

Cabinet

Meeting held on Monday, 21 February 2022 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, CR0 1NX. To view the meeting webcast, please go to <https://newcitizen.civico.net/croydon/14496-Cabinet>

MINUTES

Present: Councillors Hamida Ali, Stuart King, Muhammad Ali, Janet Campbell, Alisa Flemming, Patricia Hay-Justice, Oliver Lewis, Manju Shahul-Hameed, Callton Young, Leila Ben-Hassel, Patsy Cummings, Nina Degrad, Bernadette Khan, David Wood and Louisa Woodley

Also Present: Councillors Jason Perry, Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale, Yvette Hopley, Ola Kolade, Scott Roche, Andy Stranack, Sean Fitzsimons, Robert Ward, Pat Clouder, Clive Fraser and Mario Creatura.

Officers: Katherine Kerswell (Chief Executive)
Richard Ennis (Officer)
Sarah Hayward (Interim Corporate Director Sustainable Communities, Regeneration & Economic Recovery)
John Jones (Interim Monitoring Officer)
Elaine Jackson (Interim Assistant Chief Executive)
Debbie Jones (Interim Corporate Director Children, Young People & Education)
Annette McPartland (Interim Corporate Director Adult Social Care & Health)
David Padfield (Interim Corporate Director Housing)
Peter Mitchell (Interim Director of Commercial Investment)
David Courcoux
Stephen Rowan

PART A

31/22

Apologies for Absence

Cllr Hamida Ali (Chair) welcomed colleagues to the meeting and introductions were made. The Chair outlined housekeeping arrangements during the tenure of the meeting.

She thanked Council and emergency services teams for their work in dealing with the effects of the recent storm in the borough.

There were no apologies for this meeting.

32/22

Disclosure of Interests

There were no disclosures of interest made at the meeting.

33/22

Urgent Business (If any)

There were no items of urgent business.

34/22

Accommodating Asylum Seekers in Croydon

Cllr Hamida Ali (Chair) reminded colleagues of the work of the Borough in welcoming asylum seekers in the past and referred to the financial demands around the growing population of refugees. Members noted 900 currently temporarily housed in 5 hotels in Croydon. There is no funding provided to the Council for this, despite responsibility for a number of duties. The Chair referred to concerns raised with the Home Office and spoke about previously raised issues.

Cllr Ali outlined the paper and invited guest speakers Reverend Linda Fox (West Croydon Baptist Church) and Adam Yesir (Co-Chair, Croydon Refugees and New Communities Forum) to introduce the report.

Mr Yesir provided colleagues with a summary on the scope and work of his role and the forum's interaction between young unaccompanied asylum seekers and community organisations. Mr Yesir spoke about current arrangements with hotels in the borough which accommodated them and informed members that there were no overall issues for the majority. He referred however, to the Crystal Palace hotel which was overcrowded and held many who were suffering from mental health problems and other vulnerabilities. There were concerns that financial gain was a priority for the hotel and Mr Yesir said that he felt intervention was needed by the council. Engagement between the Forum and the Council was good, but he referred to failures by the Home Office to be involved after placement of unaccompanied Asylum Seekers.

The Chair welcomed Reverend Fox who outlined her work around volunteering at the Croydon Refugee Day Centre.

The speaker referred to the work of the Family Education Project and reminded colleagues of the intolerable situation for those children who are remaining in hotels. There were many problems, in particular around schooling and difficulties in obtaining funding for uniforms, school meals, travel and provision of sportswear, amongst others. Delays due to the pandemic have made the situation worse but the Reverend asked members to note the incredible willingness of volunteers in trying to help.

Cabinet colleagues welcomed the report and acknowledged achievements made. Cllr Ali expressed appreciation for the clarity and humanisation of the refugees' situation and the work of the speakers' organisations and also that of council colleagues.

Members were invited to comment and made several points:

- The experiences of families are so important and feedback from the speakers is most welcome.
- Croydon Council is adamant of their role in holding the Home Office to account and are putting pressure on to deal with public and safeguarding issues and to find viable plans for dispersal.
- It is recognised that more needs to be done to ensure that the quality of provision of forward accommodation is appropriate and acceptable.
- There are frustrations that there is a £9k shortfall for each care-leaver in Croydon which is an additional strain on local services and resources.
- Funding gaps will continue to put pressure on the council and National Govt need to commit to provide financial support to relieve that burden. These concerns must be highlighted to the Minister.
- Croydon is funding a national issue at a local level, and this is not sustainable. A co-ordinated approach is vital to approaching Govt for additional support.
- As a Cabinet, are we assured that issues are being raised by the Director of Public Health and that the statutory powers are being exercised?

Members were assured that the Council is very clear about their statutory responsibilities and in relation to the asylum community, special safeguarding communication is in place to ensure clarity around responding to their needs - and ensuring that statutory powers are used.

- Is the Council factoring in these costs - some of them for basic needs – in its projections when approaching gov't for more money?

There is recognition that costs will change and £2.35million was secured for this financial year. Pressure remains around future costs, but council colleagues are constantly reviewing individual cases - particularly for those ineligible for grant funding - and will continue to raise this with the Government.

The Chair thanked the speakers for their valuable testimonies and asked Cabinet colleagues to agree the recommendations.

The recommendations were agreed.

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

RESOLVED: To

1. Note the rapid increase in asylum seekers placed by the Home Office in the borough in recent months with the resulting pressure on council and NHS services and the estimated financial impact for the council.
2. Note the forecast budget pressures for 2021-24 due to the disproportionate number of asylum-seeking children and young people the council continues to care for.
3. Note the serious concerns on the reported shortcomings in health protection and environmental health in the hotels in Croydon, which are being used as medium-term accommodation for families and individuals in premises that were not designed as accommodation for so many people for such long periods of time.
4. Note that the Leader and Cabinet Member for Children, Young People and Learning have written to the Secretary of State to raise serious concerns about the funding arrangements for unaccompanied asylum-seeking children and young people alongside the rapidly increased number of asylum seekers placed in the borough.

35/22

Period 9 Financial Performance Report

The Chair invited Richard Ellis, interim Director of Corporate Resources to introduce the report.

Mr Ellis outlined the current key financial position which shows:

- Forecast of an underspend of £1.814million - moving favourably from last month.
- Overspend by the HRA of £1.725million.
- Calculable expenditure to date against the general fund budget of £191million is £51million.
- HRA forecast is an underspend of £113million.
- Delivery of the outturn of the budget for 2022/23 is expected.

Mr Ellis referred to impending confirmation from the Minister on the capitalisation direction and stated that there is nothing to suggest this will not happen. Members noted movement in some of the numbers seen – largely to repair costs - that need tighter control.

Cllr King reminded colleagues of the budget previously set and reports regularly submitted to compare progress. The final quarter indicates that

the council is moving favourably with an underspend of nearly £2million. He outlined details of other departmental spending and acknowledged the work of the council in endeavouring to fix its spending whilst providing essential services to its residents.

Members noted challenges around making decisions on how money is spent, with the priority being to drive costs down whilst providing a more efficient, improved service. This was in contrast to how management of the council's budget had been dealt with previously.

Concerns were raised however, around staff vacancies and intended savings in procurement costs. It was important to not lose sight of possible risks and to ensure that the organisation is adequately equipped with the staffing resources it needs to provide frontline services.

In the following discussion, several comments were made, including:

- More robust action and work has come around because of the due diligence of this administration, and residents recognise that improvement is happening.
- Officers are working through repairs and a favourable change around the HRA overspend is expected in the next period.
- The collective endeavour between Cabinet members and officers to work together to improve the budget performance was acknowledged.
- Members welcomed the improved position - however it is worth remembering that the budget is supported by additional funding.
- There were concerns around section 5.3 and the impact on the HRA budget and members asked for clarification on what is expected.

Officers said that further work is ongoing to look at the actual level of claims and members noted that the level of disrepair is a universal issue which demonstrates the lack of social housing investment from the government.

Cllr King responded to comments raised and asked colleagues to note difficulties in making judgements upon spending forecasts until this time.

Members were concerned about additional costs referred to on page 55 of the agenda - Capital Programme Month 9, appendix 2 - regarding brick-by-brick Fairfield and a fixtures and fittings at Fairfield Halls at a cost of £4.5million in total. Greater clarification of what is entailed within these costs was provided by officers.

Additional comments were made around the new parking model indicated within Section 3.6 and members were assured that work around this would lead to a more robust model to enable greater mitigation of risks.

Members agreed the recommendations.

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

RESOLVED: To

1. Note the General Fund is projecting a net favorable movement of £0.565m from Month 8. Service directorates are indicating a net £1.236m overspend (Month 8 £2.203m) but this is projected to be netted off against £3.050m underspend within the corporate budget.
2. Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report.
3. Note the Housing Revenue Account (HRA) is projecting a £1.725m (Month 8 £1.634m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances. There are sufficient balances to cover this expenditure.
4. Note the capital spend to date for the General Fund of £51.394m (against a budget of £190.581m) and for the HRA of £10.147m (against a budget of £183.209m), with a projected forecast variance of £60.101m on the General Fund against budget and £113.039m forecast variance against budget for the Housing Revenue Account.
5. Note, the above figures are predicated on forecasts from Month 9 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time.
6. Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel and Social Care Placement Panels remain. Restrictions have been lifted for ring-fenced accounts such as the Pension Fund, Housing Revenue Account and Coroner's Expenditure as these are directly outside of the General Fund's control. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.

7. Note that, Croydon Borough has taken on c1000 asylum seekers who have been placed in eight hotels by the Home Office without consultation with the Council. The hotel costs are funded by the Home Office, however the Council is be responsible for further ancillary services particularly around safeguarding, public health, children & youth provision and broader community support. These additional costs, which are currently being calculated have been flagged within the unquantified risks section of this report and could clearly result in further financial pressures for the Council.

36/22

Delivering the Croydon Growth Zone

Members received an introduction and presentation on the report from Cllr Oliver Lewis.

Cllr Lewis informed colleagues that the report seeks approval for £4million to be the Growth Zone 22/23 programme and it was noted that the whole year budget will be £5.7million, with a supplement of £1.7million forecast which had slipped from 21/22. Members noted the funding streams for each Subgroup with a breakdown of each project and that 2023 spend would be dependent upon investment by and support from various organisations including TfL and the GLA and other partners. Community organisations will also provide cultural activities through the grant funds and a paper will be brought to Cabinet in the near future about Croydon's anticipated participation as the Borough of Culture.

The Chair acknowledged the importance of investing and supporting the borough and invited comments. These included:

- Members highlighted the link between this and the work of TfL to bring a good experience of public transport to Londoners and the carbon neutral action plan.
- They are very supportive of taking forward bus priority programmes through growth zone funding but would like assurance that, should TfL not be a funding provider in the future, Croydon would be able to fill the gap.
- As a hub for all Londoners, Croydon must be accessible for all and for all forms of transport and therefore should be able to make funding decisions to support its own local economy.
- Concerns were raised about lack of support from government for TfL and the issues it faces.
- The report was welcomed by colleagues, in particular the focus given to disability access, and they asked for assurance that this will continue going forward.

Members agreed the recommendations.

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

RESOLVED: To

1. Approve a £4m budget for the 'Delivering the Growth Zone' programme 2022/23;
2. Note the indicative amended funding profile for Growth Zone Sub Groups as detailed in section 6 of this report, including the forecast budget slippage from 2021/22; and,
3. Subject to the requirement to comply with the provisions of Part 4G of the Constitution in taking delegated decisions, and the parameters previously approved in the March 2021 Cabinet report 'Delivering the Growth Zone' delegate to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery in consultation with the Chief Finance Officer (Section 151), the Cabinet Member for Renewal and Cabinet Member of Culture and Regenerations authority to make necessary changes to the funding assigned to Sub Groups as outlined in Table 1 Section 6.

37/22

Investing in our Borough

Members recognised the work done by Cllr Young in order to provide informed recommendations and the Leader of the Council reminded colleagues of the decisions required:

- 1.1 The Cabinet is requested to note:
 - 1.1.1 The request for approval of the strategy for Arboricultural Services as set out in agenda item 7a and section 5.1.1.
 - 1.1.2 The request for approval of the award for Corporate Cleaning and Security Services as set out in agenda item 7b and section 5.1.1.
 - 1.1.3 Contract award decisions to be made between £500,000 and £5,000,000 by the nominated Cabinet Member or, where the nominated Cabinet Member is in consultation with the Leader as set out in section 5.3.1.
 - 1.1.4 Delegated award decisions made by the Director of Commercial Investment since the last meeting of Cabinet, as set out in section 5.4.1
 - 1.1.5 Property lettings, acquisitions, and disposals to be agreed by the Cabinet Member for Resources and Financial Governance in

consultation with the Leader since the last meeting of Cabinet, as set out in section 5.5.1.

a Arboricultural Services

Cabinet members received a summary of the report from Cllr Young and were asked to note two additional contract extensions awarded under delegation for:

1. Corporate Property and Terrorism Insurance and
2. High volume print and mail services.

In addition, two contracts have been awarded by the borough for commercial investment for 1. Croydon Best Start and 2. Early Years Family Healthy Behaviour Service. Members noted that a new contract now needs to be procured for arboricultural services.

Cllr Muhammad Ali took the opportunity to add that the current arrangements are to be extended but that the new procurement strategy under the public contract regulations recommends looking for a new contract.

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

RESOLVED: To

1. Approve in accordance with Regulation 30.3 of the Council's Contracts and Tenders Regulations, the extension by way of variation of the contract for Specialist Arboricultural works with City Suburban Tree Surgeons Limited for a period of 9 months from 1st January 2022 to 30th September 2022 at a maximum value of £300,000, with an optional 3 month extension, up until 31st December 2022 at a maximum value of £400,000 (maximum contract value, including this proposed extension will be £9,621,396).
2. Approve the procurement strategy detailed in this report for a single contractor to deliver Arboriculture Services, to go to PCR Open Tender procedure for a proposed contract term of 5 years with an estimated value of £3,750,000 with an option to extend 1 or more times up to a maximum of 5 years with an estimated contract value of £7,500,000.
3. Note that the Director of Commissioning and procurement has approved the waiver listed below under Regulation 19 of the Council's Tender and Contract regulations:
 - a. To deviate from the evaluation ratios of 60% Quality and 40% Price under Regulation 22.4 to 60% Price and 40%

Quality to apply a stronger emphasis on price for the reasons set out in paragraph 3.15.

b Corporate Cleaning and Security Services Contract

Cllr Young moved onto this item and asked members to approve the award of two long-term contracts for an initial period of 4 years, with a possible extension of up to 2 years.

Cllr Hay-Justice reminded colleagues of previous arrangements and improvement to efficiencies and better governance by taking this approach.

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

RESOLVED:

1. To approve the award of a contract for the provision of corporate cleaning services (Lot 1) for an initial period of 4 years, with an option to extend for up to two periods of twelve months each, up to a maximum contact term of 6 years, to bidder A (named in the Part B report) and for the contract value stated in the Part B report.
2. To approve the award of a contract for the provision of corporate security services (Lot 2) for an initial period of 4 years, with an option to extend for up to two periods of twelve months each, up to a maximum contact term of 6 years, to bidder G (named in the Part B report) and for the contract value stated in the Part B report.
3. To note the names of awarded providers will be released following the award decision.

c Asset Disposal Strategy

Cllr Young invited colleagues to approve the proposal to dispose of the Gold Crest Youth Centre and the former Buffer Bear nursery site. Members noted the reasons behind these strategies for disposal.

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

RESOLVED: To

1. Approve the disposal of the former Goldcrest Youth Centre.
2. Approve the disposal of the former Buffer Bear Nursery site.
3. Approval to a downward price variation of up to a maximum of 10% for each disposal without having to refer the matter back to Cabinet to allow for some minor value changes during the disposal process

as further due diligence is undertaken. Any variation in price would be subject to approval of the Interim Corporate Director Resources and s151 Officer.

38/22

Exclusion of the Press and Public

This was not required.

The meeting ended at 8.21 pm