



**CABINET  
AGENDA**  
for the meeting  
on  
22 March 2021 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 **Monday, 22 March 2021 at 6.30 pm. This meeting will be held remotely**

JACQUELINE HARRIS BAKER  
Council Solicitor and Monitoring Officer  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

Victoria Lower  
020 8726 6000 x14773  
victoria.lower@croydon.gov.uk  
www.croydon.gov.uk/meetings  
12 March 2021

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020 8726 6000 x14773 as detailed above.

## AGENDA – PART A

**1. Apologies for Absence**

**2. Minutes of previous meetings (Pages 5 - 60)**

To approve the minutes of the meetings held on 18 January 2021 and 18 February 2021 as accurate records.

**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. Delivering the Croydon Growth Zone (Pages 61 - 76)**

**Cabinet Member:** Cabinet Member for Croydon Renewal, Councillor Stuart King

Cabinet Member for Economic Recovery & Skills, Councillor Manju Shahul-Hameed

Cabinet Member for Culture & Regeneration, Councillor Oliver Lewis

**Officer:** Director of Growth, Employment & Regeneration, Stephen Tate

**Key decision:** yes

**6. Stage 1: Recommendation arising from Scrutiny (Pages 77 - 84)**

**Lead Member:** Chair of Scrutiny & Overview Committee, Councillor Sean Fitzsimons

**Officers:** Interim Executive Director Resources, Asmat Hussain

**Key decision:** no

**7. Stage 2: Responses to Recommendations arising from Children & Young People Scrutiny Sub Committee on 19 January 2021 and Scrutiny & Overview Committee on 4 February 2021 (Pages 85 - 96)**

**Cabinet Member:** All Cabinet Members

**Officer:** Interim Executive Director Resources, Asmat Hussain

**Key decision:** no

**8. Investing in our Borough (Pages 97 - 104)**

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

**Officer:** Interim Executive Director Resources, Asmat Hussain

**Key decision:** no

**a) Integrated Drug & Alcohol Treatment Service (Pages 105 - 120)**

**Cabinet Member:** Cabinet Member for Families, Health & Social Care, Councillor Janet Campbell

**Officer:** Director of Public Health, Rachel Flowers

**Key decision:** no

**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. Minutes of a previous meeting (Pages 121 - 124)**

To approve the Part B minutes of the meeting held on 18 February 2021 as an accurate record.

## Cabinet

Meeting held on Monday, 18 January 2021 at 6.30 pm. This meeting was held remotely.

## MINUTES

**Present:** Councillor Hamida Ali, Stuart King, Muhammad Ali, Jane Avis, Janet Campbell, Alisa Flemming, Oliver Lewis, Manju Shahul-Hameed, David Wood 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, Leila Ben-Hassel, Simon Brew, Sherwan Chowdhury, Patsy Cummings, Felicity Flynn, Patricia Hay-Justice, Karen Jewitt, Shafi Khan and Toni Letts

**Officers:** Katherine Kerswell (Interim Chief Executive), Jacqueline Harris Baker (Executive Director of Resources and Monitoring Officer), Elaine Jackson (Assistant Chief Executive), Debbie Jones (Interim Executive Director of Children, Families & Education), Sue Moorman (Director of Human Resources), Shifa Mustafa (Executive Director of Place), Hazel Simmonds (Executive Director of 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

1/21 **Minutes of a previous meeting**

The minutes of the Cabinet meeting held on 19 October 2020 were agreed.

2/21 **Disclosure of Interests**

There were none.

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

There were no items of urgent business.

4/21 **Update on the Croydon Renewal Plan and Submission to MHCLG (presentation)**

A presentation was given to the Cabinet by the Leader, Councillor Hamida Ali, the Interim Chief Executive, Katherine Kerswell, and the Director of

Finance, Investment & Risk, Lisa Taylor. A copy of the presentation can be found online

<https://democracy.croydon.gov.uk/documents/b8064/Presentation%20-%20Item%205%20Croydon%20Renewal%20Update%2018th-Jan-2021%2018.30%20Cabinet.pdf?T=9>).

The Leader informed Members that the presentation gave Members an overview of the latest position of the council. The Leader highlighted the council's new priorities and noted that whilst the council was undergoing financial difficulties this was against the backdrop of the pandemic which continued to have severe health and economic implications. It was highlighted that whilst positive test rates were decreasing Croydon still had the 13<sup>th</sup> highest rate in the country.

The economic impact had seen an increase in the number of residents claiming Universal Credit in Croydon and nationally. The rise, it was noted, was universal in that it was impacting people on low incomes from all age groups and both genders. The Leader further highlighted that over 53,000 Croydon residents were furloughed which amounted to more than one in four who would be eligible for furlough.

Whilst the council was focused on resolving the financial position, the Leader stressed it was also supporting communities who were being severely impacted by covid-19; both from the sad loss of life and financially.

The Interim Chief Executive noted that in September 2020, Cabinet had made a decision to develop the Croydon Renewal Improvement Plan which was an overarching document to cover the fundamental change required to take place over the following three years. The Plan outlined the transformation of council systems of internal control, governance and management which would underpin the financial recovery of the council. The Interim Chief Executive advised Members that the Plan drew together all of the recommendations from both internal and external reports and put them together into a single clear improvement programme to support delivering change as the right pace and in the right way.

It was highlighted by the Interim Chief Executive that action was being taken, with Scrutiny & Overview Committee (SOC) and General Purposes & Audit Committee (GPAC) consultation on the Report in the Public Interest (RIPI) action plan due to be considered later in the agenda, the second report on the Strategic Review of Companies due to be taken to the February 2021 Cabinet meeting and the reserves would be considered in the budget papers.

The Interim Chief Executive advised Members that the council was waiting for the report following the rapid non-statutory review which had been undertaken on behalf of the Ministry of Housing, Communities & Local Government (MHCLG). It was noted that the council's submission for a capitalisation direction was made on 15 December 2020 and

Members were advised that conversations were still ongoing with MHCLG on a weekly basis and often with other government departments; including a meeting that had been held with the Home Office and Department for Education in relation to the costs associated with Unaccompanied Asylum Seeking Children.

Members were advised that MHCLG had established an Improvement Panel with Tony McArdle being appointed the Chair of the Panel. The remaining positions on the Panel would be filled by the end of the week and would be people with financial and commercial backgrounds. The Interim Chief Executive stated that the council had suggested that people with backgrounds in adult social care and children's social care should be beneficial in light of the changes which were required within those departments. It was highlighted that one of the first duties of the Panel would be to review the council's submission to MHCLG and provide a view to the Secretary of State. Those who had been involved in drafting the submission were thanked by the Interim Executive Director for their hard work and noted that it had been a team effort by all involved for creating a document that spoke to the issues Croydon was facing.

The Interim Chief Executive stressed that Croydon was not the only council in conversation with MHCLG about their financial challenges with an estimated 10 – 12 other councils also making submissions. As such, the Interim Chief Executive, noted that MHCLG and HM Treasury would need to consider the council's submission with the backdrop of what it meant in terms of local government. The Director of Finance, Investment & Risk advised Members that whilst the council was waiting for an outcome from MHCLG on its capitalisation direction it was still operating under a Section 114 Notice for the 2020/21 financial year and should the council be unable to balance the budget for 2021/22 then another Section 114 Notice would need to be issued.

It was stated by the Interim Chief Executive that the council had agreed to the establishment of an Improvement Board in November 2020 and work had begun to consult on the terms of reference and membership of that Board. With MHCLG establishing an Improvement Panel, the Interim Chief Executive stressed that the Panel and Board were two separate entities with the intention of the Board to draw on colleagues within the community, voluntary and faith sectors, resident and tenant associations and external finance and social care experts.

The ambition was for there to be open accountability and conversations focussed on improvement. The Interim Chief Executive advised that MHCLG had a different purpose for the Panel, which would be in place for a minimum of three years and would report quarterly to the Secretary of State for Housing, Communities & Local Government, however no formal letter had been received from government in regard to the role and activity of the Improvement Panel. It was stressed by the Interim Chief Executive that the council had not been informed that the Panel would have the

powers that Commissioners had in Northamptonshire and would not be stepping into the place of elected Members.

Members were advised that the Interim Chief Executive had spoken with the Chair of the Improvement Panel and reported that he was interested in there being a synergy between the Panel and Board.

The Interim Chief Executive highlighted that the Strategic Review of Companies had been commissioned in September 2020 and that a huge amount of work had been undertaken by Chris Buss and PwC, in particular discussion with the new Brick by Brick board, and it was reported that a second report would be taken to the February Cabinet meeting with recommendations on the future of the company. Additionally, it was noted the council had commissioned the external auditors, Grant Thornton, to undertake a value for money review the refurbishment of Fairfield Halls.

It was noted that there were 434 projects and actions across 11 programmes which formed the Croydon Renewal Improvement Plan and Members were advised that work was underway to prioritise those actions as it was recognised that it was essential to get the order of actions right and ensure resources were in place to support the work. It was noted that Scrutiny & Overview Committee had highlighted the need for the Programme Delivery Steering Group to be established in the right way to get the desired results and the Interim Chief Executive informed Members that a regular report would be presented to Scrutiny to receive feedback and challenge.

It was reported that the Executive Directors were continuing to challenge the budget to ensure all potential savings had been identified and whether planned growth was appropriate. Furthermore, the Interim Chief Executive advised Members that work had been undertaken to develop an Interim Asset Disposal Strategy, to support the need to borrow less money from the government. This Strategy, it was stated, would be taken to the Cabinet meeting in February 2021 for consideration.

Members were advised that the council was still waiting for some reports which would further inform the council's improvement journey. Those reports were; the Richard Penn independent investigation to understand how the council reached the position it was in, the MHCLG non-statutory rapid review and the Centre for Governance & Scrutiny's work to support the Scrutiny function and inform committee work plans.

The presentation concluded with a timeline of work which would be undertaken during the following six months with budget setting being a major area of work which would be informed by the decision from MHCLG on the council's capitalisation direction request. The Interim Chief Executive advised Members that the council was hoping to have a response from MCLG by mid-February 2021.



The Cabinet Member for Croydon Renewal, Councillor Stuart King, queried what the implications were in terms of budget setting if the council were not to hear back from MHCLG until the middle of February. The Director of Finance, Investment & Risk and Section 151 Officer stated that the council was hoping to hear from MHCLG to inform the budget for 2021/22 which were due to be considered at Cabinet on 22 February 2021 and Council on 1 March 2021. The council, it was noted, was statutorily required to set the council tax by 11 March 2021 and to have written all residents before the start of the new financial year.

Members were advised by the Director of Finance, Investment & Risk and Section 151 Officer that within the budget report to Cabinet and Council there was a section written by her, as the council's Section 151 Officer, which sets out her opinion on whether the council could set a balanced budget and that a response from MHCLG would be key to coming to a conclusion on that matter. If a response was not received then she would have to state that the council could not set a balanced budget and the council would have to set an illegal unbalanced budget until a response was received. Whilst the Director stressed that she hoped that it would be not required and conversation were ongoing with MHCLG, she was required to draw Members' attention to the possibility. It was confirmed that officers were regularly raising the council's deadlines with MHCLG and they were aware of the timetable and implications.

The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali, thanked officers for presenting a clear timetable of the work which would be undertaken during the following six months and also thanked all frontline staff for their continued work during the pandemic. Officers were asked what plans were in place given the ongoing uncertainty in terms of the pandemic and the impact on Universal Credit and unemployment.

In response, the Interim Chief Executive stated that the council had been carefully looking at the prioritisation of services and where staff resources should be deployed in light of the new variant of covid-19 being far more transmissible and staff having to self-isolate. It was noted there had been a significant impact on the bereavement service during the previous two weeks with staff becoming ill and the Interim Chief Executive thanked all who had volunteered to supported such an important and sensitive service. With the backdrop of delivering services during the pandemic, the Interim Chief Executive advised Members that delivering the Croydon Renewal Improvement Plan was a big job in itself and delivering the required change during a pandemic was challenging.

The Director of Public Health, Rachel Flowers, stressed that the current variant was significantly more contagious and that many people within the borough and across London were getting ill. The Director of Public Health advised Members that since February 2020 the council had been running Gold and Silver group meetings which had looked at the prioritisation of services and included keeping staff in bubbles to reduce the number of people having to self-isolate.

It was queried by the Cabinet Member for Homes & Gateway Services, Councillor Jane Avis, whether the delay in receiving a response from MHCLG on the council's capitalisation direction request had been due to the council not fulfilling the MHCLG's requirements or if it had been as a result of other councils also requesting assistance. The Interim Chief Executive advised Members that the council had hoped to get a response earlier but that they had informed MHCLG that they would continue work on the improvement plan whilst the council waited as it was recognised that the work was necessary. It was noted that the submission was made only a few days ahead of civil service recess for Christmas and in the New Year MHCLG had asked 17 detailed questions to gain confidence in the council's plans. It was in the Interim Chief Executive's opinion, that there was positive and open dialogue but it was noted that a decision would not be made until the last moment as MHCLG and HM Treasury would want to be able to take all factors into consideration ahead of making a decision.

The Director of Finance, Investment & Risk and Section 151 Officer advised Members that the capitalisation direction request was new territory for all involved and there was no template for such discussions; as such it was continually evolving. It was highlighted that the council had responded immediately to the 17 detailed questions which had been received from MHCLG and it was noted that a further series of questions had subsequently been received. The Director advised that MHCLG wanted to ensure due diligence had been undertaken before any decision was made and that neither themselves, the council nor Treasury were being exposed to additional risk. The council had been asked to establish means to keep the borrowing at a minimum and so had queried whether the council could dispose of any assets, a challenge which had been welcomed as keeping the level of borrowing low was better in the long term for the council.

The Cabinet Member for Economic Recovery & Skills, Councillor Manju Shahul-Hameed queried whether the Council could set a budget on 1 March 2021 if a response had not been received from MHCLG in advance. The Director of Finance, Investment & Risk and Section 151 Officer advised Members that the council had to set a budget ahead of 11 March 2021 and that budget may not be balanced if a response had not been received from MHCLG. It was suggested that the Council meeting on 1 March 2021 may need to be postponed to enable the council to receive a response and to form a budget but it was felt that MHCLG colleagues would work with the council to meet deadlines.

The Director of Finance, Investment & Risk and Section 151 Officer advised Members that she would work very closely with colleagues in CIPFA, MHCLG and Grant Thornton should the council not be able to set a balanced budget. The Director advised that the external auditor, Grant Thornton, may need to issue statutory notices if an unbalanced budget was set, along with the Monitoring Officer issuing a Section 5 Notice,

however it was hoped that it would not be necessary and a balanced budget could be set.

The Cabinet Member for Economic Recovery & Skills, Councillor Manju Shahul-Hameed, further noted that during the previous week it had been announced that the UK economy had shrunk by 2.6% in November 2020 and that recently a number of Croydon businesses had closed permanently and questioned how closely Croydon needed to work with partners, such as the GLA and London Council's to ensure there was economic recovery. In response, the Executive Director of Place, Shifa Mustafa, advised that the council needed a response from MHCLG to provide stability which the council's partners would be looking for also. However, it was stressed that whilst the council was awaiting a response it would continue to work with partners to drive economic recovery in the borough.

The Cabinet Member for Communities, Safety & Resilience, Councillor David Wood, noted that there had been interest from community organisations to be involved in the Improvement Board and requested officers provide clarification on how those groups could be involved. The Interim Chief Executive stated that the November 2020 meeting of Cabinet had considered the draft terms of reference and proposed membership of the Board which was being consulted on. It was important to ensure there was representation from across the borough on the Communities Board but to also ensure there was the right balance which allowed for proper discussion to be held. Furthermore, the Interim Chief Executive advised that the Board would be looking at internal control systems and risk management, and so it was important that the right people were on the Board to have those conversations and to ensure that there was openness and transparency.

The Cabinet Member for Resources & Financial Governance, Councillor Callton Young, queried what the implications were in terms of the establishment of the Improvement Panel on MHCLG reaching a decision ahead of the budget setting deadlines. The Interim Chief Executive advised that the Improvement Panel would read the council's submission and would give a view to the Secretary of State however, the full membership of the Panel would not be identified until later in the week. She confirmed that she had spoken to the Chair of the Panel, Tony McArdle, and was keen to ensure the conversation continued so the Panel's questions could be answered in good time. Members were advised that the council had been informed that the Panel would feedback to the Secretary of State at the beginning of February, after which a decision would be made.

The Interim Chief Executive stressed that the Panel were not intended to be Commissioners and advised that she had been informed that the role of the Panel was to provide support and challenge to the council on the delivery of the Improvement Plan and to provide assurance to the Secretary of State on the delivery.

The Leader of the Opposition, Councillor Jason Perry, thanked staff for their continued work during the pandemic and stated that his thoughts were with those it had affected, but noted that there were positive steps being taken with the rapid rollout of the vaccine. In terms of the financial position of the council he stated that this was the result of financial mismanagement, including loaning £200m to Brick by Brick and the reduction of reserves to £7m prior to covid-19. Whilst it was recognised that covid-19 had impacted a number of local authorities, the Leader of the Opposition stated that Croydon was the only one to issue two Section 114 Notices and as such, he stated that he understood the consideration MHCLG had taken in reviewing the council's submission. He expressed concern that the council continued to show a lack of pace and commitment as councillors remained in the Labour Group and whilst the Opposition Group had taken a 20% cut in allowances, the Administration Group was waiting for the budget setting process before making changes. The Leader of the Opposition queried when the Administration would take responsibility and stop, in his opinion, failing the people of Croydon.

In response, the Leader stated that Cabinet had been informed during the evening that other councils were in discussion with MHCLG about capitalisation directions and that Members had been told of the level of work that had been undertaken by the council. She stressed that the council was moving at pace and that in terms of reducing Member Allowances, the Leader pointed to the decision made by Council on 16 December 2020 which would deliver four times the amount of savings than identified by the Opposition.

The Shadow Cabinet Member for Finance & Resources, Councillor Jason Cummings, expressed concern as to the tone of the update as the council was not one of ten councils in a similar position as it was the only one to have issued a Section 114 Notice. He raised further concerns that the update suggested that the council was not responsible for the position it was in. The Shadow Cabinet Member noted that during the presentation it had been raised that discussions had been held with MHCLG in relation to asset disposal and stated that no information had been shared with Members on the matter and queried when that would be shared.

The Leader stressed that in every public meeting since taking the position of Leader she had apologised and acknowledged the reasons set out in the RIPI which had led to the council's financial position. Furthermore she felt that her Administration were focussed on rectifying the situation. Whilst it was recognised that Croydon's capitalisation direction request had likely been the largest, the Leader stated that it was a fact that other councils were in conversation with MHCLG. In terms of discussions with MHCLG in relation to asset disposal the Leader stated that it was a live discussion and that the Cabinet had not yet been part of that discussion, but that she looked forward to sharing the information once it was available.

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

**RESOLVED:** To note the presentation.

5/21

### **Action Plan to address the Report in the Public Interest**

The Leader of the Council introduced the report which included the outcome of the consultation on the draft Report in the Public Interest (RIPI) action plan with the Scrutiny & Overview Committee (SOC) and the General Purposes & Audit Committee (GPAC). It was noted that both committees had detailed discussions on the draft plan and had made a series of suggested amendments to the plan which were outlined in the appendices to the report. The Leader stated that Cabinet were being asked to agree those amendments and note that quarterly progress updates would be taken to both Cabinet and Council.

The Executive Director of Resources, Jacqueline Harris Baker, advised Members that the report was in line with the decisions made at the Extraordinary Council Meeting on 19 November 2020 to report to Cabinet the proposed amendments to the action plan following consideration by GPAC and SOC. It was noted that both committees had considered the action plan in detail.

Members were advised by the Executive Director that a revised action plan would be produced which incorporated the proposed amendments and revised timescales for delivery. The Executive Director stated the council had only 21 days to produce the original action plan and subsequent detailed work had been undertaken which was cross cutting with improvement work across the council.

The Executive Director confirmed that the council had strengthened its systems for monitoring, reporting performance and expenditure, and that a programme delivery approach had been adopted. A central programme management office had been established to ensure consistent and effective management of improvement and savings programmes was being delivered. Furthermore, an internal Croydon Renewal Steering Group had been established to ensure all projects were being delivered and would hold officers to account for delivery; this Group, it was reported, was chaired by the Interim Chief Executive and included members of the Executive Leadership Team.

It was further stated that progress against the action plan would be monitored, tested and reported upon by the council's internal audit team.

Cabinet were advised by the Executive Director that the next report would include an updated action plan, revised deadlines and progress updates on all actions. In the interim, it was suggested that Members would experience progress on actions as they happened; such as financial

reports and an update on the review of Brick by Brick being taken to February Cabinet.

The Assistant Chief Executive, Elaine Jackson, thanked Members for their contribution and amendments to the action plan which would be incorporated in the next iteration of the action plan. It was noted that it was a complex piece of work with over 434 actions or programmes of work that were being undertaken but it was the ambition of officers to distil the work into a structured report process which would assist in the oversight of progress.

The Chair of the Scrutiny & Overview Committee, Councillor Sean Fitzsimons, stated that the committee had considered the RIPI and action plan in December 2020. Following consideration of each line of the plan the committee had drawn up 23 proposed amendments. The Chair of SOC noted that the main area of concern of the committee was in relation to deliverability; both in terms of pace and ensuring lessons had been learnt.

The Chair of the General Purposes & Audit Committee, Councillor Karen Jewitt, thanked officers for their support at the committee meeting in December 2020 and noted that following the consideration of the plan a number of amendments had been proposed.

The Chair of GPAC noted that concerns had been raised in relation to the lack of training for GPAC members and stated that Mazars were arranging training for members on their role on GPAC which she hoped would be well attended. Furthermore, it was recognised that there had previously been insufficient time spent on items and that the committee would meet more regularly going forward to ensure items were given full consideration, such as a meeting to review the risk register. The Chair reported that she had asked members of the committee to submit suggestions on how to improve the committee further.

Members of SOC and GPAC were thanked for their work in considering the action plan by the Leader and Cabinet Member for Resources & Financial Governance.

Concerns were raised by the Leader of the Opposition that the Cabinet continued to close down challenge, in his opinion, as a sufficient number of questions from the Opposition were not asked. He noted that Croydon was the only council to have had a RIPI and to have issued two Section 114 Notices. He also raised concerns that a number of key deadlines within the action plan had already been missed.

In response, the Leader noted that the action plan which had been considered by the two committees was a draft and as such the timeline contained within the plan was indicative. Following the 20 recommendations from the auditors, Grant Thornton, and four additional recommendations from the council, 434 actions had been drawn up. That

action plan had been consulted upon and was being finalised. The Assistant Chief Executive confirmed that a number of the actions had been progressed and work was continuing to draw up the final report. It was noted by the Assistant Chief Executive that both committees, as part of the consultation, had provided challenge in relation to deadlines and officers were looking to respond to that challenge by reviewing all the deadlines ahead of final publication in April 2021.

The Shadow Cabinet Member for Families, Health & Social Care, Councillor Yvette Hopley, noted that within Appendix 1 of the report it discussed the need for Member training and stated that she felt that Opposition Members did not require training to know that the council was heading to severe financial difficulties. Furthermore, she stated that she, Councillor Jason Cummings and Councillor Buttinger had written to the previous Monitoring Officer in 2016 with concerns relating to the financial implications of decisions being made by the council and yet she felt that no action had been taken following her letter. As such, the Shadow Cabinet Member stated that without the desire to make significant change training would be unnecessary. She sought assurance that the council would be more transparent and questioned who she should raise future concerns with if the Monitoring Officer was not in a position to respond to concerns.

In response, the Leader highlighted that the external auditors had raised that training would be of use to Members across the council. As such, she stressed that it would be prudent to heed that judgement and ensure training and support was provided to enable Members to discharge their responsibilities effectively. The council had sought to enhance the commitment to training by ensuring that both GPAC and SOC were able to effectively challenge the Executive. The Leader concluded that she felt establishing more training programmes was a positive step and queried how anyone could oppose such a move.

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

**RESOLVED: To**

1. Agree the amendments to the RIPI action plan recommended by the Scrutiny & Overview Committee (Appendix 1);
2. Agree the amendments to the RIPI action plan recommended by the General Purposes & Audit Committee (Appendix 2);
3. Agree that the action plan (Appendix 3) should be updated accordingly; and
4. Note that in accordance with the resolutions of Council on 19 November 2020, Cabinet, alongside the General Purposes & Audit Committee, the Scrutiny & Overview Committee and Council, will

receive quarterly reports detailing progress of delivering the action plan as part of quarterly progress monitoring reports from the forthcoming Council Improvement Board.

6/21

## **Education Estates Strategy**

The Leader informed Cabinet that the order of the agenda would be varied to:

- Item 9/21 – Dedicated Schools Grant Schools Funding 2021/22 Formula Factors
- Item 7/21 – General Fund Capital Programme 2020-2024
- Item 8/21 – Proposed closure of Virgo Fidelis Convent Senior School
- Item 6/21 – Education Estates Strategy

The Cabinet Member for Children, Families & Education, Councillor Alisa Flemming, noted that the report was the annual report to Cabinet on the education estates and was split into two sections; the first being focussed on decisions for Cabinet to make and the second being for information. It was noted that Council would be asked to determine the proposed community school admission arrangements for 2022/23. The Cabinet Member highlighted that there were no proposed changes to previously determined arrangements barring updates in relation to DfE guidance.

It was further noted by the Cabinet Member that the council was responsible for having a scheme in place for the coordination of admission arrangements for both primary and secondary schools as part of the pan-London agreement which sought to simplify the application process and ensure a fair distribution of places across London.

The Cabinet Member stated the council was committed to reducing the high needs deficit but stressed that the decision to deliver Special Educational Needs and Disability (SEND) places was not driven by finances but by the desire to ensure young people could access education within the borough and could live independent lives by travelling by bus to school, for example.

It was highlighted that the mainstream school supply strategy had not been included in the report on this occasion as Croydon did not plan to create additional mainstream places. Pupil forecasts indicated there was a sufficiency of places in both primary and secondary schools for the next three years. The Cabinet Member stated that there would be a need to review the strategy as a result of covid-19 as there had been an increase in number of parents choosing to home school, and whilst the numbers were low it was stressed that the forecasting and places available aligned.

The Cabinet Member for Croydon Renewal, Councillor Stuart King, welcomed the feasibility work which was underway at Gresham Primary School to establish whether the bulge class could be made permanent as



supporting popular schools was an important objective. The Cabinet Member for Croydon Renewal noted that there had been significant investment in the SEND programme and requested further information on how that investment would support managing the financial challenge of the delivering the service whilst not impacting the education the children received.

In response, the Cabinet Member stated that she also welcomed the feasibility studies into expanding popular schools and more details would be provided by the Interim Director of Education & Youth Engagement, Shelley Davies, outside of the meeting.

The Interim Director advised Members that the Addington Valley Free School was open on a temporary site with 25 students and from September 2021 would open on its permanent site for 80 pupils. Providing an education to those 25 young people ahead of the permanent site being open had enabled the council to provide provision within the borough and support those young people to develop their independence skills. It was stated that the school being open would have a huge impact on the high needs expenditure as a large proportion of that budget had historically been spent at independent schools or outer borough schools.

Post-19 provision was also highlighted by the Interim Director as the council had worked with both Croydon College and Coulsdon College to establish the Coulsdon College Pathway which supported young people aged between 19 and 25 with SEND to be educated within the borough. These developments, it was stated, would have really positive impacts on young people's education and on the council's finances.

The Shadow Cabinet Member for Children, Young People & Learning, Councillor Maria Gatland, stated that she welcomed the expansion of local provision for SEND pupils and highlighted the work of the Coulsdon College Pathway. It was noted that at paragraph 4.1 of the report, which focussed on school place planning, that there was a potential for higher surpluses in some schools and the Shadow Cabinet Member questioned how those surpluses were being managed and queried whether there would be pressure on some schools to deliver a full curriculum in the future. Furthermore, it was noted that the school place planning would also need to be reviewed in future years as a result of intensification of housing in some parts of the borough.

In response, the Cabinet Member stated that school place planning was projected using birth rates and there had been a consistent drop in those rates in recent years and the council sought to keep the surplus to within 5% of the forecast. The Cabinet Member confirmed that the ability to ensure a full curriculum was in place as secondary schools worked with one another to deliver a full curriculum across estates and work was ongoing to reduce the number of sixth forms.

The Cabinet Member confirmed that the supply strategy would need to be reviewed to ensure sufficient places were available, in response to both the increase in home schooling and more housing. The Interim Executive Director for Children, Families & Education, Debbie Jones, confirmed the council continued to monitor the number of surplus school places and work would need to take place to ensure there was an equitable balance of places across the borough and to capitalise on the excellent work which was taking place by the schools in delivering a broad and balanced education. It was stressed that the council would want to be planning ahead rather than reacting to changes in demand for school places.

The Shadow Cabinet Member for Economy & Jobs, Councillor Simon Hoar, noted that there were planned works for St Giles School, Red Gates School and Priory School due to the poor condition of some of the buildings at the schools. In light, of the investment at Addington Valley Free School and St Nicholas School, the Shadow Cabinet Member queried whether the future options for the three schools had been considered; whether that included expansion, merging with other schools or closure of buildings due to repair. The Cabinet Member noted that she had sent a report to approve in relation to St Giles School but recognised that the schools site was crowded. It was stated that there were ongoing discussions with the governing bodies to ensure the provision met the changing needs of the cohort attending the school. The Cabinet Member committed to keep the Shadow Cabinet Member updated on the plans in relation to those schools.

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

**RESOLVED: To**

**School Admission**

1. Agree to recommend to full Council that it determine the proposed community schools' Admission Arrangements for the 2022/23 academic year (Appendix 1);
2. Approve the continued adoption of the proposed Pan London scheme for co-ordination of admissions to Reception and Junior schools as set out at Appendix 1a of the report; and adoption of the proposed Pan London scheme for co-ordination of admissions to secondary schools as set out at Appendix 1b of the report;

**School Place Planning**

3. Approve the Capital Programme Budget summary (as set out at Appendix 2 of the report);

**School Maintenance and Compliance**

4. Approve the proposed Schools' Maintenance Plan (as set out at Appendix 3 of the report) for 2021/22 with an overall budget cost of £2.945m;

5. Delegate authority to the Executive Director, Children, Families and Education to vary the proposed Schools' Maintenance Plan to reflect actual prices and new urgent issues that may arise, including authorising spend against the allowance for emergency and reactive works. The Executive Director, Children, Families and Education shall report back to members in respect of any exercise of such authority;

### **School Place Planning**

#### Academy conversion

6. Note the change of status of Woodcote Primary to an academy;

#### Early Years

7. Note the 2020 Childcare Sufficiency Assessment report as set out at Appendix 4 of the report;

#### Special Educational Needs and Disability (SEND)

8. Note that the SEND Estates strategies are contributing positively to the development of local provision maintaining some of our most challenging and vulnerable children and young people with SEND within their families and communities. For example, the:
  9. New special school – Addington Valley Academy - for severe and complex children with Autism Spectrum Conditions is underway and on schedule;
  10. New school build for St. Nicholas Special School was completed and the school moved in over the last academic year;
  11. Croydon College Coulsdon Pathways provision for students with SEND aged 19-25 is now in its third year and has been a great success;
  12. Review of the SEND estate – Red Gates / St. Giles / Priory - in terms of its quality, safeguarding and feasibility as approved by Cabinet in January 2020 is underway; and

#### Alternative Provision / Pupil Referral Unit (PRU)

13. Note information on Alternative Provision / PRU.

7/21

### **General Fund Capital Programme 2020-24**

The Cabinet Member for Croydon Renewal, Councillor Stuart King, noted that the report included the draft capital programme for 2021-24 and proposed in-year amendments to the capital budget. It was noted that the in-year capital programme had been reduced by £155m in October 2020 to reflect the council's financial position which had been principally made of £100m of savings from the removal of the asset acquisition line. The Cabinet Member stressed that the 2021-24 capital programme was

indicative only and revisions would be made ahead of the final version being taken to Cabinet in February 2021 and Council in March 2021 for approval. The Director of Finance, Investment & Risk and Section 151 Officer reiterated that the programme was draft only and that further changes would be made ahead of final approval.

In response to the Cabinet Member for Sustainable Croydon's question on the impact on the Growth Zone, the Cabinet Member for Croydon Renewal stated that Growth Zone funding had been reduced at the beginning of the 2020/21 financial year to reflect the current economic position of the town centre. It was stressed that it was important that investment in the Growth Zone was affordable and would generate revenue in terms of business rates. The Director for Finance, Investment & Risk and Section 151 Officer advised Members that the Growth Zone had been adjusted from £15m to £7m and had been adjusted in light of the economic climate and would continue to be reviewed in the development of the capital programme.

The Shadow Cabinet Member for Finance & Resources, Councillor Jason Cummings, stated that Members had got used to seeing borrowing figures increase year on year but noted that the council's ability to support borrowing had been significantly impacted by the financial position of the authority. The Shadow Cabinet Member noted that the draft capital programme committed the council to increased levels of borrowing despite the council already being at the Prudential borrowing limit. As such, it was queried whether the council would look to increase that limit and when plans would be brought forward to reduce the total level of borrowing.

In response, the Cabinet Member stated the indicative programme represented a reduction in borrowing to fund the capital programme as it was recognised that it was essential that capital programme was affordable. The Director for Finance, Investment & Risk and Section 151 Officer confirmed that the Treasury Management Policy, which included the Prudential borrowing limit, would be taken to Cabinet in February 2021 and Council in March 2021. It was further noted that borrowing would likely increase if the council's capitalisation direction request was approved but it was the ambition of the council to reduce the level of borrowing required by reviewing the capital programme.

The Shadow Cabinet Member for Culture, Leisure & Sport, Councillor Vidhi Mohan, noted that the draft programme identified £47.9m from asset disposal and queried what assets were due to be disposed. In response, the Cabinet Member stated that the council was developing an Asset Disposal Strategy which would include a framework which would be applied when decisions in relation to asset disposal were made. The Cabinet Member noted that the external auditors had raised concerns that the Asset Acquisition Strategy had been agreed following the purchase of Croydon Park Hotel and so the council would seek to agree the Strategy ahead of announcing any potential disposals. The figure contained within

the indicative programme had been based on assumptions on the potential value of assets but those figures needed to be verified. The Cabinet Member stressed that it was important that robust assessments took place and the Strategy was agreed first before any assets were disposed of.

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

**RESOLVED: To**

1. Note the draft capital programme, which excludes the Housing Revenue Account capital programme. Note the final capital programme will be presented for Full Council approval as part of the budget setting process;
2. Recommend that Full Council approve amendments to the in year capital programme;
3. Note the changes to the Public Works Loan Board (PWLB) borrowing requirements, include the need to provide an outline capital strategy to central government before any further borrowing is permitted;
4. Note the proposal to review the Highways budgets alongside the Highways Strategy in the new financial year; and
5. Cease the Asset Investment Board, as the Asset Acquisition Programme has stopped.

8/21

**Proposed closure of Virgo Fidelis Convent Senior School**

The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, informed Members that the report recommended the closure of Virgo Fidelis Convent Senior School, which was a Roman Catholic voluntary aided secondary school for girls aged 11 to 18 years old and was based in Upper Norwood.

The school's Interim Executive Board in consultation with the council and the Archdiocese of Suffolk had agreed to undertake a statutory consultation on the proposed closure from August 2021 due to the state of repair of the buildings, the pupil roll consistently decreasing during the previous seven years and the school budget deficit being significant.

The Cabinet Member confirmed that the consultation had taken place and the majority of respondents were opposed to the proposed closure with the three main reasons being; the loss of a catholic school in the area, the reduction in single sex schools in the borough and the history attached to the school. It was noted by the Cabinet Member that there was another catholic school in the borough, St Mary's Catholic High School, and there

were two single sex schools for girls in the borough, including Norbury Manor Business & Enterprise College which was in close proximity.

The Cabinet Member for Croydon Renewal, Councillor Stuart King, noted that at paragraph 6.7 of the report that there was a requirement for the council to take on the schools deficit following closure and requested assurance that while the school was running that the deficit was being managed and would be as small as possible. In response, the Interim Director of Education & Youth Engagement, Shelley Davies, confirmed the council was in regular contact with the Interim Executive Board and the school's leadership team to ensure the deficit was kept as low as possible as it was understood that this would impact the council. Legal advice would also be sought in relation to the deficit and what support was available.

The Leader noted that the school was the second school in recent years to be put forward for closure and queried whether horizon scanning was taking place to understand whether there were any other schools which could face similar challenges. The Interim Director confirmed that strong processes had been put in place in the previous 18 months to monitor schools which had submitted a deficit and regular meetings took place with those schools. Detailed information was requested from schools so that the council could understand why there were deficits and plans were required to be submitted which outlined how they would manage the school within budget. It was stated that there were a number of schools in the borough which had submitted deficits but that she and the Head of Finance for Children, Families & Education, Kate Bingham, were meeting those schools regularly to both provide a level of challenge and support.

The Shadow Cabinet Member for Children, Young People & Learning, Councillor Maria Gatland, noted that the council had little choice but to consult on the proposed closure of the school as pupils no longer had access to a full curriculum and the school buildings were unsafe. Despite the situation, the Shadow Cabinet Member recognised the concerns raised as disruption to pupils education would be experienced and parent choice would be compromised. It was recognised that there were spaces at St Mary's Catholic High School, but the Shadow Cabinet Member queried how this would work as the school was a mixed school. Additionally, the Shadow Cabinet Member noted the school had been running a deficit for a number of years and queried why this had not been tackled earlier.

In response, the Cabinet Member recognised there would be disruption for pupils moving from a single sex school to a mixed school and thanked the Principle of St Mary's Catholic High School for his support. Conversations would be held with each family to take into consideration their preferences when placing children into a new school. The Cabinet Member confirmed that horizon scanning was taking place to ensure that other schools were not in a similar position of returning deficits but the delay with Virgo Fidelis had been due to the council working with the

school to deliver a catholic school in the north of the borough and plans had been developed, however the safety of children was paramount and the buildings were deemed unfit for use. Furthermore, the Cabinet Member stated that when the Interim Executive Board had been asked whether there was scope to keep the school open and reduce the deficit the response had been that it was no longer viable and as such the proposal before Cabinet had been developed collectively with diocese.

The Interim Director added that due to the poor repair of the school, some children had already been moved to St Mary's Catholic High School and were being taught in a single sex area of the school; this had ensured that the pupils would receive their education in one school until they finished their GCSEs. In terms of in-year admissions, work would begin only if Cabinet approved the closure. The council would then work with each family in terms of the type of school they were looking for and where there were places available. Additionally, as Virgo Fidelis was based on the borough boundary, the Interim Director advised that the council would seek to work with partners in neighbouring boroughs should parents wish to explore other alternatives. It was recognised that moving children was never an easy option but the Interim Director stressed that a lot of work had taken place with the Interim Executive Board and diocese in coming to the decision to propose the closure of the school.

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

**RESOLVED: To**

1. Consider the representations made in response to the statutory notice and consultations regarding the proposed closure of Virgo Fidelis Convent Senior School from August 2021; and
2. Approve the proposed closure of Virgo Fidelis Convent Senior School from August 2021.

9/21

**Dedicated Schools Grant Schools Funding 2021/22 Formula Factors**

The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, noted that the report outlined the proposed allocation of the schools block element of the Dedicated Schools Grant (DSG) for both maintained and academy schools in Croydon. The Department for Education (DfE) required Cabinet approval prior to submission on 21 January 2021 and the proposal contained within the report sought a phased implementation of the DfE's proposed national funding formula.

Jolyon Roberts, Chair of the Schools Forum, was welcomed to the meeting. He informed Members that he had been Chair of the Schools Forum for over ten years and had been a Head Teacher in Croydon for 17 years. He stated that he had followed the discussion on the DSG High Needs Funding at the General Purposes & Audit Committee and had fed

back to the Schools Forum on that discussion. Members were informed that the Schools Forum met monthly and there were several sub-committees and working groups which looked at specific areas and fed back to the Forum and all those involved in developing the report were thanked for their hard work.

Jolyon drew Members attention to paragraph 3.10 of the report and stated the Forum had sought to progress towards the national funding formula over time to manage the change more effectively and Croydon was now closely aligned to the recommendations of the funding formula. Members were assured that the DSG was considered carefully by the Schools Forum ahead of recommendations being made and was reviewed quarterly.

The high needs block of the DSG was raised by the Chair of the Schools Forum as being a concern for all as there had been increased levels of responsibility for young people aged 18 to 25 whilst there had been no additional funding to support that work. A plan had been developed in response to the RIPI and regular meetings were reported to have taken place to ensure effective scrutiny was being implemented.

The Leader thanked the Chair of the Schools Forum for his attendance at the Cabinet meeting and for all of his work as both the Chair of the Schools Forum and as a Head Teacher in Croydon.

The Interim Head of Finance for Children, Families & Education, Kate Bingham, advised Members that the wording of the recommendation should be amended to remove the word “provisional” as Cabinet were being asked to agree the final funding formula. In response, the Leader thanked the Interim Head of Finance for the clarification and confirmed that Cabinet understood the amendment.

The Shadow Cabinet Member for Children, Families & Education, Councillor Maria Gatland, thanked the Chair of the Schools Forum for his attendance and attested to the work on the Forum which often considered complex pieces of work. The Shadow Cabinet Member welcomed the expansion of places for pupils with SEND which she hoped would support managing the high needs deficit and questioned whether the proposal was enough. Furthermore, she noted that it was proposed that there would no longer be transfers from the schools block to the high needs block and queried whether there would be further expansion of places to make up the deficit.

In response, the Chair of the Schools Forum informed Members that previously the schools block could be top sliced in order to make up the shortfalls in funding for the high needs block but that the arrangements for the national funding formula stopped this, except for, in his opinion, a small percentage. Given that mainstream schools were under immense pressure the Schools Forum was happy for the money to remain with them rather than be allocated elsewhere. It was recognised by the Chair



of the Schools Forum that there remained a large amount of work to be done to manage the high needs block and welcomed the increased funding received over the previous two years. Furthermore, historically a high amount of spending was taking place outside of the borough and there was a desire for the majority of Croydon children to be educated in the borough which would support reducing expenditure. Whilst overspend in the first three quarters of 2020/21 had reduced the budget was still overspending and further work was required to improve the budget.

The Cabinet Member thanked the Chair of the Schools Forum for all of his work in educating the young people of Croydon and supporting the Schools Forum for a number of years. Officers were also thanked for all their work in supporting the Forum and developing the papers. The work and commitment of all teachers was praised as it had been a particularly challenging year.

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

**RESOLVED: To**

1. Approve the funding formula for Croydon schools for the financial year 2021/22 for maintained schools, and the academic year 2021/22 for academies, in line with the recommendations of the Schools Forum:
  - a. To agree for the phased implementation of the National Funding Formula in 2021/22 to ease the potential turbulence of moving to a hard formula at a later stage; and
  - b. To agree the funding formula factors set out in Table 2 and paragraphs 3.10 to 3.31 of the report.

10/21

**Making Croydon's Private Rented Homes Safer and Protecting Residents**

The Cabinet Member for Homes & Gateway Services, Councillor Jane Avis, stated that she did not underestimate the importance of the report as keeping residents safe was a key priority of the Administration. It was noted that a third of properties in the borough, 58,000, were privately rented and 3,000 of those properties were Houses in Multiple Occupation (HMO); as such it was imperative that the council had policies and enforcement in place to protect residents.

Officers were thanked by the Cabinet Member for developing the paper and their dedication to the work of keeping residents safe.

The Cabinet Member highlighted that the report sought agreement for the revised policy, Determining the Penalty and Band, to be utilised and for the revised Statement of Principles relating to smoke and carbon

monoxide alarms to be agreed. It was noted that the latter was integral to resident safety as a number of people passed away from carbon monoxide poisoning annually. Furthermore, the revised fee structure and amended licensing conditions for HMOs were also included within the report for agreement. It was noted that it was proposed that all aspects would commence on 1 February 2021.

It was noted that the Government had given council's additional powers and sanctions to impose which was welcomed by the Cabinet Member as it supported the council to tackle rogue landlords, letting agents and property managers. The Cabinet Member stated that she felt covid-19 had highlighted the situation further as people had been forced to stay in their homes and so ensuring the safety of those residents was essential. It was hoped that the private rented sector would welcome the new regulations as it was noted that each rogue landlord negatively impacted the reputation of the whole sector.

The Executive Director of Place, Shifa Mustafa, noted that recommendation 1.8 in the report would give the council additional powers and control around the disposal of waste which would also protect tenants and residents within the vicinity.

The Cabinet Member for Sustainable Croydon welcomed the report as ensuring high living standards for those living in HMOs was important. He queried whether further details could be provided in terms of the enforcement which would be put in place as the issues highlighted within the report caused a great amount of concern for tenants and residents across the borough.

In response to the query the Private Housing Manager, Nick Gracie-Langrick, stated that he had a good team who were all well trained. As part of the implementation of new powers, all team members would undergo additional training in relation to the new powers and when it was appropriate to enforce those powers. Furthermore, the team worked with landlords across Croydon and would utilise different forums to promote the new regulations to ensure landlords were aware of the new conditions and ran their properties safely.

The Cabinet Member for Croydon Renewal, Councillor Stuart King, noted that household waste management presented a challenge to all residents and was often raised with councillors. As such, he welcomed the proposed powers and noted that responsibility would be placed on the landlord to act once they were alerted of issues in terms of waste disposal by writing to occupiers within 14 days. This would support tackling the concerns of residents regarding absentee landlords who did not manage the properties appropriately. The Cabinet Member concluded that while he welcomed the measures he stressed that he was fully aware that the vast majority of landlords acted responsibly.

The Shadow Cabinet Member for Homes & Gateway Services, Councillor Lynne Hale, thanked officers for the work that had gone into the report, which she welcomed. It was stated that there was no place in Croydon for landlords who would exploit tenants or provide unsafe or substandard accommodation. She welcomed the wider enforcement responsibilities and powers introduced by the Government which enabled the proposed changes to conditions and licensing fees.

Paragraph 18 of the report discussed the Croydon Landlord Licensing Scheme which had been in place between October 2015 and September 2020 and the Shadow Cabinet Member queried whether a financial assessment had been undertaken in light of the *Gaskin v London Borough of Richmond* court ruling in terms of the scheme.

The Cabinet Member stated that an application had been made to the Secretary of State for Housing, Communities and Local Government in July 2020 to extend the Selective Licensing Scheme (SLS) but a response had not yet been received. The Private Housing Manager confirmed that the court ruling the Shadow Cabinet Member had referred to had introduced a split fee payment structure and the need for an additional payment had incurred an additional cost, however an assessment of that cost had not been made.

It was noted by the Private Housing Manager that the new fee structure had been introduced in December 2019 following a Cabinet decision and that there had been issues with collecting the second payment. The council, however had made it clear that should the Part B payment not be received within 14 days of the request being made, then enforcement would take place and should the payment still not be made then the license would be considered not duly made and there would be no refund for the Part A payment. As such, the landlord would be required to start a new application as the property would be considered unlicensed and subject to penalty.

The Chair of the Streets, Environment & Homes Scrutiny Sub-Committee, Councillor Leila Ben-Hassel, informed Members that the Committee would look at private sector homes regulations once the Secretary of State had made a decision on the application for the renewed Selective Licensing Scheme. It was noted that the additional powers outlined within the report would amount to additional work for the private housing team and Councillor Ben-Hassel queried whether there were sufficient resources in place to ensure enforcement took place.

In response, the Private Housing Manager confirmed that there would be an implementation period whilst training and the development of new procedures and policies took place but after that period it was hoped that staff would be able to use the powers effectively to protect the residents of Croydon.

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

**RESOLVED: To**

1. Note the new enforcement powers available to the Private Sector Housing Enforcement and Trading Standards teams including the various responsibilities, duties and commencement dates.
2. Adopt the proposed policy 'Determining the Penalty and Banding the Offence'; attached as Appendix 1. This policy covers the process to both:
  - Determine the Penalty - determine what is the most appropriate sanction to be taken against an offending landlord; and
  - Banding the Offence - where the sanction is a Financial Penalty, the level of penalty.
3. Resolve for the proposed policy 'Determining the Penalty and Banding the Offence' to supersede the existing policy "Determining the Penalty" which was approved on the 3 May 2017 and which the Council commenced using on the 8 May 2017.
4. Adopt the proposed revised Statement of Principles attached at Appendix 3 of the report which has been produced as required under regulation 13 of The Smoke and Carbon Monoxide (England) Regulations 2015 and agree to the publication of the Statement of Principles.
5. Resolve for the proposed Statement of Principles attached at Appendix 3 of the report to supersede the existing Statement of Principles, attached as Appendix 2 of the report, which was approved on the 3 May 2017 and which the Council commenced using on the 8 May 2017".
6. Agree to the proposed policy 'Determining the Penalty and Banding the Offence' and proposed revised Statement of Principles to commence on the 1 February 2021 in respect of powers created under the various enactments.
7. Approve the revised proposed houses in multiple occupation licensing ["HMO"] fee payment arrangement that requires the applicant to make the same total payment under the scheme if the licence is successfully granted, but in two stages, Part A on application and Part B if the License is granted, as detailed in a fee structure within section 18 of the report and documented in Appendix 4 (current fees) and Appendix 5 (proposed fees) of the report.

8. Authorise the Council to include new or revised houses in multiple occupation licence conditions as detailed in section 17 of the report and documented in Appendix 6 (current conditions) and Appendix 7 (proposed conditions) of the report covering:
  - the safety of the electrical installation requirements, new condition 1.2.1;
  - the revision of conditions 1.1, 1.2.2 and 1.2.3 to give a deadline of 14 days in which a licence holder must return a declaration to the Council on request;
  - the smoke and carbon monoxide alarm requirements, new condition numbers 1.3.1 and 1.3.2;
  - the control of anti-social behaviour, reworded condition 1.5 with new sections 1.5.2 and 1.5.3;
  - the storage and disposal of household waste requirement, new condition 1.6.1, 1.6.2, and 1.6.3; and
  - the introduction of minimum room standards in paragraph 2 and through 2.3 and 2.4, a system for managing breaches of 2.1 a landlord was not aware of.
9. Agree to adopt the proposed revised fee charging mechanism for houses in multiple occupation applications attached as Appendix 5 of the report made on or after the 1<sup>st</sup> February 2021.
10. Agree to adopt the proposed revised HMO licence conditions attached as Appendix 7 for new HMO licences issued on or after the 1 February 2021.
11. Authorise officers to arrange the publication of the documentation, subject to updates to ensure that typographical matters, such as reference to draft and seeking Cabinet approval, are updated prior to publication.

11/21

### **London Councils Grant Scheme 2021/22**

The Cabinet Member for Communities, Safety & Resilience, Councillor David Wood, stated that Cabinet were being asked to approve the recommendation of the London Council's Leader's Committee that the 2021/22 grant scheme budget be £6,668,000 with a contribution of £287,731 from Croydon. It was reported that Croydon's contribution would support activities to tackle two key priorities; combating homelessness and tackling sexual and domestic violence.

Cabinet were informed that applicants for the grants must be non-profit organisations which were able to work across more than one borough and could evidence that its work sought to tackle one of the priorities. Thirteen projects had been commissioned to deliver pan-London services and officers had reviewed the data provided by London Councils and were satisfied that Croydon had received its fair share of the services provided.

The Cabinet Member reported that since April 2017 an annual average of 859 Croydon residents had been supported under the first priority; combating homelessness and an average 5,130 residents had been supported under the second priority each year; tackling sexual domestic violence.

It was noted that the council was legally required to contribute towards the scheme based on the borough's population size and that the expenditure had been agreed by the Section 151 Officer.

The Shadow Cabinet for Safer Croydon & Communities, Councillor Andy Stranack, paid tribute to Elaine Collins who had sadly passed away during the preceding week from covid-19. It was noted that she had been excellent advocate of the community sector and Members sent their condolences to her husband and family. It was noted that paragraph 3.2.8 of the report highlighted the impact lockdown had on many organisations, with a number of groups having to close down or furlough staff. In light of this, the Shadow Cabinet Member queried whether any money had been returned to the council from London Councils and it was noted that he council had received money back from organisations within the borough due to the impact of covid-19.

In response, the Cabinet Member stated that he was not aware that money had been returned by London Councils but confirmed he would seek clarification and would write to the Shadow Cabinet Member to confirm the situation. The Leader noted that she had previously looked over the portfolio and her experience had been that where projects had been underperforming and there had been a saving, the Grants Committee had consistently sought to redeploy the funds to other projects to deliver the key priorities.

The Cabinet Member stated that the claw back in relation to the Job Retention Scheme had been different to the London Councils Grant Scheme. The council had been in contact with organisations to discuss when monies would need to be repaid due to the Job Retention Scheme. The Cabinet Member further confirmed that he would write to the Shadow Cabinet Member with further details.

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

**RESOLVED:** To agree the recommendations of the London Councils Leaders Committee to:

1. Approve the London Councils Grants Scheme budget for 2021/22 of £6.668m; and
2. Agree Croydon Council's 2021/22 contribution to the London Councils Grants Scheme budget amounting to £287,731.

12/21

### **Scrutiny Stage 1: Recommendations from Scrutiny & Overview Committee's consideration of the Strategic Review of the Council's Companies - Action Plan**

The Chair of the Scrutiny & Overview Committee informed Cabinet that the Committee had met on 21 December to discuss the PwC report on the Strategic Review of Council's Companies, including Brick by Brick, and had put forward 24 recommendations which were contained within Appendix A of the report. Responses from Cabinet on those recommendations were requested.

The Chair requested that the Scrutiny & Overview Committee be given the opportunity to review the second phase of the PwC report once it was available.

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

**RESOLVED:** To receive the recommendations arising from the Scrutiny & Overview Committee's consideration of the Strategic Review of the Council's Companies - Action Plan at the Committee meeting held on 21 December 2020, and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on 22 March 2021).

13/21

### **Investing in our Borough**

The Cabinet Member for Resources & Financial Governance, Councillor Callton Young, stated that there were no separate contract awards for Cabinet to consider at the meeting, however Cabinet were being asked to note a contract variation to be taken under delegated authority for the Drop in Zone. It was explained that this extension would cover the period until the service was brought in house. The Cabinet Member further highlighted the decisions which had been made by the Director of Commissioning and Procurement since the last Cabinet meeting which were outlined within paragraph 4.1.2 of the report.

The Shadow Cabinet Member for Homes & Gateway Services, Councillor Lynne Hale, noted that whilst she did not disagree with the funding of the Turnaround Drop in Zone ran by CAYSH as it supported some of the most vulnerable young people in Croydon, she was concerned that the report highlighted the council had been in breach of public contract regulations. It was noted that concerns had been previously raised by the Shadow Cabinet Member at the Cabinet meeting on 19 October 2020 and the response had been that contract breaches had been due to the impact of covid-19. The Shadow Cabinet Member noted that contracts of this nature often took a significant amount of time to put in place and so work should have begun long before the pandemic. It was questioned whether the breach was due to covid-19 or that contract management had moved into a department of the council which had insufficient resources to manage them.

In response the Cabinet Member confirmed that the delay in extended the contract had been due to covid-19 but stressed that he agreed with the Shadow Cabinet Member's concerns. It was noted that the need to improve contract management had been raised as part of the RIPI, improvement plans and reviews of financial governance and that the council was looking to strengthen this area of work. The Cabinet Member noted that the council had a Contracts and Commissioning Board and discussions were underway to strengthen governance and use the Board to programme manage.

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

**RESOLVED:** To note

1. The contracts between £500,000 and £5,000,000 anticipated to be awarded under delegated authority from the Leader by the nominated Cabinet Member, in consultation with the Cabinet Member for Resources and Financial Governance and with the Leader in certain circumstances, before the next meeting of Cabinet, as set out in section 4.1.1 of the report; and
2. The list of delegated award decisions made by the Director of Commissioning and Procurement, between 25/11/2020 – 17/12/2020, as set out in section 4.1.2 of the report.

14/21

**Exclusion of the Press and Public**

This item was not required.

The meeting ended at 9.30 pm



## Cabinet

Meeting held on Thursday, 18 February 2021 at 6.30 pm. This meeting was held remotely

### MINUTES

**Present:** Councillor Hamida Ali, Stuart King, Muhammad Ali, Jane Avis, Janet Campbell, Alisa Flemming, Oliver Lewis, Manju Shahul-Hameed, David Wood and Callton Young

**Also Present:** Councillor Jason Cummings, Lynne Hale, Maria Gatland, Simon Hoar, Yvette Hopley, Vidhi Mohan, Helen Redfern, Scott Roche, Andy Stranack, Louisa Woodley, Sean Fitzsimons, Robert Ward, Pat Clouder, Clive Fraser, Mario Creatura, Leila Ben-Hassel, Sherwan Chowdhury, Patsy Cummings, Nina Degrads, Felicity Flynn, Patricia Hay-Justice, Bernadette Khan, Shafi Khan and Toni Letts

**Apologies:** Councillor Jason Perry

**Officers:** Katherine Kerswell (Interim Chief Executive)  
Elaine Jackson (Assistant Chief Executive)  
Debbie Jones (Executive Director Children, Families & Education)  
Sue Moorman (Director of Human Resources)

### PART A

The Leader of the Council welcomed the members of the Improvement & Assurance Panel to the meeting.

15/21 **Disclosure of Interests**

There were none.

16/21 **Urgent Business (If any)**

There were no items of urgent business.

17/21 **Renewing Croydon Improvement Plan - Update**

The Leader of the Council informed Members that the report gave Cabinet a broad update on a number of areas relating to the council's improvement journey, including the Improvement Plan and the government's Rapid Review of the council which had been undertaken in November 2020 and published in February 2021. The Leader noted that it was encouraging that the Rapid Review report had recognised the efforts of both Members and officers to address the real challenges faced by the council. Additionally, the report to Cabinet covered the appointment of the Improvement and Assurance Panel which was welcomed by the council

as their support and advice over the following three years would be an important aspect to the improvement journey.

Members were informed that the report provided details on the consultation which had been undertaken on the proposed Terms of Reference for an external Improvement Board which had shown there was support for transparency but concerns were raised in terms of ensuring the diverse community could be involved in the work. In response to the consultation outcomes the report outlined the proposal to pause the development of an Improvement Board until July 2021 and develop a Community Panel which would provide greater transparency on the work being undertaken and would enable the council to bring together a diverse range of community partners.

The Interim Chief Executive, Katherine Kerswell, advised Members that Cabinet would receive update reports each month to ensure Cabinet were being fully informed of progress. It was suggested that at some meetings those updates would be longer than others. Members were advised that the Improvement and Assurance Panel were at the 'getting to know' phase with colleagues across the council and that work had been very positive to-date.

The Cabinet Member for Culture & Regeneration welcomed the creation of a Community Panel as part of the renewal process for the borough as it was recognised that it was important to hear the voices of Croydon residents during the challenging period, but questions were asked as to how the council would ensure that the Panel was representative of the broad diversity of the borough. In response, the Leader noted that concerns had been raised in the consultation that there would only be a single representative from each part of the community but it was recognised that the borough was diverse and the council wanted to hear from all groups. As such, it was noted that work was required to engage and facilitate that communication which would be reported to the Cabinet meeting on 22 March 2021.

It was queried by the Cabinet Member for Economic Recovery & Skills how the Community Panel would differ from the Improvement & Assurance Panel as it was recognised that it was important that the business, community and voluntary sectors were involved in the improvement journey. It was stated by the Leader that when the Improvement Panel was being considered there would be expertise in relation to social care and commercial matters and other issues which had been highlighted as particular concerns. This support on key areas of budget concern was now being provided via the Improvement & Assurance Panel. As such, it gave the council the opportunity to engage more directly with the communities of Croydon via a Community Panel which would include the business community.

The Cabinet Member for Communities, Safety & Resilience welcomed the move to introduce a Community Panel as there was a lot of interest within

the community to engage in a constructive manner with the council during its improvement journey. The Cabinet Member thanked partners from across the borough for their support and constructive engagement during difficult conversations.

It was stated by the Cabinet Member for Croydon Renewal that he had the benefit of sitting on a number of boards in the borough and had the opportunity to listen to communities. Avenues were open to hear from those groups, however it was noted that it was really important that the council reached out to those voices which had important perspectives which needed to be heard and did not have the opportunities which established groups had. As such, the Cabinet Member for Croydon Renewal suggested it was the responsibility of all councillors to find advocates within their communities who could be part of the process.

The Cabinet Member for Resources & Financial Governance further noted that his first interaction with the council had been as member of a community group and he stated that the Community Panel was a fantastic way of engaging the community, and communicating and receiving feedback on the work of the council. It was noted, however, that a key factor of which would define how successful the Panel was on ensuring complex information was accessible.

The Shadow Cabinet Member for Finance & Resources noted that the original Improvement Board was planned to meet in public, however queried how the Improvement & Assurance Panel would meet as expectations had been that there would be complete openness and transparency of meetings. In response, the Leader stated that the Minister for Housing, Communities & Local Government (MCHLG) had appointed the Improvement & Assurance Panel and had stated that their meetings would be conducted in private directly with the council. The Leader reported that the Chair of the Panel, Tony McArdle, had described the work of the Panel as driving progress within the council whereas the council's Community Panel would be focussed on engagement and it was hoped the Community Panel would be able to provide transparency on the council's journey.

Questions were asked by the Shadow Cabinet Member for Finance & Resources in relation to the departure of members of the Executive Leadership Team and how the council would maintain corporate memory when it was so important at a time of extensive change. The Leader noted that despite the departures it was business as usual for the council, and arrangements would be put in place to ensure all council functions and services were continuing, including the appointment of an Interim Section 151 Officer.

The Shadow Cabinet Member for Homes & Gateway Services requested confirmation as to whether the council's accounts for 2019/20 had been signed off by the external auditors, Grant Thornton, and if they had not

been signed off queried what the financial implications would be for the council, including its Improvement Plan.

The Leader confirmed that the 2019/20 accounts had not been signed off by Grant Thornton and ongoing discussions were taking place with the external auditor to facilitate their capacity to complete that work. A number of questions had been raised with the council and officers were seeking to provide the additional information requested. It was noted by the Leader that the council had been late in publishing the 2019/20 accounts and so the process had started later than normal. In terms of the financial implications, it was stated by the Leader that the 2021/22 Budget report due to be considered by Cabinet on 1 March 2021 would provide more detail and would take into consideration the potential implications of the auditor's view on the 2019/20 accounts.

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

**RESOLVED: To**

1. Note the updates provided in the report in relation to the Croydon Renewal Improvement Plan;
2. Note the report of the MHCLG Rapid Review team, and the Council's response to the recommendations and milestones;
3. Undertake further stakeholder engagement to develop a Community Panel, with the purpose of supporting openness and transparency of the Council's delivery against the Croydon Renewal Improvement Plan, with proposed membership and terms of reference reported back to Cabinet in March 2021 for approval; and
4. In recognition of the MHCLG appointed Improvement & Assurance Panel, implementation of the Croydon External Improvement Board be paused and reviewed in July 2021.

18/21

**Rent Setting Policy for Council Homes**

The Cabinet Member for Homes & Gateway Services informed Members that the report proposed a policy which aimed to clarify and codify existing practice within the council's housing department and ensure compliance with the rent standards set by the government.

Members were informed, as a means of background, that the rent standard had been revised in 2020 which had set social housing rents at Consumer Price Index, plus 1%. This had replaced the 2016 rent standard which had reduced social housing rents by 1% over a four year period.

It was noted that work on developing the Housing Strategy had been put on hold due to covid-19 and staff being redeployed to support other priority areas. The proposed Policy, the Cabinet Member noted, would require Council approval and, if approved, would form part of the Housing and Homelessness Strategy which was being developed.

The Cabinet Member noted that at paragraph 5.2 of the report it mentioned that the council had developed and purchased 95 homes for affordable rent but that existing social rented properties had not been converted to affordable rent. It was stated that no further conversions from existing social rented homes to affordable tenure were allowable.

Ozay Ali, Interim Director for Homes & Social Investment informed Members that officers have reviewed the council's rent policies to ensure they reflected guidance and best practice in the development of the proposed Policy. It was stated that compliance with government guidance on rents would support the council in delivering more homes in the future with it being possible to purchase up to 190 homes for the affordable homes programme. The Interim Director advised Members that the proposed Policy ensured compliance with government guidance, would enable the council to develop affordable housing and maintain current housing at rents which reflected best practice.

The Cabinet Member for Resources & Financial Governance welcomed the clarification the proposed Policy provided but queried whether an assessment had been undertaken on the council's ability to collect rent due to the challenging financial climate. In response, the Interim Director confirmed that modelling had not been possible on individual levels but confirmed that the proposed rent levels were within government guidelines for housing allowances support and local housing caps. The Policy sought to bring rent levels in line with the sector and it was not anticipated that there would be an increase in rent arrears as a result.

The Cabinet Member welcomed the question and stated that the Policy followed four years of 1% reductions which over 30 to 40 years would have impacted the Housing Revenue Account by around £200,000. Whilst it was recognised that a continued reduction in rents would be welcomed by residents it would make ensuring properties were maintained appropriately more challenging. The rise in rents would enable the council to maintain services which residents had come to expect and following discussions with resident groups it was noted that residents were satisfied with the proposal. The Interim Director further informed Members that the Policy would enable the council to build up reserves which would support work required to be undertaken to properties to comply with upcoming legislation, and ensure maintenance to housing to the best possible standard took place.

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

**RESOLVED:** To review the Rent-Setting Policy for Council Homes within the Housing Revenue Account (“The Policy”), at appendix 1 of the report and as detailed within the report and recommend to Full Council the adoption of this policy in accordance with Article 4.02 of Part 2 of the Constitution.

19/21

**Review of Brick by Brick Croydon Ltd: Brick by Brick Shareholder decision - the future of the company**

The Leader introduced the report noting that it marked a significant moment in the context of the council’s recovery and thanked Chris Buss, Consultant, for his work in reviewing the options for the future of Brick by Brick. Options before Cabinet were the product of two sets of detailed analysis which had been undertaken. The first of which was assess how the company was operating and the council’s relationship with the company. That report had also identified a series of possible options which required further analysis. It was reported that following that initial report in November 2020 progress had been made to progress the recommendations with the appointment of non-executive directors with significant financial experience. Furthermore, the company had appointed a Finance Director, which had been a key recommendation from PwC, and significant work was underway to review and reconcile the loan agreements which were in place.

It was stated that the second analysis, which was contained within the report before Cabinet, had been designed to support the council to make a decision on how to move forward in terms of the future of the company. The Leader stressed that a fundamental principle driving the consideration of the most appropriate option had been to minimise the loss to the public. The first report had set out seven options and following further analysis an additional option had emerged; that the council conclude its relationship with Brick by Brick in October 2021 with the completion of the 29 remaining sites. Cabinet were asked to agree that option, subject to further exploration of possibly selling the company which still posed risk and challenge, as outlined within the report, but it was felt that there was less risk to the council with this option.

The Cabinet Member for Culture & Regeneration thanked those involved in undertaking the assessment and developing the report. It was highlighted by the Cabinet Member that the report recommended loaning Brick by Brick an additional up to £10m; as such he sought reassurance that any additional lending would be monitored by the council to ensure terms and conditions were adhered to and that the money was repaid to the council. In response, the Leader confirmed that there was recommendation for the council to make up to £10m available to Brick by Brick. It was further confirmed that the sale receipts from those sites which were due to complete before October 2021 would be used by Brick by Brick to limit the lending to the company. Work was also underway to reconcile the number of loan agreements which were in place to ensure

there was absolute understanding between Brick by Brick and the council on those agreements.

Chris Buss, Consultant, confirmed that the loan agreements between the council and Brick by Brick were being worked through and that following a Cabinet decision a meeting would be held with the lawyers to review and finalise an agreement. Members were advised that the council would be, following agreement of the recommendations, dealing with an organisation with a finite future and as such there would not be an open ended arrangement in place. In terms of the loan of up to £10m, the Consultant advised Cabinet that the total amount was felt to be adequate based on the information which was available. It was recognised, however, that there was one large indeterminate which, was the level of sales. Should the anticipated sales not take place then the Consultant advised Members there may be cash flow issues which would then have to be considered.

The Cabinet Member for Resources & Financial Governance recognised that residents would be concerned that the council was proposing to lend Brick by Brick up to a further £10m. It was queried whether this proposed loan would be a better option in the long term and what the range of the loan would be. In response, the Consultant informed Members that the proposed loan would be up to £10m and would be the amount the company required. Two cash flow forecasts had been created which set the loan amount required to be between £5m and £10m.

The Consultant advised Members that the proposed loan was the equivalent to a bank overdraft and was a cash flow requirement. It was recognised that there was significant value in the properties which were almost near completion, however to reach the point where the full value could be realised a small additional loan was required. It was understood there would be scepticism as to whether an additional loan was required but the Consultant confirmed that he and the PwC consultants had looked at the issue in detail and the new cash flow forecasts had been provided by the Brick by Brick Finance Director; as such it was felt there was more certainty as to the reliability of the figures compared to those approved in the previous year's Business Plan. Whilst there was more certainty, the Consultant stressed that it was not guaranteed as it relied on people wanting to buy the properties when it was anticipated they would be sold.

The Cabinet Member for Croydon Renewal highlighted recommendation 1.2 of the report which was a change to a 100% debt model from 75%. It was noted by the Cabinet Member that external legal advice had been sought, which was included within the report, and suggested that there was not a concern in relation to subsidy control on the basis that the council was acting as a rational private sector party. However the Cabinet Member noted the council was not a private sector organisation and requested assurance that the 100% debt model was a sound and justified approach. In response, the Consultant noted that local authorities were governed by the Wednesbury Principles and he advised Members that he

was satisfied that the recommendations contained within the report were ensuring the council was acting in a reasonable manner as it would protect as much of the investments it had made as possible. The council would be acting as a private sector company in such a situation; that is if a small investment was required to realise a substantial amount of the whole investment made previously then it would be considered the rational approach as opposed to not making that investment and losing more money. To that end, the Consultant advised Members that it was felt that it was perfectly rational for the council to move to 100% debt model.

The Cabinet Member for Croydon Renewal further noted that recommendation 1.4 of the report required a report to go to a future meeting of Cabinet which set out the proposals for sites that Brick by Brick was returning to the council. Given the concerns related to those sites, the Cabinet Member queried when that report would be received by Cabinet. In response, the Interim Director of Homes & Social Investments, Ozay Ali, informed Members that a large amount of work had been undertaken to identify the large number of sites which were at various stages of development. One of the areas of work, Members were advised, had been to develop a resource plan to ensure the council could move forward, including purchasing properties and converting them to affordable rent. Additionally, the council was looking at how it could progress some, if not all, of the site for the delivery of future affordable housing. The Interim Director advised Members that this work would be progressed in the next quarter of the year and a subsequent report would be brought to Cabinet, outlining which sites could be delivered within the framework of an affordable housing programme, which could be sold to housing associations and which could be sold on the market. It was highlighted that not all sites would be suitable for the council to develop and those sites would be sold in line with the Interim Asset Disposal Strategy.

It was noted that some Members had expressed concern that some sites had been omitted from appendix 4 of the report and in response, the Consultant advised Members that in the body of the report it was recognised that the list was incomplete. Members were thanked for passing on additional information and were advised that the list was still being worked on to ensure it was as complete as possible. It was felt that it was important that officers were given some time to ensure the list of works by Brick by Brick was comprehensive.

In terms of the risk, the Cabinet Member for Croydon Renewal stated that he felt that the options before Cabinet were sensible but noted that there was a risk that Brick by Brick staff, which were essential to the company delivering schemes, would look for alternative employment before the final completion date of October 2021. Risks were also highlighted in terms of suppliers and contractors in terms of payment terms. In light of the identified risks, the Cabinet Member queried how they would be managed. In response to the Cabinet Member's question, the Consultant advised that he had been holding conversations with the non-executive



Directors of Brick by Brick on how to ensure the organisation was able to manage during what would be difficult period in terms of staffing and managing suppliers. Members were advised that the council would be effectively underwriting Brick by Brick's cash flow with a loan which would give suppliers and contractors some confidence that the company would not renege on sums due as it was not in the council's best interest to allow them to do so.

The Cabinet Member for Economic Recovery & Skills queried whether the potential impact of covid-19 and further lockdown restrictions had been taken into consideration. It was noted that the construction sector and its supply chain were able to operate during national lockdown but that there was a risk that the government guidance may change in light of new variants which were being transmitted. In response the Consultant advised Members that this had been considered by the consultants when they considered the options. The view was that impact of covid-19 restrictions would be negligible in terms of the build out progress, however should a more virulent variant of covid-19 come to the fore the government guidance may change. In terms of the current guidance, it was felt that there should be no impact other than that mentioned within the report.

Concerns were raised by the Cabinet Member for Children, Young People & Learning that some sites were missing from the list contained at appendix 4 of the report. Residents, it was reported, had queried whether sites would be developed by the council or an alternative developer and whether residents would be able to speak on further alternative proposals. Members were advised that each site would be considered individually and consideration would take into account resident concerns. However, it was noted that the council would need to take into consideration that there remained a need for affordable housing.

Members were informed by the Chair of Scrutiny & Overview Committee that the Committee had considered the report at a meeting held on 9 February 2021 alongside the Interim Asset Disposal Strategy. It was noted that the conclusions and recommendations from this meeting were contained within the Scrutiny Stage 1 report which was due to be considered later in the agenda of the Cabinet meeting. The Committee thanked the work of the consultants and officers for ensuring Members were briefed on the work being undertaken. It was reported that Members were satisfied that the proposed way forward represented the best option for the council; particularly in light of its reduced risk appetite. The Chair stated that he was supportive of the treatment of Fairfield Halls to return it to the public books in terms of debt.

Cabinet were informed that the Scrutiny & Overview Committee had looked at the risk in terms of the additional loan to Brick by Brick and whilst recognising that the loan was necessary, the Committee had requested a mechanism be put in place to enable further scrutiny of further loans. The Committee, it was reported, had welcomed the

reassurance that new risk management processes were in place but felt that the financial processes should be transparent as there would be intense public interest in the financial details of the company as set out in the Part B report. Whilst Members of the Committee understood the reason for confidentiality, they requested that it continually be reviewed and information be released to the public when it was no longer commercially sensitive.

The Chair reflected that when government policy or legislation changes it was pertinent that the council reconsider the mechanisms which it had put in place. It was felt by the Scrutiny & Overview Committee that a lesson should be learnt that when the council embarked on major programmes, review points should be put in place and the council should consider whether it should continue with the programme.

The Chair of Scrutiny & Overview Committee concluded that further investigations were required to understand how the past lending arrangements had been arranged and to ensure they were legally compliant.

The Leader thanked the members of the Scrutiny & Overview Committee for their work in considering the report and for providing recommendations on the report. It was noted that the external auditors, Grant Thornton, were undertaking a review in relation to the Fairfield Halls refurbishment works. It was further confirmed that work was ongoing to understand the previous loan agreements to Brick by Brick and potentially reconcile them into a single agreement which had clear terms and conditions.

The Deputy Chair of Scrutiny & Overview Committee queried whether it would be possible to publish on the council's website up to date information on Brick by Brick; including the sites which would be transferred to the council as concerns were raised that the information on the Brick by Brick website was misleading. Furthermore, the Deputy Chair queried whether the council had learnt from the experiences of other councils, such as Merton Council, when the options for the future of Brick by Brick were developed.

In response, the Consultant advised Members that following a decision by Cabinet officers would discuss updating the Brick by Brick website with the Directors to reflect that they would only be working on 29 sites. It was suggested that councillors could inform their constituents that if the site local to them was not listed one of the 29 sites listed in appendix 2 then the site would not be developed by Brick by Brick. Members were advised that a full appraisal process would be undertaken by the council on the remaining sites and once that had been completed there would be a report to Cabinet which would likely be considered by Scrutiny & Overview Committee before a decision was made. In terms of lessons learnt; the Consultant advised Members that he had not spoken to colleagues at Merton Council as their development company had only

reached the embryonic stage so it was felt that little could have been learnt from them but that they may learn from Croydon's experience.

The Shadow Cabinet Member for Homes & Gateway Services expressed concern that Brick by Brick would continue to be funded by Croydon tax payers. Whilst it was recognised that commercially sensitive information was contained within the Part B report, it was felt that residents had the right to know the details of the expected costs of the company. As such, the Shadow Cabinet Member requested confirmation from the Leader that all details and the impact of the decisions in relation to the future of Brick by Brick would be made available as soon as possible.

In response, the Leader stated that the work to agree the future of Brick by Brick had been undertaken to find the option which best protected and limited any further loss of the public's investment. However, to ensure the council secured the best result for tax payers it was appropriate that some information was restricted due to commercial sensitivity. In terms of the time frame that information could be made publically available, the Consultant advised Members that it would be dependent on how the council concluded its relationship with Brick by Brick; should the council sell the company early in the new financial year then the information could be released on the completion of the sale. However, should the council be required to remain involved until the completion of the build out in October 2021 then it may not be possible to release the restricted information until that point. The Consultant stated that he would not advise releasing the information as it included the council's assumptions of sale price and interested parties would base their offer on that price whereas it was felt that it may be possible to get a better deal if they did not know the council's assumptions.

The Vice Chair of Scrutiny & Overview Committee noted that previous documentation relating to Brick by Brick had included a funding agreement of 25% equity to 75% loan; however the reality had been 100% loan. As such, he queried who had made the decision and under what authority to change the loan agreement previously. The Consultant advised that he had been requested to look at the company and resolve the issues going forward and that he had not been asked to look at past decisions. The Leader stated that she was unable to confirm who had made the decision as she had not been involved in those discussions. It was however noted that the issue had been raised within the Report in the Public Interest. Given the council's concerns in relation to investing public money, the Leader stated that the 100% debt model was preferable.

The Shadow Cabinet Member for Children, Young People & Learning reported that residents had expressed concerns in relation to two sites in her ward, Drovers Road and Selsdon Road, which had not been transferred to Brick by Brick and queried when there would be certainty as to the future of the two sites. In response, the Leader confirmed that sites listed in Appendix 4 of the report would not be developed by Brick by Brick but officers would undertake an assessment on all the remaining

sites. A report following that assessment would be considered at a future meeting of Cabinet but that a date for that report being ready was not yet available.

*The Cabinet moved the recommendation to Exclude the Press and Public (minute no. 26/21) to discuss the Part B report. The Cabinet made the decisions below in Part A following the discussion in Part B.*

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

**RESOLVED: To**

1. Consider the PwC report including recommendations at Appendix 1 of the Part B agenda and the options set out in this report; agree to proceed with the option set out as scenario 2 of that report, which is a build out of sites by Brick by Brick combined with a sale of sites under construction whilst still considering the option of a sale of the business, with a further report to Cabinet in April / May 2021.
  - i. Note that, with any option, there will be further costs/resourcing (in particular the sale of the business option, in order to ensure the proper advice is obtained regarding valuation, legal and financial implications) and some write off of the Council's investment (as further explained in the Part B report)
2. Agree that revised funding arrangements be entered into with Brick by Brick to reflect the current loan positions and proposals for the future, including, where relevant, moving to a 100% debt funding position (as opposed to 25% equity and 75% debt); extending relevant loans and repayment periods; allowing delays with repayments of existing loans; agreeing to further funding of no more than £9.99 million in relation to sites proposed for Brick by Brick to continue developing (and only where absolutely necessary within an appropriate repayment period), and:
  - i. Agree that the Interim Chief Executive be given delegated authority to finalise and agree the terms of new/varied funding agreements to be entered into between the Council and Brick by Brick in consultation with the Section 151 Officer and Monitoring Officer and in consultation with the Leader, Deputy Leader and Cabinet Member for Resources and Financial Governance.
  - ii. Note the progress of the loan agreement review (recommendation 19 of the Report in the Public Interest), as detailed in paragraphs 3.13-3.15 of this report.

- iii. Note the advice at paragraph within the Part B paper regarding the legal implications of these proposed revised funding arrangements.
  - iv. Agree, where practically possible, to apply all funds being received from Brick by Brick first to the accrued interest and any subsequent funding will be used to pay back the principle loans
3. Agree for the necessary steps to be taken, in accordance with the Council's Tenders and Contracts Regulations, to appoint marketing agents to consider the disposal options for the College Green site (note, this is the site adjacent to Fairfield Halls which was due to transfer to Brick by Brick, but is currently held by the Council); the outcome of this options appraisal shall be reported back to Cabinet in accordance with the Council's governance processes.
  4. Agree for the Council to review those sites Brick by Brick propose not to develop, as identified in Appendix 4, and to receive a future report to Cabinet on the potential use and future of each site (note, these are sites that had originally been intended to be transferred to Brick by Brick but are still held by the Council).
  5. Agree that the plans to transfer the four sites identified in Appendix 4 from the Council to Brick by Brick proceed and, note, these sites will then be dealt with in accordance with recommendation 1.9 below.
  6. Approve that the Council's Housing Revenue Account (HRA) can acquire residential units from Brick by Brick as part of this review and note that the concurrent report to Cabinet regarding the arrangements for the future development of social housing within the Housing Revenue Account business plan will include Brick By Brick developments sites as potential development options. The acquisition and development will be subject to a review of affordability and HRA revenue implications.

The Cabinet, on behalf of the Council, exercising its functions as sole shareholder of Brick By Brick Croydon Ltd, is recommended to:

7. Agree that Brick by Brick continue to build out those schemes currently on site and due to complete by October 2021 (as identified in Appendix 2)
8. Agree that, in the event risks arise which affect timely completion of those sites referred to in Recommendation 1.7, agree that:
  - i. Brick by Brick shall report to the Council's Interim Chief Executive regarding those risks, including any development, operational, legal or other risks;

- ii. The Council's Interim Chief Executive, in consultation with the Section 151 Officer and Leader, be authorised to decide:
      - a. whether the risks are such that selling the site(s) urgently would be more economically advantageous and in those circumstances, shall have the ability to authorise Brick by Brick to sell those relevant sites; or
      - b. whether a further review is to be carried out and reported to Cabinet for a decision.
9. Agree that, for those sites which have estimated completion dates beyond October 2021 (as identified in Appendix 2), Brick by Brick be authorised to:
- i. market the sites for sale and report back to the Council's Interim Chief Executive and Section 151 Officer regarding offers received;
  - ii. Subject to any objection by the Council's Interim Chief Executive in consultation with the Section 151 Officer and the Leader (note, this is to allow the Council the opportunity to consider whether continued build out of these sites might be more cost effective than offers received), sell those sites and, where necessary, novate any relevant contracts, such as building contracts, to the purchasers (for the avoidance of doubt, should the Council's Interim Chief Executive object, Brick by Brick shall not have the shareholder's authority to sell those sites).
10. Agree with the recommendation of the board of Brick by Brick to depart from the current Business Plan and no longer develop any site other than those sites identified in Appendix 2 (note, potential future transfers of interests in the work already undertaken will be the subject of a future report to Cabinet in accordance with recommendation 1.5 above).
11. Agree that these recommendations be adopted by way of shareholder resolution as revisions to the Business Plan of Brick by Brick Croydon Ltd, thereby requiring the company and Directors of the company to act on these recommendations and to carry out all necessary actions to give effect to them.
12. Require the Board of Brick by Brick to prepare and submit a revised Business Plan (by no later than May Cabinet) for adoption by the Council as shareholder, reflecting the decisions made under this report and to include the consequential impact on staffing and other relevant matters.

20/21

### **Interim Assets Disposal Strategy**

The Cabinet Member for Croydon Renewal informed Members that budget preparations were well underway, as had been discussed at a

meeting of the Scrutiny & Overview Committee earlier that week. Three objectives were at the heart of the budget preparation; strengthening financial discipline to ensure the council lived within its means, ensuring the delivery of the best quality services which the council can afford, and limiting liabilities with a particular focus on property and assets. In relation to the last objective, the Cabinet Member stated that the report was an essential step towards achieving that goal.

It was noted that the council fully accepted the need to review all of the assets it owned and undertake asset disposal so as to reduce its borrowing requirement and focus on core business. To that end, an Interim Assets Disposal Strategy had been developed to support that work and covered commercial assets, such as the Croydon Park Hotel, and surplus operational sites. The Cabinet Member stated the Strategy would, in combination with the Corporate Asset Management Plan, ensure the best use of the council's assets and complement the Capital Programme and the Medium Term Financial Strategy which were due to be considered at the following Cabinet meeting.

Following consideration by the Scrutiny & Overview Committee the report and Strategy had been updated in line with recommendations from the Committee including; ensuring ward councillors and Cabinet Members were consulted at the outset of the consideration of a disposal, the initial tranche of disposals were included in the Part A report, and additional information in terms of options considered for possible uses of Croydon Park Hotel had been included.

In terms of the options, including emergency and temporary accommodation, which had been considered in relation to the Croydon Park Hotel the Cabinet Member informed Members that he had seen the business case assessment for those options and was in agreement with the officer judgement that it would not be affordable and therefore viable option. To that end, the Cabinet Member highlighted the recommendation to appoint a tier one agent to prepare a marketing strategy and subject to approval manage a sales process for the Croydon Park Hotel with a report to Cabinet in September 2021.

The Cabinet Member noted that Members had raised that it was important that the council achieved best consideration whilst balancing the current economic climate with the timing of the disposals. It was noted by the Cabinet Member that achieving best consideration could be achieved by securing planning permissions on sites to add value to the asset. Additionally, he noted that Members had queried whether community led initiatives could be considered for the sites. The Interim Director of Homes & Social Investments advised Members that the approach to best consideration was set out as sections 6 and 7 of the report, which would include robust business cases. The process, it was confirmed, would include early consultation with ward councillors and Cabinet Members.

The Interim Director advised Members that the programme had been structured with “quick wins” at the start with assets which were larger liabilities for the council. More challenging assets would still go through the same process but it was recognised that additional work may need to be undertaken before they were put on the market, such as moving services to more appropriate settings. Members were advised by the Interim Director that the purpose of the Strategy was to deliver best value and to reduce the holding costs that many assets incurred, so as to deliver better value for the local taxpayers.

The Leader requested clarification on what achieving best consideration would mean, particularly in the context of the position of the council. In response, the Interim Director stressed that the business case was critical at the early stage of the process. As part of the process officers would be assessing the cost of retaining the building and professional valuation advice would be sought. On sites, Members were advised, investment to save initiatives would be considered which could involve seeking planning permission for the site. However, each site would be considered individually and investment would only be made where it was financially beneficial and could be made in a timely fashion. In terms of approach, the Interim Director informed Members that local agents would be used for the sale of some assets whereas tier 1 agents would be used for the large strategic assets.

In response to the Cabinet Member for Economic Recovery & Skills query as to the resource requirement to implement the Strategy, the Interim Director advised Members that the resource plan included bringing in commercial expertise to handle the sales and redeploying staff to support with other work, such as the Housing Revenue Account sites. It was stressed that commercial property sales was a particular skill that the council would seek to utilise in the short term to begin the programme and develop within the council to support the management and disposal of assets going forward.

The Cabinet Member for Resources & Financial Governance noted that a Project Management Office (PMO) had been set up which would drive forward a large amount of the improvement work within the council and questioned whether there were links between the PMO and the work of the team supporting the asset disposals. In response, the Interim Director confirmed that asset sales would form part of the corporate programme management approach as it was imperative that there was only one version of the truth and in terms of asset disposal there would be monthly reporting to the senior management team.

The Chair of Scrutiny & Overview Committee (SOC) welcomed the changes made to the report in response to the recommendations of the Committee. It was reported that the Committee were generally satisfied with the proposed approach but, when the Committee considered the report, it was felt that there was insufficient detail in relation to Croydon



Park Hotel to come to a conclusion on whether disposal was the best option.

It was noted for the Chair of SOC that there had been considerable public interest in the list of assets proposed for disposal and the inclusion of the tranche 1 list in the Part A report was welcomed. The Chair of SOC further stated the Committee had strongly advocated that ward councillors be involved in the process to utilise their local knowledge. As such, the Councillor raised that the future of Croydon Park Hotel was a concern for the residents of his ward and he welcomed being kept informed so he could inform residents of the process that had been undertaken to reach the decision to sell the asset.

The need to achieve best consideration when disposing of assets was raised by the Chair of SOC as the Committee had recognised that it supported the aim to reduce borrowing and interest costs to the council. In conclusion, the Chair of SOC requested that the final strategy be taken to scrutiny for consideration before adoption and took into account the lessons which had been learnt during the period of the Interim Asset Disposal Strategy.

The Cabinet Member for Croydon Renewal stated that he felt that scrutiny's contribution to the development of a substantive strategy would be welcomed.

In response to the quick sale of properties identified in tranche 1, the Cabinet Member stated that the majority of those properties were empty, disused or soon to be disused buildings which were no longer required by the services, and so lent themselves to immediate disposal. It was stressed, however, that the business case and governance would be important elements to provide assurance to Members that due consideration was given to each asset and that best consideration was achieved.

The Shadow Cabinet Member for Finance & Resources noted that the purchase of Croydon Park Hotel had attracted comment and controversy since its purchase in 2018 and queried whether, given the council was looking to dispose of the asset, the council could accept that the purchase of a hotel was not a good idea.

In response, the Cabinet Member for Croydon Renewal accepted that the decision before Cabinet was a clear indication that the Administration did not feel that it was a sensible investment in the current economic and financial climate, especially as business cases had evidenced there were not alternative uses for the hotel. It was recognised that there were significant holding costs associated with the site. The recommendation within the report, however represented the necessary means by which the council could secure capital receipts which would support the council financially.

It was noted by the Cabinet Member for Croydon Renewal that the previous asset investment decisions were decisions which many local authorities had taken as a means to maximise revenue for the council and it was stated by the Cabinet Member that other asset investments, such as the Colonnades and Vulcan Way continued to generate net returns for the council. However, the council's risk appetite had changed to reflect the circumstances it faced and as such the Cabinet Member was happy to recommend to Cabinet that it approve the recommendation to dispose of the Croydon Park Hotel.

*The Cabinet moved the recommendation to Exclude the Press and Public (minute no. 28/21) to discuss the Part B report. The Cabinet made the decisions below in Part A following the discussion in Part B.*

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

**RESOLVED: To**

1. Approve the Interim Asset Disposal Strategy and note the first tranche of proposed sales which is set out in appendix A of the report
2. Approve the proposed list of assets for disposal and to progress the marketing of the initial tranche of asset disposals as set out in appendix 3 of Part B of the report including specific approvals for:
  - i. Valuation fees for the proposed disposals
  - ii. Other cost of sales budgetary requirements as included in appendix 3 of the report.
3. Approve the proposed approach for the disposal and marketing of the Croydon Park Hotel as detailed in section 8 of the report.
4. Note the requirement for additional resource to successfully manage and achieve this major project.

21/21

**Croydon Equalities Strategy**

*This item was taken as the second substantive item of the meeting following the Renewing Croydon Improvement Plan – Update.*

The Cabinet Member for Communities, Safety & Resilience thanked the Equalities Manager, Yvonne Okiyo, and Director of Policy & Partnerships, Gavin Handford, for all of their work in developing the new Equalities Strategy. It was stated by the Cabinet Member that the council had a clear vision for Croydon to be a place of opportunity where everyone could belong. The challenge for the council was to make a difference through its work to continue to improve the life chances and lived experiences for its residents. It was noted that Cabinet was being asked to refer the adoption

of the Equalities Strategy and new equality objectives to Council for adoption and to note the engagement and consultation which had been undertaken to develop the new Strategy.

The new priorities outlined within the Strategy were to address social inequalities through the council's role as a community leader and employer, that the council work with residents to better understand the communities within the borough and that residents are encouraged and supported to live healthy lives. It was highlighted that the outcomes within the report closely aligned with the Equality Framework for Local Government. Additionally, the Equality Peer Challenge by the Local Government Association which had taken place in 2019 was also drawn upon to develop the Strategy.

The Cabinet Member thanked the Scrutiny & Overview Committee, partners and stakeholders for their invaluable feedback throughout the drafting process of the Strategy which had been incorporated where possible.

It was highlighted that the Strategy was designed to be a living document which was owned by the council and ran through all aspects of the council's activities. At Section 4.7 of the report, it was noted by the Cabinet Member outlined that a high level board would be formed to coordinate the arrangement for embedding the policy and managing the implementation of the Strategy. As outlined within the appendices, each outcome had been considered on what actions would be taken and what success would look like with realistic timelines.

It was stated by the Cabinet Member that work had begun to align the Strategy with existing strategies and policies to avoid duplication and ensure there were compatible objectives throughout all of the policies and strategies of the council. It was recognised that the council was in a very different position than it was when work on developing the Strategy first began but the Cabinet Member assured Members that they had reappraised the objectives to reflect the new priorities and ways of working; as such it was suggested the document was working towards delivering achievable ambition.

The Leader also thanked the Equalities Manager and the Director of Policy & Partnerships for their work in developing the Strategy as it was recognised that a huge amount of work had gone into its development and also supporting the Peer Review. Tackling structural inequality was stated to be a central consideration of the work of the council.

The Equalities Manager thanked Members for their support in developing the Strategy but noted that it was just the beginning and that work would continue to deliver the objectives within the Strategy.

The Interim Chief Executive, Katherine Kerswell, noted that given the issues which the council was tackling it may seem to some that tackling

inequalities was not the most important area of consideration. However, for the management team, and for the council as a whole, this was fundamental aspect of the Croydon Renewal Improvement Plan. The Interim Chief Executive advised Members that a new council was being built that would be financially balanced over the following three years and that it was integral that equalities ran through every aspect of what the council did and it was important that the Strategy was a living document.

Whilst it was recognised by the Interim Chief Executive that the council had statutory duties to fulfil; the principles and objectives of the Strategy were far reaching and it was important to ensure that the council lived them. Members were advised that the Interim Chief Executive and her colleagues were fully committed to the delivery of the Strategy.

It was noted by the Director of Policy & Partnerships, Gavin Handford, that the Strategy was a culmination of 12 months' work with the aim being to engage councillors from across the Chamber throughout the development as well as engaging the communities of Croydon. The Director highlighted that the Equalities Manager had undertaken a large volume of research and sought to understand best practice from across local government and the wider public sector which could be seen within the Strategy.

The Cabinet Member for Sustainable Croydon thanked all involved on producing the Strategy during the middle of a pandemic. It was noted that the diverse communities of Croydon, and in particular the BAME community, had been significantly impacted by covid-19 and queried how the Strategy would support ongoing work to support those communities and overcome inequalities. In response, the Cabinet Member for Communities, Safety & Resilience noted that there were specific objectives in relation to health. In particular, it was highlighted that the report included a section on the inequalities faced during the pandemic.

The Equalities Manager further advised Members that during the development of the Strategy there had been two main aspects to consider; the Black Lives Matter movement and covid-19 and the disproportionate impact of the BAME community. The report, it was stated, included references to the need to incorporate social economic determinants of health within strategies in relation to the economy to support the development of an inclusive economy with sustainable quality jobs. Members were advised that there were two specific objectives which sought to tackle the issue; upskilling of residents in terms of qualifications and ensuring they were job ready, but also in terms of health there was an objective to work with health partners and to use data to inform future provision. Finally, the Equalities Manager highlighted the importance of the document being a living document to ensure it was able to adapt to the developing needs of communities and reflected other upcoming strategies of the council.

The Cabinet Member for Resources & Financial Governance queried how the council would tackle the middle management blockages of increasing diversity within the workplace. In response, the Interim Chief Executive advised Members that her position was that equalities should be a central element of the organisational development programme and that it should be an integral part of how managers managed their teams to ensure a working environment where staff can thrive was formed. She stated that she felt there were a number of ways you could encourage middle managers to see the opportunities to support and develop staff. It was important to ensure managers were properly trained to enhance and recognise talent within their teams which she hoped to encourage within Croydon.

It was stated by the Cabinet Member for Children, Young People & Learning that the Strategy reflected the heart of what Croydon aimed to be and she welcomed the commitment to tackle issues such as child poverty. It was further noted that there was a focus within the Strategy in providing the best start in life for children, with educational attainment be key factor and tackling the disproportionate impact of exclusions. The Cabinet Member for Children, Young People & Learning stated that the Southbank University will be opening a campus in Croydon in 2021 which would support and train the next generation of nurses which was hoped would support with training residents to acquire sustainable jobs. The Equalities Manager was thanked for her work on the Race Equality Review Board and for supporting the development of the Strategy.

The Chair of the Health & Wellbeing Board noted that work continued to be undertaken which focussed on the health inequalities in response to the impact of covid-19 on BAME groups. Workshops had taken place with colleagues from the BAME Forum and the Asian Resources Centre and specific targeted work was ongoing within the community. Members were informed that the Health & Wellbeing Strategy would be updated to take into account the issues raised in relation to health inequalities in the borough.

The Cabinet Member for Economic Recovery & Skills highlighted the importance of upskilling and reskilling of residents in light of the high unemployment rates and with around 57,000 residents on furlough. The Equalities Strategy, it was stated, would play a big part of the economic recovery of the borough following the pandemic with the creation of green jobs and addressing the skill shortage within the health and social care sector.

It was noted by the Shadow Cabinet Member for Safer Croydon & Communities that equalities was an important aspect and was specifically important to me but raised concerns as to the lived experiences of residents. It was highlighted by the Shadow Cabinet Member that his own experience, of being a councillor with a disability, had not been positive; following being appointed a Shadow Cabinet Member in 2019 he spoke to the Interim Chief Executive about support which could be provided to

ensure he was able to undertake his role. Office space and accessible parking had been arranged following that meeting, however he had not been contacted by the Head of Equalities to discuss reasonable adjustments to support him to undertake his role, as had been agreed. Concerns were raised that if the council was unable to meet its obligations under the Disability Discrimination Act to make reasonable adjustments then there was little hope for residents that positive change would take place. The work undertaken on the Strategy was commended by the Shadow Cabinet Member but he remained concerned that there was a culture of writing good strategies in Croydon but there was less success in the implementation of those strategies.

The Cabinet Member for Communities, Safety & Resilience committed to speak with the Shadow Cabinet Member to ensure reasonable adjustments were made. Furthermore he welcomed working with the Shadow Cabinet Member going forward to ensure the council was able to tackle the issues the Strategy spoke to.

The Director Policy & Partnerships apologised that the Shadow Cabinet Member had not had a meeting to discuss his requirements and committed to speaking with him to discuss the adjustments which could be made.

It was stressed by the Leader that the Strategy was central to the council's improvement journey. It was noted that organisations that excelled in tackling inequalities made better decisions.

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

**RESOLVED: To**

1. Refer the adoption of the Equalities Strategy to Full Council with a recommendation for approval.
2. Refer the adoption of the new Equalities Objectives to Full Council with a recommendation for approval.
3. Note the engagement and consultation that has been undertaken to develop this strategy and supporting action plan to deliver its key priorities. Its content is applicable across the borough and is intended to benefit all our staff, residents and communities and thereby all who live and/or work in the borough, or working directly with Croydon's residents and communities.

22/21

**Education Standards**

*Due to technical difficulties experienced by Councillor Flemming this item was taken as the last substantive item of the agenda.*

The Cabinet Member for Children, Young People & Learning noted that the report covered the work which the council had done with schools to support children and young people during the unprecedented times of the pandemic. It was highlighted that this report did not include progress data as young people's results in 2020 were based on teacher assessments rather than exam results; as such the Department for Education had not published progress data for the previous academic year. Additionally, achievement data had not been provided in the report due to the impact of covid-19.

It was noted that the council had been supporting and working alongside schools in the borough since March 2020 to ensure outcomes were being delivered for young people. It was highlighted that this was an area which would need to be monitored closely going forward, particularly with phonics screening. The Cabinet Member noted that it was important that all young people, including those who had been home schooled and those who had continued to attend schools, were supported with additional learning where necessary.

The Leader recognised how challenging the previous year had been for young people and teachers and thanked all those who had been involved in ensuring education provision continued throughout the pandemic.

The Shadow Cabinet Member for Children, Young People & Learning applauded the work of the schools, and those supporting the schools, during such a difficult year. It was noted, however, that the pandemic had widened existing gaps between groups of young people and high and low performing schools. Furthermore, concerns were raised that with the financial difficulties facing the council that early help and adolescent services would be cut, especially as the Children, Families & Education department continued to overspend. The Shadow Cabinet Member queried whether it was a concern that support would be reduced for the most vulnerable children and families in the borough.

In response, the Cabinet Member stated that the majority of school funding was grant funded and was transferred directly to the schools. In relation to the concerns raised in terms of safeguarding of young people, the Cabinet Member stressed that social care had ensured, where possible, that young people were supported within the school setting and those who were home schooled and were eligible for free school meals were in receipt of sufficient school vouchers.

The Cabinet Member further noted that it was widely recognised that gaps would increase and stated that she had been working with the Children's London Policy Board to understand what a post covid-19 situation would look like for young people; including their mental and physical health. The Cabinet Member stressed the council had been supporting schools and young people throughout the pandemic and noted the impact would be further reaching than just financial but that the council would continue to provide support.

The Chair of the Children & Young People Scrutiny Sub-Committee raised concerns that some children continued to not have access to the necessary computer hardware and data required to participate in home learning and queried whether there was work which could be done to support those children long term as further investment was required to ensure they were able to access learning opportunities remotely. In response, the Cabinet Member noted that access to computers for young people had been a national problem and whilst some Croydon students had been able to access resources, not all had been able to. It was stated that the Cabinet Member had discussed this matter with the Interim Director of Education (Shelley Davies) who would provide further information directly to the Chair of the Scrutiny Sub-Committee.

The Cabinet Member highlighted the work of a number organisations across the borough to support young people accessing learning; including providing computers or where devices were not available schools, such as St Mary's Catholic School, had set up mobile buses for students to collect books and materials to continue with their education at home.

The Chair of the Scrutiny Sub-Committee noted that excellent work had been done but requested that figures were provided so that all involved could work towards ensuring no child was without access to the remote learning.

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

**RESOLVED:** To note the contents of the report and to recognise the work of staff in schools to support Croydon's children and young people.

23/21

### **Scrutiny Stage 1: Recommendations from Scrutiny & Overview Committee**

The Chair of Scrutiny & Overview Committee noted that recommendations in relation to the Brick by Brick report and Interim Asset Disposal Strategy had been discussed earlier in the meeting whilst the items were considered. The final set of recommendations were from a meeting of the Children & Young People Scrutiny Sub-Committee. The Cabinet were asked to receive the recommendations.

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

**RESOLVED:** To receive the recommendations arising from meetings of the Children & Young People Sub-Committee held on 19 January 2021 and Scrutiny & Overview Committee held on 4 & 9 February, and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on 22 March 2021).



24/21

**Stage 2 Response to Recommendations arising from Children & Young People Sub-Committee held on 3 November 2020, Health & Social Care Sub-Committee held on 10 November 2020 and Scrutiny & Overview Committee held on 17 November 2020**

The Chair of Scrutiny & Overview Committee noted that all but one recommendation had been received which was in relation to the roles of the Scrutiny & Overview Committee and General Purposes & Audit Committee in terms of the Croydon Renewal Plan. It was noted that the Constitution would be reviewed and updated, where necessary, to capture any additional governance responsibilities in relation to the Croydon Renewal Plan.

The Chair of Children & Young People Scrutiny Sub-Committee thanked the Cabinet Member for Children, Young People & Learning for their constructive responses to recommendations.

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.

25/21

**Call-In Referral to Cabinet: Emissions Based Parking Charges**

The Cabinet Member for Sustainable Croydon informed Members that the report was in response to the referral and recommendations from the Scrutiny & Overview Committee in relation to the call-in on Emissions Based Parking Charges. During its consideration of the called-in decision the Committee had considered a number of areas including the environmental and economic impact of the proposed removal of free parking bays; in particular in district centres.

Following its consideration, it was noted by the Cabinet Member that the Scrutiny & Overview Committee had recommended that the free parking bays be retained and a report be taken to a future meeting of the Traffic Management Advisory Committee to consider future parking policies. The Cabinet Member thanked the Committee for reviewing the decision and the points raised.

The Lead Opposition Member for Scrutiny welcomed the end to the suspension of free parking and requested confirmation that any future decisions on parking would be evidence led and would take into consideration local circumstances. In response, the Cabinet Member confirmed that future decisions would use available data.

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

**RESOLVED: To**

1. Note the grounds for referral made by the Scrutiny & Overview Committee on the Emission-based Parking Charges key decision.
2. Agree that:
  - 1) Parking charges across the Borough are increased in line with the recommendations made in  
Key Decision No.: 5120ETR - Parking charges review  
January 2021  
Key Decision No.: 0220PL - EMISSION-BASED PARKING CHARGES
  - 2) That where current free parking bays exist across the Borough that these remain free for the current time and that to note that a report will be submitted to the Traffic Management Advisory Committee that will explore the options available to achieve the policy outcomes required within the Parking Policy.

26/21

**Exclusion of the Press and Public**

The following motion was moved by Councillor Flemming and seconded by Councillor Young 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 paragraph 3 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.

27/21

**Review of Brick by Brick Croydon Ltd: Brick by Brick Shareholder decision - the future of the company**

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

**RESOLVED:** To approve the recommendations set out in Part A (minute no. 19/21).

28/21

**Exclusion of the Press and Public**

The following motion was moved by Councillor Campbell and seconded by Councillor King 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 paragraph 3 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.

29/21

### **Interim Assets Disposal Strategy**

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

#### **RESOLVED: To**

1. Approve the Interim Asset Disposal Strategy
2. Approve the proposed list of assets for disposal and to progress the marketing of the initial tranche of asset disposals as set out in appendix 3 of Part B of the report including specific approvals for:
  - i. Valuation fees for the proposed disposals
  - ii. Other cost of sales budgetary requirements as included in appendix 3 of the report.
3. Approve the proposed approach for the disposal and marketing of the Croydon Park Hotel as detailed in section 8 of the Part A report
4. Note the requirement for additional resource to successfully manage and achieve this major project.

The meeting ended at 9.19 pm

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<b>REPORT TO:</b>	<b>CABINET 22<sup>nd</sup> March 2021</b>
<b>SUBJECT:</b>	<b>Delivering the Croydon Growth Zone</b>
<b>LEAD OFFICER:</b>	<b>Stephen Tate, Director of Growth, Economy and Regeneration</b>
<b>CABINET MEMBER:</b>	<b>Councillor Stuart King Cabinet Member for Croydon Renewal</b>  <b>Councillor Manju Shahul-Hameed, Cabinet Member for Economy &amp; Jobs</b>  <b>Councillor Oliver Lewis, Cabinet Member for Culture and Regeneration</b>
<b>WARDS:</b>	<b>All</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT</b></p> <p>Delivering the Growth Zone is a key priority of the administration to enable and support investment in jobs, housing, inclusive economic growth and the regeneration and recovery of the Town Centre.</p> <p>The approach to the Growth Zone programme as set out in this report aligns with the priority commitments in the Croydon Renewal Improvement Plan to:</p> <ul style="list-style-type: none"> <li>• live within our means, balance the books and provide value for money for our residents; and</li> <li>• ensure our systems, processes and controls are fit for purpose</li> </ul> <p>This report reflects the recommendation made in the October 2020 Grant Thornton Report in the Public Interest (RIPI) that:</p> <p style="padding-left: 40px;">‘the s151 officer should revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme’.</p> <p>This report also responds to the ‘key next steps’ set out by PWC in their November 2020 review of the council’s capital investment programmes:</p> <p style="padding-left: 40px;">‘Given the current economic uncertainty, the steps the Council have taken to review and revise down the ambitious investment plan for Growth Zone are sensible. There will be a continuing need for some investment in Croydon, particularly in light of the need to generate growth after the pandemic, and so switching off all planned investment would be unwise. Any subsequent increase in planned investment should be supported by a business case and taken through robust governance and sign off processes for full scrutiny.’</p>	
<p><b>FINANCIAL IMPACT</b></p> <p>The Growth Zone business rate uplift retention funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and ring-fences growth in business rates from April 2018 for 16 years, plus an option to extend by 3</p>	

years, in the designated area. A Statutory Instrument was laid in parliament which led to the formal approval of the Growth Zone by the Government from April 2018.

The original Growth Zone programme included an estimated £520 million of projects supported by a loan of £309.9 million with the balance (circa £210 million) met from other sources including TfL, the GLA or S106 planning obligations.

In October 2018 Cabinet approved a programme of activities and associated funding draw down for the first phase of the Growth Zone programme up to 2023 (see key decision reference 1418CAB). Cabinet further approved £1.721 million to support a related Smart Cities and Digital Transformation programme on 8th July 2019. A further report was issued to Cabinet 22<sup>nd</sup> February 2020 requesting the original budget of £167m be re-profiled to £78m (see key decision reference).

This report is proposing a further re-profile of the capital expenditure for the programme, reducing the programme-wide expenditure to £4m in 2021/22.

#### **FORWARD PLAN KEY DECISION REFERENCE NO.: 1321CAB**

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

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

#### **1. RECOMMENDATIONS**

The Cabinet is recommended to

- 1.1 Approve the amended funding profile for Growth Zone projects as detailed in section 6 of this report ; and
- 1.2 Subject to the requirement to comply with the provisions of Part 4G of the Constitution in taking delegated decisions, and the parameters previously approved in the February 2020 Cabinet report 'Delivering the Growth Zone' delegate to the Executive Director of Place in consultation with the Chief Finance Officer (Section 151), the Cabinet Member for Finance and Resources, the Cabinet Member for Croydon Renewal, Cabinet member for Economy and Jobs and the Cabinet member for Culture and Regeneration authority to make necessary changes to the funding and phasing of the approved Growth Zone projects list. Any such changes will be reported to Cabinet.

#### **2. EXECUTIVE SUMMARY**

- 2.1 This report sets out proposals for a re-profiled Growth Zone programme. This factors in the Councils current financial position and resourcing implications, and responds to recent recommendations of the RIPI and the PWC capital

investment review. It reflects the need to consider the approach to recovery and renewal of Croydon town centre following the devastating socio-economic impact of the coronavirus pandemic. Finally, the proposed reduced 2021/22 Growth Zone programme allows the Council to review, model and plan for different scenarios regarding major developments in central Croydon, notably the redevelopment of the Whitgift Centre, ensuring that the proposed uses for these key sites are appropriate and sustainable.

- 2.2 This report sets out high level details of a proposed reduced Growth Zone capital programme of £4m for financial year 2021/22 . A further report will be submitted to Cabinet later this year identifying the capital expenditure proposed for financial years 2022/23 and 2023/24 and setting out the associated projects and activity. An exception report will be brought to Cabinet following the strategic review of the Growth Zone programme, clarifying updated priorities and projects, and timescales for delivery.

### **3. INTRODUCTION**

- 3.1 The Growth Zone programme was originally established to leverage opportunities to create the appropriate social, economic, cultural and physical infrastructure needed to ensure that the significant development and growth anticipated within Croydon town centre was sustainable. As a 16 year programme, starting in 2018, it was always envisaged the the strategic direction of the Growth Zone would flex and change over time, with a governance structure established to ensure that the priorities of the programme reflect the needs of the town centre as development and regeneration takes shape. Our key priority is to deliver the benefits of growth and regeneration to local people and ensure that no community is left behind. We will support existing communities, alongside planning for and providing the infrastructure and services required by the new residents who will settle in the town centre, moving into new homes developed as part of the regeneration programme. We want to develop the talents and aspirations of our residents, businesses and communities, making Croydon an exciting place to live, visit, invest and spend time in. Further information detailing the background to the Growth Zone can be found at Appendix 1.
- 3.2 Whilst many of the major development projects planned for the town centre were starting to progress in the early years of the Growth Zone programme, there have been delays to some key town centre developments, including the proposed redevelopment of the Whitgift Centre. This, compounded by the devastating economic impact of the coronavirus pandemic on town centre businesses, Growth Zone stakeholders and funding partners, alongside the significant shift in consumer behaviours, work and travel patterns, has meant that the Council has to re-appraise the objectives of the Growth Zone programme. We will create a roadmap for the safe reopening of Croydon town centre with business support and community and cultural activity, as well as looking towards longer term plans for inclusive, sustainable growth and renewal.

- 3.3 In the spring of 2020 the Growth Zone team undertook a review of all the programme's activities and projects, and many were paused, with the approval of the Growth Zone Working Group. The independent strategic review undertaken by PWC reported in November 2020 that 'given the ongoing COVID-19 pandemic and economic uncertainty, reducing planned funding in FY20/21 to £6.7m was a sensible step as the original business plan is no longer fit for purpose and requires revision.' The majority of major transport infrastructure and public realm projects are on hold, although some walking and cycling infrastructure projects have progressed. Work on construction logistics continued. Some activities relating to culture, social infrastructure, energy and smart cities have continued, where possible via remote working.
- 3.4 The council need to re-consider our aspirations for the town centre. The Growth Zone programme always envisaged an evolving and growing town centre neighbourhood, but the current circumstances require us to pause, reflect and re-focus the programme. Working with our key stakeholders and partners we will reassess how best to target expenditure to where it will create the most impact and taking the time to plan for longer term investment to engender the town centre's sustainable socio-economic recovery. The PWC report states: 'reappraisal may enable LBC to pause further investment. However, we would not recommend closing down the GZ programme as this provides LBC with a vehicle to focus any recovery investment required of it and (dependent on central government policy) does provide LBC with the ability to use Business rates that it may otherwise have to return to central government.'
- 3.5 Starting last summer, the Growth Zone team, working with colleagues across the Council and key strategic partners, have started to consider the programmes revised objectives and approach. Given the council's constrained finances, we will consider how to best place the Growth Zone programme to target emerging national and regional funding streams, and how to seed Growth Zone investment to realise larger funding commitments from public and private sector partners. With Croydon's existing communities we want to build a place where innovation and enterprise can flourish, which attracts people to its culture and creativity, nurtures local talent and supports individuals and communities to fulfil their potential. Croydon will continue to be exceptionally well connected, with new and improved infrastructure that enables people to easily come together, and travel to, from and around the borough, with fantastic digital, communications and transport networks.

## 4. Policy Context

- 4.1 The approach to the review of the Growth Zone's programme for 2021/22 aligns with the priorities set out in the Council's [Economic Strategy 2019-2024](#):
- To create places where businesses, investors and residents want to live, trade and invest
  - To create a business environment for growth
  - To invest in ideas that can deliver real change for Croydon
  - To invest in our people



4.2 This approach accords with the Mayor of London's Good Growth principles, as set out in the [new London Plan](#). These principles support growth on the basis of its potential to improve the health and quality of life of all Londoners, to reduce inequalities and to make the city a better place to live, work and visit. It uses the opportunities of a rapidly-growing city to plan for a better future, using each planning decision to improve London, transforming the city over time. It plans not just for growth, but for Good Growth – sustainable growth that works for everyone, using London's strengths to overcome its weaknesses. The key principles of Good Growth are:

- [Building strong and inclusive communities](#)
- [Making the best use of land](#)
- [Creating a healthy city](#)
- [Delivering the homes Londoners need](#)
- [Growing a good economy](#)
- [Increasing efficiency and resilience](#)

4.3 Alongside the Good Growth principles, the council's review of the Growth Zone will consider how best to align with the GLA's nine 'missions' which form the London Recovery Programme, in particular:

- High Streets for All
- Good Work for All
- A Green New Deal
- A New Deal for Young People, and
- Building Strong Communities

4.4 The South London Partnership have commissioned Oxford Economics to undertake an economic review of the impacts of the pandemic on the sub-region, and then build on this intelligence to prepare an economic recovery action plan. We are working closely with the partner boroughs forming the South London Partnership to ensure our emerging plans for central Croydon's renewal are considered within the context of the sub-regional approach to post-covid economic recovery.

4.5 The Growth Zone team will work closely with Economic Development colleagues to ensure that the emerging plans for supporting the borough's post-covid economic recovery (and associated distribution of government grant funding) are reflected in the approach to the Growth Zone programme review

## **5. Growth Zone programme 2021-22 – Strategic Review and Next Steps**

5.1 The council will continue with a comprehensive review of the entire Growth Zone programme, including a reassessment of original business cases/vision and identification of updated programme priorities. The proposed Growth Zone funding for the next financial year will need to be adjusted to reflect the current economic and financial challenges. This review will incorporate sensitivity testing of the programme's financial appraisals, and analysis of any risks to the

continued progression of key development sites and associated local investment.

- 5.2 A significant proportion of the major development sites in the COA are progressing. The Council is in dialogue with the Croydon Partnership (Westfield) regarding the strength of their commitment to and timing of the Whitgift redevelopment plans, and the need to reconsider what appropriate and sustainable mix of uses could be viable for this site. At least in the short to medium term this means that the Growth Zone is likely to work with the Centre's owners to plan for longer term 'meanwhile' activity within the Whitgift site, including the potential to re-purpose and adapt some of the existing built structures for new uses.
- 5.3 We have started to work with Growth Zone partners and stakeholders to re-forecast the programme of development activity, business investment, population growth and demographic change in town centre. A high level strategic review of the Growth Zone programme has commenced alongside a visioning exercise for the renewal of the town centre. We have an opportunity to harness the disruption of the covid-era to radically rethink how we best use the Growth Zone to catalyse sustainable growth in the town centre. The existing Growth Zone governance structure remains, with themed subgroups feeding into the overall review. This will define a priority delivery programme that will be evidence-based, which will be reported back to Cabinet once further modelled and tested.
- 5.4 The Growth Zone team will work with local stakeholders and partners to plan and undertake urgent interventions to the town centre in the coming months to ameliorate the recent blight following retail and office closures. This will improve and enliven the high street for returning workers, shoppers and visitors.
- 5.5 TfL have been hard hit by the coronavirus pandemic, and they are currently seeking funding from the Department of Transport in order to continue with some of the key transport infrastructure projects planned under the Growth Zone. We will work with TfL to re-profile their commitments and the priority order and timeline for investment in transport projects.
- 5.6 The council will continue to support London South Bank University in their investment in their new Croydon town centre campus, due to launch in September 2021, and we will work with them to navigate the easing of coronavirus restrictions.

## **6. Growth Zone – re profiled budget 2021-22**

- 6.1 High level detail of the re-profiled Growth Zone programme for the next financial year is set out in section 7 of this report. A revised figure of £4m to be ring-fenced to the Growth Zone programme for financial year 2021/22 is sought to enable continuation of key priority projects and activities, as defined and confirmed following the strategic review, in this coming year.

- 6.2 A further report will be brought back to Cabinet later this year setting out future years' capital expenditure requests for the Growth Zone programme.
- 6.3 The table below summarises the previous approved expenditure (column A) broken down by themes, (February 2020 Cabinet approval to financial years 2022/23), and the revised budget (column B) requested for financial year 2021/22 only, to enable a full programme review and a priority list of future projects to be developed.

<b>Workstream</b>	<b>(A) GZ funding approved 19/20- 22/23 (£000's)</b>	<b>(B) Revised funding requested 21/22 (£000's)</b>
Transport	35,434	500
Public Realm	23,526	1,511
Construction	1,474	300
Logistics		
Parking	1,125	200
Culture	3,500	367
Smart Cities	2,721	200
Social Infrastructure	8,400	300
Employment and Skills	800	0
Energy	1,020	0
Staffing costs	% of in year budget	622
<b>Total</b>	<b>78,000</b>	<b>4,000</b>

## 7. Re-profiled programme by workstream

### 7.1 Culture:

- 7.1.1 The programme of cultural events and activities in the town centre will expand in the run up to Croydon's launch as London Borough of Culture in 2023, with key support to be established to help creative and cultural businesses and organisations to respond to changing requirements following the lifting of lockdown restrictions. Further work to develop this programme is in progress and will be reported back to Cabinet in a future paper.

### 7.2 Social Infrastructure:

- 7.2.1 Key elements of the social infrastructure programme will come forward in the Cabinet paper later this year, including investment in community facilities and children's play provision and starting the long term refurbishment and upgrade of the Clocktower and Town Hall civic complex.

### 7.3 Transport:

- 7.3.1 Growth for Tram2 is a live TfL-led project with a Growth Zone programme contribution. Its focus is on increasing capacity of existing system (projects include platform extension, dual tracking to Elmers End and at Wandle Park flyover, additional depot capacity). It is possible that TfL decides to review whether this remains a priority post pandemic, however LBC needs to remain fully engaged in the meantime.
- 7.3.2 Bus priority schemes led by TfL will continue subjected to Department for Transport financial support
- 7.3.3 Walking and Cycling schemes will continue through a variety of secured external funding streams (LIP, Business Low Emission Neighbourhood, Liveable Neighbourhood & DfT active travel funding)
- 7.3.4 The parking review of increased demand in the Growth Zone was linked to the Westfield major development proceeding as programmed, this is now paused until clear direction is available with this development
- 7.3.5 Brighton Mainline (including East Croydon station) is a live TfL led project. It is possible that TfL decides to review whether this remains a priority post pandemic, however LBC needs to remain fully engaged in the meantime.

### 7.4 Construction Logistics:

- 7.4.1 Careful monitoring and traffic management planning will need to continue to ensure that Croydon's road network does not become congested with continued development works in the town centre advancing. Proposals for an Urban Freight Management Plan & Construction Consolidation Centre will need to be developed further.

### 7.5 Smart Cities:

- 7.5.1 Digital advertising to continue with Vala contract in place progressing with legal and planning. JCDecaux contract ending 31/03/2021, new contract provider progressing with the design and installation programme. 4G small cells deployment to continue. Digital Town Hub project to continue which will identify wider benefits to the Council, 3 pilots will be established for Purley, South Norwood and Thornton Heath

### 7.6 Place and Public Realm:

- 7.6.1 Minster Green Project to be broken down into smaller packages so that if opportunities arise before the end of the 2021/22 financial year /funding becomes available through other sources (e.g. TfL's Liveable Neighbourhood fund) some elements can be delivered early.
- 7.6.2. The Fair Field: further internal engagement required to decide on the best way forward either delivering the existing plans submitted for planning summer 2020, or a value engineered scheme. Coordination with other neighbouring

developments will continue in order to understand whether delays in delivering any of the neighbouring schemes could result in a change of scope to the Growth Zone-led project. Interim proposals for the Fairfield public realm will focus on meanwhile opportunities that can add tangible benefit to the Fairfield Halls cultural and community functions.

## 8. CONSULTATION

8.1 Consultation has taken place with key stakeholders and partners as established through the Growth Zone governance structures.

## 9. PRE-DECISION SCRUTINY

9.1 The timeline for preparing this report has not allowed for review by Scrutiny Committee ahead of the Cabinet decision, but we would welcome Scrutiny of the revised Growth Zone proposals for 2021/22 in the near future if desired.

## 10. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

### 10.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Capital Budget available</b>	14,430	36,000	33,000	0
Re-profiling of budget	-10,930	-32,000	33,000	0
<b>Revised Budget</b>	<u>3,500</u>	<u>4,000</u>	<u>0</u>	<u>0</u>
<b>Effect of decision from report</b>				
Expenditure	<u>3,500</u>	<u>4,000</u>	<u>0</u>	<u>0</u>
<b>Remaining budget</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

### 10.2 The effect of the decision:

The recommendation in this report is to re-profile the approved budget of £36 million for financial year 21/22 to a new profile of £4 million. This is so that the capital budget remains in line with anticipated expenditure and facilitates an appropriate review of the programme given the current challenges.

### 10.3 Risks:

The Growth Zone is subject to a governance process where the risks are reviewed on a regular basis. The key risks of the Growth Zone are set out below:

- The Growth Zone financial model is based on anticipated future business rates income, which would enable the Council to repay its borrowings. Any significant changes to future income streams will impact on the viability of the Growth Zone. Sensitivity analysis has been undertaken to provide confidence that the modelling can respond to unforeseen circumstances to include changes to interest rates, increases in costs and reduction in income from business rates uplift. Financial modelling will continue throughout the life of the Growth Zone. The borrowing levels depend on the satisfactory progress of developments occurring in the Town Centre which will bring about the uplift in business rates used to repay the debt. If these developments slip, the amount to be borrowed in future years could be affected and if so this variation will be reported to Cabinet
- Any overspends in early programmes will impact on the funding available for later projects and programmes. Expenditure and delivery of projects will be managed by the Growth Zone Steering Group and Working Group. Any unavoidable overspend will mean a reduction in funding available for projects planned for the future.
- Project and programme delays could impact on the success of the Growth Zone. Governance arrangements are in place with partners and stakeholders to ensure clear understanding of roles and responsibilities. Regular meetings of the Growth Zone Steering Group and Working Group is a practical method of monitoring project management and the early identification of any delivery issues for attention.

#### **10.4 Options**

The only option proposed is to amend the profiled budget to better align to the current circumstances and timescales of development sites and to assess the current economic challenges and align the programme accordingly to reflect these new demands.

#### **10.5 Future savings/efficiencies**

As further work is undertaken in the Growth Zone, a specific aspect will be the consideration of procurement routes and the packaging up of individual projects to identify and achieve cost efficiencies. The Growth Zone Steering Group brings all partners together to ensure the sharing of information and this will be the forum to facilitate much of these activities.

Approved by: Chris Buss, Chief Finance Officer (S151)

### **11. LEGAL CONSIDERATIONS**

- 11.1 The Head of Commercial and Property Law comments on behalf of the Interim Director of Law and Governance that Government approved the Non-Domestic Rating (Designated Areas) Regulations in February 2018. These Regulations establish and enable what is known as a 'Local Growth Zone' by providing for

the local retention of non-domestic rates collected in designated areas in England, Croydon being one of those areas. Through the Regulations the Growth Zone in Croydon is established for 16 years from February 2018.

- 11.2 The recommendations in this report are in accordance with the Council's Constitution and in implementing the recommendations the officer decision maker will need to adhere to the Decision Making Protocol within Part 4G of the Constitution, the provisions of Part 4B of the Constitution in relation to Access to Information including the publication, where required, of key decision notices and will need to adhere to the provisions of the Budget and Policy Framework Procedure Rules at 4C.

Approved by: Sean Murphy Head of Commercial and Property Law on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer.

## **12. HUMAN RESOURCES IMPACT**

- 12.1 There are no direct staffing implications for LBC as a result of these recommendations.

Approved by: Sue Moorman, Director of Human Resources

## **13 EQUALITIES IMPACT**

- 13.1 A key priority for the Council is to work with our partners to make Croydon a stronger fairer place for all our communities. Croydon's Opportunity and Fairness Plan 2016-20 outlines actions to tackle inequalities such as educational attainment, health, homelessness, unemployment, crime and social isolation, particularly in the borough's 6 most deprived wards. Successful delivery of the Growth Zone interventions and projects outlined in this report will create more opportunities for Croydon residents and contribute towards greater equality, fairness and better outcomes for all.
- 13.2 An Equalities Analysis was completed in September 2020 (see Appendix 1) for the Growth Zone programme as a whole. This found that the programme will have a positive impact for all protected groups that share protected characteristics. These include improved accessibility within the street environment and access to public transport, a cultural offer that supports routes to employment and training opportunities; and safe and reliable public transport and walking and cycling routes.
- 13.3 Further Equalities Analyses are being undertaken for each individual Growth Zone project as these progress through the design stages. The Growth Zone programme governance sets out that individual workstream sub-groups will ensure this occurs and where necessary action will be taken to mitigate any negative impacts on groups that share a protected characteristic. In addition, in exercising any delegated decision making, the officer in question will ensure that equality and inclusion issues are appropriately explored and considered by the decision maker prior to such decisions being taken.

Approved by: Yvonne Okiyo, Equalities Manager

#### **14. ENVIRONMENTAL IMPACT**

- 14.1 Projects included in the Growth Zone are being delivered in line with current environmental requirements and the Local Plan policy which promotes, as part of sustainable development, the consideration of environmental impacts. For example, the Growth Zone transport, corridors and public realm projects include specific objectives focussed on improving air quality, increasing urban greening, tree planting and shading and provision of sustainable drainage. We are enhancing facilities for healthy and sustainable transport, targeting the shift from car use to walking, cycling and public transport in line with the Mayor's Transport Strategy targets and Healthy Streets indicators. The Energy, Smart City, Parking and Smart City workstreams are all focused on making best use of available data and technology to reduce the environmental impact of the town centre regeneration, and future population and visitor growth. In response to the Council's Declaration of a Climate and Ecological Emergency, we are reviewing where relevant projects could contribute more to tackling climate change.

#### **15. CRIME AND DISORDER REDUCTION IMPACT**

- 15.1 The Borough Commander is aware of the Growth Zone and has requested regular progress reports to enable future planning for policing. The design of public realm schemes will involve liaison and consultation with the Metropolitan Police Service to reduce the risk to personal safety.

#### **16. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 16.1 The decision to progress with the Growth Zone was taken by Cabinet in July 2016 and the Mayor of London in September 2016. Subsequently, Cabinet in December 2017 agreed the Growth Zone work programme for 2018/19, and an updated programme to 2023 was agreed by Cabinet in February 2020. Government approved the Regulations for the Growth Zone funding mechanism and area in February 2018. Since the inception of the Growth Zone and the initial Development Infrastructure Funding Study (January 2014), it has been understood that the infrastructure required to mitigate the growth planned will not be delivered by existing delivery methods, current funding availability or through planning gain. Therefore, the Growth Zone is essential to enable the delivery of critical and essential infrastructure to mitigate the impact of the growth planned (Croydon Local Plan 2018, Croydon Opportunity Area Planning Framework 2013 and London Plan) for the benefit of existing and future residents, businesses and visitors. The Growth Zone is an innovative approach to fund and deliver this critical and essential infrastructure.
- 16.2 The recommendation to approve a substantially reduced Growth Zone funding profile for the coming financial year reflects the need to undertake a review of



the Growth Zone's assumptions and programme requirements in the light of the impact on the town centre of the coronavirus pandemic; changes to the pipeline of major developments; and the implications of the Council's current financial status. By retaining a slimlined £4m programme we can continue to progress key projects and secure external match-funding, during this period of review.

## **17. OPTIONS CONSIDERED AND REJECTED**

- 17.1 As part of the justification for the Growth Zone outlined in the July 2016 Cabinet report the option of not forward funding infrastructure, but to depend upon the market and the provision of infrastructure only through public sector capital funding, CIL and s106 was considered, but deemed unable to deliver the critical and essential infrastructure to mitigate planned growth. This remains the case today, the absence of the Growth Zone is very likely to lead to the accommodation of growth, especially in the Croydon Opportunity Area, without the critical and essential infrastructure identified in the approved Delivery Plan.
- 17.2 A zero budget for financial year 2021/22 was considered and deemed unjustified, this would risk the continuity of the programme and previous years activities.
- 17.3 As noted above, the recent PWC review confirmed that switching off all planned Growth Zone investment would be unwise.

## **18. DATA PROTECTION IMPLICATIONS**

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

No

### **18.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

- 18.3 A DPIA has not been completed as the work of the Growth Zone programme includes no use or analysis of personal data. There are therefore no data protection implications.

Approved by: Louise Edwards, Information Manager

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**CONTACT OFFICER:** Paul Forrester – Head of Growth Zone  
07923272923

**APPENDICES TO THIS REPORT:** Appendix 1 – Growth Zone background

**BACKGROUND PAPERS:** None

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## The Growth Zone – background

Within the broader context of significant growth and change across the borough, central Croydon (the [Croydon Opportunity Area](#), as defined within supplementary planning documents linked to our [Local Plan](#)) is undergoing particularly rapid change, including numerous other new housing and commercial developments planned or under construction.

In 2015, central Government approved the designation of a section of the Croydon Opportunity Area (COA) as a Growth Zone, setting up a Tax Increment Financing (TIF) model which harnesses projected business rates uplift in this area to enable borrowing from Government to fund new infrastructure provision which will enable and support growth across the central Croydon. Details of the Croydon Growth Zone funding, governance and associated programme of projects and activities were subsequently agreed both by Cabinet, the Mayor of London and Government between 2016 and 2018. In addition to the infrastructure loan and TIF arrangement, we secured an initial £7 million Government grant to commence the programme and cover any interest payments from the loan in the early years.

The Croydon Growth Zone programme consists of workstreams ranging across transport, public realm, logistics, social infrastructure, culture and technology (totalling 46 distinct projects) as reported to Cabinet in December 2017, October 2018 and February 2020.

In December 2017, Cabinet approved a budget of £4 million to develop these projects further and begin implementation from April 2018. These funds were allocated from the initial £7 million Government grant. The business case and detailed background for these projects were included in the Growth Zone Delivery Plan and Programme produced by Peter Brett Associates in March 2018. In October 2018 Cabinet approved a subsequent £166.051 million budget to progress projects in line with a proposed delivery programme up to 2023. In addition to this a further £1.721 million was approved by cabinet in July 2019 relating to Smart Cities and Digital Transformation, bringing the total approved funding to £167,772 million.

A further report was issued to Cabinet in February 2020 seeking a re-profiling from the £167m to £78m following delays with major developments, particularly the redevelopment of the Whitgift Centre

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# Agenda Item 6

<b>REPORT TO:</b>	<b>CABINET – 22 March 2021</b>
<b>SUBJECT:</b>	<b>STAGE 1: RECOMMENDATIONS ARISING FROM SCRUTINY</b>
<b>LEAD OFFICERS:</b>	<b>ASMAT HUSSAIN, INTERIM EXECUTIVE DIRECTOR - RESOURCES</b>  <b>STEPHEN ROWAN – HEAD OF DEMOCRATIC SERVICES &amp; SCRUTINY</b>
<b>LEAD MEMBER:</b>	<b>COUNCILLOR SEAN FITZSIMONS CHAIR, SCRUTINY AND OVERVIEW COMMITTEE</b>
<b>CABINET MEMBER:</b>	<b>ALL</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> <b>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</b>	
<b>FINANCIAL IMPACT</b> 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.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO:</b> 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 contained within this report:

## **1. RECOMMENDATIONS**

Cabinet is asked to:

Receive the recommendations arising from meeting of the Scrutiny & Overview Committee held on 16 February 2021, and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on **4 May 2021**).

## **2. STAGE 1: RECOMMENDATIONS ARISING FROM SCRUTINY**

- 2.1 Recommendations that have been received from the Scrutiny and Overview Committee and its Sub-Committees since the last Cabinet meeting are provided in Appendix A. The constitution requires that an interim or full response is provided within 2 months of this Cabinet meeting.
- 2.2 To provide additional context for the Cabinet, the conclusions reached by the Committee and its Sub-Committees are also included for information in Appendix A.

## **3. CONSULTATION**

- 3.1 The recommendations were developed from the deliberations of either the Scrutiny & Overview Committee or one of its Sub-Committees.

## **4. PRE-DECISION SCRUTINY**

- 4.1 The recommendations set out in the appendix to this report directly arise from Scrutiny.

## **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There are no financial implications arising directly from the content of this report.

## **6. LEGAL CONSIDERATIONS**

- 6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the recommendations are presented to Cabinet in accordance with the Constitution.
- 6.2 This requires that the Scrutiny report is received and registered at this Cabinet Meeting and that a substantive response is provided within 2 months (i.e. **Cabinet, 4 May 2021** is the next available meeting).

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

## **7. EQUALITIES IMPACT**

- 7.1 There are no equalities implications arising directly from the content of this report

## **8. HUMAN RESOURCES IMPACT**

8.1 There are no human resource implications arising directly from the contents of this report

## **9. ENVIRONMENTAL IMPACT**

9.1 There are no environmental implications arising directly from the contents of this report

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There are no crime and disorder implications arising directly from the contents of this report

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 There is a statutory requirement for Cabinet to receive the recommendations made by Scrutiny.

## **12. OPTIONS CONSIDERED AND REJECTED**

12.1 None

## **13. DATA PROTECTION IMPLICATIONS**

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

There are no Data Protection implications at this stage, but that the situation will be reviewed again at Stage 2 when Cabinet provide their response to the proposed recommendations.

### **13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

No.

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#### **CONTACT OFFICER:**

Simon Trevaskis, Senior Democratic Services & Governance Officer – Scrutiny  
T: 020 8726 6000 X 64840  
Email: [simon.trevaskis@croydon.gov.uk](mailto:simon.trevaskis@croydon.gov.uk)

#### **APPENDICES:**

Appendix A – Recommendations from Scrutiny

**BACKGROUND DOCUMENTS:**

**Background document 1:**

Meeting of the Scrutiny & Overview Committee held on 16 February 2021

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CIId=166&MIId=2497&Ver=>

4



## Scrutiny Recommendations: Stage 1

Committee	Meeting Date	Agenda Item	Conclusion	Recommendation	Cabinet Lead	Officer Lead
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	The Committee agreed that it was hopeful the budget could be delivered, following reassurance given on both the robustness of the development process and the achievability of the budget itself. However, given that similar assurances had been provided in previous years, which in hindsight had been optimistic at best, there remained serious concerns that could only be allayed through the actual delivery of the budget.			
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	The Section 25 statement from the interim Section 151 Officer, which confirmed that the budget was sound, as long as there was a political will to deliver it, was accepted by the Committee.			
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	The Committee agreed there should be a certain amount of confidence in the estimation of the growth items included in the budget, given that these had been reviewed by external organisations and were based on worst case scenarios.			

<b>Committee</b>	<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Conclusion</b>	<b>Recommendation</b>	<b>Cabinet Lead</b>	<b>Officer Lead</b>
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	The priority for the Council to live within its means, while protecting the most vulnerable residents in the borough, was supported by the Committee.			
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	There was concern about the deliverability of the Adults and Children's Social Care budgets, particularly the savings which targeted a reduction in the number adults and children in the care system. To ensure that there was not an adverse impact, it was agreed that the budget and performance of these services would be regularly monitored by their respective Scrutiny Sub-Committees.	That regular monitoring reports on the budget and performance of Children and Adults Social Care is scheduled for meetings of the relevant Scrutiny Sub-Committees throughout 2021-22.	Janet Campbell & Alisa Flemming	Debbie Jones & Annette McPartland
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	As the delivery of the budget was predicated on changing the culture with the Council toward finance control, it was questioned how it could be demonstrated to the Committee that these cultural changes were being embedded across the organisation.	That performance indicators are created which allow the Scrutiny and Overview Committee, and the wider political and corporate leadership, to monitor the effectiveness of the work to implement cultural change across the Council in regard of financial monitoring and controls.	Hamida Ali, Stuart King & Callton Young	Katherine Kerswell

<b>Committee</b>	<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Conclusion</b>	<b>Recommendation</b>	<b>Cabinet Lead</b>	<b>Officer Lead</b>
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	It was agreed that there should be Member oversight of the potential risks arising from the savings programme, to ensure there could be confidence that these were being managed appropriately and mitigation identified as needed. Given that risk sat within the remit of the General Purposes and Audit Committee, it would be appropriate for them to receive regular updates on the risks associated with the delivery of the budget.	That the General Purposes and Audit Committee received regular reports on the risks identified in the budget, to provide reassurance that these were being managed effectively.	Callton Young	Chris Buss
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	There remained concern that there could be potential, unforeseen consequences arising as a result of the savings programme and further reassurance was required to confirm how these would be picked up through the corporate monitoring process.	That an update be provided to the Members of the Scrutiny & Overview Committee to confirm how corporate monitoring of the budget will enable potential, unforeseen consequences arising from the savings programme to be identified at an early stage.	Stuart King & Callton Young	Chris Buss
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	There was a concern about the potential impact upon the workload of Council staff, which would need to be monitored corporately.			

<b>Committee</b>	<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Conclusion</b>	<b>Recommendation</b>	<b>Cabinet Lead</b>	<b>Officer Lead</b>
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	It was agreed that there was an onus on all Councillors to ensure the budget was delivered and the right level of challenge was provided. Councillors also needed to accept that some service areas would be reduced from their current level.			
Scrutiny & Overview Committee	16 February 2021	Budget 2021-22	Although the Committee accepted the reassurance that the budget outcome for the remainder of 2020-21 was reasonably certain, it was agreed that should there be any major alterations to the budget going forward over the life of the Medium Term Financial Strategy, it should be reported to the Committee.	That timely updates are provided to the Scrutiny & Overview Committee on any major alterations to the Council's in-year budget over the life of the Medium Term Financial Strategy.	Stuart King & Callton Young	Chris Buss

## For General Release

<b>REPORT TO:</b>	<b>CABINET</b> <b>22 March 2021</b>
<b>SUBJECT:</b>	<b>STAGE 2: RESPONSE TO RECOMMENDATIONS ARISING FROM: CHILDREN &amp; YOUNG PEOPLE SUB-COMMITTEE COMMITTEE ON 19 JANUARY 2021 AND SCRUTINY &amp; OVERVIEW COMMITTEE ON 4 FEBRUARY 2021</b>
<b>LEAD OFFICER:</b>	<b>Asmat Hussain, Interim Executive Director of Resources</b> <b>Stephen Rowan, Head of Democratic Services and Scrutiny</b>
<b>CABINET MEMBER:</b>	<b>All</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b> 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.	
<b>FINANCIAL IMPACT</b> 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.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> 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 18 February 2021 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, Interim Deputy S115 Officer

### **7. LEGAL CONSIDERATIONS**

- 7.1 The Head of Litigation and Corporate Law comments on behalf of the interim 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 and Deputy Monitoring Officer on behalf of the interim Director of Law and Governance.

## **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.

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**CONTACT OFFICER:** Stephen Rowan, Head of Democratic Services and Scrutiny  
T: 020 8726 6000 X 62529  
Email: [stephen.rowan@croydon.gov.uk](mailto:stephen.rowan@croydon.gov.uk)

**APPENDICES:** Appendix A: Scrutiny Stage 2 Responses

### **BACKGROUND DOCUMENTS:**

**Background document 1:**

Report to Children & Young People Sub-Committee on 19 January 2021.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=167&MId=2148>

**Background document 2:**

Report to Scrutiny & Overview Committee on 4 February 2021.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2498>

**Background document 3:**

Report to Scrutiny & Overview Committee on 9 February 2021.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2157>



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
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**Report: Staff Changes, Service Impact and response to Budget Reductions In Early Help and Children's Social Care** (Considered by Children & Young People Sub-Committee on 19 January 2021)

Page 89	1. Reduction in early help will impact schools. The Council needs to be clear on the level of support to be provided to schools and consider how to ensure effective timely communication to schools about what support is available and how to access it in order to make suitable alternative arrangements.	Clarity was needed on the future role of the voluntary sector which has provided immense support to families during this time and was experiencing unprecedented challenges. If the intention is that the voluntary sector should replace some of the services cut due to the need to save costs, we need to be reassured that they are in a position to do so.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Debbie Jones	Savings for 2021/22 built into the approved budget are predicated on rationalizing early help support costs.	Over the coming months officers will be commencing a review of the early help offer across the borough, including valuable services provided by voluntary organisations and in partnership with schools and the sector, to develop options that continue to provide early help for children and families within the resources available.	20 April 2021
	2. There was a risk that the Council may not secure MHCLG approval for a capitalisation directive. Consideration be given by the Executive Leadership Team as to how this risk will be managed.	The intention to maintain services above the statutory minimum in spite of the need to significantly reduce costs across the Council, was welcomed.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Debbie Jones	A capitalization direction for 20/21 and 21/22 has been offered and accepted by the Council. Further year capitalization requests remain pending.	The Executive Leadership Team will continue to closely monitor the situation to ensure that statutory responsibilities to children and families continue to be met.	20 April 2021

**Report: Blended Learning** (Considered by Children & Young People Sub-Committee on 19 January 2021)

1. That a means be found to measure the inequalities in attainment gap caused by the pandemic and that focussed evidenced efforts are made to close the gap over time.	In looking forward, it was important that the department prioritise measuring of inequality on attainment gaps as a consequence of the pandemic and explore ways to address the gaps identified.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Debbie Jones	Costs may be incurred to close the inequalities gap.	Focus on this with DfE and schools following the 8 <sup>th</sup> March full opening of schools.	20 April 2021
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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
2. That the number of children who do not have access to the necessary equipment for remote learning are quantified, especially for those in Secondary schools, and that closing that gap is made a priority.	It was clear that whilst there were issues with provision and availability of suitable devices to support virtual learning, the importance of resources to strengthen parental engagement and ability to support their child/children must remain an area of focus and priority.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Debbie Jones	Costs may be incurred in closing this gap.	We have data in relation to pupils without access to IT and are working with partners to try and close this gap. All children and young people will be back to school on 8 <sup>th</sup> March.	20 April 2021

**Report: Call In: Proposed Closure of Virgo Fidelis School** (Considered by Scrutiny & Overview Committee on 4 February 2021)

Page 90	1. That a further report on the transition of pupils from Virgo Fidelis School be scheduled for a meeting of the Children & Young People Sub-Committee at a date to be determined.	Notwithstanding, the reassurance taken on the transition of former Virgo Fidelis pupils to new schools, it was agreed that further reassurance would be sought by the Children & Young People Sub-Committee, at a later date, on the long-term management of the transition.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Shelley Davies	The outstanding deficit relating to the school has been included in current year monitoring.	The admissions team are working closely with the school and the families to ensure that all pupils at the school have a new school place and a positive transition to a new school.	30 March 2021
	2. That an annual report on the schools deficit in the borough be programmed into the work plan for the General Purposes and Audit Committee.	The Committee felt that General Purposes and Audit Committee, as the appropriate Council body for managing risk, should be given oversight of school deficits in the borough on at least an annual basis.	Councillor Alisa Flemming  Children Families & Education	Accepted.	Shelley Davies	N/A	The DSG Management plan will be shared with GPAC at the March meeting and following that will be taken to Schools Forum for approval before it is submitted to the DfE.	30 March 2021
	3. That when the Children & Young People Sub-Committee next reviewed school place planning in the borough, that information was	The Committee agreed that it would be useful for the Children & Young People Sub-Committee to be provided with information on the demand	Councillor Alisa Flemming  Children Families & Education	Accepted.	Shelley Davies	N/A	Information will be provided for scrutiny when school place planning in the borough is on the agenda.	30 March 2021

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
included on the demand for faith schools.	<p>from Roman Catholic parents for Roman Catholic school places in the borough, when it next considered school place planning.</p> <p>It was also agreed that consideration should be given to the questionnaire on school applications and whether a question could be added on whether faith had a bearing on the choice of school.</p>						

**Report: Equalities Strategy** (Considered by Scrutiny & Overview Committee on 9 February 2021)

Page 91	1. That targets used to measure the success of the Equalities Strategy are SMART and focussed on improving the lives of the people of Croydon, in areas which the Council had significant influence over.	<p>It was recognised that SMART targets should be used wherever possible, as this would mean the impact of the Equalities Strategy could be measurably demonstrated. It would be preferable if there were a small number of SMART targets for improving the lives of the people of Croydon that the Council had significant influence over.</p>	<p>Councillor David Wood</p> <p>Resources</p>	Accept.	Gavin Handford	N/A	At this stage we are lacking the data to set targets with confidence that are achievable and realistic, so our focus in year 1 is on improving data and we will review targets in 12 months.	30 March 2021
	2. That any previous Equalities Strategies or any other equalities targeted programmes should be reviewed and evaluated as part of the development of the new Strategy.	<p>The Committee felt that past experience should be used to inform the development of the new Equalities Strategy.</p>	<p>Councillor David Wood</p> <p>Resources</p>	<p>Rejection.</p> <p>Previous Equality Strategy - Opportunity and Fairness Commission report has been reviewed on an annual basis. Current equality objectives have been reviewed as part of the process of developing the new Strategy. A governance and performance</p>	Gavin Handford	N/A	N/A	N/A

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
			framework has also been put in place to review and evaluate the new strategy going forward. Resources now need to be focused on delivering against the new strategy, and not further review.				
3. That there should be analysis of the responses from stakeholders, and the Strategy should reflect how these responses have informed the final strategy.	The Committee concluded that the views of the stakeholders, who responded to the consultation, should be acknowledged in the Strategy.	Councillor David Wood Resources	Accept.  Equality Strategy consultation report has been developed. This has been published.  Copy of report and final strategy will be sent to stakeholders.	Gavin Handford	N/A	Complete.	30 March 2021
4. That information from across the Council should be compiled into a corporate equalities dashboard.	The Committee agreed that the use of data would be important in demonstrating the impact of the Equalities Strategy. As such it was essential that there was a central, corporate data source that allowed progress in implementing the Strategy to be monitored.	Councillor David Wood Resources	Accept.	Gavin Handford	N/A	The work on the dashboard is progressing and is expected to be completed in year 1 of the strategy.	30 March 2021
5. The Equalities Strategy should be shared with the officer preparing the Autism Strategy.	The Committee concluded that there was a synergy with the Autism Strategy, which was currently being developed, and as such the two strategies should be reviewed to ensure that they were mutually compatible.	Councillor David Wood Resources	Accept.  Equality Strategy has been shared with Autism Social Inclusion Lead	Gavin Handford	N/A	Complete.	30 March 2021

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
6. That a process for reviewing the Equalities Strategy in light of any new data sources, such as census data, becoming available, should be built into the Strategy.	The Committee noted that the next census was due to start this year and as such agreed that it would be an important source of data for the Strategy.	Councillor David Wood Resources	Accept.  The Equality Strategy and supporting actions are 'living' documents. The strategy and action plan will be refreshed every year to ensure that our policy and practice takes into account any emerging and prevalent national and local priorities this will include any new data sources	Gavin Handford		Annual.	

**Report: Review of Brick by Brick** (Considered by Scrutiny & Overview Committee on 9 February 2021)

Page 93	1. That a mechanism be put in place to ensure additional scrutiny of any further lending to Brick by Brick, above and beyond that identified in the review of future options for the company.	Although the report identified that a loan of less than £10m to Brick by Brick was required to deliver the preferred option, the Committee recognised that there were risks that may impact upon the amount of money required. Should a loan exceeding the identified £10m or a further loan be required, there needed to be a mechanism in place to allow additional scrutiny.	Councillor Hamida Ali Resources	Accepted.	Katherine Kerswell	The financial implications of additional lending have been factored in to the budget and MTFS – as has the expected repayment of loan balances.	Only required if loan requirement is exceeded, therefore no timetable as it is at present not anticipated that the level will be exceeded.	Only applicable if exceeded.
	2. That consideration is given to how the Executive team will track and evidence that risk management processes are being embedded across the Council.	The Committee welcomed the reassurance that work was underway to embed risk management processes throughout the Council, but questioned how this could be evidenced going forwards.	Councillor Hamida Ali Resources	Accepted.  Recommendation accepted and application of a more robust approach approved by CEO and ELT to ensure compliance with all elements of the Councils' Risk Management Framework	Katherine Kerswell	Risks relating to Brick by Brick loans and accrued interest are factored in to the current budget monitoring and future MTFS.	With immediate effect utilising CEO and Assist CEO endorsement. CPMO actively working with Risk Team and L & OD to ensure effective embedding across Council. Increased scrutiny already in place through GPAC activity. The	30 March 2021

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
						development of a more rigorous approach to risk management will be raised as an agenda item at the upcoming fortnightly Programme Delivery Steering Group meeting which is chaired by the interim chief executive.	
3. That a mechanism is put in place to review the confidential information set out in the report, to allow it to be publicly released once appropriate to do so.	The Committee recognised that there would be considerable public interest in the financial details set out in the confidential section of the Review of Brick by Brick report and felt that releasing this information should be reviewed, once it was no longer considered to be commercially sensitive.	Councillor Hamida Ali Resources	Accepted.	Katherine Kerswell	None.	After final decision is made in May then decision can be made.	Post May 2021
4. That a regular review be undertaken of all Council companies, with the outcomes from this review reported to Scrutiny.	As a key learning point from the experience of the Council with Brick by Brick, the Committee felt that a process should be put in place to review any external companies owned by the Council at regular intervals, to ensure that they were achieving their intended outcomes and remained fit for purpose.	Councillor Hamida Ali Resources	Accepted.	Katherine Kerswell	Monitoring of any financial implications to the Council from this review will be incorporated into financial monitoring.	Review to be undertaken and completed by December 2021.	Jan/Feb 2022
5. That a review be undertaken of past lending to Brick by Brick to provide greater clarity over the arrangements and to ensure that the	The Committee retained a concern about the past lending arrangements with Brick by Brick and felt that further investigation was required to understand the arrangements and to	Councillor Hamida Ali Resources	Rejected.  The Council has limited resources to undertake this type of post mortem, it is more important to ensure	Katherine Kerswell	N/A	N/A	N/A



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
arrangements were legally compliant.	ensure that any such lending was legally compliant.		that good practice is embedded into future arrangements. The Value for Money review from Grant Thornton into the work on Fairfield Hall will add more to our understanding on this issue.				

**Report: Interim Asset Disposal Strategy** (Considered by Scrutiny & Overview Committee on 9 February 2021)

Page 95	1. That further information be included within the report, for when it is considered by Cabinet, on the potential options for the Croydon Park Hotel to allow a more informed judgement to be made on the best way forward.	Although the Committee were satisfied with the approach proposed in the Interim Asset Disposal Strategy, it felt that there was not enough information included within the report to reach any conclusions on the identified options for the Croydon Park Hotel.	Councillor Stuart King Place	Accepted and enacted.	Ozay Ali	Assumptions around capital receipts are included in the MTFS and are factored in to forecast interest payments and MRP charges.	Completed.	30 March 2021
	2. That the information set out in the in confidential section of the report be reviewed to establish whether it would be possible to make public the list of assets identified for disposal and if not, further clarity as to the reasons should be added to the report.	The Committee recognised that there would be considerable public interest in the list of assets identified for disposal set out in the confidential appendix to the report, and felt that further consideration was needed over how this information could be brought into the public domain.	Councillor Stuart King Place	Each case will be considered according to commercial risk but agreed to include the first tranche of sites for 2021/22 in Part A of the report.  Publication of other sites will follow final approval to sell, subject to delegated authorities.  The approved procedure is adequate and requires no change in respect of publication, but officers will ensure the Comms Teams are well briefed on potential sales as part of any publication process.	Ozay Ali	Any delays in progressing sales will cost the Council in terms of delayed capital receipts and ongoing holding costs.	N/A	30 March 2021

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
			Publication too early may cause additional complications in relation to ensuring that the Council receives best consideration				
3. That the process for consulting and informing Ward Councillors about decisions to be taken on assets in their local area be reviewed to ensure it was fit for purpose.	The Committee highlighted a concern that consultation with Ward Councillors about decisions on assets in their local areas had in the past been intermittent at best.	Councillor Stuart King Place	Accepted. Agreed and the process is being changed to require notification and consultation with local ward members and cabinet as required	Ozay Ali	Any delays in progressing sales will cost the Council in terms of delayed capital receipts and ongoing holding costs	Process is changed with immediate effect.	30 March 2021



<b>REPORT TO:</b>	<b>CABINET 22 MARCH 2021</b>
<b>SUBJECT:</b>	<b>INVESTING IN OUR BOROUGH</b>
<b>LEAD OFFICER:</b>	<b>RACHEL SONI, INTERIM DIRECTOR OF COMMISSIONING &amp; PROCUREMENT</b>  <b>ASMAT HUSSAIN, INTERIM EXECUTIVE DIRECTOR RESOURCES</b>
<b>CABINET MEMBER:</b>	<b>COUNCILLOR CALLTON YOUNG</b> <b>CABINET MEMBER FOR RESOURCES AND FINANCIAL GOVERNANCE</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT</b>	
<p>Effective outcome based commissioning and prudent financial transactions contribute to all corporate priorities.</p> <p>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.</p>	
<b>FINANCIAL SUMMARY:</b> There are no direct costs arising from this report.	
<b>KEY DECISION REFERENCE NO.:</b>	
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 Substance Misuse procurement strategy which will result in contract awards for a maximum term of 7 years as set out at agenda item 8a, and section 5.1.1.

1.1.2. The Cabinet recommends to the Leader of the Council that prior to the next meeting of Cabinet in May, in respect of any contracts and property acquisitions and disposals valued over £500k and that have not previously been notified or reported to Cabinet, the nominated Cabinet Member in consultation with the Cabinet Member for Resources & Financial Governance or, where the nominated member is the Cabinet Member for Resources & Financial Governance in consultation with the Leader, be

authorised to agree the award of such contracts. Note that any awards made under this delegation will be notified in the standard contracts report to the next meeting of Cabinet.

1.2. The Cabinet is requested to note:

1.2.1. The list of delegated award decisions made by the Director of Commissioning and Procurement, between 26/01/2021 – 25/02/2021, as set out in section 5.2.1.

## 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;
- Delegated contract award decisions made by the Director of Commissioning and Procurement 26/01/2021 – 25/02/2021;
- Decisions taken by the Director of Commissioning & Procurement under delegated powers, and decisions to be taken by Cabinet Members or Cabinet as listed in this report have been confirmed to have met the Essential Criteria as set out in Section 114 Notice;
- Delegated contract award decisions under delegated authority from the Leader by the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Resources and Financial Governance related to the Health and Social Care Services - DPS 3 Lot 3 – Young People Semi Independent Accommodation;  
*[As at the date of this report there are none]*
- 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]*
- 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]*
- 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]*

- 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 5.1.1 of this report lists those contract and procurement strategies that are anticipated to be awarded or approved by the Cabinet.
- 3.2 Section 5.2.1 of this report lists the delegated award decisions made by the Director of Commissioning and Procurement, between 26/01/2021 – 25/02/2021.
- 3.3 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 PRE-DECISION SCRUTINY**

- 4.1 This report does not require pre-decision as all the reports listed below are compliant with the Council's Tender & Contracts Regulations.

### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

#### **5.1 Proposed Strategy and Award approvals**

- 5.1.1 Procurement strategies and awards for the purchase of goods, services and works with a possible contract value over £5 million decisions to be taken by Cabinet which are agenda item 8a.

Strategy	Contract Revenue Budget	Contract Capital Budget	Dept/Cabinet Member
Substance Misuse Strategy	£20,890,520 (Contract length 7 years)		Families, Health & Social Care / Cllr Campbell

## 5.2 Contract Awards

5.2.1 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 and £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	Department
CES Cleaning Machine Award	£193,803 (Contract length 5 years) (Decision taken on 27 <sup>th</sup> Jan 2021)		Resources
On-Street Cycle Hangars Award	£90,000 (Contract length 5 years) (Decision taken on 2 <sup>nd</sup> Feb 2021)		Place
Lateral Flow Test Award	£248,761 (Contract length 6 weeks) (Decision taken on 10 <sup>th</sup> Feb 2021)		Health Wellbeing and Adults
Red Gates SEN School Playground Award	£187,016 (Contract length 8 months) (Decision taken on 17 <sup>th</sup> Feb 2021)		Place
Socco Cheta Community Hub Contract Award	£52,950	£116,525 (Contract length 12 months) (Decision taken on 17 <sup>th</sup> Feb 2021)	Place

<b>CONTRACT VARIATIONS &amp; EXTENSIONS</b>					
<b>Contract Title</b>	<b>Value of Contract to Date</b>	<b>Value of Extension Term</b>	<b>Total Revenue value including extension term</b>	<b>Contract Capital Budget</b>	<b>Dept.</b>
Schools administration IT System Contract Variation	£105,000	£65,000 (12 months extension)	£170,000 (Decision taken on 2 <sup>nd</sup> Feb 2021)		Children Families and Education

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

## **6 LEGAL CONSIDERATIONS**

- 6.1 The Head of Commercial and Property Law comments on behalf of the Interim Director of Law & Governance 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, Head of Commercial and Property Law on behalf of the Interim Director of Law and Governance

## **7 HUMAN RESOURCES IMPACT**

- 7.1 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

## **8 EQUALITY IMPACT**

- 8.1 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.
- 8.2 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.

- 8.3 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.

Approved by: Yvonne Okiyo, Equalities Manager

## **9 ENVIRONMENTAL 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 CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 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.

## **11 DATA PROTECTION IMPLICATIONS**

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

NO

- 11.2 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

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**CONTACT OFFICER:**

<b>Name:</b>	Bianca Byrne
<b>Post title:</b>	Head of Commissioning and Procurement (Corporate)
<b>Telephone no:</b>	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](#)

- None

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For General Release

<b>REPORT TO:</b>	<b>Cabinet 22 March 2021</b>
<b>SUBJECT:</b>	<b>Integrated Drug &amp; Alcohol Treatment Service</b>
<b>LEAD OFFICER:</b>	<b>Rachel Soni – Director of Commissioning &amp; Procurement Rachel Flowers – Director of Public Health</b>
<b>CABINET MEMBER:</b>	<b>Councillor Campbell – Cabinet Member for Families, Health and Social Care Councillor Young – Cabinet Member for Resources and Financial Governance</b>
<b>WARDS:</b>	<b>All</b>

### **CORPORATE PRIORITY/POLICY CONTEXT**

The recommendation in this report to procure an integrated drug and alcohol treatment service for adults and young people addresses the Council’s key priorities of:

- **We will live within our means, balance the books and provide value for money for our residents.** The contract value equates to an identified budget that has not been overspent from the external Public Health Grant for this service.
- **We will focus on tackling ingrained inequality and poverty in the borough.** This service will have a trauma informed and whole family approach and will work across health and social care to ensure residents seeking help for addictions are able to access opportunities for education, training and employment, with a volunteer programme and employment pathway with their service.
- **We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.** This service provides health and social care to some of the most vulnerable residents who are using drugs and alcohol in a dependent and harmful way. The procurement will evaluate the organisations against a range of questions with the aim to award the contract to a provider who evidences a track record and positive outcomes through their work with their service users.

### **FINANCIAL IMPACT**

The recommendations will have no financial impact on the main Council general fund. The annual budget for this service has been identified from the 2021/2022 Public Health Grant.

The value of the core contract is £2,984,360 annually, at a total of £20,890,520 over the duration of the contract term – 5 years +2 years = 7 years in total. The total budget available for the core contract value from the Public Health Grant is £2,984,360. The core contract value will not exceed £2,984,360.

The grants below will be available in addition to the core contract budget. Continuation of funding and amounts available beyond 2021/22 are yet to be confirmed by funding sources:

The MOPAC grant of £110,000 is available for an Assertive Outreach service as an add-on element, subject to continued MOPAC funding. This service contract value will not exceed £110,000 in 2021/22.

The Rough Sleepers Drug/Alcohol Grant of £277,000 is available for a specific service for Rough Sleepers as an-add on subject to continued MHCLG funding. This service contract value will not exceed £277,000 in 2021/22.

Annual reviews will be built into the specification to ensure value for money and ongoing monitoring of the different pots of money available to invest in this area.

**FORWARD PLAN KEY DECISION REFERENCE NO.: N/A**

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 Approve the procurement strategy identified in this report for a single stage procurement that will result in a single contract to deliver an integrated, Adults and Young People's Community Drug and Alcohol Treatment Service, for an estimated contract value of £2,984,360 per annum (£20,890,520 for a maximum seven year term)
- 1.2 Note the proposal to bring additional elements into the scope of the tendered service, currently contracted separately. This includes pharmacy needle exchange provision; pharmacy supervised administration provision and GP Shared Care, with a phased approach to transition to the new contractual arrangements

## **2. EXECUTIVE SUMMARY**

- 2.1 This report describes the procurement strategy to tender an Integrated Drug and Alcohol Treatment Service for adults and young people and requests approval to proceed with the proposal to procure this service through a light touch, one stage open tender process.
- 2.2 The London Borough of Croydon is currently operating under a section 114 Local Government Finance Act 1988 notice, however, the Authority has a duty to ensure that an accessible drug and alcohol treatment and recovery system is available to our residents as a condition of the external, ring-fenced Public Health Grant.
- 2.3 The annual contract value of £2,984,360 aligns with the identified annual budget for substance misuse from the 2021/2022 Public Health Grant which is £3,295,000 per year.
- 2.4 The proposals support the key policy objectives of:

- Croydon Health and Wellbeing Strategy - Develop a whole person approach to care for people with co-occurring mental health and substance misuse. The 2020 Croydon Drug & Alcohol Needs Assessment reflects the high level of unmet need in the borough for people needing treatment for opiates, crack and alcohol.

2.5 These objectives will be addressed through a phased approach and flexibility within the contract to enable the provider to respond to new developments.

2.6 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1661/20-21	10/03/2021

### 3 DETAIL

3.1 The London Borough of Croydon is currently operating under a section 114 notice, however, we have a duty to ensure that an accessible drug and alcohol treatment service is available to our residents as a condition of the Public Health Grant. The Government's Drug Strategy (2017) provides a framework and sets out how the government and its partners, at local, national and international levels, will take action to tackle drug misuse and the harms it causes. The Public Health Grant is externally funded and ring-fenced for the conditions outlined by Public Health England.

3.2 The current contract started on 01<sup>st</sup> October 2014 and is due to expire on 30<sup>th</sup> September 2021 having exhausted all extensions. This was a 5 + 2 contract term and the service is now in the second year of the two-year extension.

3.3 The service incorporates the following elements:

- Access to specialist community treatment for drug and alcohol misuse
- Clinical and psychosocial interventions to support recovery, reintegration and relapse prevention
- Partnership working in order to address wider determinants of health such as housing, general health concerns, employment.

Key priority groups that the service engage with are:

- Rough sleepers and homeless
- Parents and women who are pregnant
- Those in the criminal justice system
- Victims of domestic abuse
- Frequent hospital attenders and young people

3.4 The Young People's service has a focus on prevention and education and

works with Schools, Pupil Referral Units and Social Care to deliver sessions and take referrals for further support. The workers are based at the Council's Turnaround Centre and link with the Youth Offending Team, Early Help and CAMHS and sexual health services for referrals and support.

- 3.5 The rationale to re-commission this service relates to the benefits to the individual, family and wider social and communities that result from engaging in treatment. These include improved health and wellbeing, reductions in offending behaviour, reintegration into society and better outcomes for education, training and employment, housing and relationships.
- 3.6 The 2020 Croydon Drug & Alcohol Needs Assessment shows a high level of unmet need in the borough for people needing treatment for opiates, crack and alcohol. Delivery of the current model through the use of one central hub has concentrated high numbers of people in one place and created a perception of the service being overwhelmed. A future delivery model will include satellite or alternative hubs in the community, to align with other front line work in the localities being implemented across the borough.
- The national cost of a drug/alcohol user is estimated at £44k per individual.
  - Alcohol treatment reflects a return on investment of £3 for every £1 invested, which increases to £26 over 10 years.
  - Drug treatment reflects a return on investment of £4 for every £1 invested, which increases to £21 over 10 years.
- 3.7 These figures are taken from PHE's alcohol and drug treatment commissioning tool for local authorities.

### **Covid Pandemic**

- 3.8 The Covid pandemic and resulting restrictions affected the way drug and alcohol treatment is currently being delivered.
- 3.9 There was a move to delivering interventions online, through digital solutions that enabled people to access their keyworkers and group sessions.
- 3.10 As part of the Covid initiatives, the Government instigated a programme for Rough Sleepers to get them into hotels to keep them and the community safe. An unexpected result of this was that some people who had previously been resistant to treatment were now ready to engage and were supported through outreach to facilitate this.

### **Mental health**

- 3.11 Another predicted outcome from the Covid crisis is an increase in people self medicating at home to cope with the restrictions and negative impact on mental health. The links between substance misuse treatment and support for mental health are critical in improving the wellbeing of residents and ensuring they can access the help they need.

- 3.12 Kim et al (2020) found that lockdown was a risk factor for increasing alcohol consumption in people with alcohol use disorders and relapse for those who were previously abstinent, but that it also caused different behavioural changes on alcohol intake, with about 20% of individuals increasing or decreasing their normal alcohol consumption. (Croydon Drug & Alcohol Needs Assessment 2020).

### **Commissioning Intentions**

- 3.13 The commissioning intentions are for the service to be expanded and bring the following elements in scope:

- Contracting directly with pharmacies for needle exchange provision, supplies and hazardous waste collection.
- Contracting directly with pharmacies for supervised administration of opiate substitute treatment (OST).
- Contracting directly with GP's for the shared care provision.
- Budget for inpatient medically assisted detoxification.
- Budget for residential rehabilitation and structured day programmes.

- 3.14 The rationale for bringing the above in scope is:

- Reduced Council capacity for commissioning and contract management; greater quality assurance is needed to manage the competences required to deliver these contracts.
- Expected efficiencies through a sub-contracting model and
- Improved clinical governance to ensure seamless pathways into the appropriate levels of treatment and care; to ensure continuity of care for service users

- 3.15 The proposals support key policy objectives of:

- Croydon Health and Wellbeing Strategy - Develop a whole person approach to care for people with co-occurring mental health and substance misuse
- Croydon Health and Care Transformation Plan - More people will regularly engage in behaviours that will improve their health and Croydon Local Transformation Plan - Develop the 0-25 Children and Young People Pathway
- Safer Croydon Community Safety Strategy - Work with offenders to tackle drug and alcohol abuse/ reduce reoffending by improve drug and alcohol misuse interventions
- Croydon Community Strategy - Ensure individuals and families are supported at crisis trigger points/ reduce harm caused by alcohol misuse/ support alcohol and drug awareness education

- 3.16 Incorporating the pharmacy services and GP shared care provision into the integrated treatment and care service should allow for better integration with health and engagement at a locality level to improve access across the borough. Having a more integrated approach will allow for greater promotion and support via a number of key stakeholders such as the voluntary sector who

can help with clients' recovery into the community and independence.

3.17 Croydon's Drug & Alcohol Needs Assessment 2020 states:

- There are approximately 1,900 opiate and/or crack cocaine users (OCUs) and 3,400 dependent drinkers in Croydon (total 5,300). Almost 80% of these are not currently known to treatment.
- More than half of adults entering treatment also have a need for mental health treatment
- Approximately 250 children are living with adults who entered treatment during 2018/19, over a third of these children had some contact with early help or social care

3.18 This service will take on the Whole Family approach and work with complex individuals and other professionals, i.e. mental health workers. This supports the overarching objective to enable people to live long, healthy, happy and independent lives.

### **Proposed Procurement Route**

3.19 The proposal is to procure a main contractor through a light touch, one stage open tender process using the London Tenders Portal. Option 2 below

Procurement option	Advantages	Disadvantages
1. Direct Award	<ul style="list-style-type: none"> <li>• Can negotiate the value of the contract with a preferred provider</li> </ul>	<ul style="list-style-type: none"> <li>• This would go against the Authorities Tendering and Contracting regulations</li> <li>• No consultation with the Market; therefore unaware of if an alternative could do more or provide a better service</li> <li>• Not able to guarantee best value duty</li> </ul>
2. Open Tender	<ul style="list-style-type: none"> <li>• These can be found in one or two stages</li> <li>• Different regimes can be used for different services</li> <li>• Transparent process allowing all providers an opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Can result in inappropriate providers bidding for services without having the necessary experience</li> </ul>
3. Negotiated Tender	<ul style="list-style-type: none"> <li>• Allows for greater communication with bidders once you have undertaken processes to eliminate those who are inappropriate</li> </ul>	<ul style="list-style-type: none"> <li>• This is a longer procurement process</li> <li>• Have to undertake strict measure to avoid challenges</li> </ul>

4. Restricted Tender	<ul style="list-style-type: none"> <li>• Allows the authority to target specific providers</li> <li>• Is best to use on a complex contract or where only certain providers are able to deliver</li> </ul>	<ul style="list-style-type: none"> <li>• Only providers with the relevant experience or track record can bid</li> <li>• Only providers who are invited to bid can bid</li> </ul>
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### **Contract Terms and Conditions**

3.20 Legal assistance will be sought to review any necessary changes to the current Terms and Conditions utilising the Public Health Services contract.

### **Evaluation**

#### **3.21 Tender Evaluation**

3.21.1 In line with Croydon's Tender and Contract Regulations, we will apply a 60% quality and 40% price split which will ensure we have a focus on the quality of treatment and care and positive outcomes but will still deliver value for money.

3.21.2 We confirm that the mandatory evaluation criteria questions on Social Value and Premier Supplier Programme will be included in the tender response document.

3.21.3 The evaluation panel members will be representatives from:

- Public Health; with expertise on prevention and health improvement
- Commissioning and Procurement; with expertise on contract management
- Children's and Families; with expertise on young people's needs
- Service Users in recovery; who are experts by experience

#### **3.22 Financial evaluation**

3.22.1 The Selection Questionnaire in the tender documents includes a section on economic and financial standing of the bidder. Finance health checks will be a standard requirement of the tender evaluation and providers that are not able to comply will be excluded from progressing further. There will be a requirement to provide examples of current and previous contracts where the successful contractor can evidence how they have met similar levels of financial obligations. Details of references for other, similar contracts that they have delivered will be sought.

#### **3.23 Procurement Timeline**

<b>Activity</b>	<b>Proposed Date</b>
Tender go live on the London Tenders Portal	02/04/2021
Tender end date for responses	30/04/2021
Initial finance and eligibility checks by procurement	01/05/2021
Evaluation of tender responses	08/05/2021
Moderation of evaluation panel scores	18/05/2021

Award report to Cabinet	June 2021
Award contract	July 2021
Implementation period	August & September 2021
Contract start date	01 October 2021

### 3.24 Risks

Risk	Rating	Mitigation
Meeting the timescales of the tender	Low	Project is on track to meet the timescales. Extra time has been built into the project timeline to allow for delays.
Challenge from incumbent provider	Low	They are fully aware that all extensions under the contract have been exhausted and have been informed of the intention to re-tender the service.
Poor performance from incumbent provider once there is an awareness that this service is open to competition	Low	As above. Also, they have already expressed an interest in applying so, in light of this interest, it is unlikely that their performance would reduce.
Providers may be reluctant to bid in the current financial climate in Croydon with the Section 114 in place, there could be a fear of not being paid	Low	Strong assurances will be given to confirm that the funds have been budgeted for through the external, ring-fenced Public Health Grant.

3.24.1 The project has not been included on the Corporate Risk Register

### 3.25 Performance Monitoring

3.25.1 The performance management strategy incorporates regular contract monitoring reports and meetings to ensure the service consistently meets their targets. The performance indicators are already set through Public Health England and reported to the National Drug Treatment Monitoring System (NDTMS) to enable local areas to analyse and measure performance.

3.25.2 A commissioners' audit in conjunction with Public Health will take place after 2 years to cover case management/care plans; staff feedback; compliance with CQC registration, service user satisfaction, staff training/supervision.

3.25.3 Quality assurance systems will be in place that will allow continual monitoring of the effectiveness and quality of the service in line with clinical governance and staff competency requirements.

3.25.4 The following KPIs are from the Public Health Outcomes Framework (PHOF):

C19a – Successful completion of drug treatment – opiate use



- C19b – Successful completion of drug treatment – non-opiate use
- C19c – Successful completion of alcohol treatment
- C19d – Deaths from drug misuse
- C20 – Adults with substance misuse treatment need who successfully engage in community based structured treatment following release from prison.
- C21 – Admission episodes for alcohol related conditions (narrow)

3.25.5 Further outcomes measured through the NDTMS reports include:

- Successful completion of treatment and low re-presentation to treatment.
- Improved physical and mental health for service users.
- Reduction in crime committed to fund drug use.
- Improved access to education, training and employment.
- Improved personal relationships, better social networks and reduction in isolation.
- Appropriate housing options.

#### **4. CONSULTATION**

4.1 A Substance Misuse Study was carried out July-September 2021. A range of stakeholders including residents, professionals, young people, carers, and service users were consulted. Online surveys, interviews and group meetings took place throughout July - September 2020.

4.3 Recommendations noted for the adult service were:

- A flexible service model with increased levels of outreach and working away from the service hub with enhanced pathways with partner organisations
- Training for frontline non-substance misuse practitioners
- Alcohol Identification and Brief Advice in primary care, in accordance with NICE guidance
- Improved support for people with both a substance misuse and a mental health problem

4.4 Recommendations for the young people's service were:

- Social marketing initiatives and work reaching out into the community
- Improved links with young people's mental health services
- Expand remit to include those up to 25 years of age

The report is attached in the background papers and shows the methodology and range of groups consulted with.

#### **5 PRE-DECISION SCRUTINY**

5.1 This report did not go to a Scrutiny meeting.

## 6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

### 6.1 Revenue and Capital consequences of report recommendations

Medium Term Financial Strategy – 3.5 year forecast				
	From contract start date 01/10/2021 to 31/03/2022 (6months)	2022/ 2023	2023/ 2024	2024/ 2025
	£'000	£'000	£'000	£'000
<b>Revenue Budget available</b>				
<b>Expenditure</b>				
<b><u>Public Health Grant</u></b>				
Core Adults & YP	1,200	2,401	2,401	2,401
Pharmacies	62	125	125	125
GPs	29	58	58	58
Residential	200	400	400	400
<b><u>MOPAC Grant</u></b>				
Assertive Outreach	55*	0	0	0
<b><u>Rough Sleeper Grant</u></b>				
RS Service	138*	0	0	0
<b>Total</b>	<b>1,684</b>	<b>2,984</b>	<b>2,984</b>	<b>2,984</b>
Income	0	0	0	0
<b>Effect of decision from report</b>				
Expenditure	1,684	2,984	2,984	2,984
Income				
<b>Remaining budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 6.2 The effect of the decision

6.2.1 The value of the core contract is £2,984,360 annually, at a total of £20,890,520 over the duration of the contract term – 5 years +2 years = 7 years in total. The total budget available for the core contract value from the Public Health Grant is £2,984,360. The core contract value will not exceed £2,984,360.

\*The grants below will be available in addition to the core contract budget. Continuation of funding and amounts available beyond 2021/22 are yet to be confirmed by funding sources:

\*The MOPAC grant of £110,000 is available for an Assertive Outreach service as an add-on element, subject to continued MOPAC funding. This service contract value will not exceed £110,000 in 2021/22.

\*The Rough Sleepers Drug/Alcohol Grant of £277,000 is available for a specific service for Rough Sleepers as an add-on subject to continued MHCLG funding. This service contract value will not exceed £227,000 in 2021/22.

6.2.2 Annual reviews will be built into the specification to ensure value for money and ongoing monitoring of the different pots of money available to invest in this area.

6.2.3 If this is approved, the procurement of the service will be put out to tender on the London Tenders Portal to invite bidders to submit responses that evidence their expertise in delivering the service. After evaluation, the most advantageous response will be recommended for award, for a contract start date of 01 October 2021.

### 6.3 Risks

If this procurement does not take place, we will be out of contract with the incumbent provider and there could be no alternative service available to work with people who misuse substances. This would result in a large number of individuals being left without support for their treatment needs or access to opiate substitute prescribing. In turn; this is likely to lead to increased crime to fund drugs on the black market, deterioration of health.

### 6.4 Options

1	Do nothing	This would mean the current contract would end leaving the Authority with no service and not meeting the conditions of the Public Health grant
2	Extend the current contract	All extensions of the current contract have been implemented and no further extensions are available.
3	Bring the service in-house	The relevant expertise to deliver this service are not available within the Council.
4	Undertake a procurement for the service	This would meet the Authority Tender and Contract Regulations and ensure the Authority is meeting its conditions of the Public Health grant

The preferred option is number 4 – undertake a procurement exercise for the service.

### 6.5 Future savings/efficiencies

6.5.1 It is expected that the provider will submit a bid to show a shift in weighting of the costs throughout the contract as the focus moves from acute medical treatment to a higher level of psychosocial and recovery support for reintegration into the community.

- 6.5.2 With the inclusion of the contracting responsibilities with pharmacies, this will bring savings to the Council through a reduction in resource needed for contract management of up to 22 separate pharmacy contracts.
- 6.5.3 Budgetary provision already exists for this service from the external, ring fenced Public Health Grant. There are no Council General Fund contributions.

Approved by: Josephine Lyseight, Head of Service on behalf of the Director of Finance, Investment and Risk and S151 Officer

## **7. LEGAL CONSIDERATIONS**

- 7.1 The Solicitor to the Council comments that there are no additional legal considerations directly arising from this report.

Approved by: Sean Murphy, Head of Commercial and Property Law on behalf of the Council Solicitor and Monitoring Officer

## **8. HUMAN RESOURCES IMPACT**

- 8.1 There are no direct implications for Croydon council workforce however any new provider will be required to take on the staff from the incumbent provider and adhere to TUPE legislation.

Approved by: Susan Moorman, Director of Human Resources

## **9. EQUALITIES IMPACT**

- 9.1 Through the re-procurement of substance misuse services, the Council will be focusing on strengthening prevention activities, and priority groups will be identified according to their vulnerabilities and needs, including children and young people, those who are homeless, pregnant women.
- 9.2 An EQUIA was undertaken to ascertain the potential impact on groups that share protected characteristics.
- 9.3 Unifying provision of substance misuse support for young people via a single contract will have an anticipated positive impact on the outcomes for young people, as working relationships and pathways are strengthened and monitored uniformly.
- 9.4 The treatment provider will need to work to understand current trends in relation to young people accessing the services and work with partners put in place mitigating actions that will improve on these current trends.
- 9.5 The successful provider will need to demonstrate how they have ensured accessibility for service users living with a disability—in terms of accessibility to

premises and consultation rooms, provision of accessible visual and audio materials (including Easy Read), and the digital offer for all clients.

- 9.6 There is concern locally about increasing numbers of women misusing alcohol, despite the majority of service users being male. The successful provider will be encouraged to consider the value of gender specific group work programmes and the flexibility to offer same sex keyworkers in order to facilitate improved therapeutic relationships.
- 9.7 The successful provider will be required to ensure accessibility to service provision for women with childcare responsibilities, including consideration of digital support.
- 9.8 The service provider will be expected to act sensitively with all clients, respecting and responding to their beliefs, choices and preferences.
- 9.9 Within the tender specification documents, we intend to include a requirement for services to identify and provide specific support to LGBTQ clients. This will help to provide appropriate services and support for LGBTQ individuals for their substance misuse.
- 9.10 The key messages of the qualitative report were:
- that substance misuse services need to be reaching out and targeting harder to engage clients, particularly those who are having a significant impact on other public services and on the wider community. This will require a flexible service model with increased levels of outreach and working away from the service hub.
  - the young people's substance misuse service needs to be more assertive and focused on engaging young people in the community. The service's work in schools needs to be balanced with work reaching out into the community.
- 9.11 The outcome following the completion of the EIA is:
- No major change - the Equality Impact Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.
- 9.12 The EQUIA is attached as a background paper for the report.

Approved by: Yvonne Okiyo, Equalities Manager

## **10. ENVIRONMENTAL IMPACT**

- 10.1 The tender will require an environmental and sustainability policy in place to ensure their commitment to the use of recyclable products and promotion of forms of travel that support a reduction in carbon emissions, where possible.

- 10.2 As part of the needle exchange service within this procurement, there is a requirement to use a registered, hazardous waste collection service to dispose of used needles.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

- 11.1 The National Modern Crime Prevention Strategy identifies drug and alcohol use as 2 out of 6 drivers for crime. Getting users into treatment is key, as engaging in treatment and care, in turn reduces the levels of offending.
- 11.2 This procurement will build on the partnerships with the criminal justice system to support offenders to access treatment with support to reduce offending behaviour.

## **12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 12.1 The reason for the recommendation to procure the drug and alcohol service is to ensure that support for residents who are struggling with drug and alcohol use are able to access specialist treatment.

## **13. OPTIONS CONSIDERED AND REJECTED**

- 13.1 Having considered the options in section 6.4 and the procurement processes in section 3.19, we have rejected the alternative options due to them not meeting the Authorities duty or Tender and Contracting Regulations.

## **14. DATA PROTECTION IMPLICATIONS**

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

YES

The service will be joint data controllers with the Council. There will be a data protection impact assessment completed as part of the tender documents for the contract terms and conditions.

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

NO

Information management has been contacted to progress this to ensure a DPIA is completed in time for the tender.

The Director of Public Health comments that this is acceptable.

Approved: Rachel Flowers, Director of Public Health.

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**CONTACT OFFICER:**

Leanne Bobb, Category Manager, Public Health & Prevention, Tel: 07729 622898

Karen Handy, Senior Commissioning Officer, Public Health & Prevention, Tel: 07436034280

**BACKGROUND DOCUMENTS:**

None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

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