

## Cabinet

Meeting held on Monday, 12 July 2021 at 6.30 pm in Council Chamber, Town Hall,  
Katharine Street, CR0 1NX

### MINUTES

**Present:** Councillor Hamida Ali, Stuart King, Muhammad Ali, Alisa Flemming, Patricia Hay-Justice, Oliver Lewis, Manju Shahul-Hameed and Callton Young

**Also Present:** Councillor Janet Campbell, Jason Perry, Jason Cummings, Lynne Hale, Simon Hoar, Yvette Hopley, Helen Redfern, Scott Roche, Andy Stranack, Gareth Streeter, Sean Fitzsimons, Robert Ward, Jerry Fitzpatrick, Mario Creatura, Jeet Bains, Nina Degrad, David Wood, Louisa Woodley, Patsy Cummings, Stephen Mann, Leila Ben-Hassel, Margaret Bird and Maddie Henson

**Officers:** Doutimi Aseh (Interim Director Law & Governance)  
Chris Buss (Interim Director of Finance, Investment & Risk and Section 151 Officer)  
Bianca Byrne (Head of Commissioning & Procurement)  
Matthew Davis (Deputy Section 151 Officer)  
Sarah Hayward (Interim Executive Director Place)  
Asmat Hussain (Interim Executive Director Resources)  
Elaine Jackson (Interim Assistant Chief Executive)  
Debbie Jones (Interim Executive Director Children, Families & Education)  
Katherine Kerswell (Interim Chief Executive)  
Alison Knight (Interim Executive Director Housing)  
Annette McPartland (Director of Operations)  
Nish Popat (Head of Corporate Finance)  
Rachel Soni (Director of Commissioning and Procurement)  
Stephen Wingrave (Head of Asset Management and Estates)

### PART A

The Leader of the Council (Councillor Hamida Ali) began the meeting by the raising the tragic homicides of two 16 year old boys in recent weeks which had left the community shocked and in mourning. It was stated the thoughts and prayers of all were with their families and friends.

Members were informed that the Leader and Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) had been in close contact with the Police and had spoken with the Deputy Mayor for Policing & Crime (Sophie Lindell) to raise their concerns and to discuss the situation. Furthermore, the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) had joined a local community meeting earlier that day for those who had been affected.

The Leader informed Members that there would be enhanced policy patrols in operation and outreach and youth engagement officers alongside Neighbourhood Safety Officers were out and peaking with people. Additionally counselling and drop in sessions were being arranged to provide off the record support. Everyone working in schools, community partners and officers were thanked for coming together to provide support and reassurance to local communities.

The Leader stated that all welcomed the arrests which had been made in relation to both incidents but stressed that all involved would be questioning what more could have been done to avoid such tragedies. The council's focus was on partnership work with its communities and its work with the Police would be focused on prevention as it was stressed that this could not happen again.

The council was working with Mayor of London and the Mayor's Office of Policing & Crime and other partners to ensure that any additional funding could be utilised to ensure young people were supported, especially when faced with such trauma.

It was stressed that it was a difficult time for the communities of Croydon but it was recognised that the community response demonstrated that the most important aspect was for everyone to work together.

The Shadow Cabinet Member for Communities, Safety & Business Recovery (Councillor Andy Stranack) passed on his condolences to the families and friends of the two 16 year olds. He reflected that he went into politics after a young people he had worked with had been stabbed to death and that it was truly upsetting to be speaking of more homicides.

The Shadow Cabinet Member reported that there was a fear in the community that this marked the beginning of a summer of knife gang crime across the borough and called for a Community Safety Strategy to be developed with partners within the following 30 days which set out how the epidemic would be tackled. Additionally, he supported the purchase of mobile knife arches for the Police to deploy across the borough to ensure the summer was a safe one for all residents.

The Leader confirmed that it remained a priority of the council to work with the Police and communities on tackling serious youth violence and knife crime. Members were advised that community and statutory partners were meeting the following week to ensure they were working together to address the concerns raised. It was stressed that it was important that all involved continued to work together and shared information.

In response to the call for the development of a Community Safety Strategy, the Cabinet Member for Communities, Safety & Business Recovery stated that a new Strategy was being developed and discussions were ongoing with the community and voluntary sector.

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### **Minutes of previous meetings**

The part A minutes of the Cabinet meetings held on 17 May 2021 and 7 June 2021 were agreed. The Leader of the Council signed the minutes as accurate records.

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### **Disclosure of Interests**

There were none.

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

There were no items of urgent business.

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### **Ongoing Review of Brick by Brick Croydon Ltd and the future of the company**

The Leader of the Council (Councillor Hamida Ali) reflected that Cabinet had considered and deliberated the future of Brick by Brick at previous meetings in November 2020 and February 2021. It was stated that the meeting would determine the way forward for the company with the recommendation being that the council should reject the offer which had been received and should proceed with the build out of 23 sites and sell six sites.

It was noted by the Leader that the build out of the sites should complete that financial year with only two going beyond that date and one completing in February 2023.

The Leader felt that the decision before Cabinet was one of a balance between risk and return. It was noted that the analysis contained within the report argued that higher levels of risks could be mitigated and that the council should pursue the higher levels of return which were available. The fact that there was no risk free option was highlighted.

It was reflected that the guiding principles that have underpinned the council's response to addressing its financial resilience had been to reduce the risk appetite and to maximise the return on the public's investment, however with the decision in terms of the future of Brick by Brick the Leader felt that those two principles came into conflict and it was important that Cabinet came to a decision as to the best option of the two.

The Leader noted that there was greater risks pursuing the build out option, but that the greater certainty and lower risks of agreeing the bid came at a price and would potentially secure less of the money invested by the council. External analysis by PwC and Savilles had been undertaken which had evaluated what the price difference would be.

Members were informed that the recommendation contained within the report sought to secure the best return for the council's investment and noted that almost 800 new homes will have been delivered, with over 50% of the homes being affordable. Whilst it was recognised that the recommendation involved greater risk, that risk would be offset by introducing additional support which had been budgeted for within the analysis. The Leader stressed that the council had striven to establish the best value from the investment in Brick by Brick for residents.

The Leader thanked all those involved in the work; including the Interim Director of Finance, Investment & Risk (Chris Buss), the Chief Executive (Katherine Kerswell), external consultants and the Improvement & Assurance Panel.

The Chair of Scrutiny & Overview Committee (SOC) (Councillor Sean Fitzsimons) informed Members that a meeting of Scrutiny had taken place on 6 July 2021 to review the Cabinet report and to receive a briefing from the Interim Director of Finance, Investment & Risk. Cabinet were informed that when Scrutiny review the report, the Committee had focussed on three key areas; officer confidence in the valuations provided, the evaluation of the risks to the council presented by the two options, and whether there were alternative options which needed further explanation. Questions were asked of the Leader and the Interim Director of Finance, Investment & Risk on all three areas to gain reassurance that all areas had been given proper consideration.

In relation to the valuations provided in the report, the Chair of SOC advised that the Committee were satisfied with the explanation provided as to the method used to calculate the valuation. Additionally, Members were reasonably satisfied that the build out option presented the greater risk to the council, but it was recognised that there was potentially greater financial return for the council if it pursued the build out option. It was reported that the Committee received reassurance that the third party and council were managing the additional risk by appointing recognised companies to provide technical support to Brick by Brick to complete the build out of the final 23 sites.

Cabinet were advised that a potential issue had been raised by a ward councillor as to whether the council should proceed with the sale of the Brelgrave and Grosvenor site due to the potential need for wider redevelopment in the area. The Chair of SOC as stated that the Committee had requested to see the monthly monitoring to ensure it covered all of the risks identified within the report.

The Chair of SOC concluded by highlighting the quality of the report; whilst it was a technical report, Members of the Committee felt that it had been set out clearly and was informative. On balance, it was reported, the Committee was broadly supportive of the recommendation although it was recognised that it was a matter of balancing risk and reward.

The Cabinet Member for Croydon Renewal (Councillor Stuart King) reflected that he felt the bid document was a little weak and it was felt that insufficient progress had been made in terms of due diligence. Furthermore, concerns were raised that the cash return from the sale of Brick by Brick did not look particularly advantageous in terms of the timeframe involved. Whilst the sale was the lower risk option, the Cabinet Member stated that risks would still need to be managed.

It was noted by the Cabinet Member that expert external advice had been sought which counselled against the sale option and it was stated that the advice should be reflected upon when making a decision on the future of Brick by Brick.

In terms of the build out option, the Cabinet Member stated that whilst it was potentially the better financial option for the council, there were different and often greater risks associated with the option. In light of this, the Cabinet Member queried who would be managing the client role with Brick by Brick and would ensure the professional support was brought in to ensure the financial outcome was achieved. Furthermore, the Cabinet Member queried whether there were any potential operating costs within Brick by Brick which could be removed and whether officers were confident that Brick by Brick could trade in a manner which was consistent with company obligations.

In response, the Interim Director of Finance, Investment & Risk advised that there were risks associated with Brick by Brick continuing to operate as the council would not want any directors to be run the risk of trading whilst insolvent. Legal advice had been sought on this matter and it was suggested that the council should offer certain guarantees that it would not stop funding the company. As such, a letter of comfort, of similar, could be issued to state the council would continue to honour the loans made to the company.

In terms of the operating costs, the Interim Director advised that allowances had been made within the estimates. Brick by Brick directors would be ensuring that overall management costs in the company were minimised whilst providing the most effective service possible.

It was highlighted by the Interim Director that the PwC report in November 2020 had identified that the council had not effectively managed its relationship with Brick by Brick. Members were advised that under the new staff structure of the council the Section 151 Officer would have overall responsibility for a number of areas including managing the council's relationship with its companies, including Brick by Brick. The Interim Director advised that under the Section 151 Officer there should be a specific post that manages the day to day relationship as the company was run down.

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) noted that paragraph 3.15 of the report listed the associated risks with the recommended approach and sought assurance that appropriate measures would be put in place to manage those risk, including a mitigation plan. Additionally, the Cabinet Member queried whether the appointment of the professional support for the build out would be a decision of Brick by Brick or the council. In response, the Interim Director advised that any operational decision rested with the directors of the company and the council's role as funder and shareholder was to provide advice and support when they were making that decision.

The Deputy Cabinet Member for Families, Health & Social Care (Councillor Stephen Mann) stated that it was a vitally important report for the council to get for residents and for the communities which were being created through the developments. He suggested that it was important that strategies were developed for the sites which were being transferred back to the council as time was running out for the planning consents and residents were querying what would happen to the sites. In light of this, the Deputy Cabinet Member queried whether there was effective community engagement to ensure communities were kept abreast of the information. Furthermore, the original principle of setting up Brick by Brick was highlighted and the Deputy Cabinet Member queried whether the six sites being returned to the council should be considered for alternative development options, such as community land trusts.

The Leader noted that the Cabinet had made a decision in February 2021 to not pursue a number of sites and those 40 sites were part of a review by the council which would be reported to Cabinet in autumn 2021, as the final decision on what to do with those sites was a Cabinet decision.

In terms of alternative development options for the remaining sites, the Leader noted that the return of the sites was predicated on the sale of sites. The Interim Director further advised that for every site not sold increased the amount of money which the council would not receive as the investment made by the council would be used to secure planning permission.

The Interim Director noted that the Belgrave and Grosvenor site was, however, slightly different as a stock survey was being undertaken on the neighbouring blocks. That survey, Members were advised, may suggest that the neighbouring blocks were too expensive to maintain and thus a redevelopment of the whole site, including the site which Brick by Brick had previously been due to develop, should be considered by the council. As such, the Interim Director advised that deferring the decision for that site was appropriate to understand the wider context.

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) raised concerns in relation to the timescales for the six sites as at some of those sites boarding had been erected which had reduced the amount of space available to residents. It was felt that narrow footpaths or restricted access of cycle storages could be accepted whilst a development was ongoing, but due to the uncertainty of the sites communication was required with the local residents so they understood the timescales.

The Interim Director advised that it was in the council's interests to receive the capital receipts as soon as possible and subject to the Cabinet decision, officers would work with Brick by Brick to market the sites as quickly as possible. It was noted that there were some issues in terms of curtilage and should there be issues of access these would be looked at.

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) noted that the council was seeking to achieve best value and to listen to the professional advice which had been sought. It was felt that the report from Savilles was optimistic, and the Cabinet Member queried whether he would be best placed to be more cautious or to follow the professional advice. Whilst the Cabinet Member was in favour of the build out option, he stressed that he wanted to ensure best value for residents.

Members were advised by the Interim Director that the advice received in February had been from a firm of accountants and the subsequent advice was for a firm more specialised in the building markets and so could give a clearer idea of the build out option. In February it was felt that it might be possible to recover cost invested, but having received professional advice this appeared to be less credible.

The Leader of the Opposition (Councillor Jason Perry) noted that the options before Cabinet maintained a large risks to the council and council taxpayers. It was stated that the best case scenario was a cost of £26 million to taxpayers, whilst a worst case scenario saw the figure rise to £53 million. However, the Leader of the Opposition stated that those figures did not include the costs of the refurbishment of Fairfield Halls at £73 million. Concerns were raised that the council had squandered money and blighted a number of communities across the borough with developments. To this end, the Leader of the Opposition queried how people could trust the council to effectively manage the ongoing risks.

In response, the Leader of the Council stated the work to address the future of Brick by Brick had been driven by making the right decision in terms of the investment made by residents via the council. The importance of the deliberation of ensuring the best result for Croydon taxpayers was highlighted by the Leader. It was recognised that the recommendation before Cabinet carried greater risks but how the council would manage that risk was contained within the report. In terms of the Fairfield Halls, Members were advised that it was being treated separately as part of the capital programme.

The Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) noted the potential financial loss from the sale and the higher risks of the build out option, however given the council's financial management in previous years he queried whether anyone could have faith that the risks would be appropriately managed.

The Leader responded by stated that she felt the current administration had consistently demonstrated a significant risk appetite and were led by the two guiding principles of reducing risk and maximising return for Croydon taxpayers. She highlighted that a report due to be considered later in the agenda reported an 80% reduction in the capital programme

which showed a shift in approach at the council to ensure best value for Croydon residents.

In light of the recommendations of the Scrutiny & Overview Committee, Cabinet amended recommendation of the two of the report to defer the sale of the Belgrave and Grosvenor site subject to the completion of a stock survey and for the final decision to be taken by Cabinet at a future meeting.

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

Cabinet **RESOLVED** (acting, where relevant, on behalf of the Council exercising its functions as sole shareholder of Brick by Brick Croydon Ltd) to:

1. Reject the offer for the purchase of Brick by Brick (Croydon) Ltd.
2. It was agreed that a modified build out scenario of 23 sites will be implemented and to note that in order to deliver that, Brick by Brick will require additional management and technical support, the costs of which are factored into the costs shown in this report and as further consequence of this decision that Brick by Brick will return 5 sites to the Council on the basis that they will be marketed for sale (and on the basis that site ownership will either remain with Brick by Brick or transfer to the Council, whichever is most efficient for maximizing value or the efficiency of the sale process). The remaining site of Belgrave and Grosvenor to be deferred pending the completion of the stock survey being undertaken in adjoining council buildings and to be brought to a future Cabinet meeting for final consideration.
3. Agree that the decisions made under this Report shall take effect as amendments to the current Business Plan of Brick by Brick (and as a shareholder decision under the Articles of the company). In addition, and also as shareholder, the Council will require Brick by Brick to issue monthly reports to the Council to update on its financial position, progress with development of sites, sales, any key contractual issues and any other relevant matter (as needed). Such reports are to be presented to the Cabinet on a quarterly basis.
4. Confirm that, in accordance with the February Cabinet report, sales receipts may continue to be recycled by Brick by Brick and agree that the S151 Officer, in consultation with the Chief Executive and Monitoring Officer be given authority to approve those ad-hoc sales receipt recycling requests from Brick by Brick, up to a total amount of £5m in any one transaction and following the terms of the consolidated loan agreement, reporting on a quarterly basis to Cabinet.

5. Delegate authority to the Section 151 Officer, in consultation with the Chief Executive and Monitoring Officer, to make any necessary formal shareholder resolutions in order to give effect to the above recommendations and to authorise the entering into any of the necessary formal legal documentation that arise as a consequence (including (i) to confirm the appointment of consultants to provide the necessary additional management and technical support, and (ii) in respect of the sale of the 6 sites, as are referred to in recommendation 2).
6. Delegate authority to the Section 151 Officer, in consultation with the Chief Executive and Monitoring Officer, to vary the loan agreement in respect of the sites returned to the Council sites (subject to SDLT and various other tax advice) and with any such modifications being reported in the quarterly report to Cabinet.
7. Otherwise note the progress made with regard to Brick by Brick.
8. To thank the Improvement and Assurance Panel for their advice and support in the production of the report.

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### **Financial Performance Report - Outturn 2020/1**

The Cabinet Member for Croydon Renewal (Councillor Stuart King) informed Members that the report set out the council's outturn performance for the 2020/21 financial year, which was subject to external audit. The report set out there was an overspend of £66 million against the council's budget, which was within the £70 million capitalisation direction. As a result, the Cabinet Member stated the council would not need to borrow the full £70 million which generated a savings on the general fund budget from reduced interest rates.

The Cabinet Member highlighted the improvements towards the end of the year with a £1.4 million improvement on the Period 11 position following a £1.8 million improvement in period 10. Furthermore, it was noted that considerable savings of 80% had been made in the council's capital programme following a review to ensure affordability. This reduction in spending had reduced the council's borrowing requirement by £240 million.

It was also noted by the Cabinet Member that covid-19 had a devastating impact on families across Croydon and the council's budget. The report set out that the pandemic had cost the council £76 million in the previous year, of which £33 million had been recovered from government funding.

The Cabinet Member informed Members that the council's reserves were at £27.5 million, which was the highest level for a considerable period of time and was important given the uncertain times in the months and years ahead.

The Cabinet Member for Communities, Safety & Business Recovery (Councillor Manju Shahul-Hameed) noted that the delivery of the capital programme had been significantly impacted by the effects of covid-19. It was suggested that departments had requested that unspent budgets in 2020/21 were rolled forward to the 2021/22 capital programmes, and the Cabinet Member queried whether this would happen. In response, the Cabinet Member stated that it would be a decision of Cabinet to decide on the capital programme and that affordability would be central decisions.

Members were advised by the Interim Director of Finance, Investment & Risk (Chris Buss) that the figure of £74 million in appendix one of the report was the figure which would be added to the capital programme, subject to Cabinet approval. A subsequent review of the capital programme would be undertaken which would be considered by Cabinet at a future meeting.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) welcomed the improved outturn position but stressed that there remained a £66 million overspend. Concerns were raised in terms of the tone of the report, with the Shadow Cabinet Member stating that he felt a mistake of the previous administration had been to spend too much explaining external factors rather than focussing on internal factors which were in the council's control. Whilst it was recognised by the Shadow Cabinet Member that covid-19 had a significant impact on the council's finances it was felt that the tone of the report could be seen as deflecting the blame.

It was noted that there were £22.2 million of undelivered savings listed as an impact of covid-19, however the Shadow Cabinet Member queried whether it was a reasonable figure to include and how likely it was that the council would have delivered those savings. Furthermore it was noted that there had been significant underspend in the capital programme, and the Shadow Cabinet Member queried whether the Minimum Revenue Provision (MRP) requirements and interest payments been netted off. In response, the Interim Director advised that the interest had been netted off. In terms of the MRP, Members were advised that there would have been little impact on the MRP but that there would be a positive impact on 2021/22 accounts.

In terms of the £22 million savings, the council had assumed those savings would be achieved however it had become apparent those savings could not be achieved, largely due to the impact of covid-19. It was noted that a number of councils in London were in similar positions and had applied undelivered savings to the cost of covid-19.

In response to statements in relation to the reduction to the capital programme, the Cabinet Member confirmed that some aspects of the programme had been reduced in response to covid-19, but that there had been conscious political decisions also.

The Leader further queried the assessment of the Shadow Cabinet Member that there was a change in tone of the reports, and stated that she did not feel that the report was overoptimistic nor over explained external factors.

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

**RESOLVED: To**

1. Note the draft outturn for the General Fund for 2020/21 being £65.8m over approved budget, which is a £1.4m improvement on the Period 11 position previously reported to Cabinet on 7<sup>th</sup> June;
2. Note the forecast level of closing General Fund general reserves as £27.5m - after taking into account likely adjustments to the levels brought forward as part of the work to finalise the 2019/20 accounts audit process, and which is in line with the assumptions set out in the approved 2021/22 Budget and Medium Term Financial Strategy of March 2021;
3. Note the forecast outturn and level of HRA balances carried forward;
4. Note the draft General Fund capital outturn position for 2020/21;
5. Note the draft HRA capital outturn position for 2020/21; and
6. Approve the roll-forward of capital underspends into the 2021/22 Capital Programme for both the General Fund and HRA as set out in Tables 4 and 5.

101/21

**Croydon's General Fund Medium Term Financial Strategy (MTFS) Update**

The Cabinet Member for Croydon Renewal (Councillor Stuart King) stated the report added 2024/25 to the MTFS which would ensure the council had a three year rolling MTFS. It was highlighted that uncertainty was central as the government only issued government settlements on an annual basis, furthermore the second part of the council's request for a capitalisation direction had not yet been confirmed.

The Cabinet Member further highlighted the uncertainty in terms of the Adult Social Care levy and the long term impact of covid-19 on the Croydon economy and service demand. In light, of those uncertainties the Cabinet Member stated the council could only make prudent assumptions which were contained in the report. Additionally, it was highlighted that it remained important that the council continued to build its reserves to ensure it was able to face future challenges.

The Shadow Cabinet Member for Croydon Renewal (Councillor Jason Cummings) shared his frustration that the government did not provide details of the settlement in advance which made it challenging to produce an MTFs. It was noted, however, that references had been made during the meeting to increases in the reserves however the Shadow Cabinet Member stated that the money in reserves had been effectively borrowed.

Questions were asked in terms of how planning and identifications of future savings and whether there were any early indications of where those savings would be found. In response, the Cabinet Member confirmed that he, the Cabinet Member for Resources & Financial Governance (Councillor Callton Young) and officers were working on identifying savings at a departmental level. Additionally, activity was ongoing within departments and a root and branch review of corporate savings was ongoing. It was suggested that a report would be taken to Cabinet at the mid-year point which would provide some detail.

Concerns were raised by the Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) that more staff would be made redundant as part of the £38.2 million savings in 2022/23. He queried whether any analysis had been undertaken to identify the base minimum number of officers required to ensure the council continued to function.

The Cabinet Member for Resources & Financial Governance informed Members that as well as a top down approach, there had been a horizontal approach to identifying savings. The Cabinet Member highlighted that the council's contracts had a total value of £375 million and all contracts were being reviewed to identify savings. Furthermore, expert advice was being sought, both externally and from the Assurance and Improvement Panel.

It was noted that at paragraph 5.5 of the report there were references to inflationary increases and the Cabinet Member for Homes (Councillor Patricia Hay-Justice) queried what guidance was being used to identify the figures. In response, the Interim Director of Finance, Investment & Risk (Chris Buss) advised that the Consumer Price Index was used and it was felt that there would be 2% increase over the year. In terms of wage increases, Members were advised that the offer that employers had made to employees was below the figure in the report but it was not known what the final figure would be.

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

**RESOLVED: To**

1. Note the unaudited closing reserve balance for 2020/21 being brought forward to 2021/22.

2. Notes that this report now includes a projection for Budget Position in 2024/25 and also notes Budget Gap for Financial Years 2022/23 to 2024/25.
3. Notes that the Council will not receive any confirmation from MHCLG on its £25m request for Capitalisation Direction for 2022/23 until later in this financial year. The budget gap without any capitalisation direction stands at £63.27m for 2022/23 assuming that proposed savings agreed in March 2021 are agreed of £24million
4. Note that the Budget for 2022/23 to 2024/25 is projected based on Council Tax growth being 1.99% for general increase and 2% growth in the Council Tax Base. No increases in Business Rate growth assumed.
5. Note that a further Budget Update report will be brought to Cabinet in November 2021.

102/21

### **Housing Ombudsman Self-Assessment and Complaint Handling Failure Order**

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

The Cabinet Member for Homes (Councillor Patricia Hay-Justice) informed Cabinet that the Housing Ombudsman introduced a new complaint handling code in July 2020 which required all councils to conduct a self-assessment by 31 December 2020. The council had completed the self-assessment in November 2020, however it was not presented to Cabinet and published on the council's website as was required by the Housing Ombudsman.

Members were informed that the self-assessment which had been completed in November 2020 had been updated to incorporate additional improvements and actions taken following the incidents at Regina Road. The Interim Executive Director of Housing (Alison Knight) advised Members that the self-assessment covered up until December 2020, with some additional information, however a full reassessment was required to reflect the Housing Improvement Plan. The new self-assessment would be taken to scrutiny later that year and would include data from 2020/21.

Concerns were raised by the Shadow Cabinet Member for Homes (Councillor Lynne Hale) in terms of the accuracy of the information provided. It was noted that it was a hybrid assessment, as it had been completed in the previous year and had been updated following the Ark report, and that a full reassessment was required. The Shadow Cabinet Member, however, expressed concern that it felt too soon for the council to conduct a self-assessment as she felt there was insufficient evidence. It was noted that paragraph 4.6 of the Housing Ombudsman Code stated

the Ombudsman may require sight of the evidence used, but it was felt that there was no evidence.

It was noted that the Ark report had identified failings in the management of data and complaint handling, and so the Shadow Cabinet Member queried how the council knew the number of complaints received the outcomes of those complaints. To that end, the Shadow Cabinet Member queried what data had been used and stated that it would be helpful for the evidence to be set out in the report.

In response, the Leader of the Council (Councillor Hamida Ali) highlighted that the report was retrospective and contained data up until December 2020 and that a full reassessment would be undertaken. The Cabinet Member for Homes reiterated that the report was retrospective, but agreed that evidence should be added to the report in future.

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

**RESOLVED:** To approve the contents of the Housing Complaints Self Assessment, as per Appendix 1 of the report, in order for the assessment to be publicised on the Local Authority website.

103/21

### **Scrutiny Stage 1: Recommendations from Scrutiny**

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

**RESOLVED:** To receive the recommendations arising from meeting of the Scrutiny & Overview Committee held on 27 May 2021 and to provide a substantive response within two months (i.e. at the next available Cabinet meeting on 16 August 2021).

104/21

### **Scrutiny Stage 2: Responses to recommendations from Scrutiny**

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.

105/21

### **Investing in our Borough**

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) highlighted the delegated decisions which had been made by Cabinet Members and by the Director of Commissioning & Procurement (Rachel Soni).

The Shadow Cabinet Member for Communities, Safety & Business Recovery (Councillor Andy Stranack) raised concerns that the background document on Interim Asset Disposals gave control to significant areas of greenbelt to outside organisations and partners, and that this risk had not been properly considered. Furthermore, it was noted that the consultation on the Heathfield House proposals had closed on Friday and the Shadow Cabinet Member queried whether there was an update following that consultation ending.

In response, the Head of Asset Management & Estates (Stephen Wingrave) stated that 75 comments had been received in response to the notice placed, with most raising concerns in relation to school children and conservation volunteer access to the site. Members were advised that the council were working with the Ecology Centre to established a solution to those concerns and were assured that the council considered all comments received.

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

**RESOLVED:** To note

1. The request for approval of the Substance Misuse Contract Award as set out at agenda item 11a and section 5.1.1 of the report.
2. The request for approval of the Arboricultural Services Contract Variation as set out at agenda item 11b and section 5.1.1 of the report.
3. The request for approval of the Public Health Nursing Contract Award as set out at agenda item 11c, and section 5.2.1 of the report;
4. The contracts between £500,000 and £5,000,000 anticipated to be awarded under delegated authority from the Leader by the nominated Cabinet Member, in consultation with the Cabinet Member for Resources and Financial Governance and with the Leader in certain circumstances, before the next meeting of Cabinet, as set out in section 5.3.1 of the report.
5. The list of delegated award decisions made by the Director of Commissioning and Procurement since the last meeting of Cabinet, as set out in section 5.3.2 of the report.
6. Property lettings, acquisitions and disposals to be agreed by the Cabinet Member for Resources and Financial Governance in consultation with the Leader since the last meeting of Cabinet, as set out in section 5.4.1 of the report.

## Integrated Drug & Alcohol Treatment Service

The Cabinet Member for Resources & Financial Governance highlighted the impact of drugs and alcohol, including the widespread impact on crime, domestic violence, sickness, absence. In 2020, it was reported that an assessment had found in Croydon there was a higher level on unmet need in the borough and the report sought approval for the award of a contract for drug and alcohol misuse treatment and recovery service.

The new service, it was stated, would provide recovery focused care pathways for both adults and young people. Additionally, there would be preventative elements with targeted early intervention and support and training for the wider workforce. The Cabinet Member informed Members that the budget for the service was funded through external ring fenced public health funding.

The Cabinet Member for Families, Health & Social Care (Councillor Janet Campbell) noted that the contract had been designed to provide flexible models to provide for a scalable service and further efficiency reviews to ensure optimum benefits were delivered. It was stressed that the aim of the contract was to ensure people were getting the treatment and care required. It was further highlighted by the Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) that the contract was fundamental to the work of adult and children social care and ensuring people had fast access to services was crucial.

The Shadow Cabinet Member for Resources & Financial Governance (Councillor Simon Hoar) and Councillor Margaret Bird welcomed the contract being combined, but stressed that it was important that underlying concerns which had previously been raised were addressed and that the contract would have improved outcomes for residents.

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

### **RESOLVED: To**

1. Approve the award in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the Integrated Drug and Alcohol Treatment Service for Adults and Young People to the **Supplier** (identified in Part B of this report) for a contract term of 5 years for a maximum contract value stated in the part B report.
2. Note that the contract award includes the provision for delivery of services (additional to core services) which are funded by the time-limited grants from the Mayor's Office for Policing and Crime (MOPAC) and the Ministry of Housing, Communities and Local Government (MHCLG) referred to in the Financial Impact section of the report.

107/21

### **Arboricultural Services Contract Variation**

The Cabinet Member for Resources & Financial Governance (Councillor Callton Young) informed Members that the arboricultural services had been delivered by a supply chain partner since 2008 and that a contract extension was required to December 2021 which would allow time for the council to go out to procurement for the service. It was highlighted that during the extension period work would consist of only emergency and essential works only to ensure the council's compliance and duty of care.

The Cabinet Member for Sustainable Croydon (Councillor Muhammad Ali) stated the short extension would allow the council to mitigate the risk of any potential legal challenge but would allow the council time to develop a business case and procurement strategy for a more substantive long term contract. It was stated that future contract arrangements would deliver value for money and would better reflect the council's current and emerging social value requirements.

The Shadow Cabinet Member for Sustainable Croydon (Councillor Scott Roche) queried what the impact of emergency maintenance would be on issues such as overhanging trees on pathways and public spaces, as concerns were raised in terms of the impact on disabled access. Additionally, concerns were raised in relation to trees which would be at risk of causing damage during storms.

In response, the Cabinet Member for Sustainable Croydon stated the current contract was subject to terms and conditions, however stressed that the longer term solution would better reflect the council's financial situation and revised service delivery. It was stated the Cabinet Member felt that a good quality of service was being delivered.

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

**RESOLVED:** To the extension by way of variation of the contract for Specialist Arboricultural works with City Suburban Tree Surgeons Limited for nine (9) months from 1st April 2021 to 31st December 2021 at a value of £400,000 (maximum contract value, including this proposed extension will be £9,221,369).

108/21

### **Section 75 Partnership Agreement for Public Health Nursing**

Members were informed that lead authorities for Public Health were responsible for commissioning healthy children programmes and the purpose of the report was to seek permission to enter into a Section 75 Agreement under the NHS Act 2006 to deliver the programme. It was noted by the Cabinet Member for Resources & Financial Governance (Councillor Callton Young) that the report recommended a contract period of a maximum of seven years, however concerns were raised that this

would be too long and a contract of two years plus a one year extension would enable the agreement to be reviewed and changes implemented sooner. Councillor Young proposed the recommendations be amended to read an initial term of two years and an extension period of one year.

The Cabinet Member for Children, Young People & Learning (Councillor Alisa Flemming) seconded the amendment as it was stressed that the contract was very important in terms of ensuring good services for children and young people in the borough. It was highlighted that it was important to monitor early indicators of health needs in young people.

Cabinet agreed the amendment to the recommendation to an initial term of 2 years with an extension period of 1 year to enable the Council to review the performance of the service in light of the recovery post covid-19. This sought to ensure the best service for the young people in Croydon.

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

**RESOLVED:** To approve entering into a Section 75 Agreement in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for Public Health Nursing to Croydon Health Services NHS Trust (CHS) for an initial term of 2 years commencing 1 August 2021 with an extension period of 1 year for a maximum agreement value of £6.107m per year, plus inflationary costs, plus additional investment of £350k from year 2.

109/21      **Exclusion of the Press and Public**

This item was not required.

110/21      **Ongoing Review of Brick by Brick Croydon Ltd and the future of the company**

The decisions were taken with Part A of the meeting and are set out at minute number 99/21.

111/21      **Integrated Drug & Alcohol Treatment Service**

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

**RESOLVED:** To

1. Approve the award in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the Integrated Drug and Alcohol Treatment Service for Adults and Young People to the **Supplier** (identified in Part B of this report) for a contract term of 5 years for a maximum contract value stated in the part B

report.

2. Note that the contract award includes the provision for delivery of services (additional to core services) which are funded by the time-limited grants from the Mayor's Office for Policing and Crime (MOPAC) and the Ministry of Housing, Communities and Local Government (MHCLG) referred to in the Financial Impact section of the report.

The meeting ended at 8.30 pm