

Public Document Pack

Scrutiny & Overview Committee

Meeting held on Monday, 23 January 2023 at 6.30 pm in the Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillors Rowenna Davis (Chair), Richard Chatterjee (Vice Chair), Leila Ben Hassel (Deputy-Chair), Sean Fitzsimons and Simon Fox.

Also Present Councillors Jeet Bains (Cabinet Member for Planning & Regeneration), Jason Cummings (Cabinet Member for Finance)

Apologies Councillor Jade Appleton

PART A

1/23 **Minutes of the Previous Meeting**

The minutes of the meeting held on 6 December 2022 were agreed as an accurate record.

2/23 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

3/23 **Urgent Business (if any)**

There was no urgent business for discussion by the Scrutiny & Overview Committee at this meeting.

4/23 **Pre-Decision Scrutiny: Whitgift Indemnity and Land Transfer Agreement (ILTA) Remedy**

The Committee considered a report set out on pages 17 to 32 of the agenda and an accompanying confidential report on pages 37 to 44 of the same agenda concerning the Whitgift indemnity and Land Transfer Agreement (ILTA) Remedy. The report was due to be considered by the Mayor at the Cabinet meeting on 25 January 2023 and the report had been included on the agenda to give the Committee the opportunity to provide feedback on the recommendations.

The Cabinet Member for Planning & Regeneration, Councillor Jeet Bains, the Corporate Director for Sustainable Communities, Regeneration & Economic Recovery, Nick Hibberd, Director of Planning & Sustainable Regeneration, Heather Cheesbrough and Head of Commercial & Property Law, Kiri Bailey, attended the meeting for this item.

During the introduction to the report the following was noted: -

- The ILTA provided for a remedy under the contract with the Croydon Limited Partnership (CLP) for works to the value of £4m indexed and was not a cash sum.
- The Council was seeking the remedy because CLP had not redeveloped the Whitgift within the time frame specified in the contract.
- The deadline to issue the remedy was 23 Feb 2023. If it was not issued by that date, then CLP would be released from any of its obligations specified in the contract.
- The remedy required CLP to carry out improvements to the North End area of the town centre to the value of £4m indexed. These improvements included work to activate the Alders site, improvements to the Whitgift Mall, the provision of a consultation space to inform the development of a Town Centre Masterplan and connectivity improvements to the town from Wellesley Road.

Following the introduction, the Committee was afforded the opportunity to ask questions on the information provided. The first question asked whether there was a timeline by which the works identified through the remedy had to be delivered. It was advised that although the remedy notice needed to be served by 23 February 2023, conversations continued with CLP about the timeframe for delivery although the contract specified that work should be delivered promptly.

In response to a follow-up question about whether there was any guarantee the remedy work would proceed, it was highlighted that CLP had worked hard to redevelop the Whitgift Centre over the previous nine years, resulting in two planning applications. However, if the original plans had progressed the town would have had an old fashioned town centre, based predominately around retail provision, which was no longer fit for purpose. The Council would

continue to work with CLP on delivering a more viable town centre informed by community engagement.

As notice of the remedy could have been served from February 2022, it was questioned why the Council was only moving ahead with it now. It was advised that the Council had been seeking to find an agreeable way forward through negotiations with CLP. As these discussions had not resulted in a resolution and to preserve the Council's position, it was proposed that the notice of the remedy would be triggered

It was accepted that there was a considerable weight of public expectation upon the redevelopment of the town centre, but it needed to be recognised that the two developers, who owned the land involved were responsible for delivering any redevelopment and the Council's role was as the local planning authority and separately using its influence to promote the best outcome for Croydon. The ILTA was an agreement with the Council for the use of its compulsory purchase powers (CPO) and the remedy providing for works to the value of £4m indexed was to indemnify the Council against the cost of the CPO.

In response to a question about whether there had been consideration given to inserting other forms of compensation into the contract, it was advised that as none of the officers who had negotiated the contract were still employed by the Council, it was not possible to confirm. However, the advisors engaged by Council were specialists in their field and as such there could be a reasonable level of assurance that robust advice had been provided.

It was questioned whether the Council could ask for compensation for the loss of business rate income, that would have been generated through the Growth Zone scheme, from the non-development of the town centre. It was highlighted that at the start of the negotiations on the regeneration in 2010-11 the intention was to have a new mall which would solve all the issues of the town centre and increase business rates. The Growth Zone was a much later development and as such there was no link between the two.

Regarding the process for deciding what work was delivered under the remedy, it was advised that this was under negotiation with CLP. The key aspiration was for the work to lead to a new planning application from CLP, which had been the focus for the team working on the remedy. Any planning application was likely to be based upon a phased approach rather than a complete redevelopment proposed in the original applications. Any application

would be based upon on a masterplan, the development of which, including public consultation, would be delivered through the remedy. The Council would work closely with CLP to benchmark any work undertaken to ensure value was achieved, but the key outcome would be the redevelopment of the Town Centre. It was confirmed that there were robust governance processes in place to sign off any work, with a commitment to transparency and the release of information wherever possible.

It was agreed that it was important for the Council and CLP to work together to lead the way forward on the town centre. The Mayor had asked officers to start work on creating a vision for the town centre which was likely to be completed later in the year. Separately, it would be the responsibility of CLP to lead on the development of a masterplan and a planning application. It was advised that it would typically take approximately twelve months to deliver a masterplan document.

Regarding the activation of the Alders building, it was advised that CLP had hoped to have kept the existing traders in place, but due to significant health and safety issues relating to its condition, had needed to close the building. CLP had spent a considerable sum to rectify electrical, plumbing and escalator issues and there was an intention to find meanwhile uses for the building. It was originally hoped that this would happen before Christmas, but further maintenance work had been identified. The remedy also included investment for improvements in the Whitgift shopping centre

It was disappointing to note that the Council had been unsuccessful in its bid for levelling up funding, with only seven London boroughs awarded funding. The Committee asked to be kept informed of any feedback received from the Secretary of State on the reasons why Croydon's bid had been unsuccessful. The Cabinet Member confirmed that he would continue to work with the Mayor and officers to make the case for Croydon and pursue any new funding opportunities that became available. It was also important for the Council to ensure that its public realm infrastructure was well looked after as this would send out a positive message about Croydon.

It was accepted that the economy had changed in Croydon and a review was needed to inform the economic vision and to ensure there was a realistic understanding of the local economy. This would help to ensure that there was a clear strategy for office retention and job creation in borough, which were essential to growing a strong economy. It was suggested that any economic vision should be supplemented by a Business Retention Strategy and a plan for attracting inward investment.

At this stage the meeting moved into a confidential session to discuss the information set out in the Part B report. The discussion focussed on the timescales for the remedy and the legal process involved. A full summary of the discussion is set out in the confidential Part B minutes of the meeting.

Following the return to a public session the Chair brought this item to a conclusion by thanking those present for their attendance at the meeting and their engagement with the questions of the Committee.

Actions arising from the meeting

Following the discussion of the Whitgift Indemnity and Land Transfer Agreement Remedy item at the meeting, the Committee agreed the following actions that would be followed up after the meeting.

1. The Committee that the Town Centre would continue to be an of focus in its work programme and that it would want the opportunity to review the following once available:-
 - a. The Croydon Limited Partnership (CLP) Town Centre Masterplan
 - b. The Mayor of Croydon's Town Centre Vision document
 - c. An update on the delivery of the works identified in the 25 January 2023 Cabinet report following the conclusion of the six month negotiation period with CLP.
2. The Committee would ask that any feedback provided by the Secretary of State on the failure of the Council's bid for levelling up funding is shared with the members of the Committee once received.

Conclusions

1. The Committee welcomed the proposed use indemnity and land transfer remedy by the Council as a means of leveraging funding for improvement work in the Town Centre.
2. Although it was acknowledged that the work negotiated through the remedy process was subject to ongoing negotiation with CLP, given public frustration with the perceived inactivity in the redevelopment of the town centre and the redevelopment of the town centre being a key part of the Mayor's Business Plan, realistic time scales for delivery needed to be defined as soon as possible to manage expectation and provide accountability.
3. The Committee welcomed confirmation that the Mayor had asked officers to begin work on developing a Town Centre Vision and would request that pre-decision scrutiny is built into the timetable for the production of this document.
4. It was disappointing that the Council had not been successful in its bid for levelling-up funding, which increased the importance of working with CLP to redevelop the town centre. However, the Committee was encouraged by the Cabinet Member's commitment to pursuing all avenues for leveraging funding into the town centre and would suggest engaging with the Mayor of London, if not already doing so.
5. It was highlighted that job creation and office retention was key to the economic health of the borough and confirmation that an Economic Strategy was needed was endorsed by the Committee.

5/23

Pre-Decision Scrutiny: People & Cultural Transformation Strategy 2022-2026

The Committee considered a report set out in the supplementary agenda, due to be considered by the Mayor at the Cabinet meeting on 25 January 2023, which proposed a new People and Cultural Transformation Strategy for adoption. The report had been included on the agenda to give the Committee the opportunity to provide feedback on the proposed new Strategy.

The Cabinet Member for Finance, Councillor Jason Cummings, Chief People Officer, Dean Shoesmith, EDI & Workforce ICBS/Tea Talks & Programme Managers for Crossing the Threshold, Barbara Grant, Staff Network representative, Kay Oshin, Guardians Scheme representative, Liz Uwadiae, Crossing the Threshold Facilitators, Olu Oludare and Klaudia Petecka attended the meeting for this item.

A presentation was delivered by the Chief People Officer, to introduce the report which summarised the staff engagement that had informed the strategy and outlined the next steps. A copy of the presentation can be viewed on the following link: -

<https://democracy.croydon.gov.uk/documents/s42711/People%20Strategy%20-%20Presentation.pdf>

Following this presentation, the Committee heard from several different staff representatives who had been involved in the development of the strategy. The responses given provided reassurance to the Committee that staff had been actively engaged in the development of the strategy through the 'Crossing the Threshold' workshops, as well as staff survey feedback, and that it could demonstrably be seen how feedback had shaped its content. The delivery of the next steps, including the co-creation of an action plan to deliver the strategy, would be crucial to carrying staff along the improvement journey. It was highlighted that there was an intent from senior management to make a positive change across the Council and that they were open to listening to feedback from staff.

Following the feedback from the staff representatives, the Committee was provided with the opportunity to ask questions about the strategy. The first question asked whether staff had been given the opportunity to feed into the final version of the strategy presented in the Cabinet report. It was confirmed that not all staff had been consulted on the final version, but there had been engagement with stakeholder groups, such as the staff networks. The responses given in the recent staff survey had also helped to shape the final document. The next step would be to engage with staff on the seven pillars outlined in the strategy and the actions behind them, with a communications plan being prepared.

It was noted that it was critical to get the pay offer to staff right as the Council was competing with 32 other local authorities and other employers. Given the financial challenges facing the Council it would be difficult to deliver the pay

offer strand but it was essential to find the right balance and external expertise may be required to assist with this. Brand management was important as improving the image of the Council as an employer would help with the recruitment and retention of staff.

Given that there had been other similar strategies in the past, it was questioned how the People and Cultural Transformation Strategy would be different. It was advised that crucially, engagement had helped to shape the strategy. By having meaningful engagement with staff, it would help to ensure there was a higher likelihood of success. The data gathered from the 'Crossing the Threshold' programme provided a strong representation of the voice of staff, as did feedback from the staff survey. It was essential to have proper reporting processes in place to measure progress and ensure that those responsible for delivery could be held to account, taking a data-driven approach. It was agreed that the culture of the Council had improved over the past couple of years since the first Report in the Public Interest.

It was commented that some parts of the strategy were not written in an accessible format as would be expected. This was acknowledged and it was agreed that the wording would be reviewed to ensure the intention was as clear as possible.

In response to a question about the support given to staff to attend the 'Crossing the Threshold' workshops and respond to the staff survey, it was advised that time was given during working hours for this. Other mechanisms such as staff and managers feeding back on their team engagement was also used. It was important to ensure that a variety of different avenues for feedback were available to ensure the widest possible response.

It was acknowledged that it would be important to ensure that the overall position of the Council was reflected in the strategy. This included working towards the wider aim of creating a sustainable council where there was employment certainty and staff were paid appropriately. To achieve this, it may require the Council to deliver a smaller range of services, but these would have to be delivered well.

It was highlighted that streamlining structures could sometimes have a detrimental impact on employee engagement which would need to be regularly tested as any changes progressed. It was suggested that a system of temperature checking changes made to the workforce should be included

in the strategy to ensure that they were being embedded and leading to a positive impact.

Although the Committee welcomed the engagement with staff to develop the strategy, it was highlighted that it was difficult to be absolutely reassured on the strategy with actions or timelines for delivery. It was advised that the next step was to talk to Workforce Board and CMT about the process for co-designing the action plan with staff. The plan had always been to get the strategy agreed and then develop the action plan with CMT, and informed by staff. It was expected that it would take approximately three months to develop the action plan. The Committee agreed that it would want the opportunity to revisit the strategy once the action plan had been developed later in the year.

It was agreed that when the Committee revisited the strategy, the accompanying report would need to include a range of indicators that could be used to judge progress. In response to a request for specific data the following was confirmed: -

- Staff turnover currently stood at 14%, which was on the high side.
- Up until the end of December 2022 in the current Council year, the level of recruitment was exceeding the number of staff leaving the organisation.
- The gender pay gap was 0%, the disability pay gap was less than 1% and the ethnicity pay gap was 7%. Although the ethnicity pay gap was higher, it was highlighted that it was significantly less than the national average of 15%.

At this stage the Chair brought this item to a conclusion by thanking those present for their attendance at the meeting and their engagement with the questions of the Committee.

Actions arising from the meeting

Following the discussion of the People Strategy item at the meeting, the Committee agreed the following actions that would be followed up after the meeting.

3. The Committee agreed that it wanted to further scrutinise the People and Cultural Transformation Strategy in the summer following the creation of both the action plan and the communications plan to accompany the strategy.

Conclusions

1. The Committee welcomed the extensive engagement with staff that had informed the creation of the People and Cultural Transformation Strategy and agreed that the feedback provided by staff at the meeting provided reassurance that their views had been reflected in the strategy.
2. The plan to develop the action plan for the delivery of the strategy through co-design with staff was also welcomed. The Committee agreed it would like the opportunity to review the action plan once had been created.
3. There was concern about the clarity of some parts of the strategy and the proposal to review the language used to make it more accessible was supported.
4. It was agreed that robust workforce data was needed to underpin the delivery of the People and Cultural Transformation Strategy and it was pleasing to note that work had already begun on improving data collection and that the key performance indicators would be developed in consultation with staff.

6/23

Scrutiny Work Programme 2022-23

The Committee considered a report on pages 33 to 36 of the agenda which presented the work programme for review.

It was highlighted that an item on the new voter id requirements was being considered for the work programme later in the year, which could be informed by the experience from those local authorities with elections in May 2023. It was also noted that further items on the Town Centre and the People and Cultural Transformation Strategy would need to be scheduled, as discussed earlier in the evening.

Resolved: That the work programme for the Scrutiny & Overview Committee is noted.

7/23 **Exclusion of the Press and Public**

The following motion was moved by Councillor Davis and seconded by Councillor Chatterjee to exclude the press and public:

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

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

8/23 **Pre-Decision Scrutiny: Whitgift Indemnity and Land Transfer Agreement (ILTA) Remedy**

Please note that a full confidential minute has been produced of the Committee’s discussion held in the exempt session.

The meeting ended at 9.37pm

Signed:

Date:

This page is intentionally left blank