

Council Supplementary Agenda No.2



6. The Council's Budget 2024/25 (Pages 3 - 6)

The Executive's Response to Council's Objections to the Budget.

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5th March 2024

Dear Chief Executive

In accordance with the Constitution, I am writing to outline my response to the Council's amendments to my proposed Budget.

The budget I presented to Full Council last week reflects my commitment to financial discipline and my Administration's efforts to fix Croydon's finances. Over the past two years, we have worked diligently to restore sound governance, and last week I presented yet another balanced budget.

This Budget proposes:

- £141 million on budget expenditure for vulnerable Adults
- £98 million budget expenditure on Children, Young People & Education
- Council Tax increase of 4.99% on the Croydon Council element
- £5m in investment for an ambitious transformation programme
- £30m in savings for the next year
- £38m for 2024-25 of additional Capitalisation Directions from the Government

One of the key pillars of my Administration is listening to Croydon. As such, I have been open to considering alternatives. Both the Labour and the Green Groups have proposed amendments to this budget, and I have carefully considered the amendments put forward. I will address the two substantive matters in turn and explain why it is my intention to re-present my budget on the 8th of March with no amendments.

Supporting and safeguarding Croydon Residents

To reassure members, this Administration is committed to protecting and safeguarding our most vulnerable residents. In addition to the budget allocated for vulnerable adults and children, the Discretionary Support Fund is available to Croydon residents experiencing financial hardship and requiring emergency assistance. Last financial year, we also distributed over £17 million in £150 Council tax rebates to households in Council Tax bands A to D.

Ensuring the safety of residents remains a top priority, by continuing to invest in a safe and secure environment in Croydon. This year our budget allocation of £2.4m, untouched by cuts, will support ongoing efforts through the Safer Croydon

Partnership, the reinstated Safer Neighbourhood Board, and the Community Safety Engagement Board. This will also support the Youth Safety Delivery Plan, which focuses on the safety of children and young people on Croydon's streets and addresses issues like serious violence, knife crime, anti-social behaviour, and Violence Against Women and Girls (VAWG).

This budget also protects and increases our spending on Domestic Violence and VAWG, totalling £1.14m. Our approach involves cross-departmental collaboration to provide steadfast support for this vital work. We have also recently launched a £165,000 fund to further reinforce our commitment to creating a safer and more resilient community.

Amendments

Special Responsibility Allowance proposal changes (SRA)

When I was elected in May 2022, I took over a Council that was reeling from a severe financial and governance crisis and had already issued two Section 114 notices. At that time there were extensive cuts across all departments and SRA's were also cut by 20%. The first Report in the Public Interest in 2020 identified wide-ranging and significant failures in leadership, governance, and financial management. This is the Council I inherited from the previous Administration. As such, my Cabinet has worked hard for the residents of Croydon for the past 2 years, overseeing the strategic direction of policy, correcting past mistakes, and robustly monitoring the Council's performance to get things back on track. We have also invested significant time in meeting with a wide range of residents and community members both to hear their voices and to better articulate the work of the Council.

Special Responsibility Allowances provide the means for anyone from any background to aspire to be a Councillor and indeed a Cabinet member. We must ensure that we do not make these roles viable only for those who can afford to do them. Recent research carried out by the Independent Panel on Members' Allowances (IPMR) found that there has been a noticeable increase in workload volume and complexity for members in recent years. There are greater demands on members' time, with many feeling pressured to be constantly available. The report also covers the complexity of challenges facing Councilors and local authorities in London, outlining the difficulties in ensuring diverse and inclusive representation.

Whilst I believe it was right that this Council voted against an allowance increase last year, I do not believe that it is right to cut allowances given the above context and independent report. There is cross party representation on the General Purposes Committee, and I concur with their recommendation that allowances remain the same.

Fairer Salaries

Similarly, we must attract and retain the best senior leadership if we want to deliver services for our residents. This requires us to invest in sufficient leadership roles to

manage and deliver the services that residents deserve. Our staff are responsible for delivering a vast range of statutory and essential services to 390,000 residents, including protecting our most vulnerable.

Given our recent history of financial, governance, and service crises, it is more important than ever that we attract and retain staff with the right skills and experience to turn Croydon around. Croydon is below the average compared with other London boroughs for the number of Directors and salaries paid, and we have reduced the number of senior managers and directors by 22% between 2020 and 2024.

Summary

As outlined above, I will not be accepting the amendments proposed by the Labour and Green Groups. I have a duty to present a viable and financially balanced budget to the Council, and I believe the budget we have put forward allows us to fix the finances and restore pride in Croydon.

I believe that the proposed budget, without amendments, strikes a balance between addressing the financial challenges, maintaining essential services, and working towards a sustainable future for Croydon. I commend this budget to the Council, emphasising the need to restore sound financial management.

I, therefore, re-propose my original Budget without amendment to Members for further consideration at our meeting on the 6th of March 2024.

Yours Sincerely



Mayor Jason Perry
Executive Mayor of Croydon

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