond to those structural problems and supported a green recovery but a recovery which escalated the economy and improved living standards.

Cabinet was informed that the Commission hoped to have a first draft of the ambitions and recommendations by the end of the month, after which there would be a thorough consultation period ahead of finalising the recommendations. It was noted that core ambitions should focus on improving living standards, opportunities to create good jobs, investing in green technology and infrastructure, and working in partnership with businesses to support these ambitions.

Cabinet Members thanked the Chair of the Commission for her inspiring contribution to the meeting and her work with the Commission.

The Cabinet Member for Clean Green Croydon noted that there were opportunities to create jobs within the circular economy and highlighted jobs within reuse being one such area of opportunity. Residents were thanked by the Cabinet Member for their work to increase recycling rates in the borough, with it noted that communication with residents and businesses was key. The meadowing of parks was noted as being an

example of when communication was needed to highlight that this initiative supported insects by creating butterfly corridors and bee highways.

Members noted that there was a long list of achievements included within the report and that at every meeting of the Commission there had been productive contributions and discussions. It was recognised that there was now a dual challenge which needed to be tackled, namely of COVID-19 and climate change. It was noted that this work needed to take place at a time of significant financial pressure for the Council, however it was felt by some Members that the impact of inaction was significantly more harmful for the borough.

Cabinet Members stated that climate change was the issue of this time and noted the work of Sir David Attenborough in raising awareness. Whilst it was recognised that the Council could support work to improve sustainability, it was also important that regional and government supported this move. All those involved, including officers and community groups, were thanked for their work on woodlands which had led to the awarding of Tree Oscars in recognition of this work.

It was recognised by Cabinet Members that there was a need to balance the need for new homes in the borough with the development of a truly sustainable borough. The Cabinet Member for Environment, Transport & Regeneration (non-voting – Job Share) stated he believed the review of the Croydon London Plan sought to develop a response to the climate emergency and put sustainability at the heart of everything the Council did by supporting meadowing, reforestation and protected green spaces.

The need for a balanced approach was highlighted by the Cabinet Member for Economy & Jobs as 57,000 residents had been furloughed or lost their jobs during the pandemic and 22,000 were in receipt of universal credit. To support these residents and the sustainability agenda, it was stated that the Council was looking at employment and skills support whilst working with the Southbank University and local businesses. The payment of the London Living Wage and the Good Employer Charter were highlighted as supporting the agenda of a green economic renewal.

To support the work of the Commission, the Cabinet Member for Children, Young People & Learning suggested that it was important that there was a focus on embedding behavioural changes and allowing young people's voices to be heard when developing the recommendations.

In response to the points raised by Cabinet Members, the Chair of the Commission confirmed that the Commission's approach was to look at low carbon jobs. Given the economic climate it was recognised that jobs needed to be quickly created and to support this there needed to be training available which required working with local colleges. Whilst the Chair of the Commission recognised that the Council was facing a

financial challenge it was felt by her that the Council could not afford to not act.

In response to Member questions, the Chair stated that whilst the Council was facing financial difficulties, it was her belief that not everything was about money and that the Council needed to utilise its influence to draw more money into the borough to support the green agenda. It was queried whether the Council should say it was a sustainable borough when children were living in bed and breakfast accommodation rather than homes.

Opposition Members queried why there were no Conservative representatives on the Economic Board and its effectiveness as it did not appear to be meeting as frequently as it should be. The Chair responded by suggested that the Board had a number of sub-groups which were meeting and actively working on the agenda.

In response to comments, the Cabinet Member for Environment, Transport & Regeneration (non-voting – Job Share) stated that the important message was that everyone worked together and took personal responsibility. It was suggested that should people have land they should plant trees to help the environment. The Cabinet Member referenced a planning application which, it was suggested, included plans to remove trees, however stated that he felt that Members should move away from attacking one another and should work together positively to build a sustainable borough.

Concerns were raised that the Council's emissions parking policy disproportionately impacted the elderly and those on lower incomes as they were more likely to have older cars which produced higher levels of emissions. In response, the Cabinet Member for Environment, Transport & Regeneration (voting – Job Share) stated that there was no link between the Council's current financial position and the policy as the policy had been presented in March 2019 before the financial position was known. Whilst it was recognised the changes did impact upon poorer residents and the elderly it was also suggested that these groups were disproportionately impacted by poor air quality and that studies had shown that 205 Croydon residents lost their lives annually partly due to air quality. Individual policies, it was stated, would not solve the issue but collectively they will support tackling the crisis.

The Chair of Streets, Environment & Homes Scrutiny Sub-Committee confirmed the emissions policy had been considered by the Scrutiny Sub-Committee and that there had been a recognition by all that data would be important in understanding the impact of the policy. Furthermore, it was stated that there had been discussions at scrutiny meetings on how the Council could harness the skills of residents and engage with them at every stage of the process when developing policies.

In conclusion, the Chair of the Commission stated that financial challenges were being faced by the public sector across the county, however it was suggested that the Council should consider investment opportunities to get the best outcomes for all. Whilst a huge amount could be achieved, Members were advised that it was important that the Council was clear of the outcomes it wanted to achieve to ensure the greatest positive impact.

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

RESOLVED: To note the work being done to make Croydon more sustainable to date involving:

- Croydon Climate Crisis Commission
- Sustainable Economic Renewal Board
- Air Quality Action Plan
- Waste & Recycling
- Trees & Woodland
- Energy Efficiency
- Transport
- Construction logistics & freight management

79/20

Developing Croydon's new Community Safety Strategy

This item was taken as the second substantive item at the meeting.

The Cabinet Member for Safer Croydon & Communities informed Members that it was proposed to extend the Community Safety Strategy until the end of 2021 to allow work to be undertaken to develop a new Strategy.

Whilst work on developing a new Strategy had started earlier in the year, this had been put on pause due to the pandemic. It had been planned that a number of groups would have been engaged in developing the Strategy, however it was concluded that it would have been challenging to effectively engage during the lockdown.

It was further noted by the Cabinet Member that the pandemic had an impact on community safety and it was important that this was taken into account when developing the new Strategy.

In response to Member questions, the Cabinet Member stated that one of the main priorities in the development of the new Strategy was to ensure it was aligned with the council's public health approach to crime. It was important to ensure thorough research and engagement with all those impacted had been undertaken and, as such, it had not been possible to develop a new Strategy by March 2020. The Cabinet Member confirmed that the council sought to engage all who were impacted by crime, partners and the Scrutiny & Overview Committee in the development of the new Strategy.

Concerns were raised that it had been calculated by some Members that violent crime had increased by 64% and crime involving a weapon had increased by 49% and that in light of these increases the current Strategy was not effective and should be replaced sooner rather than later. In response, the Cabinet Member stated that extending the Strategy did not mean that work to tackle crime was being paused and a new Strategy was to be developed which would be in line with the council's public health approach to violent crime.

In response to suggestions that there was a lazy approach to policy development due to numbering within appendices, the Cabinet Member reiterated the council's commitment to tackling violent crime and that this commitment was shared across the partnership. It was further stated that inconsistent numbering in footers did not reflect the hard work of officers, organisations and emergency services in tackling crime in the borough.

Following the murder of an older resident the previous week, the Cabinet Member expressed her condolences to the family and friends of the resident.

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

RESOLVED: To recommend to Full Council that it agree to extend the current community safety strategy until the end of calendar year 2021 for the reasons detailed in the report.

80/20

District Centre Prosperity - Purley BID

This item was taken as the third substantive item at the meeting.

The Cabinet Member for Economy & Jobs informed Members that the report asked Cabinet to note the decisions which had been taken under delegated authority and under Special Urgency.

Purley BID had been established in 2015 and following its five year term was seeking to continue. It was noted by the Cabinet Member that the BID had worked tirelessly to support businesses in the local area and as such the council would continue to support its work. The ballot was scheduled to take place on 10 December 2020 and work had already begun with ballots having been posted.

Due to the economic impact of COVID-19 it was recognised that the BID was more important than ever in supporting the local economy and to further the council's understanding of the needs of local businesses the Cabinet Member and Chief Executive of the BID would be undertaking a walk around the Purley BID area in November 2020. The ward councillors of the two Purley wards were welcomed to join the walkabout.

Simon Cripps, Purley BID Chief Executive, was welcomed to the meeting and thanked the council for its support for the BID. Since its inception five years ago, the BID had delivered over 200 projects to support the local area.

One such project had been the Business Rates campaign. It had been noted in 2017 that Purley was heavily impacted by Business Rates, more so than other areas in the region. A campaign was developed and was supported by councillors and the local MP, and in 2018 the Business Rates were reduced.

Recently, the BID had supported local businesses to continue trading by providing PPE, screens, posters, marketing and supporting businesses to apply for grants.

With the renewal of the BID, three themes had been identified:

- Destination Purley – which sought to promote and support Purley as a vibrant high street;
- Access and safety – which included solutions to parking access issues experienced due to two A roads crossing through the centre of Purley and purchasing the services of a private security firm; and
- Business support – which included reducing the levy from 2% to 1.5%.

The BID Chief Executive stated that businesses needed the support of the BID, and whilst it was one of the smallest in the country it was considered to punch above its size.

Members thanked the BID Chief Executive for his work and enthusiasm and it was recognised that the BID had been very important to the area in supporting the local economy.

Concerns were raised that the council was responsible for enforcing the payment of the BID levy, however no businesses had been enforced which had impacted upon the BID to the extent of £50,000 in lost income. In response, the Cabinet Member stated that the council was responsible for managing the levy and there were approximately 180 properties which were eligible to pay the levy. The council sought to work with the BID and businesses to ensure the levy was paid. It was further noted that the council was also a levy payer for three properties in the BID area.

BIDs were recognised as having a positive impact on their areas. In Croydon there were three BIDs and there was a desire to support the development of more BIDs to support local businesses.

In response to concerns raised, the Cabinet Member stated that the financial situation of the council was well known and had been discussed at previous meetings of councillors. However, in the case of the BID the one off cost to the council of £4,000 for the ballot had been identified and the council remained committed to its ongoing levy liability on the three

properties in the BID area as it was recognised that the BID was able to attract additional investment to support the area.

The Cabinet Member for Clean Green Croydon confirmed that the Environmental Response Team was not going and that Veolia would be providing the service at cost.

Members were assured that their concerns in relation to the levy collection were being noted and that the council would continue to support the BID. The BID Chief Executive was thanked for his contributions and his enthusiasm. It was noted that the work of the BID was supporting work to make Purley a better place.

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

RESOLVED: To

1. Note that the Leader delegated authority (5420LR) to the Cabinet Member for Economy & Jobs in consultation with the Cabinet Member for Finance & Resources to:
 - i. Consider on behalf of the council as a billing authority, whether the Purley BID proposal conflicts with any formally adopted policy of the Council and, if it does, give notice of this in accordance with the BID Regulations
 - ii. Determine and agree that the council should approve the BID proposal and vote 'yes' on the BID ballot
 - iii. Determine and agree that the council can determine the baseline service provision for key services within the Purley BID area for 2020/21 on behalf of Cabinet
 - iv. Agree that the Council formally make arrangements for conducting a BID ballot in accordance with the BID regulations through the Council's electoral services team (with the ballot day scheduled for Thursday 10th December 2020)
 - v. Note that in the event of a 'Yes' vote at ballot:
 - That the Council manage as the relevant local billing authority, the billing and collection of the additional levy, and its transfer to the BID Company, with all costs incurred by the council to be paid by the BID Company.
 - That the Council meet the Council's obligations in paying the extra BID levy, as a non-domestic ratepayer in the BID area, in accordance with the BID regulations over the life of the BID
 - That the Council enter into the key legal

agreements with the BID Company regarding the operation of the BID and delivery of Council baselines and that the Executive Director – Place in discussion with the Cabinet Member for Economy and Jobs be given delegated authority to approve the final terms of those agreements

2. Note that the above decisions were taken under delegated authority by the Cabinet Member for Economy & Jobs in consultation with the Cabinet Member for Finance & Resources on 7 October 2020 (5420EJ).

81/20

Scrutiny Stage 1: Recommendations arising from Scrutiny

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

RESOLVED: To receive the recommendations arising from meeting of the Children & Young People Sub-Committee held on 15 September 2020, and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on **14 December 2020**).

82/20

Investing in our Borough

The Cabinet Member for Finance & Resources informed Cabinet that pre-procurement for the Temporary Agency Staff contract had been due to start, however the pandemic had delayed this. By extending the contract, officers would have the opportunity to properly re-procure this contract and get best value for money. It was noted that this course of action was not the decision the Cabinet Member presented to Cabinet, however it was recognised that it was essential that the council had access to temporary agency staff. The Cabinet Member further drew Members attention to paragraph 3.4 of the report which stated that the trajectory for the usage of agency staffing was going down.

In response to Member questions, the Cabinet Member for Finance & Resources stated that agency staff were often specialists and were temporary, however there were numerous reasons for the use of temporary staff. It was stated by the Cabinet Member that it was important that the council continued on the trajectory of utilising temporary staff less to support the development of a stable workforce.

Concerns were raised that the end dates of contracts had been missed when work to re-procure contracts should have started long before the covid impacted work. In response, the Cabinet Member recognised that there had been challenges and stated that work was under way to fix these to ensure contracts were properly procured to get best value for money.

In response to Member questions in relation to investing in Purley pool, the Cabinet Member stated that it was important that the council balanced all of its resources. Statutory services must be delivered and then all other services would be reviewed. It was necessary for tough decisions to be made to ensure there was a sustainable plan going forward.

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

RESOLVED: To approve the award of contract variation for Managed Service for Temporary Agency Resources contract in accordance with the recommendations set out in the report at agenda item 10a, 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 Finance and Resources or, where the nominated Cabinet Member is the Cabinet Member for Finance and Resources, 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 18/08/2020 – 24/09/2020, as set out in section 4.2.2 of the report.

a **Variation to the contract for the provision of a Managed Service for Temporary Agency Resources**

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

RESOLVED: To

1. Approve the award of a variation to the term of the temporary agency worker contract with Adecco Ltd in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations for a contract period of up to 24 months for an additional contract value of £50,000,000 bringing the total contract value to £188,000,000.
2. Note that an internal review of the commissioning options will take place by March 2021 and September 2021 to determine the optimum time for the re-procurement of this service and hence extension period required. Officers will present the results of the internal review to CCB and to the Cabinet Member for Finance & Resources at the latest March 2021 and, if action not already taken as a result of March 2021 review, at the latest September 2021.

83/20

Exclusion of the Press and Public

This item was not required.

The meeting ended at 8.48 pm

For General Release

REPORT TO:	CABINET 16 NOVEMBER 2020
SUBJECT:	STAGE 2: RESPONSE TO RECOMMENDATIONS ARISING FROM: SCRUTINY & OVERVIEW COMMITTEE ON 22 JULY 2020 AND SCRUTINY & OVERVIEW COMMITTEE ON 25 AUGUST 2020 .
LEAD OFFICER:	Jacqueline Harris Baker, Executive Director of Resources and Monitoring Officer Stephen Rowan, Head of Democratic Services and Scrutiny
CABINET MEMBER:	All
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON Corporate Plan for Croydon 2018-2022	
The constitutional requirement that Cabinet receives recommendations from scrutiny committees and to respond to the recommendations within two months of the receipt of the recommendations.	
FINANCIAL IMPACT The recommendations in the appendix to this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.	
FORWARD PLAN KEY DECISION REFERENCE NO.: not a key decision	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 Cabinet is recommended to approve the response and action plans attached to this report at Appendix A and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

2. EXECUTIVE SUMMARY

- 2.1 This report asks the Cabinet to approve the full response reports arising from the Stage 1 reports presented to the Cabinet meeting held on 21 September 2020 including:

- Action plans for the implementation of agreed recommendations, or
- Reasons for rejecting the recommendations

and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

- 2.2 The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Cabinet shall agree an action plan for the implementation of the agreed recommendations and shall delegate responsibility to an identified officer to report back to the Scrutiny and Overview Committee or Sub-Committee, within a specified period, on progress in implementing the action plan.

3. SCRUTINY RECOMMENDATIONS

- 3.1 The Scrutiny recommendations are contained in the schedule in the appendix to this report.
- 3.2 The detailed responses including reasons for rejected recommendations and action plans for the implementation of agreed recommendations are contained in the appendices.

4. CONSULTATION

- 4.1 The recommendations were developed from the deliberations of either the Scrutiny & Overview Committee or one of its Sub-Committees.
- 4.2 The recommendations in the appendix to this report may involve further consultation and as each recommendation is developed these implications will be explored and approved.

5 PRE-DECISION SCRUTINY

- 5.1 The recommendations in the appendix to this report are the result of Pre-Decision Scrutiny.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 The recommendations in this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.

Approved by: Matthew Davis, Head of Finance for and on behalf of Lisa Taylor, Director of Finance, Investment & Risk

7. LEGAL CONSIDERATIONS

- 7.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Constitution requires that Cabinet both receives recommendations from Scrutiny Committees and responds to the recommendations within two months of their receipt.

Approved by: Sandra Herbert Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

8. HUMAN RESOURCES IMPACT

- 8.1 The recommendations in the appendix to this report may have a Human Resources impact and as each recommendation is developed these implications will be explored and approved.

9. EQUALITIES IMPACT

- 9.1 The recommendations in the appendix to this report may have an Equalities impact and as each recommendation is developed these implications will be explored and approved.

10. ENVIRONMENTAL IMPACT

- 10.1 The recommendations in the appendix to this report may have an Environmental impact and as each recommendation is developed these implications will be explored and approved.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 The recommendations in the appendix to this report may have a Crime and Disorder reduction impact and as each recommendation is developed these implications will be explored and approved.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 These are contained in the appendix to this report.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 These are contained in the appendix to this report.

14. DATA PROTECTION IMPLICATIONS

- 14.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING**

OF 'PERSONAL DATA'?

The recommendations in the appendix to this report may involve the processing of 'personal data' and as each recommendation is developed these implications will be explored and approved.

14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

The recommendations in the appendix to this report may require a DPIA and as each recommendation is developed these implications will be explored and a DPIA carried out where necessary.

CONTACT OFFICER:

Stephen Rowan, Head of Democratic Services and Scrutiny
T: 020 8726 6000 X 62529
Email: stephen.rowan@croydon.gov.uk

APPENDICES:

Appendix A: Scrutiny Stage 2 Responses

BACKGROUND DOCUMENTS:

Background document 1:

Report to Scrutiny & Overview Committee on 22 July 2020.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2152&Ver=4>

Background document 2:

Report to Scrutiny & Overview Committee on 25 August 2020.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2412&Ver=4>

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
Report: Croydon Economic Recovery (Considered by Scrutiny & Overview Committee on 22 July 2020)							
1. That information on the Economic Renewal Board, including terms of reference, vision and an ongoing overview of activity, is published on the Council website.	The Committee retained a concern about the transparency of the Economic Renewal Board and felt that there should be an aim to make it as transparent as possible to allow local businesses and the public to understand the aims of the Board and the outcomes it was delivering.	Councillors Manju Shahul-Hameed & Stuart King Resources	Accept	Gavin Handford	N/A	That information on the Economic Renewal Board, including agendas, supporting papers, terms of reference, vision and an ongoing overview of activity, is published on the Council website as it becomes available.	TBC
2. That options for using the Fairfield Halls for alternative means during its closure are explored.	The Committee welcomed the confirmation that options for using existing Council buildings to provide business support were being investigated and would encourage the exploration of options for using Fairfield Halls during its closure.	Councillors Manju Shahul-Hameed & Stuart King Place	Accept	Stephen Tate	Yes – These are dependent on requirements e.g. cleaning, staffing, technical, etc.	Dependent on requirements but could be implemented immediately e.g. if rooms were required for straightforward meetings. For more complex use, some time would need to be factored in. Working with BH Live who hold the overall diary for all spaces and who could provide staff.. Building available until end of March 2021.	TBC
3. That options to increase the marketing of the borough are explored to identify cost effective solutions.	Although it was acknowledged that the Council was marketing the borough as a place to do business and there was limited funding available to expand upon current activity, given the opportunities that may be available arising post covid-19 lockdown it would encourage the exploration of cost effective options to increase the marketing of the borough.	Councillors Manju Shahul-Hameed & Stuart King Place	Accept	Stephen Tate	Yes - TBC	Inward investment strategy being assessed as part of the sustainable economic renewal board.	TBC

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
Report: Call-In: Key Decisions set out in Cabinet Reports 'Responding to the Local Government Funding Challenge' and 'July Financial Review' (Considered by Scrutiny & Overview Committee on 25 August 2020)							
<p>1. To enable greater transparency, the Committee requests that the Cabinet endorses the approach of the Scrutiny & Overview Committee, and its sub-committees, to keep a watching brief over the Council's finances for the remainder of the financial year, and on the budget setting process for 2021-22, and requests the allocation of sufficient support to ensure that the scrutiny of the budget is both timely and meaningful.</p>	<p>As scrutiny of the Council's finances is a key role for Scrutiny (set out in the Scrutiny Guidance published in 2019) and in light of the ongoing risk of a Section 114 Notice being served, the Committee agrees that both itself and its Sub-Committees will keep a watching briefing on this year's budget for the remainder of the financial year, and will take a more active role in scrutinising the development and setting of the 2021-22 Budget.</p>	<p>Councillor Stuart King Resources</p>	<p>Accept</p>	<p>Lisa Taylor</p>	<p>No direct financial implications, savings and growth expected to be identified to balance the budget.</p>	<p>To report back to Scrutiny and Overview committee on the budget decisions coming from the Budget Development meetings as appropriate.</p>	<p>Scrutiny on 13/10/20, by agreement with Members, postponed to provide officer capacity to enable completion of the MHCLG bid for capitalisation direction</p>
<p>2. The Committee requests that they are kept informed of progress made with the Capital Programme Review, including any policy changes made as part of the review.</p>	<p>N/A</p>	<p>Councillor Stuart King Resources</p>	<p>Accept</p>	<p>Lisa Taylor</p>	<p>No direct financial implications, savings and growth expected to be identified to balance the budget.</p>	<p>To report back to Scrutiny and Overview committee on the budget decisions coming from the Budget Development meetings as appropriate.</p>	<p>Scrutiny on 13/10/20 postponed to provide officer capacity to enable completion of the MHCLG bid for capitalisation direction</p>

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
<p>3. To ensure lessons are learnt the Council's risk management processes and the risk register are reviewed in light of the covid-19 pandemic to ensure that greater allowance is made for unforeseen events.</p> <p>The outcomes from this review should feed into the revision of the Medium Term Financial Strategy and the setting of new targets for general fund balances.</p> <p>As the Council is undertaking a fundamental restructuring of the organisation to aid delivery of its locality strategy, the Council should also take this opportunity to re-evaluate its organisational culture, to ensure its fitness going forward during a period of financial uncertainty.</p>	<p>Although it was difficult to plan for unforeseen events, such as the covid-19 pandemic, the Committee agrees that there are lessons to be learnt from the crisis which should inform the Council's future risk management processes. The Committee welcomes the greater financial controls introduced to address the funding gap and agreed that a robust approach to new spending will be needed on an ongoing basis going forward if the Council is to address historic underfunding and increase the level of reserves held.</p>	<p>Councillor Stuart King</p> <p>Resources</p>	<p>Accept</p>	<p>Lisa Taylor</p>	<p>No direct financial implications, savings and growth expected to be identified to balance the budget.</p>	<p>Risk register is already reviewed and reported to GPAC on a quarterly basis. It will now be reported to Cabinet regularly (including, specifically, any Cabinet meeting considering the Budget or Medium Term Financial Strategy. It can also be reported to Scrutiny committee.</p>	<p>TBC</p>

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
<p>4. That a Communications Plan is developed to ensure that there is a greater level of transparency with the general public over the budget challenges facing the Council and the action needed to address the shortfall. This should include, as a minimum, an easily accessed section on the Council's website outlining the issues facing the Council and regular updates on progress made in addressing the shortfall.</p>	<p>The Committee agrees that transparency about decisions made to address the funding gap was essential for both Council staff and the wider public to retain confidence in the Council and its ability to deliver essential services.</p>	<p>Councillor Stuart King Resources</p>	<p>Accept</p>	<p>Lisa Taylor/ Neil Williams</p>	<p>N/A</p>	<p>Ongoing as the budget is developed Specific area on website to be created</p>	<p>Scrutiny on 13/10/20, by agreement with Members, postponed to provide officer capacity to enable completion of the MHCLG bid for capitalisation direction</p>
<p>5. That the Cabinet continues to explore all avenues to lobby the Government to provide earlier and greater financial certainty for local authorities, and that regular updates on the results of lobbying are provided for the Committee.</p>	<p>The Committee recognises that the Government's plans to confirm its funding settlement intentions in November at the earliest for this and future years, continues to extend the period of uncertainty for local authorities and their ability to plan or respond in year accordingly. The Committee encourages that all avenues for lobbying are explored.</p>	<p>Councillor Callton Young Resources</p>	<p>Accept</p>	<p>Lisa Taylor</p>	<p>Potential to generate additional funding – but unknown at this time</p>	<p>Ongoing lobbying both by the Council and through other routes such as MPs, London Councils and Local Government Association. Outcome of this approach will be fed in to the budget setting</p>	<p>Scrutiny on 13/10/20, by agreement with Members, postponed to provide officer capacity to enable completion of the MHCLG bid for capitalisation direction</p>

Agenda Item 8

REPORT TO:	CABINET 25 NOVEMBER 2020
SUBJECT:	INVESTING IN OUR BOROUGH
LEAD OFFICER:	RACHEL SONI, INTERIM DIRECTOR OF COMMISSIONING & PROCUREMENT JACQUELINE HARRIS BAKER, EXECUTIVE DIRECTOR RESOURCES
CABINET MEMBER:	COUNCILLOR CALLTON YOUNG CABINET MEMBER FOR RESOURCES AND FINANCIAL GOVERNANCE
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: Effective outcome based commissioning and prudent financial transactions contribute to all corporate priorities. The Council's Commissioning Framework (2019 – 2023) sets out the approach to commissioning and procurement and puts delivery of outcomes at the heart of the decision making process. As the Council develops more diverse service delivery models, it is important to ensure that our contractual and partnership relationships are not only aligned to our corporate priorities but also represent value for money for citizens and taxpayers, contributing to the growth agenda for Croydon.	
FINANCIAL SUMMARY: There are no direct costs arising from this report.	
KEY DECISION REFERENCE NO.: There are key decisions mentioned in this report, but approval of the Recommendations would not constitute a key decision.	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1 RECOMMENDATIONS

1.1 The Cabinet is requested to approve:

1.1.1 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.

1.2. The Cabinet is requested to note:

1.2.1. 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.

1.2.2. 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.

2 EXECUTIVE SUMMARY

2.1 This is a standard report which is presented to the Cabinet, for information, at every scheduled Cabinet meeting to update Members on:

- Contract awards and strategies to be agreed by the Cabinet at this meeting which are the subject of a separate agenda item;
- 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;
- Delegated contract award decisions made by the Director of Commissioning and Procurement 25/09/2020 – 19/10/2020;
- Property lettings, acquisitions and disposals agreed by the Cabinet Member for Resources and Financial Governance in consultation with the Leader since the last meeting of Cabinet;
[As at the date of this report there are none].
- Pursuant to Part 5 A Article 1.7 (Urgency Decisions) of the Council's Constitution, the list of decisions made by the nominated Cabinet Member in consultation with the Cabinet Member for Resources and Financial Governance or, where the nominated member is the Cabinet Member for Resources and Financial Governance in consultation with the Leader:
 - 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 at the date of this report there are none].
 - Delegated contract award decisions made by the Director of Commissioning and Procurement 25/09/2020 – 19/10/2020;
[As at the date of this report there are none].

- Delegated contract award decisions under delegated authority from the Leader by the Cabinet Member for Families, Health & Social Care in consultation with the Cabinet Member for Resources and Financial Governance related to the Adult and Young People Social Care Dynamic Purchasing Systems (DPS);
[As at the date of this report there are none].
- Delegated decisions made by the Cabinet Member for Homes & Gateway Services, in consultation with the Cabinet Member for Resources and Financial Governance, under delegated authority from the Leader, to approve the purchase of properties in relation to the HRA;
[As at the date of this report there are none].
- Partnership arrangements to be agreed by the Cabinet at this meeting which are the subject of a separate agenda item.
[As at the date of this report there are none].

3 DETAIL

- 3.1 Section 4.1.1 of this report lists those contract and procurement strategies that are anticipated to be awarded or approved by the Cabinet.
- 3.2 Section 4.2.1 of this report lists those contracts that are anticipated to be awarded by the nominated Cabinet Member.
- 3.3 Section 4.2.2 of this report lists the delegated award decisions made by the Director of Commissioning and Procurement, between 25/09/2020 – 19/10/2020.
- 3.4 The Council's Procurement Strategy and Tender & Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council's Publication Scheme. Information requested under that Act about a specific procurement exercise or contract held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.

4 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

4.1 Proposed Contract Awards

- 4.1.1 Contract awards and strategies with a possible value over £5 million decisions to be taken by Cabinet which are agenda item 8a.

Contract Title	Contract Revenue Budget	Contract Capital Budget	Dept/Cabinet Member
Gas & Electricity Supply Contract Awards	Gas ££4,014,610 Electricity £20,108,354 (Contract lengths 3 years & 4 months + 1 year)		Resources & Financial Governance / Cllr Young

4.2 Contract Awards

4.2.1 Revenue and Capital consequences of contract award decisions to be made between £500,000 and £5,000,000 by the nominated Cabinet Member in consultation with the Cabinet Member for Resources & Financial Governance or, where the nominated Cabinet Member is the Cabinet Member for Resources & Financial Governance, in consultation with the Leader.

Contract Title	Contract Revenue Budget	Contract Capital Budget	Dept/Cabinet Member
Estate Management and Valuation Services	£500,000 (Contract length 3 years)		Resources & Financial Governance / Cllr Young
Telephone Parking Contract Award	£950,000 (Contract length 4 years)		Sustainable Croydon / Cllr Ali
Emergency Accommodation at Lansdown Hotel Extension	£765,275 (Extension length of 7 months) (Increase of £378,420)		Homes and Gateway Services / Cllr Avis

4.2.2 Revenue and Capital consequences of delegated decisions made by the Director of Commissioning and Procurement for contract awards (Regs. 19, 28.4 a & b) between £100,000 & £500,000 and contract extension(s) previously approved as part of the original contract award recommendation (Reg. 28.4 d) and contract variations (Reg.30).

Contract Title	Contract Revenue Budget	Contract Capital Budget	Dept/Cabinet Member
Appropriate Adults Service Award	£450,000 (Contract length 3 years)		Children, Young People & Learning / Cllr Flemming & Finance & Resources / Cllr Hall*
Pension – Third Party Administration Services, Deferred Pension Benefit Calculations Award	£200,000 (Contract length 2 years) (Charge to the Pension Fund, not the General Fund)		Finance & Resources / Cllr Hall*
Financial Analysis Contract Award	£166,667 (Contract length 12 months)		Finance & Resources / Cllr Hall*
Supply of Salt for Gritting Carriageways & Footways Contract Award	£360,000 (Contract Length 4 years)		Environment, Transport and Regeneration / Cllr King*
Pan London Mortality Management Agreement (Reg 19.3 Emergency) (To Note)	£692,646 (Contract length 6 months)		Culture and Regeneration / Cllr Lewis

*Please note that these decisions were taken by the Cabinet Members at the time.

Approved by: Matthew Davis, Head of Finance – MTFs, on behalf of Lisa Taylor, Director of Finance, Investment and Risk and Section 151 Officer.

5 LEGAL CONSIDERATIONS

- 5.1 The Director of Law and Governance comments that the information contained within this report is required to be reported to Members in accordance with the Council's Tenders and Contracts Regulations and the council's Financial Regulations in relation to the acquisition or disposal of assets.

Approved by: Sean Murphy, Director of Law and Governance and Monitoring Officer.

6 HUMAN RESOURCES IMPACT

- 6.1 There are no immediate HR issues that arise from the strategic recommendations in this report for LBC staff. Any specific contracts that arise as a result of this report should have their HR implications independently assessed by a senior HR professional.

Approved by: Sue Moorman, Director of Human Resources

7 EQUALITY IMPACT

- 7.1 An Equality Analysis process has been used to assess the actual or likely impact of the decisions related to contracts mentioned in this report and mitigating actions have been defined where appropriate.
- 7.2 The equality analysis for the contracts mentioned in this report will enable the Council to ensure that it meets the statutory obligation in the exercise of its functions to address the Public Sector Equality Duty (PSED). This requires public bodies to ensure due regard to the need to advance equality of opportunity; foster good relations between people who share a “protected characteristic” and those who do not and take action to eliminate the potential of discrimination in the provision of services.
- 7.3 Any issues identified through the equality analysis will be given full consideration and agreed mitigating actions will be delivered through the standard contract delivery and reporting mechanisms.

8 ENVIRONMENTAL IMPACT

- 8.1 Any issues emerging in reports to the relevant Cabinet Member will require these considerations to be included as part of the standard reporting requirements, and will not proceed without full consideration of any issues identified.

9 CRIME AND DISORDER REDUCTION IMPACT

- 9.1 Any issues emerging in reports to the relevant Cabinet Member will require these considerations to be included as part of the standard reporting requirements, and will not proceed without full consideration of any issues identified.

10 DATA PROTECTION IMPLICATIONS

- 10.1 Will the subject of the report involve the processing of ‘personal data’?

NO

10.2 Has a Data Protection Impact Assessment (DPIA) been completed?

NO

Data Protection Impact Assessments have been used to assess the actual or likely impact of the decisions related to contracts mentioned in this report and mitigating actions have been defined where appropriate.

Approved by: Rachel Soni, Interim Director of Commissioning & Procurement

CONTACT OFFICER:

Name:	Bianca Byrne
Post title:	Head of Commissioning and Procurement (Corporate)
Telephone no:	63138

BACKGROUND DOCUMENTS:

The following public background reports are not printed with this agenda, but are available as background documents on the Croydon Council website agenda which can be found via this link [Cabinet agendas](#)

- *Estate Management and Valuation Services*
- *Telephone Parking Contract Award*
- *Pan London Mortality Management Agreement (To Note)*
- *Emergency Accommodation at Lansdown Hotel Extension*

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REPORT TO:	CABINET 25 NOVEMBER 2020
SUBJECT:	Award of Call Off Contracts for Gas & Electricity Supplies
LEAD OFFICER:	Shifa Mustafa, Executive Director of Place Ozay Ali, Interim Director of Homes & Social Investment
CABINET MEMBER:	Cllr Callton Young Cabinet Member for Resources and Financial Governance
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT / AMBITIOUS FOR CROYDON

The recommendations are to award a call off contracts for the supply of gas and electricity that will ensure the Council secures the best value supplies to operational buildings and communal areas of housing estates and street lighting.

The recommendations mentioned above align with the Corporate Plan theme of Organisational Design through ensuring that the most cost effective supply of gas and electricity are secured for the Council's service.

FINANCIAL IMPACT

Approval of the recommendations to award contracts for the provision of gas and electricity supply will be funded from existing budgets.

FORWARD PLAN KEY DECISION REFERENCE NO. 3120CAB

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet, the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

- 1.1 The Cabinet is recommended by the Contracts & Commissioning Board to approve 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.
- 1.2 The Cabinet is recommended by the Contracts & Commissioning Board to approve 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.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends the award of call off contracts, one for gas supply and the other for electricity supply via framework agreements established by LASER. LASER is a business unit of Kent County Council and the trading name used by Kent County Council for its central purchasing body activities relating to energy.
- 2.2 LASER frameworks were established on behalf of the London Energy Project (LEP) which is a shared service established by London boroughs to develop best practice in energy procurement and management. Croydon Council was a member of the LEP until the project closed in April 2020.
- 2.3 Whilst the report recommendations are to award contracts for gas and electricity supply, the report also sets out the overall strategy to secure gas and electricity supplies via best practice ‘flexible wholesale’ contracts. Such contract’s harness the combined energy demand of multiple customers to enable direct purchasing from the wholesale energy markets. This allows future energy demand to be purchased in different amounts and at different times throughout the contract term. This approach avoids the risk of fixing the price for the whole portfolio at a single point in time, which may retrospectively be a high point in market prices.
- 2.4 The cost of the recommended call off contracts will be met by existing centralised budgets for energy supplies.
- 2.5 **Reason for urgency**
The preparation of this combined procurement strategy and award report was delayed due to the need to redeploy staff from the energy team on resolving and recovering historic utility debt with schools and academies.
- 2.6 The content of this award report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
29 TH October 2020	CCB 1626/20-21 Electricity CCB 1627/20-21 Gas

3. DETAIL

- 3.1 The end cost of gas energy to customers comprises three main elements, these are as set out in Table 1 below.

Table 1 Gas

Charge Element		Gas
Commodity	Cost of gas from the wholesale markets	60%
Regulated	Fixed, pass-through charges for use of energy networks, metering	39%

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	and government set fees and levies. These costs cannot be varied via competition.	
Supplier	Costs of billing, administration and profit	1%

- 3.2 The end cost of electric energy to customers comprises three main elements, these are as set out in Table 2 below.

Table 2 Electric

Charge Element		Electricity
Commodity	Cost of electricity from the wholesale markets	55%
Regulated	Fixed, pass-through charges for use of energy networks, metering and government set fees and levies. These costs cannot be varied via competition.	44%
Supplier	Costs of billing, administration and profit	1%

- 3.3 Wholesale gas and electricity markets are highly volatile, (prices may change by over 100% within a year), and subject to global weather, economic and geopolitical events. Covid-19 has also introduced an additional cause of volatility in the market. Following the introduction of the March lockdown, UK market prices fell, however by August the market had adjusted and recovered to pre-March levels. Because of this volatility, the timing of when to purchase energy from the markets has a far more dominant impact on the end price than competition among suppliers which can only influence the 1% supplier cost to serve share.
- 3.4 Traditional fixed price, fixed term energy contracts risk fixing the price at a time which, in retrospect, is a peak in the market price. The best practice approach to managing this risk is to purchase energy through managed 'flexible wholesale' contracts. Such contracts manage the risk by purchasing different amounts of energy demand at different times throughout the contract period according to prevailing market conditions.
- 3.5 Flexible wholesale purchasing requires large energy demand portfolios due to the size of the smallest 'clip' of energy that can be purchased from the market. Public sector buying organisations therefore developed contracts which use the aggregated energy demand of multiple public sector bodies to provide flexible wholesale purchasing. Rather than requesting fixed energy prices from the suppliers, the buying organisation instructs the suppliers to purchase different amounts of energy from the wholesale markets at different times according to risk strategy. The council has secured its energy supplies from such contracts from 2009.
- 3.6 In 2016 the council had sufficient energy volumes to be able to let its own 'bespoke' flexible wholesale contract. This option is no longer available as

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many schools and academies opted to leave the council's contracts to make their own arrangements for energy purchasing.

- 3.7 Through the LEP, Croydon collaborated with other London boroughs and other London public sector partners to develop requirements for a Pan-London, flexible wholesale agreement. The objective was to use the combined purchasing volume of LEP members to secure flexible wholesale contracts with enhanced tailored service levels.
- 3.8 During 2017-18 the LEP undertook extensive pre-market engagement with 4 public sector buying organisations, 4 private sector energy brokers and 7 energy suppliers. Following this exercise, LEP members agreed to establish the pan-London contracts via LASER and Crown Commercial Services (CCS). This option was selected for the following reasons
- The majority of LEP members currently purchased energy through the national frameworks let by LASER and CCS
 - Since 2010, LEP has analysed the price performance achieved by LASER and CCS flexible wholesale contracts. Both have delivered consistently good performance in achieving prices below the market average
 - LASER and CCS would be able to tender the LEP pan-London requirement as additional lots when establishing their national frameworks
- 3.9 The LEP subsequently decided not to pursue a framework contract through CCS as they were unable to meet the requirement for the new frameworks to be available from April 2020 and the earliest start date via the CCS route would have been April 2021.
- 3.10 The LEP therefore decided to purchase its requirements through accessing LASER's Framework Agreement for
- Natural Gas, Daily Metered and Non Daily Metered Supplies, Lot 1, Ref Y18002 and undertook a further procurement exercise
 - Electricity Supply Electricity for Half Hourly, Non-Half Hourly and Unmetered Supplies, Lot 1, Ref Y18003

Tender Evaluation for Gas Supply

- 3.11 LASER's assessment criteria to establish their gas framework is set out in Table 3 below.

Table 3

Assessment Criteria	% Weighting
Service Options	11
Shape and Imbalance	6
Product Strategies	12
Trading Support	8
Product Pricing	12

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Billing	12
Reconciliation Rebates and Recoveries	8
Account Management	12
Innovations	5
Robust Supply Chain	2
Supplier Management Fees	12
Total	100

- 3.12 Both Total GP and Corona Energy were awarded a place on the Framework.
- 3.13 On 7th August, LASER, on behalf of LEP Contracting Authorities, undertook a further competition on the above mentioned framework to secure an enhanced specification and service requirements inviting both framework providers to tender. The further competition exercise used the evaluation criteria set out in Table 4 below.

Table 4

Quality Evaluation	% Weighting
Account management	20
Automatic meter reading requirement	10
Billing	15
Access to management information	20
Innovations	10
Robust supply chain	10
Quality score (moderated to 90% of 100% score)	85
Price evaluation	
Price evaluation	% Weighting
Margin volume	90
Meter operations and data provision	5
Direct to site premium	5
Price Score (moderated to 10% of 100% score)	100

- 3.14 Following the evaluation of tenders, LEP awarded the contract for gas supply to the supplier set out in Part B of this report and the recommendation is to award to them.

Tender Evaluation for Electricity Supply

- 3.15 LASER's assessment criteria to establish their framework is set out in Table 5 below.

Table 5

Assessment Criteria	% Weighting
Meter Operations	5
Service Options	11
Load Shape and Imbalance	6
Product Strategies	11
Trading Support	8
Product Pricing	11
Billing	11
Reconciliation Rebates and Recoveries	8
Account Management	11
Innovations	5
Robust Supply Chain	2
Supplier Management Fees	11
Total	100

3.16 The recommendation is to award to the highest scoring supplier on the LASER national electricity framework as set out in Part B of this report.

Social Value

3.17 Energy supply is a regulated and licensed activity. It is also a ‘remote’ service largely comprising the management of data flows and charging information across all providers within the supply system i.e

- The cost of commodity (power and gas) purchased from generators, shippers and traders
- The costs of balancing the system (ensuring that energy supplied is equal to energy purchased)
- Fixed regulated costs – i.e. use of the network charges, government levies and taxes
- The costs of metering and collection of consumption data
- Generation of final invoicing to the customer

3.18 As there is very limited scope to drive social value outcomes through utility contracts a waiver is required for the requirement of 10% social value as this wasn’t an evaluation criteria. However, the government does mandate energy suppliers to deliver a specific element of social value through the “Energy Company Obligation” (ECO). This mechanism requires suppliers to fund a set level of support to fuel poor households. This takes the form of grant funding to install energy savings measures (e.g. new boilers, insulation etc.). This funding stream is completely separate from energy supply contracts. Households are eligible to receive ECO funding if they are in receipt of specific qualifying benefits.

3.19 Some suppliers deliver their ECO funded works themselves (e.g. where they have home energy services businesses) while others meet their obligations through agents. London receives less ECO funding per capita than the rest of the country as it costs more to deliver energy efficiency works in the region.

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The Mayor of London recently established the 'Warmer Homes' scheme to help secure more supplier ECO funds for the capital. The council has established its own free home energy visit scheme "Croydon Healthy Homes" to tackle fuel poverty. This scheme will refer eligible households to the Mayor's Warmer Homes Scheme and to other sources of ECO funding identified by the council.

GDPR compliance

- 3.20 No personal data will be processed by the supplier of the gas contract. The only personal data that will be held by the supplier will be that required for contractual or regulatory purposes i.e
- Contract manager and energy team contact details
 - Site emergency contacts for gas safety purposes (for largest consuming sites only)
- 3.21 No personal data will be processed by the supplier of the electric contract. The only personal data that will be held by the supplier will be that required for contractual or regulatory purposes i.e.
- Contract manager and energy team contact details

Contact Terms and Conditions

- 3.22 A pre-award legal review of the Framework terms and conditions was not deemed necessary as there are no significant issues or risks to the council. Energy supply in the UK is a highly regulated activity where providers must be licensed by the market regulator (Ofgem) to supply customers. As the license conditions set out how suppliers must provide their services, suppliers offer standard terms and conditions to the market which they will not vary.

Decommissioning Strategy

- 3.23 There isn't a requirement for a gas decommissioning strategy as the transfer of energy supplies is a comparatively simple process. Transfer of energy supplies is a comparatively simple process. If there is a change in supplier the existing suppliers may object to the transfer of any accounts that are in debt. Where an account does not transfer on the start date of the new contract, the existing supplier will continue to invoice, but at much higher 'out of contract' rate. However, this a very low risk as 95% of the electricity accounts are paid via Direct Debit.

4. CONSULTATION

- 4.1 Schools participating in the council's corporate energy agreements were consulted in November 2018 regarding the council's proposed strategy for re-procuring energy supplies. Twenty five schools opted to join the council's current fixed term agreement and expressed future interest in the LEP/LASER arrangements.
- 4.2 Schools that wish to participate in the LEP/LASER agreements will sign

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individual agreements with LASER and the framework suppliers. **They will not be included within the council's supply portfolio.** However, schools will still benefit from having their energy demand aggregated with all the other supplies in the LEP portfolio. This will enable them to secure the price benefits of flexible wholesale purchasing.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

Set out in Part B of this report.

5.2 The effect of the decision

Securing energy supplies via the recommended framework agreements will enable the council to use best practice flexible wholesale energy purchasing. This method consistently achieves lowest prices through being able to manage the risk of the highly volatile energy markets.

Note - the total gas and electricity expenditure set out in Part B is the annual total costs based on current market conditions. The recommended contracts involve multiple purchases of wholesale gas and electricity being made throughout the contract term. So the actual achieved prices will vary according to market conditions.

5.3 Risks

The dominant risks associated with these agreements are the volatility of the wholesale energy markets. The strategy adopted seeks to mitigate these risks by adopting a flexible, risk managed approach to purchasing energy from the wholesale markets. LASER have set in place a Governance Panel comprising customer representatives, an independent market expert and LASER procurement managers. LASER reports to the Governance Panel each quarter to review its purchasing position and agree future buying strategies and tactics.

Demand risk

In addition to the unit price, the level of consumption will drive the total cost. Weather conditions are the primary driver of gas consumption as this is the dominant fuel used for heating. The recommended contracts aggregate the energy demand of a large number of public sector customers (in order to access the wholesale markets). This form of contract can better accommodate any significant changes there might be in the council's assets (whether addition or removal of buildings and other energy consuming assets).

Options

The LEP was established to review, monitor and recommend best practice energy procurement strategies on behalf of its participating boroughs. LEP

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selected LASER to establish its flexible wholesale contracts after extensive engagement with a wide range of other public and private sector buying organisation's.

5.4 Future savings/efficiencies

It is not possible to target specific savings for energy agreements as price is driven by the wholesale markets (along with fixed pass through charges regulated by Ofgem).

UK energy markets are set to experience major changes due to the implementation of climate change policies. For gas - this shift will almost certainly result in increased regulated pass through charges for gas

- To increase carbon taxation on gas to encourage customers to switch away from gas heating to lower carbon alternatives

For electricity - these will increase both the demand for electricity and the proportion generated by renewable sources (with transport and heating sectors needing to move from using oil and gas respectively). This shift will almost certainly result in increased regulated pass through charges

- To invest in new electricity capacity and provide price support for new renewable and nuclear generation

The Council will benefit from LASER's market intelligence in order to respond to these changes.

Approved by: Felicia Wright Head of Finance - Resources on behalf of Lisa Taylor, Director of Finance, Investment and Risk and Section 151 Officer.

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that the legal considerations are as set out in this report.

Approved by: Sonia Likhari, Solicitor, on behalf of the Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There is no change to the delivery of energy supply services to the council which must be undertaken by licensed suppliers. There are no employment considerations arising from this procurement project.

8. EQUALITIES IMPACT

- 8.1 This procurement is for energy supplies to council operational sites and services, communal services for social housing and street lighting.

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- 8.2 This procurement will therefore not have a significant impact on groups that share a protected characteristic compared to non-protected groups.

9. ENVIRONMENTAL IMPACT

- 9.1 Council Cabinet (08/07/19) agreed to 'Declare a Climate Emergency' and establish a target for Croydon Council to become carbon neutral by 2030.

Gas is used to provide heating and hot water to the council's buildings and communally heated social housing blocks. The consumption of gas is associated with carbon emissions and only a very small proportion of gas injected into the public network comes from renewable sources (primarily 'anaerobic digestion' of agricultural wastes). The current carbon content of UK gas supply takes into account this small contribution.

- 9.2 As 'renewable gas' supplies will always be limited, the government's policy on decarbonising the heat sector is to encourage consumers to switch from gas central heating to using electric heat pumps. This heating solution will then become fully zero carbon when the electricity supply has zero carbon content. The current UK government policy trajectory is for the electricity grid to be zero carbon by 2050 (not 2030).

- 9.3 The consumption of electricity is associated with carbon emissions, however these have been falling rapidly due to the development of offshore wind and large scale solar photovoltaics. The current UK government policy trajectory is for the electricity grid to be zero carbon by 2050 (not 2030). The growth in grid connected renewables is driven by market incentives and subsidies which are passed on to all electricity consumers.

- 9.4 In the UK electricity market, the regulator (Ofgem) issues "Renewable Energy Guarantee of Origin" (REGO) certificates for each MWh generated by a renewable energy source connected to the grid. The recommended framework electricity supplier is able to offer 100% REGO certificated energy supply at a premium of around 0.3% to 0.5% to the total cost of electricity. However, the published carbon content of UK grid electricity already accounts for the contribution from REGO certified generation. The council would not be able to claim any additional carbon savings through securing REGO certificated supplies. This option is therefore not recommended as it would incur additional costs without contributing to the council's carbon reduction target.

- 9.5 Good management and installing energy efficiency measures are the most cost effective ways of cutting carbon emissions by reducing electricity use. But if the council is to achieve carbon neutrality by 2030 it will need to secure zero carbon electricity supplies in advance of the UK-wide deadline. This can be achieved by:-

- Installing onsite generation directly connected to the council's assets (e.g. solar photovoltaic panels on buildings).

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- Securing grid connected (off site) new renewable generation that is additional to that delivered by the existing market support mechanisms.

9.6 Power Purchase Agreements (PPA) are emerging in the market that can enable customers to enter into long term contracts with remote new renewable generators. These contracts can deliver additional generation (and therefore carbon savings) beyond those that would be secured via the regulated market mechanisms. However, PPAs typically require long term contracts of around 10 years. The benefit of this supply option will be evaluated alongside other carbon reduction proposals that emerge from the council's plan to meet the 2030 target.

9.7 There are no other environmental implications arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder impacts arising from this report

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 Awarding the call off contracts to the recommended framework providers will secure the cost effective supply of gas and electricity.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Other options to secure gas and electricity supplies were considered and rejected as the recommendations set out in this report offers best value.

13. DATA PROTECTION IMPLICATIONS

13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

Approved by: Ozay Ali, Interim Director of Homes & Social Investment

CONTACT OFFICER: Bob Fiddik, Sustainable Development & Energy Team Leader

BACKGROUND DOUMENTS: None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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