

Scrutiny & Overview Committee Agenda



To: Councillor Sean Fitzsimons (Chair), Councillor Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy Chair), Shafi Khan, Oni Oviri and Joy Prince.

Reserve Members: Jeet Bains, Robert Canning, Richard Chatterjee, Pat Clouder, Mary Croos and Clive Fraser

A meeting of the **Scrutiny & Overview Committee** which you are hereby summoned to attend, will be held on **Tuesday, 6 July 2021** at **6.30 pm**. **This meeting will be held remotely.**

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Monday, 28 June 2021

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If you require any assistance, please contact Simon Trevaskis 0208 7266000 as detailed above.

AGENDA – PART A

1. Apologies for Absence

To receive any apologies for absence from any members of the Committee.

2. Minutes of the Previous Meeting (Pages 5 - 84)

The Scrutiny & Overview Committee is asked to approve the minutes of its meetings held on the following dates as an accurate record:-

- 17 November 2020
- 8 December 2020
- 21 December 2020
- 7 January 2021
- 4 February 2021
- 9 February 2021 (to follow)
- 16 February 2021
- 23 March 2021
- 30 March 2021
- 20 May 2021

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. Ongoing Review of Brick by Brick Croydon Ltd and the Future of the Company.

Report to follow.

6. Scrutiny & Overview Committee Work Programme 2021-22 (Pages 85 - 88)

The Scrutiny & Overview Committee is asked to:-

1. Note the current position of its Work Programme for 2021-22,
2. To consider whether there are any other items that could be added to the work programme.

7. Scrutiny Recommendations: Cabinet Response (Pages 89 - 104)

The Scrutiny & Overview Committee is asked to review the response given by the Cabinet to recommendations made by the Committee and consider whether any further action is necessary.

8. Scrutiny Information Requests - Brick by Brick & Fairfield Halls (Pages 105 - 112)

The Scrutiny & Overview Committee is asked to note the response to the information requested.

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

10. Ongoing Review of Brick by Brick Croydon Ltd and the Future of the Company.

Report to follow.

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Public Document Pack Agenda Item 2

Scrutiny & Overview Committee

Meeting held on Tuesday, 17 November 2020 at 6.30 pm. This meeting was held remotely via Microsoft Teams

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillor Robert Ward (Vice-Chair) and Councillor Leila Ben-Hassel (Vice-Chair);
Councillors Jerry Fitzpatrick, Oni Oviri and Joy Prince

Also Present: Councillor Hamida Ali, Leader of the Council
Councillor Stuart King, Deputy Leader
Councillor Shafi Khan,
Councillor Louisa Woodley
Councillor Jason Cummings
Katherine Kerswell, Interim Chief Executive
Elaine Jackson, Interim Assistant Chief Executive
Jacqueline Harris-Baker, Executive Director of Resources
Lisa Taylor – Director of Finance and S115 Officer

Apologies: None

PART A

37/20 Minutes of the Previous Meeting

The minutes of the meetings held on 22 July and 25 August 2020 were agreed as an accurate record.

38/20 Disclosure of Interests

There were none.

39/20 Urgent Business (if any)

There were no items of urgent business.

40/20 Croydon Renewal Plan Update

The Chief Executive of Croydon Council and the Leader of the Council outlined the details of the Croydon Renewal Plan in a [Presentation](#)

Following the presentation, Members were given the opportunity to ask questions.

Reassurance was sought from officers that going forward a higher level of care would be taken to ensure that risks were identified and appropriate mitigation put in place during the development of planned savings to prevent any repetition of past mistakes. Officers reassured Members that they were working diligently on testing proposed savings options to feed into the financial strategy. Extensive work was being undertaken with budget managers responsible for forecasting to ensure that extra care was being taken which included monthly budget monitoring. Rigorous development was also underway on the plan for lost income to ensure that the recovery plan was deliverable.

The Cabinet Member for Finance and Resources added that whilst it was unfortunate that a significant proportion of the identified savings had been double counted, once identified, corrections had been made immediately. Extra resources had now been pooled into that department to mitigate against the possibility of similar errors being made in the future.

A Member highlighted that the description of the culture of emerging policies alluded that Councillors could play a formative role in shaping of the policies and asked what this meant. Officers advised that they had listened to both Members and the Leaders' request for greater involvement in shaping policies. The early dialogue and engagement with councillors and staff had been beneficial in exploring improvements to culture which would be good for governance.

In response to a question on the timing of the different reviews that were taking place alongside the renewal plan, the Leader said that all reviews were currently on track to be finalised shortly with recommendations being written. Strategic reviews had been commissioned to look in greater depth at specific work streams such as Brick by Brick and Croydon Affordable Homes with a paper due to be presented to the next Cabinet meeting to share work to date and initial analysis, with further work needed to identify the next steps. It was acknowledged that more work was needed on the Capital Programme Review which was due to be presented at the November meeting.

A Member questioned the extensiveness of the process for identifying savings proposals, including whether there was sufficient challenge and public consultation. The Leader responded that in terms of the savings proposals, there would be a number of areas that required consultation and the principles of co-design would further explore how to seek public responses in processes.

It was further questioned how the Council would seek to demonstrate to the Ministry of Housing Communities and Local Government (MCLG) that there was a thorough understanding of the financial challenge to give confidence that the capital directive would not leave room for underestimating of the Councils' requirements. The Cabinet Member advised that officers were challenging budget assumptions and using a number of techniques to test their understanding of the financial position and the robustness of the action plans. Lead Members were taking responsibility to test proposals and seek

assurance on deliverability and through the independent improvement board, there was further opportunity to test and triangulate plans and policies put forward.

The Chief Executive added that MHCLG would also be asking themselves the same question when they receive the Councils proposals and would look in detail at the operation of the organisation and its internal controls. The goals set by the organisation took effect immediately with the programme designed to be open to challenge from MHCLG and the independently chaired improvement board, as well as councillors.

Additionally staff on the team were being provided with extensive training to enable them to ask challenging questions. The Executive Leadership also had a responsibility to challenge each other as well as their staff and a tracking approach was being developed on savings.

The Chair reflected on how Scrutiny would seek reassurance and that it would have to explore different ways outside of formal committee meetings, which had its limitations, to maintain line of sight. It was important for Scrutiny to rethink its approach on seeking assurance and improve confidence in challenging decisions made by the Executive as well as Political Leadership of the Council.

It was questioned how the organisational management model that was being developed would help planning to ensure that cost cutting through reshaping of services was delivered whilst being informed by demand. Furthermore how would the impact of any changes be maximised to ensure value for money was delivered. The Leader advised that there was clear recognition the Council could not continue to operate in the way it had previously. The difficult circumstances had been marked by the issuing of the S114 notice. Steps had been taken to explore what was required to drive change and what could be achieved given the current circumstances. This had resulted in the three priorities and principles being set. It was important to note that this was the beginning of a journey with a lot of work required to change the Council's approach including re-examining processes to maximise the delivery of statutory functions. This would be informed by protocols and process of other local authorities to ensure best practice. The goal was for the Council to operate within a sustainable balanced budget by 2024/25 and aspire to have £50million in reserves.

The Deputy Leader added that the importance of the capital direction was it would allow this year's budget to be balanced and allow more time for savings to be made in a way that was safe and more strategic.

Another question was asked on how to rebuild trust as there was concern that those that were being entrusted to steer the Council through this situation were part of the previous leadership. As such reassurance was sought that the leadership had the right skills to steer the organisation through this difficult journey. The Chief Executive responded that the Executive Leadership team had all given apologies for their involvement in the mismanagement which

had created the financial challenge facing the Council. Moving forward, it was acknowledged that trust had been broken and there was a need to find ways to rebuild trust whilst working within an environment of accountability. An independent investigation was to be conducted by the Local Government Association (LGA) to understand the events that had led to the present situation. The details of the report will assist in rebuilding the organisation and any formal questions and processes that arise as a result of the investigation would be actioned.

In response to a question on Members' being given the opportunity to review, in the spirit of transparency, the methodology used in the production of the renewal plan, Officers said that the opportunity to share was welcomed. The methodology behind the Renewal Plan was based on what was considered to be the best model, what was most effective and the use of judgement to identify immediate emerging priorities on obtaining support from government.

It was acknowledged that whilst the Improvement Board was necessary, there was currently a number of Boards in place, managing high level operations. As such it was questioned how the effectiveness of these Boards would be scrutinised as there could be no real accountability without scrutiny. The Leader and The Cabinet Member for Finance and Resource replied that the Improvement Board was one of the mechanisms to drive change, it was independent to enable robust challenge and questioning from external colleagues.

A Member asked what was being done to promote a meaningful culture of transparency, in particular access to information and routes to ensuring open dialogue with residents. Officers stressed that the Council was in the process of revising its protocol for access to information as recommended through the Governance Review. It was agreed that councillors needed to ensure that this promise was followed through by lobbying lead members on the matter, in particular for improved communications and engagement support by the organisations Communications department. It was highlighted that as a result of the issues previously experienced by Councillors a recommendation had been made by the Children & Young People Sub-Committee to Cabinet for communication and engagement resources be made available to support the work of Scrutiny.

It was asked if there was a clear engagement strategy on the renewal plan detailing the monitoring framework and lines of accountability, as it was imperative that the organisation got this right. Officers said that whilst detailed challenge was welcomed on the Action Plan, at present there was not a detailed resident engagement plan in place as it was important to acknowledge that this was an emerging plan and the organisation was in the process of working through priority items at present with a lot of work invested in managing that process well. The report in the public interest was one the first steps being taken as it emphasises accountability, by reporting against actions being taken, progress against action plans and the triangulation of further actions to be taken.

A Member reaffirmed that it was important that a culture of openness and transparency be cultivated, particularly as staff had been calling for this for a long time following many years of a Council that had been regarded as having deeply embedded issues with lack of openness. The Leader expressed concern at what had been learnt in the past few months about the experience of Council employees. The Council's political leadership was keen to work with staff, to understand their perspective on solutions and improve standards. It was acknowledged that the organisation was going through a period of transition to deliver financial improvement and cultural change. In order to manage other challenges during this transition period, a rapid review of capacity to respond to challenges was being undertaken.

A Councillor in attendance commented that there had been a lot of reference to the organisation being open and transparent and it was one thing to talk about it, but another thing in practice. It was important that information was shared and made available regardless of whether it was good or bad in order to alleviate public suspicion. How the organisation handled its response in relation to reports such as findings from Pricewaterhouse Coopers (PwC) will characterise the immediate perception of the organisation.

The Chair thanked Officers, the leader, Deputy Leader and Cabinet Member for their attendance and responses to questions.

In reaching its recommendations the Committee came to the following conclusions:

1. The Committee welcomed the early opportunity to contribute towards the development of the Croydon Renewal Plan and recognised that it was still an emerging plan that had yet to evolve into the full set of strategies and action plans to allow for in-depth scrutiny.
2. The Committee acknowledged the scale of the multiple challenges facing the new executive and political leadership team over the coming months. The consequence of not delivering this plan will result in additional financial challenges for the Council, and the strong likelihood of Local Government Commissioners being appointed to oversee Croydon Council by MHCLG.
3. The Committee acknowledged that the Renewal Plan will lead to a fundamental reconfiguration of council services and of the Council workforce.
4. A short-term success criterion for the plan would be MHCLG agreeing a capitalisation directive for Croydon.
5. It was important that the political and executive leadership of the Council supported the Scrutiny & Overview Committee in maintaining a line of sight over the Council's new priorities and principles and in seeking assurance on the trajectory of its plans and visions as appropriate.
6. The Committee welcomed the action taken by the executive leadership team to begin to recognise the extent of the workforce challenges, however it is essential that developing a full understanding of the situation be treated as a priority to allow processes to be put in place to ensure change can be driven forward effectively.

7. Engagement with staff should be sought in order to incorporate their views and ideas in shaping the Council's plans.
8. It was vital that clearly defined steps be taken when designing the future operating model of the organisation, as there were concerns that without this the Council could repeat past mistakes which had led to poor budget setting processes, weak financial monitoring and a failure to deliver promised saving either at pace or at all.
9. It was evident that the appropriate tools required to maintain sound financial management had not been in place to date and in driving forward improvements, robust measures to close the budget gap must be sought and implemented.
10. The confirmation of the situation regarding the Council's financial reserves in the S114 report was both disappointing and alarming, and as such it was imperative that the necessary steps be taken as part of the financial recovery plans to increase reserves to a prudent level based on an assessment of the risks facing the authority. Measures must be put in place to ensure that the reserves are maintained at the required level with alerts in place should they fall below acceptable levels.
11. Positive action needed to be taken as a priority to address reports of staff bullying and to protect staff confidence in the whistle blowing process.
12. The Committee concluded that the lack of the senior leadership's maintenance of line of sight and openness had been exposed by recent events and the executive leadership team must now prioritise addressing this.
13. Careful consideration needed be given to the role of the public in the Council's improvement journey and the communication strategy it would adopt to ensure effective dissemination of information to residents.
14. While the role of the Improvement Board was understood, it was key that this role be clearly defined so as to avoid duplication, and to ensure that transparency and accountability is maintained.
15. The Council must remain clear on its ability to deliver on its proposals and not to underestimate the task at hand.

The Committee made the following Recommendations:

1. The Council's culture needs to change and the renewal plan must set in train meaningful proposals to enable this, including developing a mechanism that allows Scrutiny to judge whether progress is being made.
2. That the Council should increase the level of General Fund reserves held from its current 3% to 5% target to a more prudent level recommended by Section 151 Officer of around £50m.
3. The Council should review its other existing plans and other reviews that are currently being undertaken to avoid duplication or inconsistency.
4. That the Council, as part of its proposals, is clear on defining its future operating model.

5. The Leader and Cabinet must ensure that a robust monitoring and accountability framework is an integral part of the plan, which is transparent to the residents of Croydon, the Council's workforce, and councillors.
6. That the Engagement Plan is appended to the Croydon Renewal Plan as it would evidence how engagement with staff, councillors and the community will be included in its renewal plan.
7. The Council reassess the mechanisms and processes in place for access to information for Councillors
8. The Council set out how both the Scrutiny & Overview Committee and the General Purposes and Audit Committee will be facilitated to carry out their governance roles in regards of the Croydon Renewal Plan, including defining the remit of both Committees, the information that will be provided and the level of support that can be expected.

41/20 **Membership of the Scrutiny Sub-Committees**

The Committee agreed the changes to the membership of the Sub-Committees in accordance to the report. The Committee also agreed that Councillor Louisa Woodley would replace Councillor Callton Young as a committee member on the Children and Young People Sub-Committee.

It was noted that there was now a vacant co-optee role for the Parent Governor representative on the Children and Young People Sub-Committee following resignation of Geoff Hopper.

The Chair took the opportunity to outline the agenda of the meeting of 8 December and advised Members that the focus would be to consider the effectiveness of the action plan of the Report in Public Interest.

It was suggested and agreed that the Sub-Committees would convene informal meetings to reviews parts of the action plan that referenced their areas of Scrutiny and the Chairs of the sub-committees would report back their findings to the Scrutiny and Overview Committee on 8 December.

42/20 **Exclusion of the Press and Public**

This was not required

The meeting ended at 10.01 pm

Signed:

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Date:

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Scrutiny & Overview Committee

Meeting held on Tuesday, 8 December 2020 at 6.30 pm.

This meeting was held remotely and can be viewed on the Council website

MINUTES

Present: Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jerry Fitzpatrick, Oni Oviri and Joy Prince

Also Present: Councillor Hamida Ali, Alisa Flemming, Bernadette Khan, Stuart King and Callton Young

PART A

43/20 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

44/20 **Urgent Business (if any)**

There were no items of urgent business.

(NOTE: Before moving on to the main item on the agenda, the Chair confirmed to the Committee that it had been decided that consideration of the report on the Strategic Review of Companies would be deferred to a separate meeting arranged for 21 December 2020).

45/20 **Report in the Public Interest - Action Plan**

The Committee considered a report setting out the Report in the Public Interest (RIPI) that had been published by the Council's external auditor, Grant Thornton, along with an action plan providing the Council's response to these findings. The Committee was asked to review the action plan, with any conclusions or recommendations due to be reported to the Cabinet for further consideration on 18 January 2021.

Before the Committee moved on to its consideration of the RIPI action plan, the Chair, Vice-Chair and Deputy-Chair took the opportunity to reflect on the role of Scrutiny and address criticism directed at Scrutiny in the RIPI. It was accepted that with the benefit of hindsight, the call-in on the Council's finances, considered by the Committee on 25 August 2020, should have been referred to Council. However, in calling-in the Cabinet report it did prompt the Administration to acknowledge the severity of the financial challenge. It was highlighted that Scrutiny members looked to follow best practice guidance and had worked on a non-party political basis in formulating its recommendations. It was also confirmed that an independent review of scrutiny by the Centre for Governance & Scrutiny had been commissioned prior to the publication of the

RIPi, with the results of which expected in the near future. Any recommendations arising from this review would be incorporated into the Council's Improvement Plan.

Following this introduction, the focus of the meeting turned towards scrutinising the RIPi action plan. The Chair highlighted to the Committee, that prior to the meeting the members of the three Scrutiny Sub-Committees had met informally to review the action plan from their respective viewpoints and the results of these conversations would be fed into the meeting when appropriate.

The Leader of the Council, Councillor Hamida Ali, introduced the report by welcoming the feedback of the Committee on the action plan. It was highlighted that the RIPi action plan was only one of a range of different reviews being responded to by the Council and a key challenge was ensuring that all of these work streams were coordinated. The action plan was only the start of the process to address the challenges facing the Council and it was hoped that Councillors would start to experience positive change in the coming weeks and months.

Sarah Ironmonger representing the Council's external auditor, Grant Thornton, was also in attendance at the meeting and was given the opportunity to speak to the Committee about their RIPi. It was highlighted that both scrutiny and audit were committees which provided the opportunity for Members to consider what was best for the Council and residents, rather than political forums. It was also highlighted that the auditors had used the minutes of past meetings as part of their evidence base. Following concern raised by Councillors, the content of meetings captured in the minutes was being reviewed with officers, to ensure the richness of the discussion at meetings was captured for future reference. It was the view of the auditors that the action plan created in response to the RIPi was realistic in terms of what was achievable and clear on the potential risks to delivery.

Before reviewing the action plan, the Committee members were given the opportunity to ask questions to clarify any of the information provided. The first question sought confirmation that earmarked reserves were included within the Council's General Fund, which was confirmed. As a follow up, it was confirmed that at present regulations on Council finance allowed the allocation of capital receipts for transformation funding. Finally it was confirmed that there was a long term target to hold £50m in reserves. It was suggested that training should be provided for Members to ensure there was an understanding of how the Council managed its reserves.

In response to a question about how progress made against delivering the action plan would be transparent, it was confirmed that quarterly updates would be brought to Cabinet meetings. There would also be an item on Council agendas to give Members the opportunity to question the progress made.

Following the opportunity for clarifying questions, the Committee moved on to reviewing each recommendation set out in the action plan in turn. The

recommendations made by the Scrutiny & Overview Committee can be found at the end of these minutes. What follows is a summary of the discussion held on each of the action plan recommendations at the meeting.

The Chair of the Children & Young People Sub-Committee, Councillor Robert Ward, advised that having reviewed the actions set out under the first recommendation, the Sub-Committee was generally supportive. It was understood that there was a need to bring the Children Services budget under control, but there was concern about how this may impact upon the children in receipt of these services. It was agreed that there would be an ongoing role for the Sub-Committee to monitor the impact of the budget on service delivery to ensure there was no undue impact on the life prospects of the children concerned.

Councillor Fitzsimons, in his role as the Chair of the Health & Social Care Sub-Committee, reported back on the Sub-Committee's discussion of the recommendations. It was advised that there was a general lack of understanding amongst Members about why there had been a persistent overspend for many years in Adult Social Care and why the Council spent more than other local authorities on adult social care. Members needed to have a better understanding of the commissioning process and the work to deliver closer integration between health and social care. As with the Children & Young People Sub-Committee, it was agreed that there would be a role for Health & Social Care Sub-Committee in keeping a watching brief over the delivery of savings to ensure that they did not unduly impact upon care receivers.

It was agreed that Members needed to have a greater understanding of the budget for Adult Social Care, which was complex, to be able to make a judgement on whether it could be realistically delivered. This was particularly important due to the size of the Adult Social Care budget, which was a significant proportion of the Council's total budget.

The Adults Service was commended for its work with care homes throughout the covid-19 pandemic, which had minimised the spread of the infection amongst care home residents. Although Croydon had the highest number of care home beds of any borough in London, it had performed comparatively well.

It was acknowledged that the Council needed to increase its General Fund reserve and as such it was questioned whether there was a recommended level, in terms of a percentage of the net budget, as which it should be held. In response it was advised that the level of reserves held was down to each local authority to decide, but this decision should be based upon a robust risk assessment. The S151 Officer had set a target to increase the General Fund reserve to £50m and had this been in place prior to the pandemic, the Council would have been able to manage its financial pressures significantly better.

In follow up to this advice, it was questioned whether a local authority could be expected to take account of all potential risks when determining the level of reserves to be held, with the pandemic highlighted as an event of such

enormous scale it would have been difficult to adequately mitigate against in advance. It was agreed that it was possible to plan for every eventuality and many local authorities had found the pandemic financially challenging. However, holding a very low level of reserves created a much higher risk for a local authority should there be an unforeseen event, such as the covid-19 pandemic.

The S151 Officer was asked to explain how the target of increasing the General Fund reserve to £50m had been reached. It was confirmed that £50m equated to approximately 15% of the current net budget and had been based on a judgement taking into account the increased level of risk caused by the pandemic. It was highlighted that it would require cumulative savings over a number of years by the Council to achieve this figure, with it targeted that the £50m would be achieved by 2024.

It was highlighted that the Council previously planned in a number of budgets to increase the level of reserves held in the General Fund, which had not been realised. As such, it was agreed that it was imperative that effective financial control systems were put in place to monitor delivery. It was also agreed that it should be a priority for Scrutiny to ensure that any controls introduced were robust and allowed the budget to be delivered as intended. It was confirmed that financial controls were being introduced and included scope for increased reporting to ensure there was the necessary oversight of budget delivery.

It was suggested that there needed to be a mapping process to coordinate which committee or board would be reviewing the various aspects of the action plan and the Council's financial recovery, to ensure that there was both full oversight and an avoidance of unnecessary duplication.

It was agreed that there needed to be closer monitoring of transformation projects, which needed to be clearly defined in scope, particularly the intended outcomes, before any such projects were commissioned. The delivery of transformation projects needed to be monitored against key performance indicators, to ensure that the project was being delivered in line with expectations. There also needed to be a robust process in place to govern any changes in scope, to ensure that clarity on the outcomes was maintained at a corporate level.

It was agreed that Members needed to be better informed about how education funding worked and as such training on this subject had been requested for the members of the Children & Young People Sub-Committee. There was also plans being developed to providing training to all councillors on the Council's finances.

Recommendations 6 and 7, concerning unaccompanied asylum seeking children (UASC), were supported by the Committee. There was a general acknowledgement that the cost to the Council of supporting UASC was particularly challenging and needed other local authorities to share this responsibility.

In regard to the Council's budget responsibility, it was agreed that the culture of the Council needed to change, because the evidence appeared to suggest that there was a lack of financial control across the organisation. It was questioned how the culture of the Council could be changed to make financial control a much higher priority. In response it was highlighted that a Spend Control Panel had been introduced to review all new expenditure at the Council, which would start to ensure staff were more conscious of their spending. Going forward there was a need to clearly communicate with staff on the expectations of the organisation regarding the budget and in particular what was and was not acceptable.

In response to a concern raised about the provision of information to scrutiny, it was highlighted that weekly meetings with the three Scrutiny Chairs had been set up to address concerns raised, including the availability of information. The issues raised by the Chairs would be tracked to ensure that these had been resolved.

It was highlighted that there had previously been concerns about a perceived lack of collect responsibility amongst the former Cabinet, and as such it was questioned how culture would change under the new Leader of the Council, Councillor Hamida Ali. It was advised that although Cabinet Members would continue oversee their respective portfolios, there was an intention that the new Cabinet would take joint decisions on key strategic issues. This would help to build collective ownership. Given the Council budget could not be split evenly across the Cabinet Portfolios, it was important that those Cabinet Members with large portfolios, such as Children or Adult Services, received the support of their Cabinet colleagues.

As it was confirmed that the Programme Management Office (PMO) had been in place since January 2020, it was questioned whether it was effectively functioning as a PMO, as a recent briefing had suggested it was still in the process of being set up. It was confirmed that although the PMO was in place, further work was needed to embed the new approach to project work across the organisation.

It was highlighted that the Council needed to establish a process corporately for reviewing projects after completion to review lessons learnt. Furthermore, it should be ensured that this knowledge was available across the Council to inform future projects. It was agreed that the Council needed to have a process in place for closing projects, which was likely to be picked up in the Improvement Plan. The exact format for this has not yet been fully developed.

It was agreed that the relationship between Scrutiny and GPAC needed to be reviewed to ensure that both had clearly defined roles, particularly in regard to reviewing the recovery of the Council and other areas such as treasury management.

It was confirmed that work on the business case for Brick by Brick was progressing, with PwC commissioned to undertake further work on the possible options for the future of the company. Once this has been completed,

a report on the options would be brought forward for a decision in the New Year.

It was highlighted that the Streets, Environment & Homes Sub-Committee would have its annual opportunity to review the Brick by Brick Business Plan in February 2021. It was confirmed that an options appraisal on the properties purchased from Brick by Brick and a review of the Fairfield Halls refurbishment had also be requested for that meeting. It was cautioned that the timelines in the action plan were ambitious and if further work was needed, it may require the timing of any reports to the Sub-Committee to be reviewed.

The mechanism for investing money into Brick by Brick, which was based on a 75% loan to 25% equity arrangement, was questioned. As the company was already 100% owned by the Council further explanation was need to clarify why further equity was being purchased. In response, it was confirmed that although the arrangement had been for a 75% loan to 25% equity arrangement, this had not been adhered to. To date, all money provided to Brick by Brick had been given under a 100% loan arrangement, which was now being reviewed as part of the work being undertaken by PwC.

There was concern raised in the RIPI about the Council's risk management processes, and as such it was questioned whether there was sufficient expertise and understanding amongst both officers and Members to manage the significant risks facing the Council going forward. It was confirmed that the Council had a small risk team which was dedicated to the whole Council. The management of risk had been discussed by ELT, with risk champions being identified from departments across the Council to ensure a greater level of scrutiny on risk, which would be fed into the Corporate Risk Register. It was agreed that training should be provided for both staff and Members to ensure that there was an understanding of the corporate approach to risk.

On the subject of risk, it was recommended that further work be undertaken to establish the Council risk appetite, which would be used to underpin future decision making. This was considered to be particularly important with the financial challenges facing the Council and external risks such as the covid-19 pandemic and Brexit, the full implications of which was not yet known.

Recommendation LBC3, which related to ensuring Members received the necessary training to equip them to carry out their roles effectively, particularly in regard to the financial management of the Council, was warmly welcomed by the Committee. It was suggested that one area of training needed was commissioning, to help Members to understand the process, in order to be assured the Council was achieving value for money.

Questions were asked about the future operating mode and organisational management of the Council. The actions set out in LBC4 aimed at changing the Council's culture were welcomed by the Committee, but it was questioned whether sustainable change could be affected, given the deep rooted issues at the Council which had been highlighted by the RIPI. The Leader of the Council responded by highlighting that it was important to encourage a culture

where staff felt empowered to speak up and provide challenge when needed. There was no short term solution to changing the culture of the Council, instead it would need to be demonstrated by everyone living these values on a daily basis.

At the conclusion of this item the Chair thanked both the Councillors and officers in attendance for their participation in the meeting and their open engagement with the questions of the Committee.

Recommendations

At the conclusion of the discussion on this item, the Scrutiny and Overview Committee agreed to make the following recommendations to the Cabinet on the action plan arising from the Report in the Public Interest.

Overall the Committee came to the view that the action plan presented was a robust piece of work, particularly considering the time frame for its creation. Given the short time frame for the creation of the action plan, the Committee recommended that it should be viewed as a live document to guide the organisation going forward, which could be amended as and when needed.

The Committee also recognised that the scale of the action plan was very ambitious in terms of the work it was proposing to deliver and recommended that robust assessment criteria be used to prioritise delivery, taking account of the available capacity.

Recommendation 1a: The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children’s social care and take effective action to manage both the demand and the resulting cost pressures.

1. Regarding action iii, it was recommended that prior to providing progress reports, Members needed a greater understanding of the current arrangements for Children’s Social Care, including clarity over what were the statutory and non-statutory areas of the service and the meaning and impact of ‘demand management’.
2. The Committee recognised that further consideration needed be given to how to demonstrate within the progress reports the wider impact of work to address cost pressures within Children’s Social Care beyond the purely financial implications. For instance any progress reports needed to provide reassurance that robust assessments were being undertaken to determine the potential impact on future demand from either reducing or stopping a service.

Recommendation 1b: The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.

3. Training needed to be provided for Members to understand the budget for

Adult's Social Care. This should include an explanation of the reasons for the persistent overspend. Training was also required to help Members understand the complex health and care landscape in the borough.

4. As with Recommendation 1a, consideration needed be given to how to demonstrate within the progress reports the potential impact of the work to address cost pressures within Adult's Social Care beyond the financial implications.

Recommendation 2: The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.

5. Consideration was needed to identify the most appropriate mechanism for the Committee to monitor and assess progress made against delivering the budget throughout the year.
6. Furthermore, consideration needed to how reassurance could be provided to Members that effective budget controls were in place to mitigate against potential risks to the delivery of the budget.
7. The governance of the Council needed to be mapped in order to reduce the risk of duplication and conversely to ensure that nothing was missed.

Recommendation 3: The Chief Executive should oversee a review of the outcomes achieved from the use of transformation funding to demonstrate that the funding has been applied in accordance with the aim of the scheme.

8. A corporate strategy needs to be developed to assess future transformation projects prior to funding. This should include a requirement to identify the intended outcomes, risk exposure, ongoing affordability, how success will be measured, how progress will be tracked, any interdependencies with other projects and any wider benefits.

Recommendation 4: The s151 officer should set out the strategy for applying capital receipts for transformation annually as part of the budget setting process.

As set out in recommendation 8 above.

Recommendation 5: The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.

9. It was identified that training was needed for Members on education funding and budgets.

Recommendation 6: The Executive Director Children, Families and

Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.

The actions set out in the report were supported by the Committee and no further recommendations were made. It was presumed that the delivery date for item 6 is December 2020, not 2021.

Recommendation 7: The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.

The actions set out in the report were supported by the Committee and no further recommendations were made.

Recommendation 8: The Cabinet reports on the financial position need to improve the transparency of reporting of any remedial action taken to address in year overspends.

10. It was recognised that urgent action needed to be taken to address the culture of the Council to ensure that all officers and Members are aware of budgetary pressures and acted accordingly.

Recommendation 9: The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.

11. It was felt that it was important for the Cabinet to take collective responsibility for addressing the Council's budget challenges, with further work recommended to consider how this can be demonstrated.

Recommendation 10: The General Purposes and Audit Committee must challenge officers on the progress in implementing the Financial Consultant's recommendations to improve the budget setting, monitoring and reporting process and actions to address the Head of Internal Audit's concerns on internal controls.

12. That work be undertaken to clarify the roles of both Scrutiny and Audit to reduce duplication and also to ensure nothing was being missed.

Recommendation 11: The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.

13. It was recognised that the Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.

Recommendation 12: The s151 officer should review the financial

rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.
See SOC Recommendation 13 above.
Recommendation 13: The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.
See SOC Recommendation 13 above.
Recommendation 14: The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.
14.As mentioned above in recommendation 12, it is recommended that work be undertaken to clearly define the roles of Scrutiny and Audit, with particular regard to risk management and treasury management.
Recommendation 15: The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy.
See SOC Recommendation 14.
Recommendation 16: The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.
The actions set out in the report were supported by the Committee and no further recommendations were made.
Recommendation 17: The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.
The actions set out in the report were supported by the Committee and no further recommendations were made.
Recommendation 18: The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.
15.The Committee recommended that the December 2020 deadline for the action is reviewed to ensure further consultation could be undertaken.
Recommendation 19: The s151 officer and monitoring officer should monitor compliance with loan covenants with Brick by Brick and report

any breaches to Members.
16.The Committee recommended that the December 2020 deadline for the action is reviewed to ensure further consultation could be undertaken.
Recommendation 20: The Cabinet and Council should review its arrangements to govern its interest in subsidiaries, how the subsidiaries are linked, and the long-term impact of the subsidiaries on the Council’s financial position and how the Council’s and taxpayers’ interest is safeguarded.
The actions set out in the report were supported by the Committee, with no further recommendations made.
Recommendation LBC1: Given the challenges ahead there will need to be improvement of the Council’s approach to risk management to enable a satisfactory turnaround of the financial position.
17.It was recommended that consideration be given to how to provide Members with assurance that there is sufficient risk management expertise within the Council to manage risk going forward.
18.It was recognised that the Council needed to define its appetite for risk and that as part of any future governance, risks are regularly reviewed to ensure that the appropriate level of mitigation is in place.
19.That work is undertaken to reconcile the various risks managed by the Council to understand how they impact upon each other.
Recommendation LBC2: Clarifying member and officer roles to support good governance arrangements.
20.The Committee agreed that any review of the governance arrangements, needed to give greater clarity to responsibility and accountability.
Recommendation LBC3: Ensuring that Members are appropriately trained across all aspects of the Council’s financial duties and responsibilities.
21.That training be provided for Members to improve understanding of the commissioning process.
22.That appropriate training is offered to the committee members who are not elected members.
Recommendation LBC4: The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.
23.The Committee recommended that corporate level sponsorship should be allocated to all projects to ensure clarity of responsibility for delivery.

24. It was also recommended that work needed to be undertaken as a priority to understand the future model of the Council, which would inform the direction of travel in the improvement journey.

25. That appropriate officer support is given to Scrutiny in order that it can fulfil its role.

46/20 **Strategic Review of Companies and other Investor Arrangements - Brick by Brick Croydon Ltd ("BBB") Shareholder Decision - Directors and Articles of Association**

This item was deferred until the next meeting of the Committee held on 21 December 2020.

47/20 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 10.28 pm

Signed:

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Date:

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Public Document Pack

Scrutiny & Overview Committee

Meeting held virtually on 21 December 2020 at 5.00 pm via Microsoft Teams

MINUTES

Present: Councillor Sean Fitzsimons (Chair), Councillor Robert Ward (Vice-Chair) and Councillor Leila Ben-Hassel (Vice-Chair), Jerry Fitzpatrick, Oni Oviri and Joy Prince

Also Present: Councillor Hamida Ali, Mohammad Ali, Stuart King and Gareth Streeter

PART A

49/20 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

50/20 **Urgent Business (if any)**

There were no items of urgent business.

51/20 **CALL-IN: Key Decision - Parking Charges Review January 2021**

The Chair of the Scrutiny & Overview Committee, Councillor Sean Fitzsimons introduced the Call-In item, outlining the key decisions that were to be reviewed at the meeting and highlighting that there had been a separate key decision relating to emissions-based parking charges published on 18 December, which the Committee may also wish to consider submitting a separate call-in, to provide additional scrutiny of those particular decisions.

The Chair explained the process for considering a call-in confirming that the Committee needed to agree whether to review the decision and if it decided to proceed, confirm how much time it wished to allocate to discussing the item. The Committee agreed that it would review the decision and allocated one hour to the consideration of the item.

The Chair went on to explain that there were three outcomes that the Committee could reach as a result of the review. These were:-

1. That no further action was necessary and the decision could be implemented as originally intended.
2. To refer the decision back to the decision maker for reconsideration, outlining the nature of the Committee's concerns
3. To refer the decision to Council, if the Committee considered that the decision taken was outside of the Budget and Policy Framework.

Councillor Gareth Streeter as one of the signatories of the call-in was given the opportunity to explain the reasons for calling in the Parking Charge

Review January 2021 and to highlight to the Committee areas they may wish to consider. It was noted that the reasons for making the call-in included the need to gain reassurance that parking charges were not being used as a means to increase revenue, to gain reassurance that the potential impact on local businesses had been understood and also to ensure that there was an opportunity to publically debate the proposed new charges, with concern expressed that the size of the increase was not in keeping with previous increases.

The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali, along with council officers, was in attendance at the meeting to address the call-in and answer any questions arising.

Prior to answering questions from the Committee, Councillor Ali was provided with the opportunity to give a response to the call-in. It was outlined that climate change and air quality were key policy drivers at both a local and national level. The proposed increases had been developed alongside emission-based parking charges, as a mechanism for encouraging people to use more sustainable modes of transport and lower car usage. As the proposals had been in development since early 2020 and prior to the Section 114 Notice being issued, the Council's financial position had not be a consideration in the development of these proposals.

Following the response by the Cabinet Member, the Committee was given the opportunity to question the proposals. The first question asked whether there was any evidence to indicate that increasing parking charges had a direct correlation with lower vehicle usage and how the impact from the new charges would be quantified in Croydon. In response it was highlighted that car usage in the borough had increased by 40% over the past 20 years. A study commissioned by the Mayor of London had indicated that 40% of trips within the borough were walkable and it was hoped through increasing parking charges, it would encourage people to use their cars less for these walkable journeys.

Parking charges were usually reviewed every two years and existing evidence demonstrated that a 10p increase to charges had only a minimal impact on usage. Modelling of car parking usage had indicated that a 30p increase would produce a 12% reduction in car usage. It was highlighted that higher parking charges was only one of a range of measures being introduced that would improve cycling and walking access in the borough. Benchmarking against other London boroughs had indicated that the parking charges in Croydon were largely comparable with those in other areas.

In response to a question about the consultation process it was confirmed that the consultation was about the introduction of a new emission-based parking charge scheme, as there was a requirement for local authorities to consult when changing their charging structures. When increasing parking charges the requirement was to publish a public notice of the changes.

It was highlighted that all of the pay and display bays were in areas of high car usage and as such a varied increase across the borough had been ruled out.

Furthermore, as the number of parking charge schemes across the borough had been reduced in 2016, following the introduction of the Fair Parking Strategy, it would be counteractive to this decision if new schemes were now introduced. Transport for London had identified Croydon as the borough with the greatest opportunity for increasing active travel, but it was acknowledged that the topography of some parts of the borough, which tended to be fairly hilly, meant that some people would still need to drive.

In response to a request for further information on the timeline for the decision, to give reassurance that the increase was not being introduced to raise revenue, it was advised that initial discussions on the scheme took place in 2018, in response to the Mayor of London's Transport Strategy. The additional income raised from the increase had originally been included in the budget process for 2020-21, but this had been delayed due to the impact from covid-19.

At the conclusion of this item the Committee discussed how it wished to respond to the call-in request. Overall, it was agreed that the concerns raised by the call-in request had been addressed by the Cabinet Member and officers in attendance and as such the decision could proceed as originally intended. However, it was agreed that the emission-based parking charges key decision would also be called-in by the Committee to allow for a discussion on the content of that report.

Conclusions

Following discussion of this item the Scrutiny & Overview Committee reached the following conclusions:-

1. The Committee was satisfied by the response provided by the Cabinet Member and officers, and agreed that the decision could proceed as originally intended.
2. In particular, the Committee felt the timeline for the decision, which was linked to the Mayor of London's Transport Strategy, provided reassurance that the parking charge increase had not been created in response to the Council's financial challenges.
3. It was agreed that the key decision relating to emission-based parking charges would also be called-in by the Committee to allow for a discussion of the detail underpinning that particular decision.

52/20

Strategic Review of Companies and other Investor Arrangements - Brick by Brick Croydon Ltd ("BBB") Shareholder Decision - Directors and Articles of Association

The Committee considered a report setting out the findings of the Strategic Review of the Council's Companies conducted by PwC, along with an action plan providing the Council's response to these findings. The Committee was asked to review the action plan, with any conclusions or recommendations due to be reported to the Cabinet for further consideration on 18 January 2021.

Prior to discussing the action plan, it was highlighted that a number of the actions had deliver dates in December and January, and at the time of the Committee meeting these remained on target. A report providing an update on the action plan was due to come to the February cycle of meetings, along with the findings from the second stage of the review. The second stage would include options for the future of the Council's housing development vehicle, Brick by Brick. The Council had recently appointed two new Directors to the board of Brick by Brick, who were in the process of implementing actions regarding governance arrangements.

It was clarified that where recommendations had been marked as ongoing, this was due to either other actions being required to facilitate their delivery or the appropriate processes were being put in place. As a follow up, it was questioned how the various actions in both this review and others, would remain visible. It was confirmed that there was a master list of recommendations, with a process underway to rationalise these as many overlapped with each other.

For the first stage of the discussion the Committee was given the opportunity to ask clarifying questions. In response to a question about those responsible for defining the scope of the review, it was confirmed that it had been commissioned by the Cabinet in September 2020. The scope of the report had been set by the Chief Executive, in consultation with the Executive Director for Place and had been informed by the Report in the Public Interest (RIPI).

It was questioned why the future of Brick by Brick had not been included in the review, as it was dependent on funding from the Council. It was advised that the initial scope of the review had been to focus on what was wrong with Brick by Brick and the Council's governance, to gain an understanding of the potential risks to the Council. The second phase of the review, which was due to report in February 2021, would be looking at the options for the future of company.

It was confirmed that Brick by Brick had cooperated with the review, including allowing the appointment of a third party quantity surveyor and had provided all the financial information it was able to provide. The options in the second phase of the review would include the potential cost for building out or not, what could be recovered from sales and how much it would cost the Council to deliver these options.

It was highlighted to the Committee that both the Strategic Review and the RIPI report had made recommendations on the Council's role as the sole shareholder of Brick by Brick. As a result, there had been a report to Cabinet in November changing the articles of association for the company to ensure that the minutes of board meetings and financial accounting were made available to the Council. As previously noted, Cabinet had also agreed to appoint two new Directors to the Board, with these appointees in place and starting to work on addressing the issues that had been raised.

In response to a question about whether there would be bench marking with other housing delivery vehicles, it was advised that caution was needed, due to local variations in the housing market it was difficult to find a like for like comparison. Work was underway to establish whether the estimated values for Brick by Brick developments could be supported by the value of other properties in the area.

It was questioned whether the potential risks from covid-19 and Brexit had been taken into account as part of the work to develop options for the future of Brick by Brick. It was advised that at present there were no plans to build additional contingency for either covid-19 or Brexit. The impact from covid-19 on housing delivery had been marginal, with the key risk from both the pandemic and Brexit being the potential impact on the wider economy and house sales.

For the remainder of this item, the discussion was focussed on the recommendations in the action plan, with these grouped together to provide a focus for the Committee. These minutes follow the same format and summarise the discussion held at the meeting. The full set of recommendations arising from the meeting, which are to be reported to the meeting of the Cabinet on 18 January, can be found at the end of these minutes.

Recommendations 1-4

It was confirmed that the process of recruiting a Director of Finance for Brick by Brick had commenced and the two recent appointees to the board of the company were both experienced CIPFA accountants, with a range of financial experience. The Council could also appoint additional board members, should it wish to, but any further appointments were unlikely to be made until after the outcome from the review on the future of the company was known.

It was questioned whether the rolling forecast mentioned in the report could be shared with the members of the Committee. In response it was advised that this information was normally used by the internal management of a company to understand its financial position at a given point in time and the company's available cash flow. The Council was able to request this information, but it would not necessarily be expected to be provided as a matter of course.

The Committee recommended that other criteria beyond the purely financial, such as housing delivery, should be included in the consideration of future options for Brick by Brick.

In response to concern raised on behalf of residents about the potential transfer of new sites to Brick by Brick for development, it was advised that the Cabinet had agreed in November to suspend the transfer of sites to the company until after the review had been completed. The future options for sites not transferred to Brick by Brick would be a decision for the Council to resolve.

It was agreed that the ability of Brick by Brick to deliver housing on those sites already transferred, was a key consideration when deciding future options for the company. If the view was taken that Brick by Brick was not able to complete the identified housing developments, it would reduce the number of options to be considered.

It was confirmed that the Fairfield Halls and College Green site had not been transferred to Brick by Brick. It was also confirmed that Grant Thornton had been commissioned to undertake an audit investigation into the decision making surrounding the Fairfield Halls refurbishment.

In response to a question about whether Brick by Brick had been providing the Council with monthly management accounts, as required by its facility agreement, it was confirmed that these had never been provided.

It was suggested that consideration should be given to asking Brick by Brick to publish high level performance indicators, which would provide assurance to the public that the Council's investment was being put to good use. In response it was advised that the possibility of publishing information could be investigated, but it would need to be done in such a way to ensure that what was published did not compromise the commercial confidentiality of the company.

Recommendation 5

It was confirmed that site specific risk assessments would be included as part of the process going forward, with it essential for the Council to take a more focussed view on potential options for development sites. An individual assessment would need to be undertaken on each site to ensure that the best option was chosen. It was suggested that the recommendation could be refined to emphasise that site specific assessments would be required.

It was advised that the Council had not yet formulated a policy on what to do with those sites not already transferred to Brick by Brick. This policy would need to take into account a wide range of criteria, but financial risk would be a key driver.

Recommendation 6

It was highlighted that three small patches of land in Selsdon, had been assigned what was perceived to be an overly high value. As such there was a concern that the Council may be paying too much for the properties it was purchasing from Brick by Brick. Reassurance was given that although a decision to purchase additional properties under construction from Brick by Brick had been taken in July 2020, it was subsequently agreed to review these purchases upon completion. The Council retained the option to decline the purchase if it decided that was the best course of action.

Recommendation 7.

It was highlighted that at present there was a capacity issue within the Planning service, with it questioned whether the Council could afford to increase staff numbers within the team. It was confirmed that the Council could afford to recruit additional planners, as fees tended to cover the cost of staffing. There had historically been a shortage of planners across the country, but Croydon had fared better than most due to the number of big projects being developed within the borough. A recruitment strategy was being developed, with the aim of recruiting an additional 8 – 10 planners.

In response to a suggestion that there was a perception that Brick by Brick applications were being prioritised, it was confirmed that this had been looked into by PwC as part of the review. No evidence had been found that would indicate that this was the case.

Recommendation 8

The loan arrangements between the Council and Brick by Brick were highlighted, in particular the 75% loan to 25% equity arrangement. As the equity part of the loan arrangement had not been applied, the legal position on this was questioned. In response it was advised that the Council had only advanced 75% of the costs with the intention of taking the equity, but that had not followed. As Brick by Brick had made £14m in sales over the past year, this had been kept in the company to offset against the Council not transferring equity. The 75% to 25% arrangement was used to ensure compliance with state aid requirements.

Recommendations 9 – 12

In response to a question about whether the decision making of Brick by Brick would be investigated, it was confirmed that a specific piece of work to investigate how Brick by Brick was originally set up had not been commissioned at this stage. The LGA had been commissioned to review how the Council got into its present situation, which would take account of Brick by Brick. This review would also indicate whether there was any disciplinary issues to be considered.

Following on from confirmation of the LGA review, it was suggested that a priority should be to take steps to ensure the preservation of any records that may be relevant to the review. It was agreed that this would be taken into consideration. Separately it was questioned whether the board of Brick by Brick had the ability to take disciplinary action should it be found that one of their employees had acted incorrectly. It was confirmed that any such behaviour would be a matter for the directors to resolve.

Regarding recommendation 9 it was confirmed that it was focused on financial governance and the Council's relationship with its external companies. It would not be a wider governance review, as one had only recently been completed by the Council. The Financial Consultant, Ian O'Donnell had been commissioned to review the Council's financial governance, which would address many of the issues raised.

Recommendation 13 – 15

It was highlighted that recommendation 13 had a completion date of December 2020, but as there was not a process in place to provide detailed analysis to inform the calculation of land values, it was questioned whether there could be any confidence on the delivery of this recommendation? It was confirmed that the Council was working toward having a process in place. However, any test of the process would not happen immediately, due to the decision to stop the transfer of sites to Brick by Brick. Reassurance was given that once the Council was in a position to consider the possible transfer of sites a robust process would be put in place.

Recommendation 16 – 18

It was acknowledged that the economy had significantly changed since the Growth Zone project for the town centre in Croydon had originally been created in 2016, which had led to ambitions for the project being reassessed. As such it was agreed that the recommendations proposed were appropriate for the new aims of the Growth Zone project.

It was recommended by the Committee, that given the importance of the Growth Zone to the future of the town centre, a risk assessment should be undertaken specifically for the project. This risk assessment would need to be regularly reviewed to ensure that the appropriate mitigation was in place to continue with the delivery of the project.

Recommendations 19 – 21

In response to a question about the Council's use of both the Revolving Investment Fund and the Asset Investment Fund, it was confirmed that although it might appear to be complicated, it could be untangled if needed. It was also confirmed that PwC had not been able to find all of the documentation for the Council's loans to Brick by Brick as part of the review. Reassurance was given that a robust process had now been put in place to

ensure any future loans from the Council to its companies were appropriately documented and tracked.

It was questioned whether the Council had sufficient expertise in-house to provide advice and guidance to the Cabinet on treasury management matters. In response, it was advised that most local authorities would employ external companies to provide advice on treasury management. It was highlighted that advisors are employed to give advice, but it was down to the Council whether it followed this advice or not. It was unlikely that any advisors would have recommended the model for treasury management that had been followed by the Council.

Although it was confirmed it would usually be the case that the General Purposes and Audit Committee was responsible for reviewing treasury management arrangements, it was agreed that a recommendation would be made asking for further clarity on the role of scrutiny and audit.

It was noted that given the changes in personnel at the Council, it was understandable that there was a lack of corporate memory and it was agreed that it was essential for the necessary governance to be put in place to ensure the retention of corporate memory as a matter of urgency.

Recommendations 22 - 24

It was noted that the arrangements for Croydon Affordable Homes were very complicated to understand for those without an in depth knowledge of the Council. To help understand the arrangements for the company a request was made for a diagram setting out the inter-related entities. It was also questioned whether the cash flow for the company could be traced. In response, it was advised that although it was difficult to understand, work had been undertaken which had confirmed that although the company was not costing the Council any money, it was also not making as much income as anticipated.

In response to a question about the offer made to the Council's pension fund to transfer property into the fund and whether this was considered normal practice, it was confirmed that it was not unusual for such a transaction to take place. A final decision on the possible transfer of property had yet to be taken, with work underway with the pension regulator and the Department for Communities and Local Government on whether it should go ahead. Should it be permitted to proceed, it would be a decision for the Pension Committee and Pension Board to resolve.

It was agreed that that Recommendation 24 concerning the amount of money set aside for life cycle costs of Croydon Affordable Housing stock should be prioritised to ensure that sufficient funds had been set aside for maintenance costs.

Recommendation 24 – 26

Following a request for further information, it was agreed that more detail would be provided to the members of the Committee on the Housing Allocations Policy used for properties owned by Croydon Affordable Homes.

Recommendation 27

In response to a question about whether the Asset Investment Fund should have its own risks on the corporate risk register, it was confirmed that there was such a risk, but it had only recently been added.

It was also questioned whether the Council would have been in a better financial position if the Asset Investment Board had not been set up. It was

advised that funding for the Board had been borrowed at an interest rate of 2.6% and at present the income generated by the investment fund covered the cost of repayment, so overall the Council was better off.

It was noted that there had been missed payments within the fund that had resulted in media headlines suggesting this was the cause of what tipped the Council into bankruptcy, which was not the case. It was questioned whether there would be any further issues with payment and how this could be avoided. It was confirmed that the Council had now budgeted for ongoing payments, so it would not be an issue in the forthcoming year. The Council would need to look at its options for the Croydon Park Hotel to minimise any cost to council taxpayers.

It was asked whether the fund was meeting expectations. It was confirmed that in terms of the Council's revenue account the return from the rent on the acquisitions was slightly more than the cost incurred. However, the Asset Investment Fund had contributed to the overspend due to an assumption made on the rental income it would achieve, which had not been realised.

In response to a question about selling assets to cover the Council's debt, it was advised that each site would need to be reviewed on a case by case basis. The disposal of assets had been discussed with the MHCLG and there was no indication that the Council would be expected to hold a fire sale. When considering asset disposal, one of the key considerations would be ensuring the best outcome for public money.

At the conclusion of this item the Chair thanked both the Councillors and officers in attendance for their participation in the meeting and their open engagement with the questions of the Committee.

Recommendations

At the conclusion of the discussion on this item, the Scrutiny and Overview Committee agreed to make the following recommendations to the Cabinet on the action plan arising from the Strategic Review of the Council's Companies.

1. The Committee would request the opportunity to scrutinise the report arising from the second phase of the PwC review of the Council's Companies.
2. The Committee would request the opportunity to scrutinise the progress made against delivering the action plan, at the appropriate time.
3. The Committee identified that a lack of governance and appropriate management systems were a reoccurring theme in both this report and the Report in the Public Interest, and as such it was important to ensure that a robust level of challenge from scrutiny was facilitated to prevent any repetition of past mistakes.
4. The Committee noted that investigation had found no evidence that Brick by Brick had ever produced monthly management accounts and recommends that this is addressed as soon as possible.
5. Should the second phase report identify continuing with Brick by Brick, it was requested that the annual business case for the company continue to receive scrutiny from the Streets, Environment & Homes Sub-Committee.

6. The Committee recognised the need to be mindful of the capacity within the Council to respond to requests from scrutiny, particularly in light of the ongoing pressures from covid-19, and would both encourage and welcome an open dialogue with the Corporate and Political Leadership to manage expectations.
7. The Committee recommends that achieving value for money should form a key priority within any future relationship with its companies.

Strategic Review Action Plan Recommendations 1 – 4 (Brick by Brick Financial Planning, Financial Governance & Financial Governance Reporting)

8. The Committee requested that other criteria, such as potential housing delivery, be included in the report due in February 2021 on the options for Brick by Brick.
9. The ability of Brick by Brick to deliver housing on sites that had previously been identified for transfer to the company should be one of the primary factors for consideration when any decision was made by the Council over the future of each individual site.
10. The Committee would ask that the Board of Brick by Brick give consideration to the publication of non-commercially sensitive information that could be used to provide assurance that the Council's investment is being put to good use.
11. The Committee welcomed confirmation that an audit review had been commissioned on the Fairfield Halls development, to understand the decision making behind the arrangements with Brick by Brick.

Strategic Review Action Plan Recommendation 5 (Brick by Brick State Aid)

12. The Committee welcomed the confirmation that site specific risk assessments would be required as part of any consideration of the future of those sites. The Committee recommended that any future land disposal policy includes a requirement for an assessment of the viability of delivery of housing on a site.

Strategic Review Action Plan Recommendation 6 (Croydon Council Purchase of Brick by Brick Properties)

13. The Committee welcomed confirmation that all sites that had not yet been transferred to Brick by Brick will be re-evaluated by the Council before making a decision on how to proceed, if at all, with a planning application.

Strategic Review Action Plan Recommendation 7 (Croydon Council – Brick by Brick Developments)

14. The Committee highlighted that the limited capacity within the Planning Service presented a considerable risk to the Council and recommends that an increased level of monitoring is put in place to ensure the risk was managed appropriately.

Strategic Review Action Plan Recommendation 8 (Croydon Council – Brick by Brick – State Aid)

15. The Committee felt that further investigation was required to understand

<p>why the Council had never implemented its 25% equity investment in Brick by Brick.</p>
<p>Strategic Review Action Plan Recommendations 9 – 12 (Croydon Council – Governance)</p>
<p>16. The Committee noted that the LGA investigation was currently underway and requests reassurance that efforts are being made to preserve any documents that may be relevant to this review.</p>
<p>Recommendations 13 – 15 (Croydon Council – Disposals)</p>
<p>17. The Committee would request the opportunity to scrutinise the systems that are being put in place for recommendations 13 and 14, once they have been tested.</p>
<p>Recommendation 16 – 18(Growth Zone – Business Case & Governance)</p>
<p>18. The Committee acknowledged that the current economic reality meant the original ambitions for the Growth Zone would need to be reassessed. It was recommended that any such reassessment include a detailed risk assessment that was regularly monitored as part of the project going forward.</p>
<p>Recommendations 19 – 21 (Revolving Investment Fund)</p>
<p>19. The Committee recommends that consideration is given to whether the responsibility for monitoring Treasury Management sits within either the scrutiny or audit function.</p> <p>20. The Committee would recommend that governance systems are developed to improve the retention of ‘corporate memory’ going forward as a priority.</p>
<p>Recommendations 22 – 24 (Croydon Affordable Housing – Lifecycle Cost Provision & State Aid)</p>
<p>21. The Committee would request further information is provided to improve their understanding of the flow of funds between the Council, Croydon Affordable Homes and any other associated entities.</p> <p>22. The Committee would recommend that the action set out in recommendation 24, concerning the amount of money set aside for life cycle costs of Croydon Affordable Housing stock is undertaken as a priority.</p>
<p>Recommendations 25 – 26 (Croydon Affordable Housing)</p>
<p>23. The Committee would request the provision of further information on the housing allocation policy used for Croydon Affordable Homes.</p>
<p>Recommendations 27 – 29 (Asset Investment Fund)</p>
<p>24. The Committee welcomed confirmation that there was no intention to undertake a ‘fire sale’ of assets to realise funds and would encourage that a full assessment is made prior to the disposal of any assets to ensure that value for money is achieved for Council Tax payers.</p>

53/20 **Exclusion of the Press and Public**
This motion was not required.

The meeting ended at 9.10 pm

Signed:

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Date:

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Public Document Pack

Scrutiny & Overview Committee

Meeting held on Thursday, 7 January 2021 at 5.00 pm. This meeting will be held remotely and can viewed on the Council website.

MINUTES

Present: Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair). Jerry Fitzpatrick, Oni Oviri and Joy Prince.
Also Present: Councillor Muhammad Ali and Gareth Streeter

PART A

1/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

2/21 **Urgent Business (if any)**

There were no items of urgent business.

3/21 **CALL-IN: Emission-Based Parking Charges**

The Chair of the Scrutiny & Overview Committee, Councillor Sean Fitzsimons introduced the Call-In item, outlining the reason why the 'Emission-based Parking Charges' key decisions had been called in. It was confirmed that there were a number of reasons why the call-in had been made which included seeking reassurance that the new charges were not being introduced as a fiscal measure, to clarify the environmental benefits of the new charges, to seek reassurance that there would not be an undue impact on the local economy and to confirm that the decision had been taken in line with the decision-making processes set out in the Council's Constitution. In response to these concerns a report setting out additional information was provided for the consideration of the Committee.

The Chair explained the process for considering a call-in, confirming that the Committee needed to agree whether to review the decision and if it was decided to proceed, to confirm how much time it wished to allocate for the discussion of the item. The Committee agreed that it would review the decision and allocated one hour and thirty minutes for consideration of the item.

The Chair went on to explain that there were three outcomes that the Committee could reach as a result of the review. These were:-

1. That no further action was necessary and the decision could be implemented as originally intended.

2. To refer the decision back to the Cabinet for reconsideration, outlining the nature of the Committee's concerns
1. To refer the decision to Council, if the Committee considered that the decision taken was outside of the Budget and Policy Framework.

At the outset of the item the Chair gave Councillor Gareth Streeter, as the Shadow Cabinet Member for Transport, Environment & Regeneration the opportunity to outline his concerns about the report. Councillor Streeter advised that he held a concern that the decision had not been made in line with the Council's Constitution as the Cabinet delegation had not referenced the removal of free parking bays. As such there had not been an opportunity for the proposal to receive Member scrutiny. It was also highlighted that the timing of the decision gave rise to the concern that the new charges had been introduced as a fiscal measure. Finally, there was also concern that there was a lack of evidence to determine what the impact would be on local economy from the removal of free bays. Given the unprecedented challenges facing the economy from covid, it was felt the Council should be doing all it could to support local businesses.

The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali along with council officers were in attendance at the meeting to address the call-in and answer any questions arising.

Prior to answering questions from the Committee, Councillor Ali was provided with the opportunity to respond to the call-in. It was outlined that the Emission-Based Parking Charge Policy had been created in response to national, regional and local policy drivers aimed at lowering car usage including the Mayor of London's Low Emissions Strategy and the Council's Local Plan. Furthermore, the policy was part of a range of measures that had been developed in response to the Council's declaration of a climate emergency in 2019. Replacing free parking bays with emission-based pay and display parking charges would help to encourage low-emission vehicles.

The consultation on the proposals had indicated that there was a level of support amongst the business community for the new charging policy. Evidence also indicated that reducing car usage would free up extra income that could be spent within the local economy.

Following the response by the Cabinet Member, the Committee was given the opportunity to ask questions about the Emission-Based Parking Charges. The first question asked whether parking charges would be lifted now the country had entered into a second national lockdown. In response it was advised that there had been a decision across London to relax parking enforcement during the first lockdown in 2020. At this stage there had not been a similar agreement for the second lockdown and as such normal levels of enforcement would continue.

Further information was requested on the flexibility of the pay and display machines used by the Council. It was confirmed that payment could be made at the machine using either cash or a contactless payment method. Furthermore, a contract had just been let to enable payment for parking

through a phone app. The phone app was fairly straightforward to update when parking charges changed, but the process for reprogramming the pay and display machines was more complex and normally took about a month to completely update.

As a follow question, it was asked whether the pay and display machines could be individually programmed to allow for different charging schedules across the borough. It was confirmed that this was possible, however it was highlighted that parking charges had been reviewed in 2016, with a fair parking policy adopted. Prior to this review there had been approximately 100 different charging tariffs in operation across the borough.

It was confirmed that at present car park user would need to register online to qualify for the emission-based parking charges and would need to make payment through the phone app. Concern was raised by the Committee that this may penalise those who did not have access to a smart phone and as a result unable to use the app to make payment. It was confirm that at present there was a 50% split between cash and mobile app payments. However, the longer term trend was towards cashless payments as these were more economic, than having cash payment machines which were often targeted for theft.

In response to a question about the evidence used to develop the policy, it was advised that there was an evidence base which suggested that emission-based parking was one of the key drivers in improving air quality. Analysis of parking bay usage in the borough had also indicated that paid bays tended to have a higher level of 'churn' during the day in comparison to free bays. It was also highlighted that at present it was often the case that people circulated while waiting for a free space to become available. With the removal of the free bays, it should help to encourage the churn and improve the availability of spaces.

Further questioning on the evidence used to develop the emission-based parking charges followed, with it questioned whether there was evidence that linked the introduction of emission-based parking with improved air quality. In response it was highlighted that the introduction of the ultra-low emissions zone in London had improved air quality through reducing the number of car journeys each day. Although not directly comparable to a London-wide scheme, the emission-based parking charges should also encourage lower car usage, which if successful would achieve similar results. Research had found that Croydon had the biggest opportunity to reduce car usage of all London boroughs and it was important to get the right balance in the pricing level to encourage people to choose alternatives to car travel.

The Chair read out a statement that had been submitted for the consideration of the Committee by the East Coulsdon Residents Association, who wanted to make a formal objection to the new parking charges. The grounds for this objection included the need to support local district centres competing with neighbouring boroughs and larger retail providers such as supermarkets. It was also felt to be unfair to have the same scheme for both the district centres and the high streets in the borough when the local economy for each was very

different. The requirement to use a smart phone to qualify for the emission-based parking discount also penalised those without access to any such devices. In conclusion it was the view of the residents association that the retention of small number of free bays would help to encourage the economy in local district centres.

In response to concerns about the number of people 'meter feeding' throughout the day to remain in free bays, it was acknowledged that the new charges would remove this as to do so would mean paying for tickets. As such this should help to stimulate the churn of people parking. It was also acknowledged that machines requiring a registration number to be input could be procured to reduce meter feeding, but it was important to balance the cost of new technology against the problem it was looking to resolve. Meter feeding was not as significant an issue to justify the cost of procuring new pay and display machines.

It was highlighted that other authorities had actually replaced some of their parking bays with biodiverse solutions to offset against the pollution from cars. It was questioned whether consideration had been given to introducing similar schemes in Croydon. It was confirmed that the Council had secured funding for the creation of a business low emission neighbourhood on London Road, with initiatives such as urban greening under consideration.

As the delegation for the decision had not mentioned the removal of free parking bays, confirmation was requested that the decision had been taken in line with the policy framework. It was highlighted that the decision taken had been based on two separate delegations, one in March 2020 for the introduction of emission-based parking charges following a consultation and a second delegation on reviewing parking charges. The introduction of emission-based parking bays, automatically removed the existing free bays.

As a follow-up, it was questioned whether, as it was unlawful to increase parking charges as a fiscal measure, legal advice had been sought to confirm that the new charges were lawful. In response it was highlighted that legal sign-off would automatically be sought as part of the process for the decision. Whenever parking charges were increased concern was raised that it was being introduced as a means to raise revenue, but any surplus raised could only be allocated for transport related items. In Croydon any surplus raised through parking charges was allocated to the concessionary fares scheme. Other local authorities had received legal challenges over the introduction of emission-based charging, but legal advice had confirmed that the scheme in Croydon met the requirements of the law.

It was confirmed that data on parking usage was already gathered and had been used to inform the emission-based parking charges. The data had not indicated there would be an undue impact upon local businesses from the introduction of the new scheme. Parking charges would always be an emotive subject for the local business community, but it was important to realise that parking was only one of a range of factors that impacted upon the local economy. The Council had been working with Save the High Streets to understand the issues facing the local economy and had identified that other

factors such as making access easier and improving the customer experience were important. The lack of available parking was often as much of a problem as the need for free parking and the new emission-based scheme would help to address this.

Although the Committee accepted in principle the introduction of emission-based parking charges, there was a concern that the one size fits all approach for the whole borough did not account for the differences in local district centres, particularly those areas in the borough that relied on passing trade. As such it was agreed that the decision would be referred to the Cabinet for further consideration on this basis.

Conclusions

Following its deliberation on this item, the Scrutiny & Overview Committee reached the following conclusions:

1. In principle the Committee supported the introduction of an emission-based parking charges policy.
2. There remained concern amongst some members of the Committee about the existence of evidence to demonstrate that the introduction of the new charges would have a demonstrable effect on air quality in the borough.
3. The Committee remained unconvinced that there was sufficient mitigation to make it clear that there would not be an undue impact on the economy in local district centres and felt that a more variable scheme would help to address these concerns.
4. The Committee accepted the advice from officers that the scheme was not being introduced as a fiscal measures.
5. The Committee welcomed confirmation that data was gathered on car parking usage and felt that data should be used to shape future parking charges.
6. The Committee supported the exploration of biodiverse schemes to offset against pollution from vehicle usage.

Councillor Ward indicated that he would be making a submission on the case for retaining the free parking bays in Selsdon High Street.

Recommendations

At the conclusion of the item the Scrutiny & Overview Committee agreed to make the following recommendations to the Cabinet Member for Sustainable Croydon:-

1. That the decision to remove all free parking bay be referred to Cabinet for further consideration to explore the opportunity for a more tailored approach which allowed for the retention of free parking in district centres where evidence indicated it would be beneficial to the local economy.
2. That a data led review be conducted of the impact from the new emission-based parking charges be undertaken after an appropriate

timeframe, with the outcome reported back to the members of the Scrutiny & Overview Committee.

4/21 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 7.25 pm

Signed:

Date:

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Scrutiny & Overview Committee

Meeting held on Thursday, 4 February 2021 at 5.00 pm.
This meeting will be held remotely and can be viewed on the council website.

MINUTES

Present: Scrutiny & Overview Committee members

Councillor Sean Fitzsimons (Chair), Robert Ward (Vice Chair), Jerry Fitzpatrick, Oni Oviri, Andrew Pelling and Joy Prince

Children & Young People Sub-Committee members

Councillors Sue Bennett, Bernadette Khan, Helen Pollard, Louisa Woodley, Josephine Copeland (Co-optee), Leo Morrell (Co-optee), Elaine Jones (Co-optee) and Paul O'Donnell (Co-optee)

Also Present: Councillors Alisa Flemming, Stephen Mann and Pat Ryan

Croydon Council Officers - Debbie Jones (Interim Executive Director of Children, Families & Education), Shelley Davies (Interim Director of Education), Denise Bushay (Head of School Place Planning & Admissions)

External - Dr Simon Hughes (Director of Education – Southwark Archdiocese),

Apologies: Councillor Leila Ben-Hassel

PART A

5/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

6/21 **Urgent Business (if any)**

There were no items of urgent business.

7/21 **CALL-IN Proposed closure of Virgo Fidelis Convent Senior School from August 2021**

The Chair of the Scrutiny & Overview Committee, Councillor Sean Fitzsimons introduced the Call-In item, outlining the reason why the 'Proposed Closure of Virgo Fidelis Convent Senior School' key decisions had been called in. It was confirmed that there were a number of reasons why the call-in had been made, which were as follows:-

1. To hold the decision takers to account on their decision and to the evidence that underpins their reasoning to recommend closure of Virgo Fidelis Secondary School.

2. To ensure that there are sufficient secondary school places in Croydon for Croydon pupils and that the decision will not adversely affect disadvantaged groups
3. To ensure that there is no undue negative impact on other Croydon schools as a result of this decision
4. To obtain reassurance on the future use of the site
5. To obtain reassurance on the treatment of the accumulated budget deficit
6. To ensure that the decision does not unduly restrict the choice of parents to send their children to a single sex school or a school of religious character.

In response to these concerns a report setting out additional information had been provided for the consideration of the Committee.

The Chair explained the process for considering a call-in, confirming that the Committee needed to agree whether to review the decision and if it was decided to proceed, to confirm how much time it wished to allocate for the discussion of the item. The Committee agreed that it would review the decision and allocated one hour and thirty minutes for consideration of the item.

The Chair went on to explain that there were three outcomes that the Committee could reach as a result of the review. These were:-

1. That no further action was necessary and the decision could be implemented as originally intended.
2. To refer the decision back to the Cabinet for reconsideration, outlining the nature of the Committee's concerns
 1. To refer the decision to Council, if the Committee considered that the decision taken was outside of the Budget and Policy Framework.

At the start of the meeting the Chair gave the representative from the Southwark Archdiocese and council officers the opportunity to respond to the call-in. During this introduction it was highlighted that any proposed school closures were not taken lightly and would be based on the standard of education provided and the safety of the children attending the school. Both the Council and the Roman Catholic Archdiocese were in agreement on the closure of the Virgo Fidelis Convent Senior School and had approved the closure after following the process for closing schools. The main reasons for the closure of Virgo Fidelis were the unfit estate, the declining roll and the impact of the increasing deficit. The Council and the Archdiocese were working together to manage the smooth transition of pupils to new schools.

The Ward Councillors in attendance, Councillor Stephen Mann and Councillor Pat Ryan, were also given the opportunity to provide the local view on the closure. It was highlighted that there was regret that the school was closing after so many years, but it was understood that it had been in decline. Of major concern was the deficit of £2.5m, which would be passed to the Council upon closure, and how this would impact upon the education budget. Other concerns raised included the retention of facilities used by the local community, the distance to travel to alternative Roman Catholic schools and whether opportunities had been missed to provide support at an earlier stage. The first question from the Committee asked for further information on the background of Virgo Fidelis. It was confirmed that the Catholic Church had a

large number of voluntary aided schools, including 169 in the Southwark Archdiocese. Virgo Fidelis was different, as it was under the ownership of a religious order, but it was conducted within the same structure as a voluntary aided school. Although it was the Archbishop's decision on what schools were Catholic, neither the Archbishop or the Archdiocese had the power to appoint trustees to the school. The running costs of the school were met by the Local Authority from grants provided by the Department for Education. Previously, the Department for Education allocated parcels of money on a per capita basis for all voluntary aided schools. However, the funding process changed this year with all of the money given to Archdiocese to allocate based on the number of voluntary aided schools within their area.

All voluntary aided schools were in receipt of a small capital grant each year, which was used for maintenance and refurbishment. What work was prioritised would normally be decided by the head teacher. All voluntary aided schools had to make a 10% contribution to capital costs. At Virgo Fidelis, it had not been possible to make a grant as they were not able to fund the 10% contribution. Any maintenance that had been carried out by Archdiocese had prioritised safeguarding needs and urgent repairs.

Further information was requested on the transition of the students, including what safeguards had been put in place to build relationships with receiving schools. It was advised that it was essential to ensure a smooth transition and as with the closure of St Andrews School in 2019, the Education Service had worked with individual families to manage the in-year transition programme. It was important to give parents a choice of schools and although there was capacity at St Mary's School, there were other schools available. Work was also underway to ensure that all records were transferred across to the new schools.

As a follow-up, it was questioned whether the Catholic schools in the Archdiocese helped each other out? In response, both St Mary's School and the education team were commended for their management of the process. To improve parental choice, other catholic schools in the Archdiocese with spare capacity had been highlighted to parents, but the Coloma Convent Girls School, which was also in the borough, was currently oversubscribed.

In response to a question about the support for years 10-11 pupils, who had already experienced significant disruption over the past year, it was advised that all year 10 pupils had been kept together as a cohort at St Mary's School since September 2020. Although school transition was hard for all children, it had gone as well as could be expected.

There was concern expressed about the potential distances to other single sex catholic schools, should parents want their daughters to continue their education within a similar environment. It was advised that parental choice was hugely important and was why attempts had been made over the last few years to support the school. Unfortunately, these attempts had not be successful and a decision to close the school had been taken to ensure the safety of the pupils.

Significant concern was raised by the Committee about the £2.5m debt from Virgo Fidelis being passed to the Council, with the school closure. It was questioned whether there was any scope for recovering this debt. In response it was advised that concerns had been raised with the school about the size of the debt over a number of years and the debt would have only increased

without the decision to close. The Archdiocese had also raised the possibility of funding school repairs from selling some of the land surrounding the school, but had been advised that this would not happen.

The Council had issued a warning notice in 2017, due to concerns about the school, but shortly after Ofsted had carried out an inspection which had resulted in a 'Good' rating, which delayed the process despite these concerns. A second notice had subsequently been issued, which had resulted in an Interim Executive Board (IEB) being installed to oversee the running of the school. The Council was in the process of seeking legal advice to find out if there was any possibility of recovering any of the deficit. It was confirmed that the deficit would not have an impact on the funding of other schools in the borough, but would sit within the Children Services budget line, creating additional budgetary pressures.

It was stated that there seemed to have been a number of red flags raised over time, and despite the action taken by the Council and the Archdiocese a significant deficit of £2.5m had been incurred that would now be passed to the Council. As such, it was suggested that there seemed to be an issue within the system, which allowed schools to incur a deficit without accountability.

As this was the second voluntary assisted school closure in the north of the borough in two years, it was questioned how this would impact upon the availability of school places and whether there were any other schools at risk of closure. It was advised that the closure of a school did have an impact upon the numbers of places available, as would the opening of new schools. It was important to ensure that there was parental choice and it would always be the case that some schools would be more popular than others. Funding was determined by the number of pupils on the school roll, which would only serve to increase the deficit as pupil numbers dropped.

In response to a question about the lessons learned from the closure of Virgo Fidelis, it was advised that it was important to have a robust system in place to monitor schools that either have or the Council thinks will have a deficit. There also needed to be robust plans in place to manage surplus school places to ensure that schools with a deficit have the right level of support.

It was confirmed that the Council and the Archdiocese had worked well together in managing the closure of Virgo Fidelis and also in general to support the other Roman Catholic schools in the borough. It was suggested that a possible lesson to learn would be to empower governors at other schools to recognise warning signs to ensure the right decisions were made for the future of the school in question.

In response to a question about other schools in the borough with a deficit, it was advised that a report on this would be considered by the General Purposes and Audit Committee. As part of the process of managing the deficit, the Council was trying to include conversations with members of the governing body, as well as head teachers. Assurance was given that the Council was being more robust in requesting information on deficits from schools.

It was questioned whether the other voluntary assisted schools in the borough had similar issues, but it was confirmed that both Coloma Convent Girls School and St Joseph's School were successful and in strong positions.

In response to a question about whether the Archdiocese was able to provide support for Religious Order's unable or unwilling to contribute the 10% fee for

capital maintenance, it was advised that no school had enough money. Most schools could only afford to do essential maintenance such as repairing heating systems or rectify an issue that might impact upon the safety of the pupils.

It was confirmed that the governors of the Virgo Fidelis School had been removed as part of the IEB process, which replaced them with the Interim Executive Board. The IEB was in agreement with the decision to close the school. It was also confirmed that the school site would not be redeveloped and would be used for another educational purpose.

At the end of the discussion, the Chair thanked the attendees for their engagement with the Committee and the openness in which their questions were answered.

Conclusions

Following discussion of the item, the members of the Scrutiny & Overview Committee, along and the Children & Young People Sub-Committee reached the following conclusions:-

1. The Committee concluded that the evidence provided in the report, along with the responses given to questions asked at the meeting, had provided sufficient reassurance that the original Cabinet decision was the correct course of action. As such no further action was necessary and the decision could proceed as intended.
2. The Committee commended the work of both the Archdiocese and the Council in consulting with residents over the closure of Virgo Fidelis and the management of the transition of pupils to other schools.
3. 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 ongoing management of the transition.
4. The Committee welcomed confirmation that the Council was taking a more robust approach to managing schools in deficit, but remained concerned about the governance arrangements for schools who were experiencing difficulties; in particular, the ability of governors to raise issues to the local authority.
5. The Committee endorsed the approach of the Council in seeking legal advice over the possibility of recouping any of the £2.5m deficit that would be passed onto the Council with the closure of Virgo Fidelis.
6. 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. This should include a reviewing the risk factors involved to the schools deficits, such as governance and ownership complexity.
7. The Committee agreed that it would be useful for the Children & Young People Sub-Committee to be provided with information on the demand from Roman Catholic parents for Roman Catholic school places in the borough, when it next considered school place planning.
8. 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.

Recommendations

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The members of the Scrutiny & Overview Committee and the Children & Young People Sub-Committee agreed to make the following the following recommendations to the Cabinet Member for Children, Young People & Learning:-

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.
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, and include a thorough review of the risk factors involved.
3. That when the Children & Young People Sub-Committee next reviewed school place planning in the borough, that information was included on the demand for faith schools.

8/21 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 7.25 pm

Signed:

Date:

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Scrutiny & Overview Committee

Meeting held on Tuesday, 16 February 2021 at 6.30 pm.

This meeting will be held remotely and a recording can be viewed on the council website.

MINUTES

Present: Councillor Sean Fitzsimons (Chair), Councillor Robert Ward (Vice-Chair), Leila Ben-Hassel, Jerry Fitzpatrick, Oni Oviri and Joy Prince

Also Present: Councillors Hamida Ali, Muhammad Ali, Jane Avis, Sue Bennett, Janet Campbell, Jason Cummings, Alisa Flemming, Shafi Khan, Stuart King, Oliver Lewis, Manju Shahul-Hameed, David Wood and Callton Young

PART A

17/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

18/21 **Urgent Business (if any)**

There were no items of urgent business.

19/21 **Budget 2021-22**

The Scrutiny & Overview Committee considered a report setting out the Administration's budget proposals for 2021-22, along with the Section 25 Statement from the Interim Section 151 Officer, Chris Buss, providing his view on the proposed budget. The Committee was asked to review the information provided in order to reach a view on the soundness of the budget proposals and the methodology used to create the budget. The findings of the Committee would be fed into the consideration of the budget at the Council meeting on 8 March 2021.

The Leader of the Council, Councillor Hamida Ali, introduced the item to the Committee, emphasising that the approach taken with setting the budget had been with a full understanding of the serious nature of the budget situation and looked to start to address these challenges. The budget proposed was balanced, but predicated on the Council being successful in its request for a capitalisation directive from the Ministry of Housing, Communities and Local Government (MHCLG). There was a degree of confidence that the Council was doing all it could do to address the budget challenges and it was the view of MHCLG's Improvement & Assurance Panel that there was no viable alternative to capitalisation and it should be agreed.

The budget proposed included a savings programme, increased social care spending based on demand and growth, a review of assets to reduce borrowing costs and looking to reduce commercial liabilities. It was

acknowledged that setting the budget was only the start of the process, particularly given the past history of budgets not being achieved by the Council. An objective of the Council living within its means and keeping to budget had been prioritised. This would be accompanied by increased financial rigour across the organisation to allow real time analysis of the budget. There was a £79m budget gap across the life of the Medium Term Financial Strategy (MTFS), which meant that further difficult choices would need to be taken to address the Council's financial stability and resilience. In addition to the introduction by the Leader, the Deputy Section 151 Officer, Matthew Davis, provided a short overview of the key areas for the Committee's consideration. A copy of this presentation can be found on the following link:-

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MIId=2497&Ver=4>

Following the introductions the Committee had the opportunity to ask questions on the proposed budget for 2021-22. The first area questioned concerned the risks presented by the Council's external auditor, Grant Thornton, still waiting for further evidence before signing off the 2019-20 accounts and the decision of MHCLG on the capitalisation request, which was still to be confirmed. The first question asked when it was likely that the situation with the sign-off of 2019-20 accounts would be resolved. It was advised that there has been a meeting held with the auditors earlier in the day and it was hoped that the situation could be resolved quickly, although it was unlikely to be resolved by the time the Council sets the budget on 8 March and was dependent on the results of further investigation by the auditors.

The main area still to be resolved with the auditors was the use of capital funding in the 2019-20 budget to pay for transformation costs, with the Council in the process of providing evidence to confirm that the funding had been correctly allocated. In the worst case scenario the funding in question would need to be met from the £7m remaining in the General Fund Reserve, but it could equally be the case that the auditors were satisfied with the evidence provided. Another consequence was it would not be possible to close 2020-21 accounts until the 2019-20 had been closed.

In response to a question about the level of General Fund reserves held by the Council, it was confirmed that at the start of the 2020-21 financial year £7m was held. At the end of March 2021, subject to the capitalisation directive being successful, the reserve will be £5m higher. It had been budgeted that an additional £10m would be added to the reserve in 2021-22. There was a risk that the £12m held in the General Fund Reserve by the end of 2020-21 could be offset by an adverse conclusion of the auditors on the use of capital funding in 2019-20, but whether this would happen was unknown at the time of the meeting.

It was questioned how the Council could learn from the mistakes of the past and avoid further challenges from the auditors going forward. It was advised that the Council needed to have a robust mechanism in place to collect evidence for when it was using capital funding for transformation work. It was confirmed that going forward transformation project costs that deliver savings would be held corporately. In advance of the transformation work being agreed, it was expected that a robust business case setting out the key milestones would be prepared for agreement by a Panel. Training and

guidance would be provided for staff when the bidding process for capital funding was launched. The final sign off process would involve Members and progress made in delivering the transformation work would be closely tracked. In response to a question about the consequences for the Council should the capitalisation directive not be agreed, it was advised that should this be the case the Council would need to review its income and expenditure, as it had to set a balanced budget by 11 March. Initial work had been prepared for this eventuality, which would need to be decided with Cabinet, although it was hoped the capitalisation directive would be successful.

As a follow up, it was questioned how the Council's risk appetite would be impacted should the capitalisation directive not be successful. It was advised that the risk appetite of the Council was a political decision and it was not the role of the S.151 Officer to set this. From conversations with MHCLG, the Council should know the outcome of the capitalisation directive by time Council sets its budget on 8 March. Once the figures were known, the S.25 statement may need to be revised to take account of this information.

Concern was highlighted that there had been significant variations in the 2020-21 budget over the year, with it questioned whether any level of certainty could be taken that the figures set out in the report would remain approximately similar. It was advised that the officers were certain as they could be on £64m of the shortfall identified, but the other £31m remained an area of risk. The main risk to the £31m was the payment of interest from Brick by Brick, with a paper due to be considered by Cabinet on 18 February, which aimed to minimise this risk.

In response to a request for an update on the month 10 budget position and whether it was possible that further covid grants may become available, it was advised that the month 10 figure were in the process of being finalised, but there had not been any particular issues flagged at this stage. It was anticipated that a further grant to help offset lost income from fees and charges would be provided before the end of March. There was always the potential for unforeseen, pandemic related, costs to come along, but the estimates had been based on known covid costs. It was requested that should there be a substantial change in the month 10 budget position, that it be reported to the members of the Scrutiny and Overview Committee.

It was questioned how the budget proposals had been tested and whether there could be any degree of confidence that they would be delivered. In response, it was advised that in comparison to previous practice, the proposals for 2021-22 had been well tested and robust mechanisms were being put in place to ensure that they were delivered. If they were not delivered, monitoring would ensure that it was flagged at an early stage, allowing alternatives to be identified. The S.25 Statement had been based on councillors and officers being prepared to make the necessary savings and at this stage the interim S.151 Officer was reasonably reassured that cultural change was being implemented.

In response to a question about what other options had been considered and rejected, and whether a higher raise on council tax had been considered, the Leader advised that the Council would not be requesting permission to raise council tax above the threshold without triggering a referendum. As a 1% council tax increase raised approximately £1.9m, it would require a significant increase to make an impact on the budget shortfall. Furthermore, given the

impact of covid, it would not be fair to impose a higher increase on residents. The conversations with MHCLG had been around other ideas such as the Interim Asset Disposal Strategy rather than asking residents to pay more council tax.

As a follow up, it was questioned whether there was a risk of the government requiring the Council to increase council tax? It was advised that the Secretary of State can issue a direction on what council tax could be increased by, with Northampton Council previously being allowed an additional 1% increase above the threshold. The Council could also request permission for a higher increase, but it had been decided that the Council did not want to do this. A third option would be to go to a referendum.

Apart from Council Tax, it was confirmed that very little else had been taken off the table during the budget development. There had been a suggestion about the possibility of moving bin collections to a three weekly cycle, but this had been ruled out due to the potential saving being offset by other costs such as increased fly tipping.

It was highlighted that it was difficult to make a judgement on the proposed savings, particularly those in Children and Adult Services, without understanding the underlying assumptions on which they were made. It was agreed that this information be made available for the Committee. It was also agreed that it would be important for Scrutiny to have information dashboards available on service performance, if it was going to be able to effectively monitor performance going forward.

In response to a question about whether commissioning and contracts were being reviewed, it was advised that a comprehensive review was underway and would be reported to the Cabinet in April. The aim of the review was to ensure that the Council was getting best consideration for Croydon and may result in further savings. It was confirmed that the commitment of the Council for contractors to pay the London Living Wage remained in place.

In response to a discrepancy in the tables setting out corporate pressures, it was advised that this was likely to be due to the release of a reserve to balance the budget, but this would be checked and confirmed to Committee.

Although it was acknowledged that benchmarking was necessary, concern was raised that it could be crude. Reassurance was requested that the Council was benchmarking services such as social care against authorities with comparable vulnerabilities. It was agreed that it was important to be sure when benchmarking that like for like was being compared. Further work was underway within the Children Service to ensure that benchmarking information took into account both statistical neighbours, as well as other London authorities.

From work to understand the detail of the revenue outturn figures that formed the base of the benchmarking data, it had become evident that local authorities managed to report figures in a variety of different ways. Benchmarking could not be relied upon alone, but it was useful and in many cases was the only indicator available. A lot of local authorities were not facing the same challenges as Croydon with a high level of unaccompanied asylum seeking children (UASC) in the borough, distorting the figures.

As the interim S.151 Officer had been in post less than a week, it was questioned what reassurance could be given on the judgement made in the S.25 statement, particularly when other S.151 Officers had given similar

assurances in the past. The Interim S.151 Officer advised that he had experience of setting budgets in similar challenging circumstances in the past and in those instances the figures had been correct and the budget delivered. As a follow up, it was questioned how the S.151 Officer viewed the cultural change challenge facing the Council and how an assessment could be made on the likelihood of success from the change being implemented. It was highlighted that cultural change was difficult to implement. Since starting to work with the Council in October 2020, there had been evidence that cultural change was starting to take place, with a change in attitude towards the budget.

The Chief Executive emphasised that the Council could put in place a range of systems to monitor the budget, but if they were not used or understood it would not work. The Council was in the process of bringing in a system that would put controls in place to enable effective management of the budget and it was important that staff understood it was not a mechanism to catch them out. It was a key priority that this was delivered and it was hoped that Scrutiny would be able to feed into the process over the coming year. It was suggested that further consideration needed to be given to potential indicators that would allow Scrutiny to make a judgement on the pace of cultural change.

Regarding the improvement journey, it was questioned whether the covid pandemic would hinder the delivery capability. In response, it was highlighted that the Council was on a three year journey to achieve a sustainable balanced budget by March 2024. In some areas of the organisation there were deeply entrenched issues that would take a while to resolve. Funds had been allocated in the budget to bring in additional capacity to support the improvement journey and there was a need to be clear on priorities moving forward. Capacity was strained, but there was also a need to look at capability within the organisation as well. The agreement of the capitalisation directive by MHCLG was key to providing the Council capacity to deliver change.

It was also highlighted to the Committee that the Council had not previously had single corporate reporting across projects. The Programme Management Office was now putting processes in place to enable reporting. Responsible and Accountable Officers had been allocated to each and every project. There would be fortnightly reporting on each project, which would enable action to be taken when anything was not on track.

It was suggested that one mechanism to enhance accountability and ownership would be to pass budgets to lower within the organisation and as such it was questioned whether there were any plans to do this. In response it was advised that there was a need to ensure the proper level of accountability was in place, with the hierarchies being discussed. It was important to emphasise that the work on finance was a shared responsibilities across the organisation and there needed to be a common understanding that financial control was important, which was not the case in some parts of the organisation at the moment. There also needed to be the right tools in place to allow budget holders to manage their budgets effectively. There was a programme of work to ensure the right systems were in place to provide budget holders with up to date information, as budget holders could not be expected to do a good job until the correct tools were in place.

Budget holders also needed to be trained to understand how to ensure their business met the standard required. There had been a clear message from

staff that there needed to be greater accountability within the organisation. Once the systems, processes and training were in place, there would need to be accountability if processes were not being followed or the required standard not achieved.

The Chairs of the three Scrutiny Sub-Committees reported back on their reviews of the budgets within their service areas. The Chair of Children and Young People Sub-Committee highlighted that delivery of the savings proposals was key, with the Sub-Committee's focus having been upon whether the cost savings were realistic and robust. In particular, it was questioned whether the saving of £800,000 through reducing the number of children in care could be safely managed to ensure that children were not negatively impacted.

In response it was advised that there had been a lot of work within the Service over the past two years focused on both preventing children coming into care system and also moving others out of the system safely. Benchmarking and other safeguards had been used at every stage of the improvement journey to ensure that the work remained on the right track. Weekly reporting was used to challenge any performance issues and to review the figures for children entering and exiting the system. This data had been used to develop what was considered to be conservative estimates for the service. There was currently approximately 484 local children under the care orders, with the aim to reduce this to 430 children over the three year of the MTFs. The Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming, reemphasised that the aim of the service was to ensure that children were in the best place for them, which in many instances was their birth families, including wider family.

In response to a question about the costs for UASC, it was advised that there had been a significant amount of work to break down these costs, with the majority of addition costs being for young people in the leaving care service. The improvements being made to the Accommodation Strategy would be equally important in terms of both quality and cost. Work also continued with the Department for Education to get a fair deal for Croydon. The accounting figures used in developing the budget had been based on the current costs.

It was questioned whether there was likely to be an increase in the number of children subject to a final care order. It was advised that the aim was to reduce the number of children entering the care system and at the other end increasing the number of children returning to their families, where it was safe to do so.

It was also questioned whether the possibility of pent-up demand, because of the pandemic, had been factored into the budget planning. It was advised that the Service had been looking at the potential impact from the pandemic, in terms of both pent up demand and a surge for services, across the safeguarding partnership. A key driver would be the experience of children once they returned to full time schooling. The Service had a good relationship with both schools and the police, and worked together to identify children in need of support. It was confirmed that it would only take a small number of chaotic families to have a significant impact upon the costs of safeguarding children. Growth had been built into the budget to right size the parts of the service supporting families to keep children out of the care system.

In response to a question about whether it would be unacceptable for a social worker to take cost factors into account when deciding whether to take a child into care, it was advised the service worked on assessed demand and while social workers would not be constrained from making the right decision for the child, it also needed to be acknowledged that there was a finite amount of financial resource available.

The Chair of the Streets, Environment & Homes Sub-Committee, Councillor Leila Ben Hassel advised that during the Sub-Committee's consideration of the Place Service budget, there had been concern about the scale of cuts to both statutory and non-statutory services, with it questioned how the impact of the cuts would be monitored. It was also felt that it was easier to make cuts in the Place Service, rather than either Adults or Children Social Care, with concern noted about the balance of the budget profiles, with it highlighted that the budget for Place was already below the London average, before any cuts had been made. There was also concern about how the cuts would impact upon the income generating parts of the Planning Service. Despite the concerns noted, the Sub-Committee had concluded that the proposed budget was well thought through.

The Cabinet Member for Culture & Regeneration, Councillor Oliver Lewis, acknowledged that tough decisions needed to be taken in order to reduce expenditure and services were unlikely to be provided to the same level as at present. The Council would not be able to deliver regeneration in the same way it had planned to before and would need to work with partners to deliver future regeneration. In setting the budget, there was an aim to preserve resource in Planning, as it was recognised there had been an increase in demand over the past year. Resources within the Planning Service had been reprioritised to tackle the backlog of planning applications.

It was questioned whether there was a threat to the income generating capacity within the Planning Service. In response, it was advised that the service had been reshaped to deal with the current capacity issues, with work underway to establish how to deliver the service going forward, to ensure that income was maximised.

In response to a question about whether it had been easier to make cuts in the Place Service, it was highlighted that most of the proposals were either at an advanced stage of delivery or had already been delivered, such as charging for bulky waste collections. The service was working with user groups on the Parks Strategy to ensure a streamlined service could be delivered. There was also a hope that there would be a greater opportunity to use parks for income generation once the pandemic was over. It was also highlighted that the reduction of staff in the Economic Development team would have an impact on their work, but they were working with partners to ensure businesses continued to be supported.

It was reemphasised to the Committee that the scale of the cuts required across the duration of the MTFS meant that savings would need to be considered across every part of the organisation, if the Council was to achieve its aim of living within its means and delivering the set budget. The Chair of the Committee noted that it was a challenge for all Councillors to accept that they will need to make tough decisions and if they were campaigning against a particular savings, then other savings would need to be offered as an alternative.

The Chair of the Health & Social Care Sub-Committee, Councillor Sean Fitzsimons, highlighted that they had raised concern about the proposed savings in the operational budget for Adults and sought reassurance that these could be delivered. The Cabinet Member for Health, Wellbeing & Adults, Councillor Janet Campbell, advised that the savings proposals had been tested during a rigorous budget setting process, with a control panel reviewing all spending. The baseline figures for the savings had been based upon LGA guidelines, which had suggested a 5% reduction, with 7% reduction included as a stretch target to challenge the service. The key challenge was to ensure that the safeguards put in place helped to stabilise costs. Placements were one of the biggest expenses for the Service, with these being reviewed to take account of options other than placements in institutions, including the provision of support to allow clients to live as independently as possible in the community.

As a follow-up, it was questioned how the budget had been tested, with it confirmed that it had been reviewed by the LGA, external partners and corporately within the Council. All areas of the service had been reviewed to identify possible efficiencies.

It was confirmed that there was an intention for the Programme Management Office to produce quarterly progress reports on the implementation of the budget, which would be reported to the Improvement & Assurance Panel, Cabinet and the Scrutiny & Overview Committee.

It was questioned whether there had been any analysis of the potential for unintended consequences as a result of the savings, which may lead to greater costs for the Council over the longer term. Discontinuing the Welfare Support team was highlighted as a saving that could lead to the creation of more significant issues further down the line. In response, it was advised that although there would not be a reliance on the third sector, many charities offered a similar welfare service. Welfare rights would be incorporated into other areas of the Council, such as social care, many of whom already provided similar support. Welfare support would also be provided through the localities work of the Council and its partners. It would be expected that service heads across the Council monitored the impact of the savings, in order to flag any potential issues at an early stage.

At the conclusion of the item, the Chair thanked the Cabinet and all the officers who had attended the meeting for their participation in answering the questions of the Committee.

Conclusions

Following the discussion of the budget proposals, the Scrutiny and Overview Committee agreed that the following conclusions would be reported to Council during its consideration of the Budget on 8 March 2021:-

1. The Committee felt hopeful that 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.
2. 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.

3. The Committee felt 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.
4. The priority for the Council to live within its means, while protecting the most vulnerable residents in the borough, was supported by the Committee.
5. 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.
6. 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.
7. It was felt 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.
8. 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.
9. There was a concern about the potential impact upon the workload of Council staff, which would need to be monitored corporately.
10. It was agreed that there was an onus on all Councillors to ensure the budget was delivered and the right level challenge was provided. Councillors also needed to accept that some service areas would be reduced from their current level.
11. 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.

Recommendations

The Scrutiny and Overview Committee agreed to make the following recommendations to the Cabinet for further consideration:-

1. 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.
2. 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.

3. 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.
4. 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.
5. 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.

20/21 **Housing Revenue Account 2021-22**

This item was withdrawn from the agenda, as the report was not available in time for the meeting. The Chair put on record the disappointment of the Committee that the report had not been prepared in time to allow for scrutiny of the Housing Revenue Account budget for 2021-22.

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

This motion was not required.

The meeting ended at 10.15 pm

Signed:

Date:

Public Document Pack

Scrutiny & Overview Committee

Meeting held on Tuesday, 23 March 2021 at 6.30 pm in This meeting will be held remotely

MINUTES

Present: Councillor Sean Fitzsimons (Chair), Councillor Robert Ward (Vice-Chair), Leila Ben-Hassel, Jerry Fitzpatrick and Oni Ovir

Also Present: Councillors Muhammad Ali, Clive Fraser, Stephen Mann and Gareth Streeter

Apologies: Councillor Joy Prince

PART A

22/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

23/21 **Urgent Business (if any)**

There were no items of urgent business.

24/21 **Call-In: Crystal Palace and South Norwood Low Traffic Neighbourhood**

The Chair of the Scrutiny & Overview Committee, Councillor Sean Fitzsimons introduced the Call-In of the 'Crystal Palace and South Norwood Low Traffic Neighbourhood' key decision. It was highlighted that two call-in requests had been received for this decision and although the Council's Constitution only allowed one call-in per decision, it had been agreed that the spokesperson for each call-in would be allowed to address the Committee to highlight the reasons for making the request.

The Chair explained the process for considering a call-in, confirming that the Committee needed to agree whether to review the decision and if it was decided to proceed, to confirm how much time it wished to allocate for the discussion of the item. The Committee agreed that it would review the decision and allocated two hours and thirty minutes for its consideration.

The Chair went on to explain that there were three outcomes the Committee could reach as a result of its review. These were:-

1. That no further action was necessary and the decision could be implemented as originally intended.
2. To refer the decision back to the Cabinet for reconsideration, outlining the nature of the Committee's concerns
3. To refer the decision to Council, if the Committee considered that the decision taken was outside of the Budget and Policy Framework.

At the outset of the item the Chair gave Councillors Stephen Mann and Gareth Streeter, as the spokesperson for their respective call-ins the opportunity to outline their concerns about the original decision.

Councillor Mann advised that he felt that a few amendments were required to the scheme in order to bring the community along. The current proposal had split the community, which in some cases had led to unacceptable abuse. There were long term road traffic issues in the area that the scheme was attempting to address, but consideration needed to be given to issues such as deliveries in the low traffic neighbourhood (LTN), what was the right amount of traffic in the zone and how to improve cross border communication.

Councillor Streeter advised that grounds for the call-in he had submitted looked at the fundamentals of the scheme, as it was perceived that the Council had not gathered enough evidence or could ever gather enough evidence to justify the scheme. Without this evidence, there was a worry that the scheme was fiscally motivated. Although, any money raised would be ring fenced, it meant that any money spent in a restricted way allowed other general funds to be spent elsewhere. In the next few months businesses would be reopening and there was a concern that the new scheme would deter people from visiting the shops at Crystal Palace.

Following the introduction to the call-in, the Council's Head of Highways and Parking, Mark Averill, delivered a presentation to the Committee setting out the reasons why the scheme was being implemented. A copy of the presentation can be found on the Council's website on the following link:-

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CIId=166&MIId=2599&Ver=4>

The Cabinet Member for Sustainable Croydon, Councillor Muhammad Ali, was also provided the opportunity to outline the reasons for implementing the LTN in South Norwood and Crystal Palace. The Committee was informed that it was important to recognise that Croydon had a road safety and air quality problem. A report produced on behalf of the Mayor of London had revealed that Croydon had the highest potential of all London boroughs to switch from car journeys to either walking or cycling. Research had found that 11 deaths per 100,000 in Croydon could be linked to the local air quality, with the borough having the highest rate of hospitalisation for children between 0-9 with asthma. Monitoring of air quality had found that the emissions on minor roads were almost equal to that of a-roads in the borough. There had also been clear recommendations from the Council's Climate Change Commission on the need to reduce car usage.

The scheme in Crystal Palace and South Norwood was the first phase of a wider programme of work to increase cycling and walking. The Council would also continue lobbying Government to invest in infrastructure across the borough, including extending the tram network and providing funding for a greener bus network. The Cabinet Member was keen to engage with the local community on the scheme during its experimental stage to ensure potential benefits could be maximised.

Following the introduction from the Cabinet Member, the Chair welcomed a number of external speakers, who had been invited to the meeting due to their interest in the scheme, with each speaker given the opportunity to present their perspective on the proposals. The first speaker was the Executive Member for Environment and Community Services at the London Borough of Bromley, Councillor William Huntington-Thresher. Councillor Huntington-Thresher advised the Committee that the previous temporary LTN had resulted in a negative impact on the north west of the borough of Bromley due to the increase in traffic it created. It was the ethos of Bromley to look to improve facilities for active travel, rather than working against other forms of travel and they looked to improve the flow on roads rather than limit the flow. The scheme in its current format was unlikely to be supported by Bromley residents.

The next speaker was the Assistant Director of Traffic & Parking from the London Borough of Bromley, Angus Culverwell, who advised the Committee that the impact of the temporary LTN on Bromley had been negative, judging from the amount of correspondence that had been received. There had also been an increase in congestion on the residential streets and the a-road to the north of the LTN. Bromley had its own active travel scheme and although the reasons for the LTN were understood, it was felt there were a number of issues that needed to be addressed. In light of the feedback from residents, it was the view of Bromley Council that the temporary scheme had not been as successful as Croydon would have liked. Going forward, Bromley Council would be happy to engage with Croydon about potential options and alternatives to the LTN.

Councillor Angela Wilkins, a Bromley Councillor whose ward bordered the LTN zone, advised that it was accepted that doing nothing, in the context of the climate emergency, was not an option, but at the same time doing the wrong thing was also unacceptable. Given the proximity of the scheme to Bromley, it should be viewed as a cross borough issue and as such needed to be developed on a cross-boundary basis. This should include Councillors working together to set strategic objectives followed by officers designing the technical scheme. At present, it was not clear there was a scheme available that would be acceptable to both authorities, but one could only be developed by both boroughs designing it together.

Miranda Bradley, from the Shape Better Streets campaign, addressed the Committee to highlight the benefits brought to the local neighbourhood from the original temporary LTN scheme in 2020. The Committee was advised that the introduction of the previous LTN had encouraged many residents to change their lifestyle and become more open to cycling and walking. The experimental scheme proposed was a good compromise and worked for local residents, while allowing access to roads within the LTN for those that needed it, such as carers and emergency service.

Eliska Finlay, from the Open Our Roads campaign, highlighted to the Committee that although the scheme aimed to increase active travel and reduce air pollution, as there was no baseline data available, it would not be possible to judge whether it had been successful. It was possible that the

scheme would increase the pollution on the roads around the boundary of the LTN and there was a risk that it could give the appearance of creating a private estate. As a result of the temporary LTN, traffic had increased on the Bromley roads closest to the boundary by 186%. It was not possible to determine the impact on the roads in Croydon as there was no baseline data. Given the lack of data, it was felt the experimental LTN could not quantifiably demonstrate its impact and as such the Committee was asked to refer the decision back to the Cabinet for reconsideration.

The final external speaker to address the Committee was Stephen Tabbener, who was also representing the Open Our Roads campaign. Mr Tabbener advised that as a Bromley resident on one of the roads neighbouring the proposed scheme and the owner of a business on the Croydon side of the scheme, it was his view that the scheme was not appropriate. The proposal risked creating a cul-de-sac with most of the access points on Bromley streets. As a local trader, there was also serious concern about how the scheme would impact upon the local economy, with it questioned whether there had been any impact assessment undertaken. If Croydon was committed to proper engagement with the local community in order to deliver a scheme that was agreeable for all, then the decision should be referred back to the Cabinet for reconsideration.

Following the representations made to the meeting, the Cabinet Member was given the opportunity to respond, confirming that the Administration was open to engaging with anyone affected by the scheme whether in Croydon or Bromley. It was reiterated that the scheme was originally a temporary one and was now moving to an experimental scheme. This would allow the Council to monitor its impact and identify possible improvements before making a final decision over whether to keep or remove the LTN. Importantly, it would also allow the Council to establish data specifically for Croydon. It was highlighted that the Council had used its learning from prior consultations to inform the process going forward, with a dedicated communications plan being created.

After the various submissions had concluded, the Committee was given the opportunity to ask questions on the LTN. The first question related to the boundary for the LTN and how it was decided upon. It was advised that the boundaries of an LTN would normally be a-roads. In this instance, the boundary also included the borough boundary with Bromley. If the LTN was to include the residential roads located across the boundary in Bromley, it would require the agreement of that local authority to participate in the scheme.

Given the location of the scheme on the borough border with Bromley it was questioned how the Council had engaged with Bromley Council during the development of the scheme. It was advised that when the temporary LTN had been extended, Croydon officers had reached out to Bromley officers about potential mitigation. Transport for London (TFL) had also facilitated meetings of both boroughs to discuss the scheme. The scheme presented to the Traffic Management Advisory Committee (TMAC) included mitigation and a monitoring system for Bromley. Ideally the two Councils would be working together on the LTN, but Croydon was able to notify Bromley of their decision to proceed, to which Bromley would have a month to respond. If there was

disagreement about the final scheme it would be down to the Greater London Authority (GLA) to make a final decision.

In response to a question about the maximum length an experimental traffic order could be in place, it was advised that the longest duration would be 18 months. It was decided by TMAC that the scheme in South Norwood and Crystal Palace would be limited to 12 months.

Echoing some of the previous comments made, concern was expressed that the scheme was being introduced after a period of significant disruption from the covid-19 pandemic and as such it would be extremely difficult to make an assessment on the success of the scheme.

It was confirmed that funding for the scheme came via two routes. One was the Active Travel Fund from central government and the other was from local transport funding. If the Council decided to delay the scheme to gather baseline data, then there was a risk that these funding sources would no longer be available.

It was suggested that from the information provided, the extent of the consultation with Bromley seemed to have been the minimum amount needed to meet legal requirements, when a more engaged approach may have been more successful. In response, it was advised that council officers had begun engagement on the concept in late 2019 through the Cyprus School with designed engagement with the community. A separate engagement event for the community had also been held at the Church Hall in the local area. This consultation had subsequently been overtaken by events arising from the pandemic, with advice from the Secretary of State for Transport to take urgent action.

As a follow up question, it was asked why it had been originally decided to use a temporary order in 2020, when an experimental order could have been used at that time. It was advised that many other London boroughs had been looking at introducing LTNs and had chosen either a temporary or experimental order. The legal advice given was that the LTN would not be introduced under natural conditions, due to the pandemic, so it was decided to use the temporary order made available by the Government. The Chair highlighted that when the Committee had considered traffic orders at a previous meeting, it had been in favour of the Council using experimental orders.

It was questioned whether further action would be taken going forward to reach a consensus with Bromley Council. It was advised that there was a hope that Bromley and Croydon officers would be able to work together to design appropriate mitigation and monitoring for the scheme. However, it may be difficult to achieve the approach preferred by Bromley in this particular location.

One Member of the Committee suggested that the approach taken to consultation may have been too rigid and it would be useful to have an engagement plan to map out future consultation on both a cross borough basis and with local community forums. It was agreed that a plan should be created for the project going forward.

In response to a question about how this particular scheme had been chosen, it was advised that action had been taken across the northern part of Croydon in response to the request from the Secretary of State for Transport, which had resulted in planters being installed. TFL had subsequently published its Streets Space Plan calling on local authorities to take action, which had included recommending pursuing LTNs. The scheme also helped to meet the priority of creating a cycling corridor in the north of the borough.

In response to a comparison made with another LTN scheme in Walthamstow, it was commented that as the Walthamstow scheme was three times the size of the one proposed for South Norwood and Crystal Palace, it was difficult to make a judgement on the potential benefits that may arise from the experimental scheme.

As it had been noted that Bromley Council was not in favour of road closures preferring instead to pursue other active travel measures, it was questioned how these different positions could be aligned. The Cabinet Member reiterated that he was happy to engage with Bromley to reach an understanding on how the scheme could be made to work for the residents of both boroughs.

Given Bromley Council's opposition to the LTN, it was questioned what alternatives schemes they were considering to boost active travel. It was advised that Bromley had introduced segregated cycle routes and the need to find the right solution for the right location was emphasised. In this instance, the negative impact upon Bromley residents had been too high. Bromley Council was happy to engage on possible schemes, but was not convinced about using the LTN as a start point.

In response to a question about what could be done to mitigate the impact of the scheme on the residential roads in Bromley directly affected by the LTN, it was advised that a filter would be needed to prevent vehicles accessing the LTN from the problem direction. It was highlighted that this did not need to be a physical closure.

It was questioned what criteria would be used to determine the success of the experimental scheme, for instance improved air quality or traffic reduction. It was advised that there was a need to be aware of the changing situation as lockdown was eased. There will be a need to ensure that the impact on the surrounding roads was taken into account, which would be managed through monitoring. However, there was a wide range of determinates that would be used to evaluate the success of the scheme including air quality, traffic congestions and road safety. Reducing car journeys was a key aim, but this interlinked with the other previously mentioned criteria. The Committee agreed that it would provide additional transparency to have clear criteria for determining the success of the experimental scheme, in place before it started.

As a follow-up, it was asked whether consideration had been given to gathering baseline data when the economy reopened and before the scheme commenced to ensure that there was a realistic data set available to provide a

more accurate comparison. It was advised that it may be difficult to get accurate data on pollution due to the shifting picture as the lockdown eased. Monitoring would start on Croydon roads as soon as possible after the meeting and the possibility of installing monitoring in Bromley would be explored.

In response to a question about the collection of qualitative data as well as quantitative data, it was advised that as part of the arrangements for the scheme, the Council was required to communicate on a local level throughout the lifetime of the experimental scheme. The feedback from this would be used to inform the final decision.

It was suggested that the scheme could be seen as appealing to middle class people living in the residential areas within the boundaries of the LTN at the expense of working class people who may live on the surrounding main roads. In response, it was highlighted that there were indications that LTN schemes benefitted people who were more disadvantaged, with the level of deprivation in an area being one of the data sets drawn upon by the TFL when considering schemes.

As a follow-up, it was suggested that consideration needed to be given to the potential negative impact on the air quality of the surrounding roads and whether any mitigation was needed if it deteriorated past a certain level. It was highlighted that the Council was committed to the levelling up approach outlined in the Mayor of London's Healthier Streets Strategy. Although the responsibility for main roads rested with different authorities, it was important to work together to reduce the impact of these changes.

In response to a question about what action the Mayor of London was taking to reduce traffic on main roads, it was advised that the Mayor had proposed a change to the boundaries for the Congestion Charge. The Mayor has also made it clear that he is seeking to pursue the healthy streets approach by giving over space for walking and cycling.

It was noted that there had previously been complaints about the level of signage used for the temporary scheme and as such it was questioned how this would be addressed in the experimental scheme. In response, it was highlighted that the signage used for the temporary scheme had complied with legislation and the Traffic Adjudicator had concluded that the Council's signage was correct. However, it would be ensured that there was sufficient signage in place on side roads to inform motorists of the LTN.

In response to a question about how any revenue raised by penalty charge notices for traffic offences would be used, it was confirmed that the funds were ring fenced for spending on either traffic improvements or traffic related measures, which in Croydon was spent on the freedom pass.

As a final question, it was asked whether anything could be done to prevent companies such as Google and GPS route finding systems using residential roads for shortcuts on their route finding apps. In response, it was highlighted that there had been indications that these apps had facilitated the growth of

traffic in London. However, as they were using public highways, it would require an intervention beyond Croydon Council to prevent these apps using residential roads. By implementing restrictions, such as the LTN, the roads within the zone were taken out of these maps.

Following the questions of the Committee, the Cabinet Member was given the opportunity to provide a final response, during which it was re-emphasised that both Croydon and London had significant air quality and road safety issues. The proposed experimental scheme allowed for a balanced approach, taking into account relevant exemptions and would be an opportunity to collect data and work with residents to improve the final outcome. The Cabinet Member also confirmed his commitment to meaningful engagement with residents and Bromley Council on both an officer and political level.

Before the Committee made its final deliberations on the outcome of the Call-In, the Chair reconfirmed the three options available, which were:-

1. That no further action was necessary and the decision could be implemented as originally intended.
2. To refer the decision back to the Cabinet for reconsideration, outlining the nature of the Committee's concerns*
3. To refer the decision to Council, if the Committee considered that the decision taken was outside of the Budget and Policy Framework.

During the final deliberation by the Committee, it was recognised that the proposed LTN was proving to be divisive in the local community and that legitimate concerns had been raised by the external speakers, which the Committee agreed required additional clarification. These concerns included the need to have baseline data and clear criteria in place to be able to judge the success of the LTN, the need to engage with Bromley Council to identify appropriate mitigation for the neighbouring roads in Bromley, the need to have an engagement strategy and the need to be monitoring the impact of the LTN on the air quality in the areas bordering the scheme. However, it was also acknowledged that it would not be unreasonable to pursue the scheme as an experiment, particularly given the need to take action to address the climate emergency.

It was concluded that as the decision taken was within the Council's Budget and Policy Framework, it would not be referred to Council for further consideration. However, as the Committee had a number of concerns relating to the delivery of the experimental order it would refer the decision to the decision maker to give consideration to these concerns. It was also concluded that requests would be made for two updates to be provided to the Streets, Environment & Homes Sub-Committee. One prior to the start of the experiment to provide an update on the response to the concerns raised by the Committee. A second update was requested to be given upon completion of the experiment on the outcomes from the experiment.

As the Committee originally concluded that it would refer the decision to the decision maker for reconsideration, which was not an option available under the procedure for call-ins in the Council's Constitution, the meeting was

reconvened on 20 May 2021 to confirm the decision. At the reconvened meeting the Committee agreed that it would refer the decision to the Cabinet for reconsideration based on the concerns outlined below.

RESOLVED: The Committee agreed to refer the decision to the Cabinet for reconsideration based on the following concerns:-

1. The Committee was concerned that the lack of clarification on the baseline data sources to be used for the experiment would make it difficult to quantifiably demonstrate the potential benefits arising from the experiment to the local community. As such that further work was needed to identify and refine the quantifiable data sources that would be used for the project. Additionally, in order to build public trust, confirmation of these data sources had to be made publicly available, prior to the start of the experiment in South Norwood & Crystal Palace.
2. The Committee was concerned that it would be difficult for the public to have confidence in the benefits arising from the experiment without clearly defined success criteria. As such urgent work was needed to define a framework by which the success of the scheme would be assessed. This needed to be completed and made publicly available prior to the start of the experiment in South Norwood & Crystal Palace.
3. The Committee was concerned about the potential impact the experiment may have upon the roads surrounding the LTN, particularly in regards to air quality. As such any monitoring installed as part of the experimental scheme needed to include the wider area. Additionally, given the potential negative impact on the air quality in the surrounding roads, mitigation needed to be identified as a matter of urgency, should there be a significant deterioration in air quality.
4. The Committee was concerned that the level of engagement with Bromley Council to date had not resulted in an agreed way forward for the experiment, which was likely to result in a detrimental impact for those Bromley residents living closest to the scheme. As such further engagement with the London Borough of Bromley needed to be prioritised, to ensure that the appropriate mitigation was in place before the start of the experiment.
5. Although reassurance was given about the level of consultation that would be undertaken throughout the experiment, it was agreed that the engagement strategy for the Crystal Palace & South Norwood LTN project needed to be made publicly available as soon as possible.
6. In light of concerns raised about during the meeting about the level of signage used during the previous temporary scheme, there needed to be an ongoing review of the signage used during the life of the experimental scheme.
7. The Committee had a concern that it would be difficult to reduce congestion on residential roads while route-finding apps continue to

include these roads as potential route options for motorists. As such the Committee would ask the Cabinet Member for Sustainable Croydon to give a commitment to working with other London boroughs to address the issue of route finding apps directing motorists through residential streets.

8. In light of the above concerns, it is requested that the Cabinet Member for Sustainable Croydon provides two updates to the Streets, Environment & Homes Sub-Committee. Firstly, before the start of the experiment to provide a response to the concerns of the Scrutiny & Overview Committee. Secondly, at the conclusion of the experiment to provide an update on the outcomes.

25/21 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 10.38 pm

Signed:

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Date:

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Public Document Pack

Scrutiny & Overview Committee

Meeting held on Tuesday, 30 March 2021 at 6.30 pm in This meeting will be held remotely

MINUTES

- Present:** Councillors Sean Fitzsimons (Chair), Leila Ben-Hassel (Deputy-Chair), Robert Ward (Vice-Chair), Oni Oviri, Andrew Pelling (reserve for Jerry Fitzpatrick) and Joy Prince.
- Also Present:** Councillors Hamida Ali, Patricia Hay-Justice Bernadette Khan, Stuart King, Oliver Lewis.
- Apologies:** Councillor Jerry Fitzpatrick

PART A

26/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

27/21 **Urgent Business (if any)**

The Chair advised that Committee that in light of recent media coverage of the poor living conditions experienced by council housing tenants at 1-87 Regina Road, an urgent update had been requested for this meeting.

28/21 **Urgent Item: Scrutiny Update on Regina Road**

The Scrutiny & Overview Committee was provided with an overview of the support provided to the tenants at 1-87 Regina Road, following national media coverage on the living conditions at two of the flats within the block. A copy of the presentation delivered at the meeting can be found on the Council's website at the following link: -

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CIId=166&MIId=2158&Ver=4>

The overview was delivered to the Committee by the Interim Executive Director for Place, Sarah Hayward. In addition to the information provided in the slides that can be found on the above link, the following information was also noted:-

- The poor living conditions found in the two flats at 1-87 Regina Road was first reported in the media eight days ago. The Council only became aware of the severity of the situation in flats 7 and 15 shortly before the weekend, just prior to the news reports. Once the Council became aware, the Tenancy team acted quickly to move the tenants out of the affected properties. The tenant in flat 7 had been rehomed and the tenants in flats 15 and 31 were being supported to find alternative accommodation, while repairs were made

- Assurance was given that the water leak, which caused the damage, had been located and stopped, with remedial action underway. Further leaks had subsequently been identified within the block, with other tenants in the process of being decanted to enable repair work to be undertaken. The Council had sixteen other blocks of a similar design, which were also being investigated as a result of the issues at 1 – 87 Regina Road.
- The Council had made a self-referral to the housing regulator and the Health & Safety Executive, as a result of the situation at Regina Road. The Ark Collective had been commissioned to carry out an independent investigation, which had already started. The investigator was on site today (30 March 2021) and a verbal report was expected by Wednesday, 7 April, before the full written report was provided on Friday, 9 April. The findings of this investigation would inform a wider improvement plan that would address the issues identified within the Council's housing services.

The Leader of the Council, Councillor Hamida Ali, attended the meeting, advising the Committee that their feedback on the information provided was sought and confirmed that a further report presenting the findings from the investigation would also be brought to scrutiny for its input. It was highlighted that the position of the Administration, which had previously been outlined at the Council meeting on 29 March, was focussed on addressing the damage and looking after the tenants. There was a need to understand where there had been failures in the system, which had led to residents' concerns not being addressed. The independent investigation was the start of the work needed to identify these failings. The issues experienced by the tenants at 1 – 87 Regina Road fed into wider cultural concerns of the Administration about how the Council interacted with its tenants, with it emphasised that the Council should be aiming to care for its residents as if they were family members.

The Cabinet Member for Homes, Councillor Patricia Hay-Justice, echoed the comments of the Leader, highlighting that it was essential that the Council learnt from its failings that had contributed to conditions found at 1 – 87 Regina Road, to ensure that no other residents experienced a similar situation again.

Following these introductions, the Committee was given the opportunity to ask questions and make comments on the information provided. The Chair of Committee highlighted a report from Shelter Housing Commission, which emphasised the need for social landlords to listen to the voice of their tenants. As such, it was suggested that the improvement journey for the Housing service, needed to prioritise improving engagement with tenants throughout the delivery of services.

It was questioned whether the structure for housing services, which was split over three separate directorates, was fit for purpose and whether this had been a contributory factor? The Chief Executive advised that previous feedback received from staff as part of the Croydon Renewal Plan had already indicated that the current structure was not fit for purpose and a

service redesign had been planned. In light of the issues raised by Regina Road, the Leader had asked for the work on redesigning the service to be prioritised and expanded to include areas such as contract management and tenant support. The initial phase of this redesign was underway, with possible options being scoped by officers.

The Committee identified that dedicated communication support was needed to respond to the issues arising from Regina Road. It was agreed that communications support would be reviewed. It was confirmed that to date the communications response to Regina Road had included press statements, media interviews, direct communication with tenants in the flats affected and visits to the properties.

In response to a question about the source of the water leak, it was confirmed that it had been caused by the mains pipe degrading over time. This was the reason why other council blocks built to the same design were being reviewed to assess whether these buildings had any similar issues.

The Committee agreed it was essential that the outcomes from the investigation included an assessment of the Council's current processes for reporting repairs, with it questioned whether the full report would be publicly available. It was advised that the Council would look to publish as much of the report as possible, but would need to be mindful of any contractual constraints with the provider of the repairs contract.

Councillor Clive Fraser, a ward councillor for area where the flats were located, raised concern about the water leakages not being resolved when the flat above the affected properties had been vacated. A request was made for ward councillors to continue to be involved in the response going forward, with the Committee supportive of the need to keep ward councillors informed of progress made. Councillor Patsy Cummings, the other councillor for the ward, advised that a potential learning point should be the need to provide a more thorough response when reports of leaks causing water damage were received, given the potential risk of much more extensive damage if left unaddressed.

It was questioned whether the Council's insurance liabilities would be reviewed as part of the investigation. It was confirmed that insurance liability had not been included in the scope of the work provided to the investigator. However, it may be something that could be picked up in any further work arising from the review. It was advised that it was unlikely any report by either the regulator or the Health & Safety Executive would be available for the investigator to factor into the investigation given the timescales for delivery of the review. The investigation would be reviewing the contact history of the two cases to find out whether there had been any discrimination.

Looking forward to the possible improvement work for the Housing service it was agreed that the following areas needed to be addressed: -

- i. How damp and condensation issues were managed in Council properties.

- ii. Whether invasive work into the fabric of the building had contributed to the issues experienced at 1-87 Regina Road, and if this was the case, how it could be avoided in the future.
- iii. There needed to be a full review of the process used for tenants reporting issues.
- iv. The relationship between tenants and leaseholders needed to be reviewed to ensure that repairs were carried out promptly, to prevent further damage to other properties in the block.
- v. The repairs contract needed to be comprehensively reviewed to establish the best option for the Council.
- vi. Further consideration was needed on how the Council listened to its tenants to shape services and whether the culture of the Council needed to change.
- vii. Consideration also needed to be given to how potential safeguarding and health and safety issues for tenants were responded to.

In response, the Leader of the Council confirmed that the issues raised by housing conditions at Regina Road had created enormous concern, with the relationship with residents in need of repair. It was likely that recommendations arising from the investigation would be used to inform the long term improvement journey for the service. The Cabinet Member highlighted that there would be a role for scrutiny to inform the improvement journey as it progressed.

At the end of the discussion on this item the Chair thanked the Members and Officers for providing an urgent update for the Committee and noted that the outcome from the investigation was likely to be considered at the next meeting of the Streets, Environment & Homes Sub-Committee.

Conclusions

Following the discussion of the information provided, the Scrutiny and Overview Committee agreed that the following conclusions would be reported to Cabinet:-

1. The Committee broadly accepted the terms of the reference for the independent investigation into the housing disrepair found at 1-87 Regina Road, which was due to report its findings back to the Council by 9 April.
2. The Committee welcomed confirmation that a review of housing services had been brought forward considering the issues experienced by tenants at Regina Road and agreed that there were a number of key areas that needed to be looked at as part of this review.
3. The Committee had concerns about the performance of the current contractor for the repairs service that needed to be investigated to establish whether either value for money or the required service standards were being achieved.

Recommendations

The Scrutiny and Overview Committee agreed to make the following recommendations to the Cabinet Member for Homes for further consideration:-

1. The Committee asks that as part of the review of the Council's housing services, consideration is given to the following areas: -
 - Prior to starting the review, the Council's long term vision for its housing services needed to be defined and then used as a basis for the review.
 - The review needed to consider how the Council listened to the voice of its tenants, both in terms of responding to issues raised and in designing services.
 - The process for tenants reporting issues and how they are subsequently dealt with needed to be comprehensively overhauled to ensure the needs of tenants are prioritised in any future delivery model.
2. The Committee recommends that delivery of the repairs service should be reviewed, when possible to do so under the terms of the current contract, to establish the most cost effective means of providing the service that also met the standards expected by tenants.

29/21 **Scrutiny Improvement Review**

The Scrutiny & Overview Committee considered a report from the Centre for Governance and Scrutiny (CfGS) which presented the findings from their review of the scrutiny function in Croydon. Ed Hammond, the Deputy Chief Executive from CfGS, was in attendance at the meeting to introduce the report. During the introduction, the following points were noted:-

- CFGS was a charity that provided governance support and advice to both the public and private sector.
- CfGS had been commissioned to review the scrutiny function at Croydon in the spring of 2020 by the Scrutiny & Overview Committee. The review had been informed by evidence gathering in the summer of 2020, with a final report prepared in September. However, following the publication of the Report in the Public Interest (RIPI) by the Council's external auditors, it was considered important to ensure that the recommendations in the RIPI report were reflected in the Scrutiny Improvement Review and it was in line with the Council's improvement journey.
- It was proposed that immediate action was taken to implement recommendations 1, 5 and 6 set out in the Review, which would be supported by recommendation 8. Recommendation 1 related to ensuring Scrutiny played an immediate role in the Council's financial recovery. Recommendation 5 was aimed at ensuring Scrutiny was provided with the relevant evidence to carry out that role and recommendation 6 concerned the prioritisation of the work programme. Recommendation 8, which would support the other three recommendations as it concerned the delivery of training to improve scrutiny at the Council.
- CfGS, working with Members and officers, would create an action plan over the coming weeks for the delivery of all recommendations in the new municipal year. Reassurance was given that the support provided by CfGS was being met from a Central Improvement Fund which was

available to the Local Government Association and CfGS to support councils.

Members of the Committee commended the quality of the report and agreed that the recommendations targeted the right areas for improvement. It was also agreed that the need for Scrutiny to have access the information it required to inform its work was essential. It was advised that as part of the improvement plan, CfGS would be working with Members and officers to establish what this meant in practice, with work to resolve long standing cultural issues also important to ensuring Scrutiny had the right tools to perform as expected.

It was suggested that prioritisation of the work programme sometimes suffered from a lack of understanding of the value of scrutiny by officers, with a need for a more strategic view to be taken on work planning. It was also difficult to define what Scrutiny should be focusing upon without having sight of any performance framework. Consideration also need to be given to how Scrutiny coordinated its work with that of the General Purposes and Audit Committee.

Although there would not be a cost to the Council for the ongoing support provided by the CfGS to implement the recommendations from the Scrutiny Improvement Review, the cost to commission the original review had been £4,600.

It was highlighted that improvement work had already started to be implemented, with the work programme focussed towards the covid response and the financial challenges facing the Council. As the pandemic had required the Council to hold remote meetings, the introduction of new technology had also helped scrutiny members to hold more frequent pre-meets, which helped with the coordination of the meetings.

It was questioned whether the recommendations should also include the creation of a Scrutiny - Executive Protocol, setting out the executive commitment to the parity of esteem. It was advised that in the medium term the Council will need to formulise its expectations for the relationship between scrutiny and the executive. However, in the short term early conversations had indicated that expectations would be met and the experience over the next few months would be able to inform the process. .

It was agreed that public engagement with Scrutiny could be improved. CfGS had worked with other authorities on this and experience indicated that a holistic approach to engagement was required. As part of the wider improvement journey, the Council needed to change its relationship with the public and this work was something that Scrutiny could feed into.

At the conclusion of this item the Chair of the Committee thanked Mr Hammond and his colleagues at CfGS for delivering the Scrutiny review. The Committee agreed to accept all eight recommendations set out in the covering report of item.

The Scrutiny & Overview Committee **resolved** to:

1. Receive and accept the findings of the CfGS Scrutiny Improvement Review,
2. Agree that the recommendations will be incorporated into the Croydon Renewal Plan,
3. Recommend to Council the CfGS Scrutiny Improvement Review for noting,
4. Agree that Recommendations 1, 5 & 6 are prioritised for delivery.
5. Agree to commission the CfGS to develop a training programme for Scrutiny which will be incorporated into Council's overall programme for Member Learning & Development to be overseen by the Ethics Committee.
6. Work with the CfGS to develop a work programme that is focussed on the priorities of the Council and allows Scrutiny to add value to the ongoing improvement journey.
7. Agree to set up a Scrutiny Co-ordination Group to monitor and steer the scrutiny work programme.
8. Note that an overarching Information Protocol is being developed for Members taking into account the recommendations in the CFGS Scrutiny Improvement Plan and the Croydon Renewal Plan.

30/21 **Review of Libraries Public Consultation - Phase One**

The Scrutiny & Overview Committee considered a report from the Cabinet Member for Culture and Regeneration, Councillor Oliver Lewis, setting out the findings from the first phase of the libraries consultation and asked for the Committee's views on the options due to be put forward for the second phase. During the introduction to the report, the Cabinet Member advised the Committee that the budget agreed by Council on 8 March had set a savings target of £500,000 from a £3.5m budget for the Libraries service. Potential options for achieving these savings, including the possible closure of five libraries, a consultation on the way forward had started earlier this year. The results of that consultation, along with proposals for the next phase of consultation, were presented to the Committee for its input and any recommendations arising from the discussion of this item would be submitted to the Cabinet.

Elizabeth Ash, a representative from the Save Croydon Libraries Campaign (SCLC), had been invited to address the Committee by the Chair, to present the views of SCLC on the proposals. It was advised that in the view of SCLC insufficient information had been provided with the consultation to allow an informed response, which had resulted in a flawed process that should not move forward. Furthermore, by carrying out the consultation during the pandemic and without contacting library users, it further invalidated the outcome. The consultation seemed to be unfairly focused toward a delivery

model that used volunteer run services, rather than being open to all options. There were a number of other concerns raised about the consultation process, such as the quality and consistency of the information provided, the lack of communication about the extension to the consultation deadline and the perceived lack of regard to equalities. In conclusion, any reduction of the library service was viewed as a false economy, which would have far reaching consequence for the borough.

The Cabinet Member thanked the representative from SCLC for their contribution and acknowledged it was important to provide an opportunity for all contributors to input into the consultation process. In response to the comments from SCLC it was highlighted that the Council had worked with the Department for Digital, Culture, Media and Sport to ensure the consultation process complied with best practice. There had been a good level of response to the consultation with over 2000 responses received and the various options suggested in the report demonstrated that it had been a genuine consultation. By running the consultation in two phases, it provided the Council with the opportunity to take on board ideas from the public on how best to achieve the savings the Council was required to deliver.

Prior to questioning the Cabinet Member, the Chair re-emphasised that the £500,000 budget saving had been approved as part of the budget setting process. As such it was outside of the scope set for the Committee, which was to provide comment on the consultation process and the options being put forward for the second phase of the consultation.

In response to question about whether the budget of £3.5m for the service included maintenance costs, it was advised that the budget covered the running costs for the service. The maintenance of library buildings was covered under a separate maintenance contract. The Council had continued to be responsible for repairs and maintenance when the service was managed by Carillion, but the buildings had not been maintained to a satisfactory level. When the library service was brought back in-house, user feedback was used to inform both the Libraries Plan, adopted in May 2019, and a refresh of library facilities.

It was noted that consultants had been commissioned to produce a report on the Council's libraries, which had informed the Libraries Plan. It was questioned whether the consultant's work had also been taken into account when forming proposals for consultation. In response it was advised that the consultation report had been taken into account as part of a wide range of information used to inform the process, including the number of books issued, digital facilities, the location of libraries in the borough and the level of maintenance required on each building.

In response to a question about whether the Cabinet report would include an options appraisal, it was advised that this had been included in the initial plan, but due to the pre-election period and the political nature of the decision, it was likely that the decision would be delegated to the Cabinet Member in consultation with the Interim Executive Director for Place, with further information published after the pre-election period had concluded.

It was highlighted by a number of Committee Members that it was difficult to reach a conclusion on the preferability of any of the options, as it was not clear from the information provided what the Council's vision was for its library service. In response, it was advised that the Council's libraries had seen an increase in membership during the lockdown, despite the public not being able to physically access the service. In recent years there had also been a huge update to the digital services offered within the library service. The consultation had indicated that the Service meant different things for different people, but the Council needed to find a way to deliver the financial savings, which would necessitate looking at alternative methods of delivery.

When the Committee previously looked at libraries (10 February 2020), it had been mentioned that the possibility of using technology to allow out of hours access to library facilities was being explored. As such it was questioned whether this had been progressed. It was confirmed that the Open Plus system had been installed at both Selsdon and Norbury libraries, giving the opportunity for out of hours access to residents. In order for the Open Plus system to be rolled out in other libraries, it would require additional capital investment.

Regarding the possibility of increasing the availability of new books and electronic resources, which would drive up membership, it was advised the Council had joined a libraries consortium of 17 authorities to purchase books. As well as providing residents access to over 6 million books it also allowed access to a range of additional online materials such as e-books, audio books and online training.

A suggestion was made that an ongoing aim should be to grow the service, including making it easier for residents to sign up as library members. The Cabinet Member advised that the Council had always strived to grow the membership of the library service and this would continue to be an ambition going forward.

It was highlighted that 12% of the responders to the consultation had indicated that they would be unable to access any other library than one of those identified as at risk of closure. As such, it was questioned whether there was any analysis of these responders and if there would be any alternative provision. It was advised that further analysis was needed to understand why these respondents would not be able to access other libraries, but this would be dependent on whether their permission had been given for further contact from the Council. There was existing provision including the home library service, a befriending service and online resources that may help support these respondents to continue accessing library services.

In response to a question about the baseline for a viable library service, it was confirmed that there was no threshold, with a range of factors taken into account as part of the decision making process. Once the budget reduction of £500,000 had been confirmed, it was quickly realised that the service would need to be rationalised. The five libraries at risk of closure were those with the lowest book issues, the lowest rate of digital access, had significant maintenance issues and had other libraries in the vicinity.

It was questioned why the operational costs for the South Norwood Library were based on the new site, when the consultation was based on the existing building. It was advised that the current library building in South Norwood required a lot of work and a capital investment was needed to get the new site ready as a library. There was a number of possible options for the library service in South Norwood, which would be informed by the consultation process.

Councillor Clive Fraser, a Ward Member for South Norwood, thanked the Cabinet Member for his engagement with the South Norwood councillors and highlighted that others options to library closure should be explored. There also needed to be a holistic approach used for the library service as they had a much wider impact than simply book lending, through influencing people's learning and knowledge as well as helping to support local high streets.

It was confirmed that since the library service had been brought back in-house following the collapse of the contractor, Carillion, £5m of capital funding had been invested into the service. This funding had paid for new equipment, high speed broadband as well as refurbishing Norbury and Selsdon libraries. At present, all libraries had high speed broadband access and it was hoped that further investment could be made in the future, although this would be dependent on the financial circumstances of the Council

The Committee reached the view that the lack of an options appraisal to accompany the consultation made it difficult to make an informed opinion on the options presented in the report. Other options were suggested by the Committee, in addition to those included in the report, such as using a co-design approach with community groups that could take into consideration existing constraints. Another option would be to have a limited number of flagship libraries, with the opening times of other libraries based on their usage. The Committee was thanked for these suggestion, with it highlighted that the consultation was being used as a form of co-design.

It was questioned whether there was any abortive costs should the five libraries close. It was advised that there would not be any abortive costs from the closure. There had been a cost to install high speed broadband, but this equipment could be utilised across other sites.

The Chair highlighted to the Committee that the consultation was not formally about the closure of libraries and should that decision be pursued, then there was a statutory requirement to undertake a further range of consultation.

The Committee reached the conclusion that library closure should only be considered as a last resort, if no other viable options could be identified. Of the other options included in the report, it was difficult to reach a conclusion without further information on which to make an informed judgement. No dissent was raised against the principle of outsourcing the running of the library service to a social enterprise, but if this option was chosen the Council would need to have sufficient capacity in place to design the contract specification and monitor delivery.

The Committee agreed that the second phase of the consultation process should include a more detailed options appraisal setting out the savings expected for each option, the staffing impact and the criteria used to assess the options. It was also agreed that any further consultation needed to set out the Council's vision for the library service.

At the conclusion of this item the Chair thanked the Cabinet Member and officers present for their engagement with the questions of the Committee.

Conclusions

Following the discussion of the budget proposals, the Scrutiny and Overview Committee agreed that the following conclusions would be reported to Cabinet for its consideration:-

1. The Committee concluded that any consultation on the provision of the libraries service needed to be based on an underlying vision for the service and that the vision needed to be clearly defined in the consultation process.
2. The Committee concluded that the option to close five libraries needed to be a last resort and should only be pursued if it was not possible to achieve the required savings through other options for delivery of the libraries service.
3. The Committee was unable to reach a conclusions on the preferability of the other three options. Instead it concluded that a thorough options appraisal was needed to make a judgement on which of these options was included in the next stage of the consultation.

Recommendations

The Scrutiny and Overview Committee agreed to make the following recommendations to the Cabinet Member for Culture and Regeneration for further consideration:-

1. The Committee recommends that any future consultation documents on the libraries service clearly outlines the Council's vision for libraries and how it had informed the process.
2. The Committee recommends that further work is undertaken to prepare a detailed appraisal of any options put forward for the next stage of the consultation, to ensure that those responding could make an informed decision. This should include consideration of:-
 - hybrid options
 - a co-design approach for the redevelopment of the future library service

The assessment criteria for the options appraisal also needed to be clearly defined at the start of the process and published with the second phase consultation

31/21

Establishment of the Town Centre Task & Finish Group

The Scrutiny & Overview Committee considered a report setting out the proposed terms of reference for a task and finish group that would look at the future of the town centre in its recovery from the Covid-19 pandemic.

The Committee **RESOLVED** to:-

1. Set up a task and finish group to undertake a review on the future of the town centre in Croydon.
2. Agreed the terms of reference for the Town Centre Task and Finish Group, as set out in the report.

32/21

Exclusion of the Press and Public

This motion was not required.

The meeting ended at 9.43 pm

Signed:

Date:

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Public Document Pack

Scrutiny & Overview Committee

Meeting held on Thursday, 20 May 2021 at 5.30 pm.

This meeting was held remotely and can be viewed on the Council's website

MINUTES

Present: Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel, Shafi Khan, Oni Oviri and Joy Prince

PART A

33/21 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

34/21 **Urgent Business (if any)**

There were no items of urgent business.

35/21 **CALL IN: Crystal Palace & South Norwood Low Traffic Neighbourhood - Confirmation of Decision**

The Chair of the Committee explained that this was a meeting reconvened from the meeting held on 23 May 2021 to confirm the decision made by the Committee on the call-in request on the Crystal Palace and South Norwood Low Traffic Neighbourhood key decision. At the meeting on the 23 March, the Committee decided it would refer the decision back to the decision maker, which in this instance was the Cabinet Member for Sustainable Croydon. However, the Council's Constitution does not permit this outcome from the consideration of a call-in. The Constitution provides three options for the Committee, which are:-

1. That no further action is necessary and the decision can be implemented as originally intended.
2. To refer the decision to the Cabinet for reconsideration, outlining the nature of the Committee's concerns.
3. To refer the decision to Council, if it is considered that it was not in keeping with the budget and policy framework.

As the Committee had previously concluded at its meeting on 23 March that the decision taken by the Cabinet Member was within the budget and policy framework, the option of referring the decision to Council was discounted.

The Chair asked the Committee to confirm whether it wanted to refer the decision to the Cabinet for reconsideration. The Committee agreed that it would refer the decision to the Cabinet based on the grounds outlined in paragraph 2.5 of the Committee report, which had been previously agreed at the meeting on 23 March. It was agreed that no further considerations would be added.

RESOLVED: The Committee agreed to refer the decision to the Cabinet for reconsideration based on the following concerns:-

1. The Committee was concerned that the lack of clarification on the baseline data sources to be used for the experiment would make it difficult to quantifiably demonstrate the potential benefits arising from the experiment to the local community. As such that further work was needed to identify and refine the quantifiable data sources that would be used for the project. Additionally, in order to build public trust, confirmation of these data sources had to be made publicly available, prior to the start of the experiment in South Norwood & Crystal Palace.
2. The Committee was concerned that it would be difficult for the public to have confidence in the benefits arising from the experiment without clearly defined success criteria. As such urgent work was needed to define a framework by which the success of the scheme would be assessed. This needed to be completed and made publicly available prior to the start of the experiment in South Norwood & Crystal Palace.
3. The Committee was concerned about the potential impact the experiment may have upon the roads surrounding the LTN, particularly in regards to air quality. As such any monitoring installed as part of the experimental scheme needed to include the wider area. Additionally, given the potential negative impact on the air quality in the surrounding roads, mitigation needed to be identified as a matter of urgency, should there be a significant deterioration in air quality.
4. The Committee was concerned that the level of engagement with Bromley Council to date had not resulted in an agreed way forward for the experiment, which was likely to result in a detrimental impact for those Bromley residents living closest to the scheme. As such further engagement with the London Borough of Bromley needed to be prioritised, to ensure that the appropriate mitigation was in place before the start of the experiment.
5. Although reassurance was given about the level of consultation that would be undertaken throughout the experiment, it was agreed that the engagement strategy for the Crystal Palace & South Norwood LTN project needed to be made publicly available as soon as possible.

6. In light of concerns raised about during the meeting about the level of signage used during the previous temporary scheme, there needed to be an ongoing review of the signage used during the life of the experimental scheme.
7. The Committee had a concern that it would be difficult to reduce congestion on residential roads while route-finding apps continue to include these roads as potential route options for motorists. As such the Committee would ask the Cabinet Member for Sustainable Croydon to give a commitment to working with other London boroughs to address the issue of route finding apps directing motorists through residential streets.
8. In light of the above concerns, it is requested that the Cabinet Member provides two updates to the Streets, Environment & Homes Sub-Committee. Firstly, before the start of the experiment to provide a response to the concerns of the Scrutiny & Overview Committee. Secondly, at the conclusion of the experiment to provide an update on the outcomes.

36/21 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 5.48 pm

Signed:

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Date:

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Agenda Item 6

REPORT TO:	Scrutiny & Overview Committee 6 July 2021
SUBJECT:	Scrutiny & Overview Committee Work Programme 2021-22
LEAD OFFICER:	Simon Trevaskis – Senior Democratic Services & Governance Officer – Scrutiny
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Councillor Sean Fitzsimons – Chair of the Scrutiny & Overview Committee
PUBLIC/EXEMPT:	Public

ORIGIN OF ITEM:	The Scrutiny & Overview Committee receives an update on its work programme at each of its meeting
BRIEF FOR THE COMMITTEE:	The Scrutiny & Overview Committee is asked to:- <ol style="list-style-type: none"> 1. Note the current position of its Work Programme for 2021-22, 2. To consider whether there are any other items that could be added to the work programme.

1. SCRUTINY & OVERVIEW COMMITTEE WORK PROGRAMME 2021-22

- 1.1. The purpose of this report is to set out the work programme for 2021 – 2022 for the Scrutiny & Overview Committee. A copy of the work programme as it currently stands can be found at Appendix A to this report.
- 1.2. Although the work programme has been populated as far as possible at this stage, it is recognised that given the challenges facing the Council, the work programme needs to remain flexible enough to respond to emerging priorities during the year.
- 1.3. At its meeting on 15 June 2021, the Committee agreed that the work programme process will be overseen by a Reference Group of scrutiny members who will meet on a monthly basis to review all available data in order to identify items that should be prioritised for inclusion in the work programme for both the Committee and its three Sub-Committees (Children & Young People, Health & Social Care and Streets, Environment & Homes).
- 1.4. The Committee also agreed a number of workstream priorities for the year ahead for itself and the three sub-committees. For the Scrutiny & Overview Committee there are two main priorities, which are:-
 - W1: Corporate recovery, including corporate oversight by exception.
 - W 2: Understanding and acting on risks. To initially focus substantively on BBB and the council’s reserves position
- 1.5. Although the Reference Group will be responsible for identifying emerging issues for scrutiny, the Scrutiny & Overview Committee will still have oversight of its work programme and this report will be presented at each Committee

meeting to provide an update on the latest position of the work programme and allow for consideration to be given to any additions or amendments.

- 1.6. It is recognised that given the challenges facing the Council, it will not be possible for scrutiny to accomplish everything it needs to within the committee setting. As such it is likely that informal briefings and visits will need to be arranged during the year, to ensure that the Committee is as informed as possible when scrutinising an item at one of its meetings. For transparency, this report will also confirm any briefings or visits undertaken by the Committee.
- 1.7. It should be noted that the Committee had intended to include an update on the Council financial position on the agenda for this meeting. However, due to timing reasons this has not been possible. Instead the Committee will meet informally with the Section 151 Officer in July to receive a detailed update on the latest budget position.

2. Conclusions

- 2.1. The Scrutiny & Overview Committee is asked to note the current position of its Work Programme for 2021-22 set out in Appendix A.
- 2.2. The Committee is asked to consider whether there are any other items that should be added to its work programme.

CONTACT OFFICER: Simon Trevaskis – Senior Democratic Services & Governance Officer - Scrutiny

APPENDICES TO THIS REPORT

Appendix A – Scrutiny & Overview Committee Work Programme

Scrutiny & Overview Committee**Chair:** Sean Fitzsimons**Committee Members:** Leila Ben-Hassel (Deputy-Chair), Robert Ward (Vice-Chair), Shafi Khan, Oni Oviri, Joy Prince

Workstream Priorities

W 1: Corporate recovery, including corporate oversight by exception.

W 2: Understanding and acting on risks. To initially focus substantively on BBB and the council's reserves position

Meeting Date	Agenda Items	Officer
15 June 2021	Update from the Leader of the Council	
	Croydon Renewal and Improvement Plan – Performance Reporting Framework & Measures	Caroline Bruce
	RIPI – Quarter 1 Update	Henry Butt
	Scrutiny Work Programme 2021-22	Simon Trevaskis
	Scrutiny Annual Report	Simon Trevaskis
6 July 2021	Brick by Brick	Chris Buss
	Scrutiny Work Programme 2021-22	Simon Trevaskis
	Cabinet Response to Scrutiny Recommendations	Simon Trevaskis
7 September 2021	Annual Complaints/FOI/SAR Report	Savio Fernandes
	RIPI – Quarter 2 Update	Henry Butt
	Annual Report from the Head of Paid Services	Katherine Kerswell
19 October 2021	Review of the Digital Strategy	Neil Williams
	Savings Proposal 2022-23	Chris Buss

7 December 2021		
8 February 2022	Budget 2022-2023	Chris Buss
	RIPi – Quarter 3 Update	Henry Butt
22 February 2022	Annual Community Safety Review	Stephen Tate
29 March 2022	It is anticipated that this meeting will focus on the priority areas in workstream 1 & 2, however the agenda will be confirmed as soon as possible before the date to ensure that there is capacity for the Committee to consider any other emerging urgent issues.	

Agenda Item 7

REPORT TO:	Scrutiny & Overview Committee 6 July 2021
SUBJECT:	Cabinet Response to Scrutiny Recommendations
LEAD OFFICER:	Simon Trevaskis – Senior Democratic Services & Governance Officer - Scrutiny
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Councillor Sean Fitzsimons – Chair of the Scrutiny & Overview Committee
PUBLIC/EXEMPT:	Public

ORIGIN OF ITEM:	The Cabinet response to recommendations made by the Scrutiny & Overview Committee is provided for the Committee's information.
BRIEF FOR THE COMMITTEE:	The Scrutiny & Overview Committee is asked to review the response given by the Cabinet to recommendations made by the Committee and consider whether any further action is necessary.

1. CABINET RESPONSE TO SCRUTINY RECOMMENDATIONS

- 1.1. The rights of scrutiny to make recommendations to the Cabinet, Council, non-Executive Committee, Partner Agency or Partnership Board is set out in Section 8 of Part 4E – Scrutiny and Overview Procedure Rules of the Council's Constitution.
- 1.2. When making a recommendation to the Cabinet, a response needs to be given within two months to confirm whether the recommendation has been accepted or not. If accepted, this response should include how the recommendation will be implemented.
- 1.3. To ensure the Committee can monitor the response given to its recommendations, this report will be included as a standing item on each agenda, setting out in Appendix A the response from the Cabinet to the recommendations of the Committee.
- 1.4. The Committee is asked to review the responses given and consider whether any further action is necessary.

CONTACT OFFICER: Simon Trevaskis – Senior Democratic Services & Governance Officer - Scrutiny

APPENDICES TO THIS REPORT

Appendix A: Cabinet Response to Recommendations Made by the Scrutiny & Overview Committee.

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SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
Report: Croydon Renewal Plan (Considered by Scrutiny & Overview Committee on 17 November 2020)						
The Council's culture needs to change and the renewal plan must set in train meaningful proposals to enable this, including developing a mechanism that allows Scrutiny to judge whether progress is being made.	The Committee welcomed the action taken by the executive leadership team to begin to recognise the extent of the workforce challenges, however it is essential that developing a full understanding of the situation be treated as a priority to allow processes to be put in place to ensure change can be driven forward effectively.	Councillors Hamida Ali, Stuart King & Callton Young Resources	Accept. The improvement plan will not succeed without inclusive behavior and culture change, which promotes enhanced responsibility and accountability that can be measured.	Katherine Kerswell	Yes. (may have financial implications, depending on the scale of engagement plan that is required)	From April 2021 ongoing
Page 91 That the Council should increase the level of General Fund reserves held from its current 3% to 5% target to a more prudent level recommended by Section 151 Officer of around £50m.	The confirmation of the situation regarding the Council's financial reserves in the S114 report was both disappointing and alarming, and as such it was imperative that the necessary steps be taken as part of the financial recovery plans to increase reserves to a prudent level based on an assessment of the risks facing the authority. Measures must be put in place to ensure that the reserves are maintained at the required level with alerts in place should they fall below acceptable levels.	Councillors Hamida Ali, Stuart King & Callton Young Resources	Accept.	Katherine Kerswell	Yes. The 2020/21 budget made a provision to increase general fund reserves by £5m in year (this was the first time such a provision has been made for a number of years). The MTFS makes provision to continue to increase General Fund Reserves by a further £5m per annum so by the end of the MTFS period general fund reserves will have increased by £50m. Note current	Annually over the MTFS period
The Council should review its other existing plans and other reviews that are currently being undertaken to avoid duplication or inconsistency.	The Committee welcomed the early opportunity to contribute towards the development of the Croydon Renewal Plan and recognised that it was	Councillors Hamida Ali, Stuart King & Callton Young Resources	Accept. The improvement plan has brought together circa 400 recommendations from	Katherine Kerswell	No direct implications.	January 2021

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
	still an emerging plan that had yet to evolve into the full set of strategies and action plans to allow for in-depth scrutiny.		various reviews. The programme management structure will provide corporate oversight to avoid duplication or inconsistency.			
<p>That the Council, as part of its proposals, is clear on defining its future operating model.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 92</p>	It was vital that clearly defined steps be taken when designing the future operating model of the organisation, as there were concerns that without this the Council could repeat past mistakes which had led to poor budget setting processes, weak financial monitoring and a failure to deliver promised saving either at pace or at all.	<p>Councillors Hamida Ali, Stuart King & Callton Young</p> <p>Resources</p>	<p>Accept.</p> <p>New priorities and new ways of working have been adopted by Council and incorporated in to the Improvement Plan</p>	Katherine Kerswell	No.	December 2020
The Leader and Cabinet must ensure that a robust monitoring and accountability framework is an integral part of the plan, which is transparent to the residents of Croydon, the Council's workforce, and councillors.	It was evident that the appropriate tools required to maintain sound financial management had not been in place to date and in driving forward improvements, robust measures to close the budget gap must be sought and implemented.	<p>Councillors Hamida Ali, Stuart King & Callton Young</p> <p>Resources</p>	Accept.	Katherine Kerswell	<p>Yes.</p> <p>To be contained within the growth allocated to the the finance team in the 2021/22 budget (formal approval of budget – Feb 2021 cabinet and March 2021 Council)</p>	April 2021
<p>That the Cabinet is recommended:</p> <p>a) The Engagement Plan is appended to the Croydon Renewal Plan as it would evidence how engagement with staff, councillors and the community will be included in its renewal plan.</p>	<p>The Committee concluded that:</p> <p>a) The the lack of the senior leadership's maintenance of line of sight and openness had been exposed by recent events and the executive leadership team</p>	<p>Councillors Hamida Ali, Stuart King & Callton Young</p> <p>Resources</p>	<p>Accept.</p> <p>Improvements are being made to the performance reporting to improve information to Councillors. We want staff, partners and residents to be at the heart of our improvement</p>	Katherine Kerswell	<p>Yes.</p> <p>(may have financial implications, depending on the scale of engagement plan that is required)</p>	Ongoing

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)
b) The Council reassess the mechanisms and processes in place for access to information for Councillors.	<p>must now prioritise addressing this.</p> <p>b) Careful consideration needed be given to the role of the public in the Council's improvement journey and the communication strategy it would adopt to ensure effective dissemination of information to residents.</p> <p>c) Engagement with staff should be sought in order to incorporate their views and ideas in shaping the Council's plans.</p>		<p>journey, and engagement will be a key plank of the renewal plan communications strategy. We will continue to review our communications to ensure we are encouraging feedback and input into the council's plans through a wide range of channels.</p> <p>Rights of access to information for councillors are defined in legislation and set out within the Constitution agreed by full Council. A review of the Access to Information provisions within the Constitution will be undertaken to ascertain if improvements can be made to promote clarity of councillor rights around access to information</p>			
The Council set outs how both the Scrutiny & Overview Committee and the General Purposes and Audit Committee will be facilitated to carry out their governance roles in regards of the Croydon Renewal Plan, including defining the remit of both Committees, the information that will be provided	It was important that the political and executive leadership of the Council supported the Scrutiny & Overview Committee in maintaining a line of sight over the Council's new priorities and principles and in seeking assurance on the trajectory of its	<p>Councillors Hamida Ali, Stuart King & Callton Young</p> <p>Resources</p>	The Constitution approved by full Council currently sets out the terms of reference and responsibilities for the SOC and GPAC. These will be reviewed to ascertain whether any update is required	Jacqueline Harris Baker	NA	NA

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
and the level of support that can be expected.	plans and visions as appropriate.		to capture their additional governance roles in regards the Croydon Renewal Plan			
Report: Call In: Proposed Closure of Virgo Fidelis School (Considered by Scrutiny & Overview Committee on 4 February 2021)						
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.
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.
That when the Children & Young People Sub-Committee next reviewed school place planning in the borough, that information was included on the demand for faith schools.	The Committee agreed that it would be useful for the Children & Young People Sub-Committee to be provided with information on the demand from Roman Catholic parents for Roman Catholic school places in the borough, when it next considered school place planning. It was also agreed that consideration should be	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.

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
	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.					
Report: Equalities Strategy (Considered by Scrutiny & Overview Committee on 9 February 2021)						
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.	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.	Councillor David Wood Resources	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.
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.	The Committee felt that past experience should be used to inform the development of the new Equalities Strategy.	Councillor David Wood Resources	Rejection. 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 framework has also been put in place to review and evaluate the new strategy going forward. Resources	Gavin Handford	N/A	N/A

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
			now need to be focused on delivering against the new strategy, and not further review.			
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.
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.
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.
That a process for reviewing the Equalities Strategy in light of any new data sources, such as census data, becoming	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	Gavin Handford		Annual.

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)
available, should be built into the Strategy.			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			

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

<p>Page 97</p> <p>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.</p>	<p>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.</p>	<p>Councillor Hamida Ali Resources</p>	<p>Accepted.</p>	<p>Katherine Kerswell</p>	<p>The financial implications of additional lending have been factored in to the budget and MTFS – as has the expected repayment of loan balances.</p>	<p>Only required if loan requirement is exceeded, therefore no timetable as it is at present not anticipated that the level will be exceeded.</p>
<p>That consideration is given to how the Executive team will track and evidence that risk management processes are being embedded across the Council.</p>	<p>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.</p>	<p>Councillor Hamida Ali Resources</p>	<p>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</p>	<p>Katherine Kerswell</p>	<p>Risks relating to Brick by Brick loans and accrued interest are factored in to the current budget monitoring and future MTFS.</p>	<p>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 development of a more rigorous approach to risk management will</p>

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
						be raised as an agenda item at the upcoming fortnightly Programme Delivery Steering Group meeting which is chaired by the interim chief executive.
<p>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.</p>	<p>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.</p>	<p>Councillor Hamida Ali Resources</p>	<p>Accepted.</p>	<p>Katherine Kerswell</p>	<p>None.</p>	<p>After final decision is made in May then decision can be made.</p>
<p>That a regular review be undertaken of all Council companies, with the outcomes from this review reported to Scrutiny.</p>	<p>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.</p>	<p>Councillor Hamida Ali Resources</p>	<p>Accepted.</p>	<p>Katherine Kerswell</p>	<p>Monitoring of any financial implications to the Council from this review will be incorporated into financial monitoring.</p>	<p>Review to be undertaken and completed by December 2021.</p>
<p>That a review be undertaken of past lending to Brick by Brick to provide greater clarity over the arrangements and to ensure that the arrangements were legally compliant.</p>	<p>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 ensure that any such lending was legally compliant.</p>	<p>Councillor Hamida Ali Resources</p>	<p>Rejected. The Council has limited resources to undertake this type of post mortem, it is more important to ensure that good practice is</p>	<p>Katherine Kerswell</p>	<p>N/A</p>	<p>N/A</p>

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			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)						
<p>Page 99</p> <p>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.</p>	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.
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	<p>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.</p> <p>Publication of other sites will follow final approval to sell, subject to delegated authorities.</p> <p>The approved procedure is adequate and requires no change in respect of publication, but officers</p>	Ozay Ali	Any delays in progressing sales will cost the Council in terms of delayed capital receipts and ongoing holding costs.	N/A

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			<p>will ensure the Comms Teams are well briefed on potential sales as part of any publication process.</p> <p>Publication too early may cause additional complications in relation to ensuring that the Council receives best consideration</p>			
<p>Page 100</p> <p>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.</p>	<p>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.</p>	<p>Councillor Stuart King Place</p>	<p>Accepted.</p> <p>Agreed and the process is being changed to require notification and consultation with local ward members and cabinet as required</p>	<p>Ozay Ali</p>	<p>Any delays in progressing sales will cost the Council in terms of delayed capital receipts and ongoing holding costs</p>	<p>Process is changed with immediate effect.</p>

Report: Budget 2021-22 (Considered by Scrutiny & Overview Committee on 16 February 2021)

<p>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.</p>	<p>a. There was concern about the deliverability of the Adults and Social Care budgets, particularly the savings which targeted a reduction in the number adults in the care system. To ensure that there was not an adverse impact, it was agreed that the budget and performance would be regularly</p>	<p>Councillor Janet Campbell Health, Wellbeing and Adults</p>	<p>Accept.</p>	<p>Annette McPartland</p>	<p>None.</p>	<p>a. Adults budget is now being monitored monthly, and there are fortnightly efficiencies updates to the corporate programme steering group, and monthly updates to the Improvement panel.</p> <p>Scrutiny Clerk to ensure Budget is added to the</p>
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SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)
	monitored by their respective Scrutiny Sub-Committees.					agenda for health and social care Sub Committee and request papers as recommended.
	b. There was concern about the deliverability of the Children's Social Care budgets, particularly the savings which targeted a reduction in the number of 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.	Councillor Alisa Flemming Children, Families and Education	Accept.	Debbie Jones	None.	b. There is a performance scorecard that goes to Children and Young People's Sub Committee as a standing item for both Education and Children's Social Care. Scrutiny Clerk to ensure Budget is added to the agenda for Children and Young People's Sub Committee and request papers as recommended.
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.	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.	Councillors Hamida Ali, Stuart King & Callton Young Resources	Accept.	Katherine Kerswell	None.	The proof of change of culture is in results. Forecasting will be monthly publicly reported and will demonstrate the extent to which cultural change has been embraced by the organization.

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<p>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.</p>	<p>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.</p>	<p>Councillor Callton Young Resources</p>	<p>Accept.</p>	<p>Chris Buss</p>	<p>None.</p>	<p>Regular quarterly reports to be made GPAC after the end of each quarter so first report will be in July.</p>
<p>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.</p>	<p>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.</p>	<p>Councillors Stuart King & Callton Young Resources</p>	<p>Accept.</p>	<p>Chris Buss</p>	<p>None.</p>	<p>Commitment to publish Monthly forecast Starting with April Cabinet M 10 20/21 will enable public oversight of financial position.</p>
<p>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.</p>	<p>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.</p>	<p>Councillors Stuart King & Callton Young Resources</p>	<p>Accept.</p>	<p>Chris Buss</p>	<p>None.</p>	<p>Any Changes in the budget will be reported in the forecast report that will be reported to cabinet on a monthly basis. The MTFS will be refreshed over the summer and reported to cabinet</p>

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATION S (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)

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Agenda Item 8

REPORT TO:	Scrutiny & Overview Committee 6 July 2021
SUBJECT:	Scrutiny Information Request – Brick by Brick & Fairfield Halls
LEAD OFFICER:	Asmat Hussain – Interim Executive Director of Resources & Deputy Monitoring Officer
CABINET MEMBER:	Councillor Hamida Ali – Leader of the Council
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Councillor Sean Fitzsimons – Chair of the Scrutiny & Overview Committee
PUBLIC/EXEMPT:	Public

ORIGIN OF ITEM:	This report has been brought to the Scrutiny & Overview Committee in response to a request for information made at the previous Committee meeting held on 15 June 2021.
BRIEF FOR THE COMMITTEE:	The Scrutiny & Overview Committee is asked to note the response to the information requested.

1. EXECUTIVE SUMMARY

- 1.1. An official request for a range of information relating to the Council's ownership of Brick by Brick and the refurbishment of Fairfield Halls was requested by the Scrutiny & Overview Committee at its meeting on 15 June 2021.
- 1.2. This purpose of this report is to respond to the request by confirming the availability of information where possible and where it is unavailable, to provide the rationale for this.

2. SCRUTINY INFORMATION REQUEST – BRICK BY BRICK & FAIRFIELD HALLS

Information Requested

- 2.1. At the Scrutiny and Overview Committee meeting held on [27 May 2021](#), the Committee considered at call-in request relating to key decisions taken by the Cabinet in the '[Ongoing Review of Brick by Brick Croydon Ltd and associated matters relating to the company](#)' report at its meeting on 17 May 2021.
- 2.2. As part of the Call-In request a range of information was requested to inform the Scrutiny and Overview Committee's consideration of the item. The information request was as follows:-

1. Facility Agreement between Croydon Council and Brick by Brick dated 26th September 2016.
2. Mott McDonald report to the Council on Fairfield Halls cost estimates and refurbishment options
3. Licence agreement between the Council and Brick by Brick to refurbish Fairfield Halls
4. Specifications required by the Council for refurbishing the Fairfield Halls for delivery by Brick by Brick
5. Contract between Brick by Brick and Vinci for refurbishing Fairfield Halls including specifications of works.
6. Documentation showing how Brick by Brick was selected to refurbish the Fairfield Halls.
7. Documentation showing how Vinci was selected by Brick by Brick to refurbish the Fairfield Halls.
8. Project Initiation Document for College Green and Fairfield Halls Integrated Project as mentioned in the Final Internal Audit Report into the Fairfield Delivery dated June 2017.
9. Fairfield Halls Programme Board minutes.
10. Conditional sale document for the Fairfield car park.
11. All external legal advice received by the Council in regard to the Council's relationship with and funding of Brick by Brick
12. Correspondence between Mott McDonald and Croydon Council concerning Mott McDonald leaving the Fairfield Halls project around Q3 2017.
13. Procedures and meeting records, including presentational material, of Council committees set up to manage relationship with Brick by Brick.
14. Change requests/variation orders agreed by Croydon Council to the original work scope for the Fairfield Halls, and cost and other impacts of each change
15. Change requests/variation orders agreed by Brick by Brick with Vinci and others to original Fairfield Halls work scope, and cost of each change.
16. Part B papers from the following Cabinet meetings and the subsequently agreed minutes on these items:-
 - a. 20th October 2015: College Green Cultural and Educational Quarter
 - b. 20th June 2016: Brick by Brick Croydon Limited - Property and Financing
17. Value for money audit of the Fairfield Halls refurbishment, if necessary a draft version

18. Valuations of the units intended to be purchased and the process by which this was achieved.
- 2.3. Prior to the meeting it was agreed that the information requested was not relevant to the decision being reviewed and as such it was not provided at the meeting. Although, it should be noted, a verbal explanation of item 18 (Valuations of the units intended to be purchased and the process by which this was achieved) was given at the meeting. At the conclusion of the meeting, the Scrutiny and Overview Committee concluded that it would make a recommendation to the Cabinet, that the information requested as part of the call-in should be provided to Councillor Robert Ward, as the lead signatory of call-in, as soon as possible.

Scrutiny – Access to Information Request

- 2.4. When the Scrutiny & Overview Committee next met on 15 June 2021, Councillor Ward highlighted that he was still waiting for the information requested to be provided. To add extra strength to the request, the Committee agreed that it would submit a formal request for the information to be provided using the statutory access to information powers available to Scrutiny, which are outlined in the Council's Constitution.
- 2.5. The additional rights of access to documents for members of Scrutiny & Overview Committees is outlined in section 36 of Part 4B – Access to Information Procedure in the Council's Constitution. For ease of reference, these additional rights are:-

'36.1 Subject to Rule 36.2 a Member of Scrutiny and Overview Committee is entitled to a copy, no later than 10 clear working days after the Executive receives the request, of any document which -

a) is in the possession or under the control of the Executive of the Council; and

b) contains material relating to -

(i) any business transacted at an executive meeting;

(ii) any decision made by an individual Member in accordance with executive arrangements; or

(iii) any decision made by an officer in accordance with executive arrangements,

36.2 No member of Scrutiny and Overview is entitled to a copy -

a) of any such document or part of a document as contains exempt or confidential information unless that information is relevant to -

(i) an action or decision that that member is reviewing or scrutinising; or

(ii) any review contained in any programme of work of such a committee or sub-committee of such a committee; or

b) of a document or part of a document containing advice provided by a political adviser or assistant.

36.3 Where the Executive determines that a Member of Scrutiny and Overview Committee is not entitled to a copy of a document or part of any such document for a reason set out Rules 36.1 or 36.2 it must provide Scrutiny and Overview Committee with a written statement setting out its reasons for that decision.'

- 2.6. As the request was made by the Scrutiny and Overview Committee at its meeting on 15 June and the next Committee meeting is on 6 July, it was concluded that the response to the request would be provided at this meeting, as the agenda would be published within ten working days of the request being made.

Response to the Information Request from the Scrutiny & Overview Committee

- 2.7. The full response to the request for information from the Scrutiny and Overview Committee is set out in Appendix A of this report. In preparing the response an evaluation was undertaken to establish what of the information requested was actually held by the Council, as it would not be possible to share information which was held by another organisation. Due to the large volume of current and historical information requested and the available time and resource, with several officers working at pace to collate, some of the information may not be available for agenda publication. The information listed in appendix A will be made available from the specific request from individual members of the Committee.
- 2.8. Given the sensitive nature of the information requested and with the ongoing Value for Money Review of the Fairfield Halls redevelopment by the Council's external Auditor, Grant Thornton, the information, where held, will be disclosed to Committee in a part B report. Given some of the documents contain sensitive commercial information and in order to safeguard both Members and the Council these documents will be individually watermarked and password protected.
- 2.9. It is important to remind Members of the need to respect the confidentiality of the information to be provided and not to prejudice any ongoing processes. This report also reminds members of their obligations under the Nolan Principles and the Member Code of Conduct.

3. CONFIDENTIALITY

- 3.1. The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 make provision in relation to the access to information pertaining to executive decision making. This includes setting out the additional rights of local authority members and members of overview and scrutiny committees to access documents (Part 5) and general

provisions relating to information, such as the information which is exempt from disclosure (which includes advice from a political adviser).

- 3.2. A member must not disclose information given to them in confidence nor disclose information acquired, which they believe is of a confidential nature, unless they: a) have received the consent of a person authorised to give it; or b) are required by law to do so. If information is accessed using the Freedom of Information / Environmental Information Regulations provisions the information can be regarded as public and the Member may share the information with others. If on the other hand the Member has accessed the information via the provisions of the 1972 Act or the common law 'need to know' then in some cases the information may still be confidential and the Member will be bound by confidentiality. In that case Members should not publish or otherwise disclose the information to a third party.
- 3.3. In cases where a Councillor discloses information given to him/her in confidence by anyone, or information acquired by the Councillor which they believe, or ought reasonably to be aware, is of a confidential nature then that Councillor may find themselves the subject of a complaint that they have contravened the Code of Conduct for Members.

Nolan Principles

- 3.4. They were first set out by Lord Nolan in 1995 and they are included in the Ministerial code. The "Nolan principles" refer to the 7 principles of public life apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:
 - the civil service
 - local government
 - the police
 - the courts and probation services
 - non-departmental public bodies
 - health, education, social and care services

3.5. The principles also apply to all those in other sectors that deliver public services.

3.6. The 7 Principles are:

Selflessness

3.7. Holders of public office should act solely in terms of the public interest.

Integrity

3.8. Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other

material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

- 3.9. Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

- 3.10. Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

- 3.11. Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

- 3.12. Holders of public office should be truthful.

Leadership

- 3.13. Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

4. CONCLUSION

- 4.1. The Scrutiny and Overview Committee is asked to note the response given to the request for information, set out in Appendix A.

CONTACT OFFICER: *Simon Trevaskis – Senior Democratic Services & Governance Officer – Scrutiny*

Email: Simon.trevaskis@croydon.gov.uk

APPENDICES TO THIS REPORT

Appendix A: Response to Scrutiny & Overview Committee Information Request

Response to the Scrutiny & Overview Committee request on the Information requested on Brick by Brick and the Fairfield Halls redevelopment

The below table provides an update for the members of the Scrutiny & Overview Committee on current status of the information requested at the meeting held on 15 June 2021

	Information Requested	Status of Request
1.	Facility Agreement between Croydon Council and Brick by Brick dated 26th September 2016.	The document is available and can be provided to individual Committee Members upon request.
2.	Mott McDonald report of 2015 on the Fairfield Halls redevelopment.	A summary document is available and can be provided to individual Committee Members upon request.
3.	Licence agreement between the Council and Brick by Brick to refurbish the Fairfield Halls.	The document is available and can be provided to individual Committee Members upon request.
4.	Project Initiation Document for College Green and Fairfield Halls Integrated Project as mentioned in the Final Internal Audit Report into the Fairfield Delivery dated June 2017.	The document is available and can be provided to individual Committee Members upon request.
5.	Correspondence between Mott McDonald and Croydon Council concerning Mott McDonald leaving the Fairfield Halls project around Q3 2017.	This information is in the process of being compiled by officers and will be made available once this work is complete. It is likely that there will be a large volume of documents involved.
6.	Contract between Brick by Brick and Vinci for refurbishing Fairfield Halls including specifications of works.	This information is not currently held by the Council and as such cannot be provided to the Scrutiny & Overview Committee.
7.	Documentation of process by which Brick by Brick was selected to refurbish the Fairfield Halls.	Officers are working to locate the information requested. It will be made available for the Committee once this work has been completed.
8.	Documentation of process by which Vinci was selected to refurbish the Fairfield Halls.	This information is not currently held by the Council and as such cannot be provided to the Scrutiny & Overview Committee.
9.	Conditional sale document for the Fairfield car park.	The document is available and can be provided to individual Committee Members upon request.

10.	Variation orders agreed by Croydon Council to the original Fairfield Halls work scope, with cost and reason for each change.	Officers are working to locate the information requested. It will be made available for request by the Committee once this work has been completed.
11.	Variation orders agreed by Brick by Brick with Vinci and others to the original Fairfield Halls work scope, with cost and reason for each change.	This information is not currently held by the Council and as such cannot be provided to the Scrutiny & Overview Committee.
12	Specifications required by the Council for refurbishing the Fairfield Halls for delivery by Brick by Brick	There wasn't specifications as such, a license was used for a high level scope
13	Fairfield Halls Programme Board minutes (all papers).	This information is in the process of being compiled by officers and will be made available once this work is complete. It is likely that there will be a large volume of documents involved.
14	All external legal advice received by the Council in regard to the Council's relationship with and funding of Brick by Brick (early 2020 onwards)	This information is in the process of being compiled by officers and will be made available once this work is complete. It is likely that there will be a large volume of documents involved.
15	Procedures and meeting records, including presentational material, of Council committees set up to manage relationship with Brick by Brick. (all papers)	Papers for the Brick by Brick Shareholder and Investment Board are available. There is a large volume of documents involved, which can be requested by individual Committee Members.
16	Part B papers from the following Cabinet meetings and the subsequently agreed minutes on these items:- a) 20th October 2015: College Green Cultural and Educational Quarter b) 20th June 2016: Brick By Brick Croydon Limited - Property And Financing	These documents are available and can be provided to individual Committee Members upon request.
17.	Value for money audit of the Fairfield Halls refurbishment, if necessary a draft version	The Value for Money audit of the Fairfield Halls refurbishment has not been provided to the Council at the time of this report being published
18	Valuations of the units intended to be purchased and the process by which this was achieved.	A verbal explanation of this item was provided at the meeting held on 27 May 2021.