

## Appendix A

### Cabinet

Meeting of Cabinet held on Wednesday, 14 February 2024 at 6.32 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Mayor Jason Perry (Chair);

Lynne Hale (Deputy (Statutory) Executive Mayor and Cabinet Member for Homes (Vice-Chair)), Councillors Jeet Bains (Cabinet Member for Planning and Regeneration), Jason Cummings (Cabinet Member for Finance), Maria Gatland (Cabinet Member for Children and Young People), Yvette Hopley (Cabinet Member for Health and Adult Social Care), Ola Kolade (Cabinet Member for Community Safety), Scott Roche (Cabinet Member for Streets and Environment) and Andy Stranack (Cabinet Member for Communities and Culture)

**Also Present:** Councillors Rowenna Davis (Chair of Scrutiny and Overview Committee), Stuart King (Leader of the Opposition), Callton Young (Deputy Leader of the Opposition and Shadow Cabinet Member for Finance), Janet Campbell (Shadow Cabinet Member for Health and Adult Social Care), Christopher Herman (Shadow Cabinet Member for Streets and Environment), Chrisni Reshekaron (Shadow Cabinet Member for Homes) and Leila Ben-Hassel

### PART A

117/24 **Minutes of the previous meeting**

The part A minutes of the Cabinet meeting held on Wednesday 31 January 2024 were agreed as an accurate record.

118/24 **Disclosure of Interests**

There were none

119/24 **Urgent Business (If any)**

There were no items of urgent business.

## Mayor's Business Plan 2022-2026 Performance Report

The Executive Mayor introduced the Mayor's Business Plan 2022-2026 Performance Report which provided further update of achieving outcomes and Key Performance Indicators (KPIs).

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, shared with Cabinet that the KPIs had shown a clear indication of where the Housing department were and the scale of challenge, they were facing to improve the service. The aim was to build strong sustainable foundations across the service including developing KPIs based on accurate and reliable data, monitoring, and the use of data. The Housing Strategy, which aligned with the recent resident's charter, was to form as part of the decision process for long-term foundations in the service. The contact centre had faced a significant number of high calls and staff resource issues, and now a new inhouse contact centre had been overwhelmed by the demand. Following the problems seen, a new staffing plan had been developed and a contact centre refreshed with permanent staff appointed receiving bespoke training programme. With shared accommodation being a national problem, Croydon council aimed to refocus services to prevent homelessness at a much earlier stage. There was progression on the key priority of voids, where 650 voids were made to offer homes to families who had spend years on temporary accommodation. Overall, a new NEC system was being stabilised, data was under validation and cleansing, permanent staffing were under recruitment, with refocus on customer service through the customer care training programme, closer performance monitoring and management, would see improvement in service delivery.

The Cabinet Member for Children and Young People, Councillor Maria Gatland, shared with Cabinet of the known demand for statutory social work service which had risen by 16% in 2022 and 2023 and highlighted some red indicators, though there was positive factors such as the proportion of 16 and 17 year olds who were not in education, employment or training (NEET) had received positive work with increased availability with face-to-face learning for 16 to 18 year olds, other means to assist learns and a robust , further with an additional case worker externally funded to work with the pupil referral unit in supporting the school year 11 with post 16 planning and transition. Further, the EHPC had a huge amount of work undertaken with quality and design which was highly rated by the DfE. Since June 2022 there was introduction of weekly reporting by team managers to their heads of service for scrutinising weekly performance; further there was equality SEND database to inform practice. Child protection plans was monitored very closely. The transformation with the front door service – the Multi-Agency Safeguarding Hub (MASH) with enhanced management oversight would help monitor the indicators which were all under scrutiny.

The Cabinet Member for Health and Adult Social Care, Councillor Yvette Hopley, shared with Cabinet in detail that the indicators for the percentage of safeguarding intervention leading to reduction/removal of risk, the rate of 65+ clients in long term care, and the rate of 65+ clients supported to live independently were currently in the green zone in performance. The amber indicators concerning the percentage of people who approached the council for help with adult care and resolved at the point of initial contact, the percentage of people still at home after 91 days after returning home from using reablement service, and the rate of 18-64 year-old clients supported to live independently, have seen more strategic work in each segment. The red risks indicators noted the management in the demand programme with significant shifts in the transformation work that had started; further, more work was to be done on rehabilitation, and the service was looking to improve the facilitation of people into their own homes. There were other projects to be delivered, and new technology and smarter working would help move figures into the right direction.

The Cabinet Member for Communities and Culture, Councillor Andy Stranack, shared with Cabinet that the latest London Borough of Culture statistics had been collated as of November 2023, highlighting that over 200 cultural events had taken place across the borough reaching over one million people. There were 14,000 opportunities for young people to engage with the culture sector, there were over 6000 volunteers helping and taken part in the events, and 104 local schools had taken part in some way. "A Very Croydon Christmas" was a recent event which took place in the Croydon Clocktower, Queens Garden and the Fairfield Halls which received feedback as good or very good. The real value of events came from personal impacts of the individuals. The key aim of the year was to shine a positive light on Croydon and its amazing cultural talent.

The Cabinet Member for Community Safety, Councillor Ola Kolade, shared with Cabinet that the council was continuing to make Croydon a safer place to be through the Safer Croydon Partnership. Further work was undertaken through the Community and Safety Engagement Board working with a number of community groups to address crime and antisocial behaviour to provide the assurance of safety in workplaces and residence in the borough of Croydon. Reviewing the key performance indicators in detail, the domestic violence offences rate saw it was ringfenced and maintained the family justice budget through working closely with public health to protect and safeguard local residents within the borough. This remained the highest issue, where the family justice service would be leading on. The knife crime with injury indicator had shown that the service was launching a new youth outreach which would run for a full year to give additional support for young people. The service was acting much quicker in response to street robberies and antisocial behaviour in the district and town centre and investing in additional resources.

The Cabinet Member for Planning and Regeneration, Councillor Jeet Bains, shared with Cabinet that the service continued to see performance

improving each quarter which was a reflection of the work as part of the planning transformation programme and the clearance of the backlog. The key indicators addressing the major planning applications determined in time over a rolling 2 year period, remained well above the government target threshold of over 90% within target, and the non-major planning applications determined in time over a rolling 2 year period, was also above target with more than 80% in target.

The Cabinet Member for Streets and Environment, Councillor Scott Roche, shared with Cabinet that further improvements continued to be made within the service, and though more work was to be done, the progress of improvement was on the right track. The key performance indicators relating to the percentage of reported flytips removed within one working day showed a strong response with over 97% in target and matched feedback from residents, however, the overall concern for flytipping still remained high. A new force of policy was to be produced and enforced in the future. The percentage of waste rejected as contamination by Croydon's processing facility had seen an increase in volume in the recycling waste rejected and redirected for further processing. The service would be seeking assistance from landlords and managing agents to address contamination and increase the quality of recycling. The household waste recycling rate saw an increase of rejection rate which had a corresponding impact on the recycling rate along with the seasonal variation in the amount of garden waste collected and recycled. In relation to street cleansing and the percentage of street below grade rectified within 24hrs, this was at 93%. Lastly with the percentage of household waste collected on time, this had remained at a high level at 99% within target.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that the council balanced its books and the net budget recorded was zero, and was positive with the direction of the finance sector.

The Leader of the Opposition, Councillor Stuart King, had a question on the KPIs and asked whether there were concerns that 30 of the 84 KPIs portrayed no target at all, and where no target had been set, this proposed a risk and therefore not monitored. Further, with the 54 KPIs with a target set, 50% of those KPIs were red and 38 KPIs had performance not improving.

The Executive Mayor responded that the KPIs were a new process the council took to monitor each service area in greater detail, and to benchmark. The performance seen reflected on where the council currently stood following the trajectory of improvement from being under special measures. Trust with residents and working with services would provide a better journey for improvement.

The Director of Quality Performance, David Courcoux clarified that the vast majority of the indicators that did not have targets were categorised

within the appendices as partnership KPIs (i.e. where the council did not have direct control over). The indicators that related to the council and measured organisational performance would have targets.

The Executive Mayor in Cabinet **RESOLVED**: To

Note the Mayors Business Plan performance report (Appendix A and B) with latest data available on 30 November 2023 (unless otherwise stated) regarding overall council and partnership performance, and actions being taken to improve outputs.

121/24

### **Brick by Brick Closure Report**

The Executive Mayor introduced the Brick by Brick Closure Report which was established in 2014 to build council homes and deliver housing projects affordably for the council, however, following the council's declaration of bankruptcy in 2021, the council had to make significant steps to recover money from Brick by Brick and now on a process of winding down Brick by Brick to deliver financial stability to the council.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that the key momentum was to close Brick by Brick, having reflected that there had been options in managing Brick by Brick with choices to either continue working with Brick by Brick. To close was the right decisions made following the loss made which has now stopped.

The Leader of the Opposition, Councillor Stuart King, welcomed the report and asked in relating to recommendation 2.3 of the possible sale of Brick by Brick, and whether there had been enquires that this should be included in the list of recommendations; also, in relation to recommendation 2.2 whether a decision had been made for the asset and liabilities to be released to the general fund or Housing Revenue Account.

The Cabinet Member for Finance, Councillor Jason Cummings, responded that with regards to recommendation 2.3 and any potential sale, there was opportunity for a party to purchase Brick by Brick, though noted that during the original options submitted, when reviewing market value, a decision was made to continue the build out. This report, however, sought to cover any options that may create exceptional circumstances where the council would have an offer for better value. With regards to recommendation 2.2 and the Housing Revenue Account and general funds, this regarded an assessment of the individual assets that remained by Brick by Brick to be worked through and value assessed for its use. It was currently unknown what assets would remain, though this was to be addressed on an individual basis.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To approve that Brick by Brick Croydon Ltd be closed down on a solvent basis as detailed under Option 1 of Section 8.
- 1.2. To delegate to Corporate Director of Resources (S151 Officer), in consultation with Director of Legal Services, Corporate Director Housing and Director of Commercial Investment & Capital to decide whether the Council under its Housing Revenue Page 82 Account (HRA) and/or General Fund (GF) acquire all or part of the remaining assets and liabilities of BBB if not disposed within a reasonable time frame.
- 1.3. To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services, Director of Commercial Investment & Capital to negotiate the sale of Brick by Brick Croydon Ltd should an offer that improves the Council's financial position, against the winddown position, be received before the proposed winddown date of the company.
- 1.4. To delegate to Corporate Director of Resources (S151 Officer), in consultation with Executive Mayor, Lead Member of Finance, Director of Legal Services and Director of Finance to enter into any final legal agreements on behalf of the Council as Shareholder and/or Lender and make any necessary shareholder resolutions, where relevant to give effect to the recommendations and delegated decisions in this report as part of the winddown process.
- 1.5. To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Finance to approve the final loan principle write off amount, up to £70m, at the point of winddown.
- 1.6. To delegate to the Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to issue letters to current Directors requesting their resignations and to approve indemnification of liability in line with the Outside Bodies Protocol approved by Ethics Committee on 8th February 2023.
- 1.7. To delegate to Corporate Director of Resources (S151 Officer), in consultation with the Executive Mayor, Lead Member of Finance, Director of Legal Service and Director of Commercial Investment & Capital to appoint new Directors on the Board of the BBB.

## **Budget 2024-25 and Medium Term Financial Strategy 2024-28**

The Executive Mayor introduced the Budget 2024-25 and Medium Term Financial Strategy 2024-28 Report which proposed a deliverable budget for 2024-25. The budget planned to include £30 million in savings for 2024-25 with an ongoing asset disposal programme that aimed to deliver £200 million of receipts over the period 2022-2026.

The Chair of Scrutiny and Overview, Councillor Rowenna Davis, shared with Cabinet that following the Scrutiny and Overview Committee (the Committee) receiving the report, the outcome concluded with the following:

- That the council could not balance its books without exceptional support of national government, and there was a gap of £38 million pounds wide that was to be filled next year. To fill this hole, the council was to seek permission to borrow from national government for capitalisation and selling assets to meet general expenditure. Though there was no guarantee national government would provide the money for the council to stay afloat.
- The Committee noted that the council was doing all that they could with ambitious plans for savings, and based on the information provided, it was concluded that those proposed were deliverable whilst meeting the statutory needs of vulnerable residents, although the scale, pace and wide-ranging nature of the savings meant that they would need to be closely monitored.
- The Homes Sub-Committee had reservations relating to the Housing Revenue Account and was not assured without further data particularly on the housing stock conditions survey which should reveal more on sale of investment needed.
- In comparison to last years budget there was concern relating to the £5 million pound economic demand pressures budget which had been removed; though the use of this budget had helped balance the books for this years budget to plug the increased costs associated with rises in demand for emergency accommodation; and thus without this extra cushion of the economic demand fund, the pressure on the council to stick to its budget would become even greater.
- It was important how the council would mitigate risks and, on the risks register in Appendix L, not all risks listed were quantified and some did not have any mitigating actions attached.
- In regard to transformation, the scale and pace of this was essential though not where it needed to be.
- The Committee noted that the council was sticking with the government maximum rise of 4.99% in council tax. The reduction of the council tax hardship fund from £2 million pounds to £500,000 pounds was questioned, and the Committee was pleased that the money had been reallocated to the council tax support scheme, though the Committee was not convinced that the low take up of

the scheme was due to the lack of need rather than lack of awareness, and more work to promote awareness was advised.

- Real improvements in the quality of transparency were noted by the Committee, though in the budget an extra £9.4 million pounds of capitalisation above and beyond of what was expected was to be requested from government due to a historic contractual issue for highway works and improvements and requested for more thorough information on this.

The Cabinet Member for Finance, Councillor Jason Cummings, informed the Cabinet in terms of the council tax, that it was a 4.99% increase in terms of the council's portion of council tax which was in fulfilment of the promise made from last year to not go over the cap this year. Borrowing was not forecasted to increase this year or next year, which was good for the council, though this was limited by the extent of the asset disposal programme. The removal of the economical demands pressures had made the budget slightly riskier, though still predicated on the £38 million pound capitalisation direction, however pointed out that in this financial year, the capitalisation direction was £63 million pounds which showed an improvement in terms of the reduction in capitalisation of £25 million pounds year on year which was a significant move. Lastly, the off-log financial sustainability data had shown that the average debt servicing cost was 8% across England, and 16% in Croydon, further, the total debt of a council across England was 226%, and in Croydon 478% which had shown that the debt Croydon was carrying was heavily significant.

The Corporate Director of Resources and Section 151 Officer, Jane West, shared that in Appendix K, the pressures the council faced focused back on the historic s114 which was served. In regard to the robustness in the budget estimates, a lot of work had been undertaken for the budget to remain robust for this financial year, this included working thoroughly with the Corporate Management Team. In regard to the removal of economic pressures contingency budget, the accuracy of the budget in place had given reassurance for a robust budget, though the position was more at risk than the current year with less room to maneuverer. Lastly, the balances available had not been used and the reserves held had not been used.

The Shadow Cabinet Member for Finance, Councillor Callton Young, asked whether the report in the public interest could be amended to be more open about the following key aspects of the budget and budget strategy; what progress was there on the negotiations with government for the debt write-off; and could there be more transparency on the budget setting process. On the general funds, could the council properly fulfil its roles without having all the key papers, and was there satisfaction that the report was sufficient for all Members to challenge the risks to the council of the removal of the economic demand reserves for 2024/25 and the provision proposed for demand and demographic pressures in 2024/25 where half was provided in the following year. Also, the reduction of two-thirds of the council's hardship funds that was designed to protect low-

incomed households with financial difficulties in relation to council tax increases. Further, was there satisfaction that the report and in Appendix D was sufficient enough for Members to provide challenge to the transformation plans. Lastly, with the forecast that £142 million pounds should be received by the council at the end of next month from assets disposals, did the report adequately allow Members to challenge the contribution and pace of asset disposals that the council needed to make to reduce debt, and what contribution did the capital receipt from the councils rent resonance investment made to the debt reduction.

The Executive Mayor responded that the process of the budget was more open and transparent with the Scrutiny and Overview Committee receiving papers at a much earlier stage to review and asked questions and provided recommendations, and further there was opportunity for all Members of the council to review and seek support from offices to address alternatives or other options for the budget should this be required. The negotiations with government were on-going. The council's hardship fund was being moved to the council tax team, and it was noted that many more people were being supported through the council tax support scheme and the council was ensuring all residents were aware of all types of support available. The Corporate Director of Resources and Section 151 Officer, Jane West, added that the hardship fund £1.5 million was being reallocated to the council tax support as the request for such support was required by residents; further, relating to the resonance investments, the figures were included in the capital receipts projections and a third of the money had been received.

The Executive Mayor in Cabinet **RESOLVED:** To

- 1.1. Consider the responses to the budget engagement with residents and statutory consultation with businesses (set out in Section 10 of this report and detailed more fully in Appendix J).
- 1.2. Consider and have due regard to the equalities impact assessment undertaken on the budget proposals as set out in Appendix N.
- 1.3. Approve the responses to the Scrutiny and Overview Committee recommendations (to follow after publication of this report – Appendix O) on the budget proposals as set out in Section 20.
- 1.4. Approve that (subject to Full Council approving the budget and any further decisions required of the Executive) that Corporate Directors be authorised to implement their respective growth and savings proposals for 2024-25 in accordance with the recommendations within this report, the Council's Constitution, Financial Regulations, relevant Schemes of Delegation and undertake any further consultation required, including regarding the Equalities Impacts of specific decisions within the Budget envelope as approved by Full Council.

- 1.5. Propose to Full Council for approval an increase in the Croydon element of the 2024-25 council tax charge by 2.99% (Band D £53.98).
- 1.6. Propose to Full Council for approval a 2% increase (Band D £36.11) in the 2024-25 Adult Social Care precept levy.
- 1.7. Note, based on the Mayor of London's draft consolidated budget, a proposed 8.58% (Band D £37.26) increase regarding the Greater London Authority precept.
- 1.8. Propose to Full Council for approval, the calculation of budget requirement and council tax as set out in Appendix I and note that the inclusion of the GLA precept will result in a total increase of 5.69% (Band D £127.35) in the overall Croydon council tax bill.
- 1.9. Propose to Full Council for approval the setting of the Council's own total net expenditure budget for 2024-25 at £361.267m.
- 1.10. Propose to Full Council for approval the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as set out in Appendix C.
- 1.11. Propose to Full Council the proposed £5m budget in 2024-25 to support delivery of the transformation programme.
- 1.12. Propose to Full Council the Reserves Policy set out in Appendix M.
- 1.13. Propose to Full Council for approval that the Corporate Director of Resources be authorised to collect and recover National Non-Domestic Rate and council tax in accordance with the Local Government Finance Act 1988 (as amended) and the Local Government Finance Act 1992.
- 1.14. Note the revenue budget assumptions detailed in the report and budget projections to 2027- 28 made by the Corporate Director of Resources in agreement with the Chief Executive and with the Corporate Management Team.
- 1.15. Note the Council's request for a Capitalisation Direction from the Department of Levelling Up, Housing and Communities [DLUHC] of up to £38m for 2024-25, £9.439m relating to 2019-20 and current assumption that up to a further £38m per annum in exceptional financial support will be required for future years.
- 1.16. Note that all Directors will be required to report on their projected financial position compared to their revenue estimates in accordance with the 2024-25 monthly financial performance reporting timetable.

- 1.17. Note the statement (Appendix K of the Report) of the Corporate Director of Resources and S151 Officer, under Section 25 of the Local Government Act 2003, regarding the adequacy of reserves and robustness of estimates.
- 1.18. Note that the provisional Dedicated Schools Grant allocation for 2024-25 will increase by £28.583m to £466.825m (section 12 of the Report).
- 1.19. Propose to Full Council that the necessary determinations are made as billing authority under Section 11B of the Local Government Finance Act 1992 for financial year 2024- 2025 to the effect that where permitted, for dwellings that have been unoccupied and substantially unfurnished for a period of at least one year the amount of Council Tax will be increased by 100% where the period is less than 5 years, by 200% where the period is at least 5 years but less than 10 years, and by 300% where the period is at least 10 years, and that the discount under Section 11(2)(a) shall not apply.
- 1.20. Propose to Full Council that the necessary determinations are made under Section 11C of the Local government Finance Act 1992 as billing authority for financial year 2025-2026 to the effect that where permitted, for dwellings where there is no resident of the dwelling and the dwelling is substantially furnished, the amount of Council Tax will be increased by 100%, and the discount under Section 11(2)(a) shall not apply.
- 1.21. Propose to Full Council that the Council Tax Support scheme (statutory local council tax reduction scheme) under Section 13A(2) of the Local Government Finance Act 1992 is not changed from that agreed by Full Council resolution on 1st March 2023.

123/24

## **2023-24 Period 8 Financial Performance Report**

The Executive Mayor introduced the 2023-24 Period 8 Performance Report, which showed the budget moving into an underspend position.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that there was improvement in every department, which was a great position for the council to be in. The £5 million pound in-year contingency budget was not being used to balance the budget as the council had moved to an underspend position.

The Shadow Cabinet Member for Finance, Councillor Callton Young, welcomed the report and asked why the adjudication panel ruling regarding the £9.439 million pound payment of the former contractor relating to work dating back to 2011 not mentioned within the report;

secondly, why was the £5 million pounds of grant from the Contain Outbreak Management Fund (COMF) in the context of covid only now allocated for spending.

The Cabinet Member for Finance, Councillor Jason Cummings, responded that there was no in-year impact on the £9.439 million pound in terms of the period monitoring report as it related to a prior accounting year. Relating to the COMF money, the service reviewed and assessed when allocation was to be made at a particular point in time. The impact of covid was still ongoing, and thus the continued use of the money within the time it could be spent was still mitigating the impact of covid and was being used for its original intention. The Director of Finance, Allister Bannin, added that the result of the adjudication related to a contract that finished before 2019/20, and the adjustments in the accounts were being made for 2019/20 as the accounts were still open, as mentioned in three other reports presented within this agenda. Adding to the point on COMF, it was said that every local authority received a lot of money by government during covid and recognised that the effects of covid had a long-term effect, and therefore extended the grant for local authorities to use for a longer period of time.

The Executive Mayor in Cabinet **RESOLVED:**

- 1.1. To note the General Fund revenue budget outturn is forecast to underspend by £1.3m at Period 8, after the budgeted utilisation of £63m capitalisation directions requested from DLUHC.
- 1.2. To approve within budget the inter-directorate virement of £2.1m non-pay inflation budget from the Adult Social Care & Health directorate to the Housing directorate on a one-off basis in 2023-24, as set out in paragraph 4.12.
- 1.3. To note the progress in MTFs savings achievement as set out in paragraph 4.103.
- 1.4. To note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.98.
- 1.5. To note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £12.0m.
- 1.6. To note the General Fund capital programme 2023-24 forecast underspend of £20.7m against the revised capital budget of £127.1m. The 2023-24 General Fund capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023.
- 1.7. To note the HRA capital programme 2023-24 forecast overspend of £1.8m against the revised capital budget of £37.2m. The 2023-24

HRA capital budget has been updated to reflect the changes agreed through the Capital Programme and Capital Strategy 2023-29 report at the Cabinet meeting on 6 December 2023.

- 1.8. To note the Council's historic borrowing and subsequent debt burden continues to be critical to the non-sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of structural indebtedness to ensure it can deliver sustainable local government services.
- 1.9. To note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 1.10. To note that current forecasts are based on the best available information at the time and will be subject to review and change during the financial year.

124/24

### **Repairs Contracts Update**

The executive Mayor introduced the Repairs Contract Update report which provided an update on the progress of the implementation of the new repairs contract since August 2023.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, shared with Cabinet that the report provided an overview of the organisation of the housing response repairs contract and sets out how the service was performing, further highlighting the delivery of social value initiatives. Since August 2023, there had been a significant increase of around 200 additional calls per month, a significant increase in the repair orders rate of 1500 a month, and there had been high levels of sickness absence amongst temporary staff which had impacted service. Admittedly, the new service was not working as well as foreseen with various contributing current and historic factors which had impacted on the ability of the new contractors to deliver the services' requirement. This spike of demand had caused intense pressure to the in-year 2023/24 budget and the resourcing of staff, as such, additional budget provisions were required for this year and in future years. The service recognised the challenges put before them and were keen to improve in all areas. Positively, the repairs team had significantly reduced the number of legacy VOIDS and had resolved a large number of overdue complaints and Member enquiries.

The Corporate Director for Housing, Susmita Sen, added that the council were not only addressing improvement in the existing service but had also improved services with a new IT programme and contact centre, further

the transformation of the performance in culture was focused on the residents.

The Shadow Cabinet Member for Homes, Councillor Chrishni Reshekaron, noted a number of elements within the report and asked why so many targets had been missed when the contractors had been mobilised more than six months ago.

The Executive Mayor responded that the procurement process was based around information provided at the time by the previous contractor which was not visible prior to August 2023. Further, the lack of investment in the housing stock over the last few years had meant that the level of repairs was much higher than what it ought to have been resulting in the struggle of the service to address particular issues. Having acknowledged the problems within the report, the council was striving towards a better investment to deliver better outcomes.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To note the progress following mobilisation of the new housing repair contracts on 1 August 2023.
- 1.2. To agree the actions proposed as outlined in this report and to report back to Members with an update within six months.

125/24

### **HRA Rent Setting 2024-25**

The Executive Mayor introduced the HRA Rent Setting 2024-25 report, which detailed the process undertaken in setting the rents for 2024-25.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, shared with Cabinet that the report proposed an increase of social rent of 7.7% which was also a similar increase in the tenants service charges, this equates to an average weekly increase of £7.19 on a 1-bedroom property. An estimate of 68% of the council's tenants were eligible for housing benefits, though the remaining 32% received no benefits who would potentially be at some point in a financial risk as a result of the increase. The continuation of the housing revenue account specific discretionary fund was therefore proposed to remain in place to assist households in financial difficulties, which was set up in 2023/24 and £59,000 pounds in payment to date had been made to 118 residents.

The Shadow Cabinet Member for Homes, Councillor Chrishni Reshekaron, noted that only 2% (97 of the 4795 tenants), had received support in 2023/24 from the HRA discretionary fund who were not entitled to any benefits, and asked what actions would be taken to ensure more tenants were receiving support from the HRA discretionary fund in the

next financial year following the decision to increase the rent by 7.7% and the government's decision to end the household support fund.

The Executive Mayor responded that the action to provide a hardship fund had been put in place which would continue in the following financial year. Officers added that there was a multi-prudent approach in addressing the needs of tenants which included the "get to know your tenant", and there were other benefits tenants were entitled to access support.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To agree the social rents increase of 7.7% from April 2024 based on the current final year of the government's Social Housing Rent Policy, (applying September 2023 CPI + 1%)
- 1.2. To agree the request to set the tenants service charges increase at the same level as the rents (7.7%) for the financial year 2024-25.
- 1.3. To agree the continuation of the Housing Revenue Account (HRA) hardship fund aimed at assisting tenants who are financially impacted by the 2024-25 rent increase, subject to obtaining a further Direction in appropriate terms from the Secretary of State.
- 1.4. To agree, the nil increase to the garage rents on the proviso that a full review of the viability of assets is carried out in 2024-25 and reported back to Cabinet.
- 1.5. To agree the request to set the increase in the caravan site plot charges in line with September CPI of 6.7%.

126/24

### **HRA Business Plan and Budget Update 2024-25**

The Executive Mayor introduced the HRA Business Plan and Budget Update 2024-25 report, which included a £7.1 million increase to invest in council homes and modernise them to a standard fit in line with resident needs.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, shared with Cabinet that the report sets out the legislative position in a thirty-year Housing Revenue Account (HRA) business plan and identifies the pressures on the plan. Growth of 33% in the response's repairs budget was proposed to fund an increase in repairs demand caused by a number of factors. New emphasis had been put in place for fire safety requirements, as requirements to comply with the Fire Safety and Building Safety Acts had been put in place. The council had undertaken requisite surveys and building safety case reviews to ensure compliance. The HRA business plan had more focus for the first five years where there was more certainty on costs, demands, and pressures,

that demanded and demonstrated that the investment proposals were fundable subject to the assumptions made within the plan and also that the HRA remained sustainable and viable over the thirty-year period. The budget had been set with the most accurate data available reflecting on the significant pressures on repairs and maintenance costs.

The Shadow Cabinet Member for Homes, Councillor Chrishni Reshekaron, had asked whether the risks associated with the capital programme based on a 5% sample survey of the housing stock condition had been considered and had the Improvement and Assurance Panel provided any advice.

The Executive Mayor responded that the service had undertaken the inherited 5% housing stock and noted that by March it was anticipated that the housing stock would be up at 40%, further, that the council was working with the Improvement and Assurance Panel around housing which was an area to improve, and more data once received, would be reflected in the business plan. The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, clarified that the stock condition survey data would need to be worked through which would feed into the asset management strategy, and would enable the service to conduct a full re-budget review of the whole HRA business plan. The Corporate Director for Housing, Susmita Sen, added that the intention to reach 40% by the end of the financial yearend was achievable though data would need to be uploaded, and from that in addition to the asset management strategy, the direction of work within the procurement strategy would need to be clear to receive very good value for money.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To recommend Full Council to agree the proposed HRA budget for 2024-25.
- 1.2. To recommend Full Council to agree the update to the HRA 30 years Business plan based on the HRA budget for 2024-25.
- 1.3. To note the assumptions in the Business Plan and the associated risk.
- 1.4. To note the ongoing work required on the asset management strategy and the enhanced stock condition surveys that are underway which will further inform the next iteration of the Business Plan.

### **The Future of the Experimental Healthy Neighbourhoods**

The Executive Mayor introduced the Future of the Experimental Healthy Neighbourhoods report which promoted road safety, supporting

vulnerable road users, improving air quality and promoting sustainable modes of travel. Further, the consultation highlighted areas where further work was required to improve schemes for local residents.

The Cabinet Member for Streets and Environment, Councillor Scott Roche, shared with Cabinet that following feedback from residents, the improvements implementing from September 2022 such as the removal of physical barriers not only helped restore access to the residents' streets but also allowed vehicles to also gain access to most of the roads and schemes as required without hinderance from the physical barriers as they were previously. Additional signs were also added on key junctions and main roads approaching the schemes, to help lower instances from where vehicles and residents going to the zones unknowingly. There was further ongoing work to improve the schemes, further investigating ways to help deal with issues associated with travel displacement and also the impact on local roads.

The Corporate Director for Sustainable Communities, Regeneration and Economic Recovery, Nick Hibberd, added that the supplementary report added to the agenda provided an updated set of appendices that included the analysis and statutory objections for Holmesdale healthy neighbourhood which was omitted in error.

The Shadow Cabinet Member for Streets and Environment, Councillor Christopher Herman, had a question in relation to the seven LTN schemes, and asked what listening was had during the process; what led to a change of heart; and what specific consideration was there to any further healthy neighbourhoods.

The Executive Mayor responded and clarified that there were only six schemes going forward, with major changes made to all the schemes, introducing free resident parking permits, removed planters, street furniture physically blocking roads. There was also a third tranche of LTN schemes built into the budgets and LIP programme also removed. Further, there had been ongoing communications with residents to improve schemes, review traffic displacement and establish what measures could be put in place to mitigate the issues.

The Executive Mayor in Cabinet **RESOLVED:**

- 1.1. A) To proceed with making permanent the Healthy Neighbourhood ref 1,2,3,4,6 and 7 as outlined below and to continue to work with residents to ensure signage is improved as where necessary to raise awareness.

Ref	Healthy Neighbourhood	Wards	Experimental Order	Order Ref
1	Albert Rd	Woodside	The Croydon ( Traffic Movement )No17 Exp Order 2022	2022 No 63
2	Dalmally Rd	Addiscombe West	The Croydon ( Traffic Movement )No12 Exp Order 2022	2022 No 29
3	Elmers Rd	Addiscombe West	The Croydon ( Traffic Movement )No14 Exp Order 2022	2022 No 37
4	Holmesdale Rd	South Norwood	The Croydon ( Traffic Movement )No16 Exp Order 2022	2022 No 58
6	Parsons Mead	Broad Green	The Croydon ( Traffic Movement )No15 Exp Order 2022	2022 No 40
7	Sutherland Rd	Broad Green	The Croydon ( Traffic Movement )No13 Exp Order 2022	2022 No 34

B) To remove The Kemerton Rd Healthy Neighbourhood, detailed below:

Ref	Healthy Neighbourhood	Ward	Experimental Order	Order Ref
5	Kemerton Rd (single residential road between two residential roads with a point closure at its end with Jesmond Rd)	Addiscombe West	The Croydon (Prohibition and Restriction of Stopping, Loading and Waiting) and (Free Parking Places) (No 3) Experimental Order 2022	2022 No 32

Kemerton Rd was closed at its junction with Jesmond Rd with lockable bollards which the emergency services can unlock in an emergency. There is no evidence to demonstrate that it was a road used by through traffic, and it does not form part of a wider healthy neighbourhood scheme. Residents who came to the drop-in sessions were not supportive of it remaining. The opening of the road to traffic would not necessarily create an opportunity for through traffic to by-pass any roads as it is a short length of highway between two main roads, no real gains in using it to access the road on either side.

1.2. To agree that officers will work with residents on adjustments to improve the following Croydon Healthy Neighbourhoods (CHN), Ref 1, 4 ,and 7 Subject to Paragraph 1.1 A

A) To work with residents of Albert Rd (Ref CHN 1) to agree adjustments that can be made between Eldon Rd and Harrington Rd. This section is currently unrestricted due to the on-going development requiring a temporary closure.

B) To work with residents of 1) Holmesdale HN (Ref CHN 4) to reduce the impact in Dixon Rd due to displaced traffic, and 2) to work with residents of Priory Rd and Wentworth Rd (Ref CHN 7) to reduce the impact caused by displaced traffic. Any adjustments to 1) and 2) will be integral to the 2024-25 TfL funded LIP programme to ensure the Healthy Neighbourhoods deliver a coherent approach to improving conditions in residential roads through reducing the degree on impact.

Ref	CHN	Unrestricted residential roads within HN subjected to displaced traffic	Residential Roads outside of HN subjected to displaced traffic	Experimental Order	Order Ref
4	Holmesdale Rd	Dixon Rd		The Croydon ( Traffic Movement )No16 Exp Order 2022	2022 No 58
7	Sutherland Rd		Wentworth Rd and Priory Rd	None	None

1.3. Subject to approval of recommendations 1.1 above, to delegate authority to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery to undertake all measures necessary to make the above referenced experimental orders permanent Traffic Management Orders, including pursuant to the statutory requirements of the Road Traffic Management Act 1984 and Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and make arrangements for the enforcement thereof.

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### **Capital Programme and Capital Strategy 2023-29**

The Executive Mayor introduced the Capital Programme and Capital Strategy 2023-29 report which focused on the maintenance of council assets.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that there has been a significant improvement in governance put in place over the capital programme and the performance which went into the programme. The report highlighted that the council would be incurring a nil borrowing in the financial year of 2023/24 and 2024/25.

The Shadow Cabinet Member for Finance, Councillor Callton Young, asked for more details on the progress of the debt write-off negotiations or other options the Department for Levelling Up, Housing and Communities

(DLUHC) had requested for, for Members to know and rigorously challenge the budget.

The Executive Mayor responded that the council continued to negotiate with government on moving forward which was not an easy solution as there were a number of issues the government would need to consider. It was clear that the council could not resolve this matter in solitary and attempted to change the way the council operated with the transformation programme in place. The Cabinet Member for Finance, Councillor Jason Cummings, added that the programme had predicted a borrowing of £164.67 million over a period of time should capitalisation carry on for £38 million pounds per year, though the council's expectation was for this to not happen. With no resolution at the current moment, the MTFS could only be put forward at it stood though it was agreed it was not sustainable.

The Executive Mayor in Cabinet **RESOLVED** to:

- 1.1. Approve the Council's 2023-29 General Fund Capital Programme which includes planned expenditure of £479.68m (including capitalisation directions) across the six years.
- 1.2. Approve the Council incurring nil General Fund borrowing for financial years 2023-24 and 2024-25 and borrowing of £164.67m over 2025-29. The cost of this future borrowing is factored into the Council's Medium Term Financial Strategy.
- 1.3. Approve the 2024-25 Housing Revenue Account (HRA) Capital Programme with investment planned of £57.24m with borrowing of nil.
- 1.4. Approve an increase to the 2023-24 HRA capital budget from £33.248m to £37.162m, owing to increased major repairs and improvements, with this £3.914m increase funded by HRA reserves.
- 1.5. Approve the Council's Capital Strategy, as detailed within Appendix A of this report.
- 1.6. Note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of indebtedness to ensure it can deliver sustainable local government services.

## **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25**

The Executive Mayor introduced the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25 which detailed how the council managed cash flow and borrowing whilst minimising the level of risk.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that the council defined its treasury management in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) as the management of the council's borrowing, investments and cash flows, including its banking, money market, capital market transactions and the effective control of the risks associated with those activities, and the pursuit of optimal performance consistent with those risks. The report highlighted the affordability prudential indicators which published the ratio of debt to net revenue stream of the general fund. This had the ratio of the Capital Financial Requirement (CFR) to the net revenue stream and also the ratio of debt. Reviewing the ratio of the CFR, the net revenue stream was 4.4 times (in March 2023), with the aim of the council to bring it down to 2.5 times to a point of sustainability. The MTFs dropped from 4.4 each year to 3.6, therefore the MTFs as it stood, with the capitalisation directions included showed improvement within the long-term sustainability of the council with more work to achieve without incurring continuous increase of debt.

The Shadow Cabinet Member for Finance, Councillor Callton Young, welcomed the report and had a question on Member training in order to have knowledge and the skills to understand and scrutinise the council's treasury management and asked whether the required training was scheduled to take place as Members would be asked to approve the strategy at the upcoming budget Council meeting, or whether the training was scheduled for a later time.

The Corporate Director for Resources (Section 151 Officer), Jane West, responded that training had been put together for Members which would take place after the budget Council as further discussions with the provider were taking place. It was noted that training had been previously provided, and this training was an update. The Cabinet Member for Finance, Councillor Jason Cummings, added that there were also existing ongoing training opportunities within the LGA which were also recommended for all Members to take for personal development.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. The Treasury Management Strategy Statement 2024/25 as set out in this report;
- 1.2. The Prudential Indicators as set out in Appendix A of this report;

- 1.3. The Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix B;
- 1.4. The Borrowing Strategy and Investment Strategy; and
- 1.5. Note the requirement for Members to undertake training in order to have the appropriate knowledge and skills to enable them to understand and scrutinise the Council's treasury management.

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### **Review of Council Tax Care Leavers Relief Scheme**

The Executive Mayor introduced the Review of Council Tax Care Leavers Relief Scheme which explored the council tax relief given to care leavers ages 18-24. The report further upheld the council's commitment as corporate parent to Croydon's own care experienced young people, to provide support in crucial times in their lives.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet of the changes within the report in relation to fairness and savings. The council would continue paying council tax to all Croydon care leavers as part of the support package offered, residing inside the borough and outside of borough where they would also have to pay council tax. The previous system also meant that the council had a responsibility to pay for care leavers that came into the borough from other boroughs, and this was a change that the council had made which would add savings and fairness. Another fairness change was where a care leaver was living in another property, but the principle paying council tax person was not a care leaver, the current system provided free council tax to anyone else residing in that property. The system has now shifted where the council would not offer free council tax relief to anyone that resided in the property. However, the report in paragraph 4.22, covered clarification in regard to foster care arrangements, which would also be under review on the allowance arrangements, and further for carers on the staying put arrangements to include support for council tax scheme so there was no disadvantage.

The Cabinet Member for Children and Young People, Councillor Maria Gatland, added that supporting care leavers in Croydon or placed outside Croydon had been a top priority and welcomed the continuation of the council tax support, additionally, the support made to foster carers.

The Shadow Opposition Leader, Councillor Stuart King, had a question relating to the corporate parenting principles set to seek the best outcomes for care leavers, and asked how had the council reconciled the requirement to remove council tax relief from households when there was

no make-up of the 54 households, to know whether there was an impact or not.

The Executive Mayor responded that the council's responsibility as corporate parents were to look after the care leavers of Croydon. The Cabinet Member for Finance, Councillor Jason Cummings added for clarification that in reviewing the 54 households this was in relation to a change in the automatic exclusion of the 100% council tax relief which did not preclude the use of the normal council tax support system when the financial assessment of the household council taxpayer was taken into account. The council also had a very good council tax support scheme supporting residents. Further, it was fair to review the impact, if any, this may bring in those households following this change. The Director of Finance, Alister Bannin, added that should a household be affected in paying their council tax they would have access to other council tax support mechanisms such as the main council tax support scheme, transitional fundings, or the council tax hardship funds to apply for. The Head of Payments, Revenues, Benefits & Debt, Catherine Black, added insight to the consultation, which was sent out to over 350 care leavers, further informing care leaving teams that a consultation had been launched, followed up on communications and had encouraged feedback to the consultation.

The Executive Mayor in Cabinet **RESOLVED**: To

- 1.1. Consider the outcome from the consultation as per 6.14, 6.15 and 6.16 below and the equalities impact assessment.
- 1.2. To agree that the CLRS is updated to only support care leavers where Croydon is the Corporate Parent.
- 1.3. To agree that the CLRS is updated to include only care leavers where they are named as a liable party in line with the Council Tax hierarchy of liability, as per 4.16 below.

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### **Croydon Companies Supervision and Monitoring Panel - Update Report**

The Executive Mayor introduced the Croydon Companies Supervision and Monitoring Panel report which updated work in detail ensuring that appropriate management oversight was in place.

The Cabinet Member for Finance, Councillor Jason Cummings, shared with Cabinet that this report highlighted an update on the progress and clarity in the current position with Croydon companies. This covered the Croydon affordable homes and related companies and others that still existed. Progress was moving forward in terms of simplification and

reduction agenda, though there were some delays in relation to the LLPs and which was still progressing.

The Shadow Cabinet Member for Finance, Councillor Callton Young, welcomed the updated report and the council's involvement and noted the actions stated that were dependant upon council's 2019/20 accounts being certified.

The Executive Mayor in Cabinet **RESOLVED**:

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

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### **Exclusion of the Press and Public**

This was not required.

The meeting ended at 8:51pm