

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>
<b>DATE OF DECISION</b>	<b>14 February 2024</b>
<b>REPORT TITLE:</b>	<b>Croydon Companies Supervision and Monitoring Panel - Update Report</b>
<b>CORPORATE DIRECTOR</b>	<b>Jane West, Corporate Director for Resources</b>
<b>LEAD OFFICER:</b>	<b>Ian Geary, Interim Head of Corporate Finance</b>
<b>LEAD MEMBER:</b>	<b>Cllr Jason Cummings, Cabinet Member for Finance</b>
<b>KEY DECISION?</b>	<b>No</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>
<b>WARDS AFFECTED:</b>	<b>All</b>

## 1 SUMMARY OF REPORT

- 1.1 This report provides an update to Cabinet from the Croydon Companies Supervision and Monitoring Panel (CCSMP), established by Cabinet on 26 July 2021, as a response to the Report in the Public Interest 2020.
- 1.2 The report provides an update on the status of Council companies that exist but excludes Brick by Brick (Croydon) Limited (an update for that company has been reported to Cabinet separately in January).

## 2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1 To note the status of Croydon Council companies, excluding Brick by Brick (Croydon) Limited.

## 3 REASONS FOR RECOMMENDATIONS

- 3.1 This report provides an update on Croydon Council companies since the last update was presented to Cabinet on 24 May 2023.

## 4 BACKGROUND AND DETAILS

### Overview of Croydon Companies

- 4.1** The Croydon Companies Supervision and Monitoring Panel (CCSMP) was established with the purpose of ensuring that the Council's strategic objectives are met, and to support the development of the Council's group of companies in line with the Council's regulations and strategic objectives.
- 4.2** A company matrix is attached as Appendix 1. It sets out a list of identified organisations:
- Wholly or partly owned by the Council;
  - Not owned by the Council, but where the Council has an interest and/or an officer of the Council is a Director of the company;
  - Property Management Companies where the Council owns a share of the freehold;
  - Charities where the council is a Trustee.
- 4.3** The previous update report recommended a delegation to approve that the Interim Director of Commercial Investment & Capital may seek the dissolution of Croydon Affordable Dwellings LLP and Croydon Affordable Homes (Taberner House) LLP (subject to formal decision making of the LLPs) and delegate authority to the Corporate Director of Resources and Section 151 Officer to take any steps to finalise and sign any relevant documents to give effect to a dissolution (if approved). This action has not yet been enacted, as it requires the agreement of the LLP boards.
- 4.4** The following section of this report provides an update on any significant company changes since the previous update report was presented to Cabinet on 24 May 2023.

### Croydon Affordable Homes related companies

- 4.5** Croydon Affordable Housing Charity: this is not controlled by the Council but was established to hold a 90% share of the Limited Liability Partnerships (LLPs) that were set up to provide affordable housing from 344 leased from the Council. The board consists of two independent trustees and an officer nominated by the Council.
- 4.6** Work is underway to establish a separate bank account for this organisation and the two active LLPs. This has required a number of legal and administrative steps to be undertaken to ensure that the remit and controls regarding new bank accounts are fit for purpose. The purpose of the bank accounts is to enable the organisations to buy in their own services directly. Up until now all services have been provided by the Council. Areas where activity will be directly provided by the LLPs and charity include financial support and repairs and maintenance works.

- 4.7** Croydon Affordable Housing LLP and Croydon Affordable Tenures LLP are the two entities 90% owned by the charity that are delivering affordable housing. The submission of their 2022-23 accounts has been granted an extension from 31 December 2023 until 31 March 2024. This is to allow for the retrospective changes to their accounts in relation to the property leases between the Council and LLPs to be made once the Council's 2019-20 accounts have been certified.
- 4.8** Croydon Affordable Dwellings LLP and Croydon Affordable Housing (Taberner House) LLP are two further LLPs which are active but have never traded. Cabinet agreed to delegate the power to officers to progress the dissolution of these two entities on 24 May 2023, but the LLP board need to formally agree this course of action before it takes place.

#### Council Membership of other organisations

- 4.9** The board of Croydon Enterprise Loan Fund (CELF) Limited has agreed a resolution to wind up the company. The company has already ceased issuing new loans, and the Council is reviewing options regarding the residual loans held by CELF.
- 4.10** The Pegasus Academy Trust has been removed from the company matrix, following the resignation of the board position by a Council Director. This occurred after a review by CCSMP considered Council representation on this trust was no longer required.

#### CCSMP Forward Plan

- 4.11** The table below sets out the forward plan for the CCSMP over the year ahead:

February	CAH / CAT update The Queen's Quarter (former Taberner House site)
March	CAH / CAT update
April	Review of charities and parks covenants The Queen's Quarter (former Taberner House site)
May	CAH / CAT update
August	CAH / CAT update
October	CAH / CAT update
December	Annual review of declarations from Members in relation to outside bodies / companies / charities

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1** None.

## **6 CONSULTATION**

6.1 None.

## 7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 Priority 4: Ensure good governance is embedded and adopt best practice. Sound governance processes are required to ensure that decision-making is transparent, and that effective control of our companies is in place to achieve the Council's objectives.

## 8. IMPLICATIONS

### 8.1 FINANCIAL IMPLICATIONS

8.1.1 There are no direct financial implications arising from this report.

**Approved by:** Allister Bannin, Director of Finance (Deputy s151), 12/1/2024.

### 8.2 LEGAL IMPLICATIONS

8.2.1 The Council has the power to participate as a Member/ Shareholder of a company under the general power of competence (Localism Act 2011), which gives local authorities the power to do anything that individuals generally may do.

8.2.2 The companies, limited liability partnerships and charities listed in the Croydon Companies' matrix at appendix 1 are distinct legal entities from the Council and have their own governance arrangements included with their Articles of Association and any Member Agreements, which determine how decisions are made regarding those entities.

8.2.3 Comments approved by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 18/01/2024)

### 8.3 HUMAN RESOURCE IMPLICATIONS

8.3.1 There are no direct human resource implications arising from this report

Comments approved by Dean Shoesmith, Chief People Officer (Dated: 4/1/2024)

### 8.3 EQUALITIES IMPLICATIONS

8.3.1 There are no direct Equalities implications arising from this report.

Comments provided by Helen Reeves, (Interim) Head of Strategy of Policy (Date 04/01/2024)

## **9. APPENDICES**

### **9.1 Appendix A: Croydon Companies Matrix – January 2024**