

# Scrutiny & Overview Committee Agenda



To: Councillor Sean Fitzsimons (Chair), Councillor Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton, Mike Bonello and Joy Prince

Reserve Members: Louis Carserides, Richard Chatterjee, Pat Clouder, Mary Croos, Clive Fraser and Oni Oviri

A meeting of the **Scrutiny & Overview Committee** which you are hereby summoned to attend, will be held on **Thursday, 20 January 2022 at 6.30 pm. This meeting will be held remotely.**

Katherine Kerswell  
Chief Executive  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

Simon Trevaskis  
Senior Democratic Services & Governance  
Officer  
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www.croydon.gov.uk/meetings  
Wednesday, 12 January 2022

Members of the public are welcome to view the webcast both live and after the meeting has completed at <http://webcasting.croydon.gov.uk>

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If you require any assistance, please contact Simon Trevaskis as detailed above.

## AGENDA – PART A

### 1. **Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

### 2. **Minutes of the Previous Meeting**

To approve the minutes of the meeting held on 7 December 2021 as an accurate record (to follow).

### 3. **Disclosure of Interests**

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider **in advance of each meeting** whether they have a disclosable pecuniary interest (DPI), an other registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer **in good time before the meeting**.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPIs and ORIs at the meeting.

- Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.
- Where the matter relates to an ORI they may not vote on the matter unless granted a dispensation.
- Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation. Where a matter affects the NRI of a Member or co-opted Member, section 9 of Appendix B of the Code of Conduct sets out the test which must be applied by the Member to decide whether disclosure is required.

The Chair will invite Members to make their disclosure orally at the commencement of Agenda item 3, to be recorded in the minutes.

**4. Urgent Business (if any)**

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

**5. Community Fund - Community Infrastructure Levy Local Meaningful Proportion Assignment 2022/23 (Pages 5 - 10)**

The purpose of the report is to provide the Scrutiny & Overview Committee with sufficient information to decide whether it is reassured by decision making behind the creation of the Community Fund and the decision to use Community Infrastructure Levy (Local Meaningful Proportion) funds to help meet the associated budget challenge

**6. 2022-23 Budget (Pages 11 - 12)**

The Scrutiny and Overview Committee is asked to consider the information to be provided with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.

**7. Scrutiny - Budget Challenge**

As part of the budget scrutiny process, the Scrutiny and Overview Committee has identified two specific areas of the budget it would like to scrutinise in more detail. The areas identified are detailed in the relevant sub-items.

**a) Corporate, Resources And Assistant Chief Executive Areas (Pages 13 - 34)**

The Scrutiny and Overview Committee is asked to review the information provided and question officers with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.

**b) Preparations for the Mayoral Model of Governance and Support for Members (Pages 35 - 40)**

The Scrutiny and Overview Committee is asked to review the information provided and consider whether it wishes to scrutinise this programme further following receipt of the report of the peer review into the Council's readiness for the implementation of the mayoral model.

**8. Exclusion of the Press and Public**

The following motion is to be moved and seconded where it is proposed

to exclude the press and public from the remainder of a meeting:

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

# Agenda Item 5

<b>REPORT TO:</b>	Scrutiny and Overview Committee 20 <sup>th</sup> January 2022
<b>SUBJECT:</b>	Community Fund - Community Infrastructure Levy Local Meaningful Proportion Assignment 2022/23
<b>LEAD OFFICER:</b>	Sarah Hayward, Corporate Director of Sustainable Communities, Regeneration and Economic Recovery  Gavin Handford, Director of Policy, Programmes and Performance
<b>CABINET MEMBER:</b>	Councillor Hamida Ali – Leader of the Council
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	Steve Dennington, Head of Spatial Planning and Interim Head of Growth and Regeneration  Simon Bashford, Community & Voluntary Sector Manager
<b>PUBLIC/EXEMPT:</b>	Public

## **COUNCIL PRIORITIES 2020-2024**

- We will live within our means, balance the books and provide value for money for our residents.  
*This report relates to the budgetary challenges of the Medium Term Financial Strategy.*
- We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.  
*The services commissioned via the Community Fund relate directly to this aim.*
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.  
*The decisions being scrutinised in this report were taken to enable the Council to meet its Medium Term Financial Strategy targets, whilst continuing to provide for essential services delivered by the VCS in Croydon.*

<b>ORIGIN OF ITEM:</b>	During the consideration of the 2022-23 Budget and Three Year Medium Term Financial Strategy report by the Scrutiny & Overview Committee on 7 December 2021, the Committee agreed to request a report on the Community Fund Community - Infrastructure Levy Local Meaningful Proportion Bid.
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<b>BRIEF FOR THE COMMITTEE:</b>	The purpose of the report is to provide the Scrutiny & Overview Committee with sufficient information to decide whether it is reassured by decision making behind the creation of the Community Fund and the decision to use Community Infrastructure Levy (Local Meaningful Proportion) funds to help meet the associated budget challenge.
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## 1. EXECUTIVE SUMMARY

1.1. This report sets out the answers to the following questions raised by Scrutiny & Overview Committee:-

- 1.1.1. Given the proposal was a late addition to the Budget report, can it be explained how the decision was made to include this proposal in the budget?
- 1.1.2. What is the justification for using CIL funding for this fund?
- 1.1.3. How will the Community Fund Grants be administered?
- 1.1.4. How will awareness of the Grant be communicated to community groups across the borough?
- 1.1.5. Can reassurance be given that using CIL funding for this complies with the rules on the use of CIL?

2. Following on from above, Committee sought supplementary information which this report provides. Namely:-

- 2.1. Understand how and why the [Community] fund was created.
- 2.2. Be reassured that there is a fair mechanism deciding [Community] funding allocation.
- 2.3. Be reassured that community groups across the borough will be provided equal opportunity to make bids to the Community Fund.
- 2.4. Be reassured that there will not be a challenge to the Council for using CIL funding for the Community Fund.

## 3. Community Fund - Community Infrastructure Levy Local Meaningful Proportion Assignment 2022/23

3.1. Question 1: Given the proposal was a late addition to the Budget report, can it be explained how the decision was made to include this proposal in the budget?

- 3.1.1. The Community Fund was recommissioned in June 2019. It is an integrated programme of commissioning projects and small grants which collectively represents £2.6m per annum for up to three years from 2020-2023. However, it falls within the scope of the Council's Medium Term Financial Strategy.
- 3.1.2. A specific saving target was identified. A £400k reduction to the contracts forming the Community Fund. This has been agreed to be funded from Community Infrastructure Levy (CIL) Local Meaningful Proportion (LMP).

- 3.1.3. The original plan involved identifying how this saving could be achieved whilst having the least impact on the Council's newly established priorities. A detailed proposal was developed that involved some contracts being safeguarded, some being cut completely, but the majority being subject to reductions ranging from 10% to 25%. This approach was taken through the Council's approval process.
- 3.1.4. However, at Cabinet on the 6th December, the Leader asked that officers explore utilising CIL LMP funds to meet this £400k saving target. To be clear, the Community Fund reduction of £400k p.a. stands, and the base revenue budget will reduce by this value in 2022/23. However, the use of CIL LMP funding allows the impact of this to be deferred for one year to 2023/24.
- 3.2. Question 2: What is the justification for using CIL funding for this fund?
- 3.2.1. CIL LMP can be used to fund a wide range of infrastructure, including health and social infrastructure facilities (as per section 216(2) of the Planning Act 2008, and CIL Regulation 59, as amended by the 2012 and 2013 Regulations).
- 3.2.2. CIL LMP in the London Borough of Croydon represents 15% of the overall Croydon CIL income. The 15% is determined by the CIL Regulations 2010 (as amended) and not set by the Council.
- 3.2.3. With regard CIL LMP the CIL Regulations 2010 (as amended) state the following:
- The charging authority may use the CIL [LMP] to which this regulation applies, or cause it to be used, to support the development of the relevant area by funding—
  - (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - (b) anything else that is concerned with addressing the demands that development places on an area.
- 3.3. Deferring the saving for one year enables the contracts to run until the end of their agreed 3 year contract length. Thereby giving the organisations space to continue to deliver much-needed services and time to better prepare for the next commissioning cycle.
- 3.4. Question 3: How will the Community Fund Grants be administered?
- 3.4.1. Oversight of the Community Fund sits with the Communities Team. However, each contract has its own contract manager and these are drawn from across the relevant service areas. For clarity, [the Community Fund is commissioned contracts to be managed and no grants are administered.](#)
- 3.4.2. Regular and ongoing monitoring of agreed KPIs takes place and each quarter, a meeting is held where contract performance is

discussed and actions identified where needed. If all is signed off with the contract, payment for that quarter is approved.

- 3.5. Question 4: How will awareness of the Grant be communicated to community groups across the borough?
- 3.5.1. The next commissioning cycle of the Community Fund is due to start in Summer 2022. In advance, [we will be engaging with the VCS on the recommissioning process in Spring 2022](#). The change to a mayoral system will contract the timetable, but we expect to launch a new prospectus in July and invite bids through a marketing exercise. In the past we have used a mix of web-based publicity, emails, social media and a series of large, workshop-style events. However, the latter may need to be virtual this time given the possibility of Covid-related restrictions.
- 3.5.2. Once bids have been assessed, recommendations will go to Cabinet in November 2022 so that applicants can be informed with at least 3 months' notice ahead of the new contracts commencing on 1st April 2023.
- 3.6. Question 5: Can reassurance be given that using CIL funding for this complies with the rules on the use of CIL?
- 3.6.1. With regard to the assignment of CIL LMP as 15% of overall borough CIL income the CIL Regulations as amended state the following:
- (3) The charging authority may use the CIL [LMP] to which this regulation applies, or cause it to be used, to support the development of the relevant area by funding—
  - (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - (b) anything else that is concerned with addressing the demands that development places on an area.
- 3.6.2. Government CIL Guidance also states the following with regard to CIL LMP assignment - *If there is no parish or town council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools for example, website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans.*
- 3.6.3. Following the request by the Leader at Cabinet on 6th December 2021, the Communities Team made a bid for £400k of CIL LMP for the 2022/23 to partly fund the Community Fund. The bid was considered by the Council's Infrastructure Finance Group (IFG), Capital Board and Spend Control Panel as part of the approval process in accordance with the IFG Terms of Reference. The



approval process only considers whether the CIL Regulations 2010 (as amended) and Government CIL Guidance compliance. Given the nature of the Community Fund projects / contracts, that the award is only partly (20%) funding the Community Fund projects / contracts and the level of engagement with communities and partners on the Community Fund projects / contracts it was conclude the CIL Regulations 2010 (as amended) and Government CIL Guidance have been adhered to.

- 3.7. Supplementary Information Request 1: Understand how and why the fund was created.
  - 3.7.1. The Community Fund was established to bring together a number of previously disparate funding pots into one place. It means we are better able to ensure the funding is allocated strategically and that the risk of individual departments funding the same organisation to deliver a similar service, are greatly reduced.
  - 3.7.2. From the VCS perspective, it also reduced the confusion around the funding available from the Council, by bringing many streams, with differing timescales and application requirements, into one, clearly articulated process.
- 3.8. Supplementary Information Request 2: Be reassured that there is a fair mechanism deciding funding allocation.
  - 3.8.1. There is a robust mechanism in place to ensure this is the case. Whilst applications for the under 15k 'small grants' did not go through the more rigorous 'London Tenders Portal' route, they were still scored twice by different officers and moderated ahead of recommendations being taken to the relevant Cabinet Member for approval.
  - 3.8.2. However, the majority of applications (including all those that are subject to the CIL LMP funding) were the larger bids that went through the Council's formal commissioned services route. As part of this process, scrutiny was provided by independent VCS representatives.
- 3.9. Supplementary Information Request 3: Be reassured that community groups across the borough will be provided equal opportunity to make bids to the Community Fund.
  - 3.9.1. The marketing, due to start in July 2022, will be extensive and aimed at reaching the highest number of community groups possible. The previous exercise resulted in us receiving almost 10 times the amount of bids than the available funding could support. This suggests the marketing was effective and wide-reaching.
- 3.10. Supplementary Information Request 4: Be reassured that there will not be a challenge to the Council for using CIL funding for the Community Fund.
  - 3.10.1. It is considered assignment has been made in line with the CIL Regulations 2010 (as amended), Government CIL guidance and the Council's Infrastructure Finance Group (IFG) governance. This approach to CIL LMP assignment has been in place since the

Council first started collecting CIL in April 2013 and has been reported on two occasions to the Scrutiny – Streets and Environment Committee and is published annually in the Council's Infrastructure Funding Statement. Therefore, it is considered a robust and proportionate governance process has been adhered to.

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**CONTACT OFFICER:** Steve Dennington, Head of Spatial Planning and interim Head of Growth and Regeneration and Simon Bashford, Community & Voluntary Sector Manager

# Agenda Item 6

<b>REPORT TO:</b>	<b>Scrutiny and Overview Committee</b> <b>20 January 2022</b>
<b>SUBJECT:</b>	<b>2022-23 Budget</b>
<b>LEAD OFFICER:</b>	<b>Richard Ennis, Interim Director of Finance, Investment and Risk (S151 Officer)</b>
<b>PUBLIC/EXEMPT:</b>	Public

<b>ORIGIN OF ITEM:</b>	This report has been included on the agenda for the Scrutiny and Overview Committee to inform the budget scrutiny process
<b>BRIEF FOR THE COMMITTEE:</b>	The Scrutiny and Overview Committee is asked to consider the information to be provided with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.

## **1. 2022-23 BUDGET**

- 1.1. The Scrutiny and Overview Committee will be provided with an update on the progress made with setting the 2022-23 budget. This will include the latest budget reports scheduled to be published as part of the Cabinet agenda for 24 January 2022, when it is published on 14 January. These reports will be published in an agenda supplement to this cover report for the consideration of the Committee once available.
- 1.2. The purpose of this update is to inform the budget scrutiny process, from which the Committee will be looking to reach a view on the deliverability and sustainability of the 2022-23 Budget. The Committee will also be looking to ensure that there is an understanding of the key risks and ownership of the proposals by the Council's political leadership.
- 1.3. To prepare for the budget scrutiny process, members of the Committee have received two training sessions delivered by the Centre for Governance and Scrutiny on best practice for budget scrutiny. On 23 November 2021, the Committee has also received a briefing from the Council's Section 151 Officer on the key budget principles and the approach to setting the budget.
- 1.4. At the Scrutiny & Overview Committee on 7 December the agenda included and update on the setting of the 2022-23 Budget and the Three Year Medium Term Financial Strategy. From the discussion a number of areas were identified for further investigation such as programme management capacity of the Council to manage the delivery of the budget and the financial monitoring systems. Since the meeting the Scrutiny Chairs have followed up these issue directly with officers and will report back to the meeting.

- 1.5. The three scrutiny sub-committees (Children & Young People, Health & Social Care and Streets, Environment & Homes) each had a briefing on the budget proposals for their areas of responsibility in the week of 29 December. At the meetings of the sub-Committees in January/February, each agenda will include a budget challenge item focusing on specific areas of the budget identified for further scrutiny. The outcome from these sessions will be fed back to the Scrutiny & Overview Committee meeting on 15 February 2021
- 1.6. Following both the Committee and the Sub-Committee meetings, a final Scrutiny and Overview Committee meeting focussed on the budget will be held on 15 February 2022. This meeting will bring together the findings from the budget scrutiny process, with the outcome reported to the Council during its consideration of the budget.

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**REPORT AUTHOR:** Simon Trevaskis – Senior Democratic Services & Governance Officer

**APPENDICES:**

Appendix 1 – Cabinet Report – 22-23 Budget and Three Year Medium Term Financial Strategy

Appendix 1A - Detailed Budget Change Proposals

**BACKGROUND DOCUMENTS:** None

<b>REPORT TO:</b>	<b>Scrutiny &amp; Overview Committee 20 January 2022</b>
<b>SUBJECT:</b>	<b><i>2022-23 BUDGET AND THREE YEAR MEDIUM TERM FINANCIAL STRATEGY – CORPORATE, RESOURCES AND ASSISTANT CHIEF EXECUTIVE AREAS</i></b>
<b>LEAD OFFICER:</b>	<b><i>Elaine Jackson, Interim Assistant Chief Executive Richard Ennis, Interim Corporate Director of Resources and S151 Officer</i></b>
<b>CABINET MEMBER:</b>	<b><i>Councillor Callton Young</i></b>
<b>PUBLIC/EXEMPT:</b>	<b>PUBLIC</b>

### **COUNCIL PRIORITIES 2020-2024**

*The Assistant Chief Executive and Resources departments play a critical role in supporting the organisation to deliver against all of the Council's priorities, which the 2022/23 budget and medium term financial strategy are designed to support:*

- *We will live within our means, balance the books and provide value for money for our residents.*
- *We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.*
- *We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.*

<b>ORIGIN OF ITEM:</b>	At the meeting of the Scrutiny and Overview Committee on 7 December 2021, it was agreed that as part of its Budget Scrutiny process the Committee and its Sub-Committees would take a deep dive on specific budget areas for their meetings in January/February 2022. This item is focused on the Assistant Chief Executive and Resources directorates, as well as corporate items within the 2022/23 budget and medium term financial strategy.
<b>BRIEF FOR THE COMMITTEE:</b>	The Scrutiny and Overview Committee is asked to review the information provided and question officers with a view to, as part of the wider budget scrutiny process, forming conclusions on the deliverability and sustainability of the 2022-23 budget, as well as ensuring there is an understanding of the key risks.

## **1. EXECUTIVE SUMMARY**

- 1.1. On 6 December 2021, Cabinet received a report on the 2022/23 budget and three year medium term financial strategy.
- 1.2. That report set out the route to producing a balanced budget for the Council for 2022/23 and the Medium Term Financial Strategy through to 2024/25, including the further savings required during this time. A second MTF5 and 2022/23 budget paper will be taken to Cabinet on 24 January 2022 with two further reports in February with the second of these on 21 February balancing the 2022/23 budget, with a recommendation to full Council on 28 February for budget and tax setting purposes.
- 1.3. The Council is making progress and needs to ensure that this is sustainable through continuing to ensure it has sufficient skills and capacity to deliver what will be a significant improvement and savings programme. Feedback from the Scrutiny Chairs has indicated that this is a particular area of interest for scrutiny under this item.
- 1.4. Included with the Cabinet report was a growth and savings schedule. An extract of this is attached as an appendix to this report, showing the proposals that fall under the following areas as requested by the committee:
  - Corporate items
  - Assistant Chief Executive's directorate
  - Resources directorate

## **2. DIRECTORATE SUMMARIES**

- 2.1. This section provides a summary of the services provided within the Assistant Chief Executive and Resources directorates. This follows the structural changes agreed by Council during 2021/22.

### **Assistant Chief Executive's Directorate**

- 2.2. The Assistant Chief Executive's directorate was created as part of the organisational redesign of the Council. It brings together a number of functions designed to support transformation and improvement across the whole organisation and act as "the engine room for the delivery of the Croydon Renewal Improvement Plan".
- 2.3. Within the directorate is the HR service, providing support, advice and guidance to staff and managers, as well as the organisations HR policies and procedures to ensure a fair, efficient and effective organisation.
- 2.4. The directorate provides the business insight and performance function, working with services across the Council to provide data analysis, forecasting and statutory returns. The corporate programme management

office is also located in the directorate, providing oversight and assurance reporting against various programmes and projects. There is particular focus on identifying opportunities for improvement, with new corporate performance reports launched in 2021.

- 2.5. Whilst engagement with voluntary sector partners happens across many service areas, the directorate hosts a small policy and partnership team, with responsibility for VCS engagement and the Community Fund as well as Local Strategic Partnership and corporate policy and strategy.
- 2.6. The directorate also coordinates our Equality, diversity and inclusion activities, which have been strengthened over the last year with the new Internal Control Board. Additional dedicated staff are also planned. Support is provided to all services to ensure that the Council meets statutory requirements and our Public Sector Equality Duty.
- 2.7. Key corporate activities are also managed within the directorate, including elections and electoral registration, emergency planning and business continuity, communications, organisational development and support to the Leader and Cabinet.
- 2.8. The new Digital and Resident Access division forms part of the directorate. As well as providing the Council's core ICT and digital services, the division draws together the front line and telephony resident access into the Council (including registrars and bereavement), with the aim to review and rationalise access and aligning it with the corporate digital platform. The division also draws together the customer intelligence functions: complaints, information management, data management, FOI and SAR's, providing stronger analysis of the data to identify improvement opportunities.
- 2.9. The Statutory Director of Public Health and the public health team are located within the Assistant Chief Executive's directorate. This enables the role to have the broadest strategic reach for its influence and direction, and ensure that public health is a corporate activity, not limited to certain service areas.

### **Resource Directorate**

- 2.10. The Resources directorate provides a number of fundamental services including finance, legal, commercial and property services and the internal control environment for the Council. There has been significant work to strengthen our internal controls over the last year, and further improvements through the continued delivery of the Croydon Renewal Improvement Plan. There is particular focus on the financial recovery aspects of the renewal plans within the Resources directorate.
- 2.11. Within the directorate are two statutory officers – the S151 Chief Finance Officer and the Monitoring Officer. The Monitoring Officer also leads the

legal, democratic and scrutiny functions and therefore provides a critical service to support Councillors and Council decision making.

- 2.12. Finance is a critical function within this directorate, including accountancy and treasury management functions and the accounts payable functions and systems. The revenues and benefits team is also part of this directorate, with a key role in income and debt collection.
- 2.13. As part of our internal control structures, the insurance, risk, anti-fraud and internal audit services are within the Resources directorate. Regular reports are provided to the Corporate Management Team with updates and compliance assessments against these key areas.
- 2.14. The new division of Commercial Investment and Capital was created as part of the new structure within the Resources directorate. The services manage asset sales and the planning and delivery of the Council's capital programme for its infrastructure and schools expenditure (not the HRA) as well as the Council's estates, facilities and asset management service.

### 3. MONTH 7 FINANCIAL PERFORMANCE

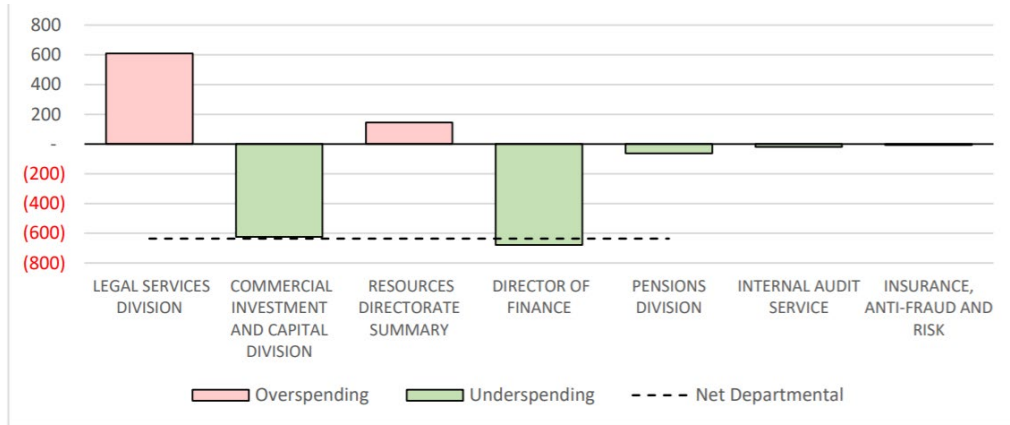
- 3.1. The latest financial forecasts were reported to Cabinet on 6 December 2021. An extract of the report, covering the Assistant Chief Executive and Resources directorate, as well as corporate items is provided below. The Month 8 monitor will be reported to Cabinet on 24 January 2022.
- 3.2. This demonstrates that all areas are forecasting an under spend against the approved budget. However, there were adverse changes from month 6 to month 7.

	<b>Month 7 Forecast variance  £000</b>	<b>Month 6 Forecast variance from previous month  £000</b>	<b>Change  £000</b>
Resources	(636)	(848)	212
Assistant Chief Executive	(121)	(210)	89
Corporate items and funding	(3,451)	(3,451)	-

- 3.3. The forecast underspend within Resources was driven by higher collection of court cost income in relation to Revenue & Benefits activities and various staffing related underspends.

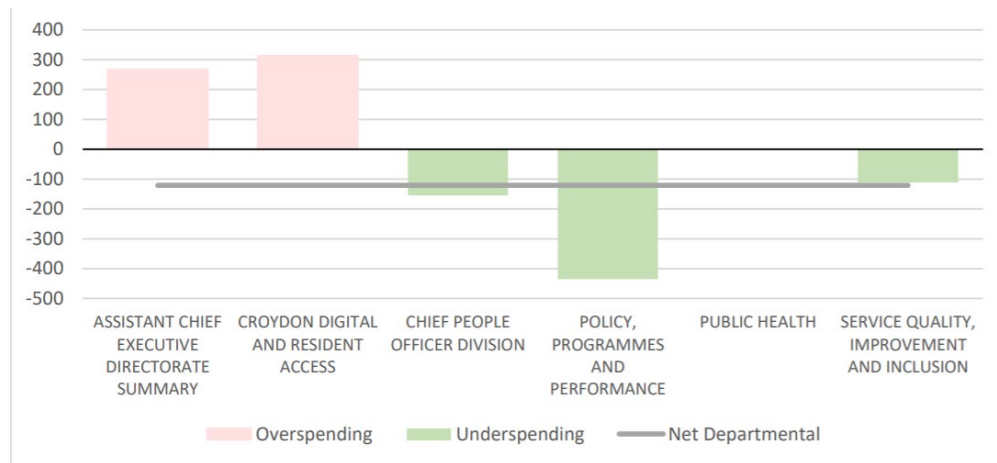
#### **Divisional forecast within Resources Directorate**





3.4. The forecast underspend within the Assistant Chief Executive's directorate was driven by various staffing related underspends.

#### Divisional forecast within Assistant Chief Executive's Directorate



3.5. All savings in the 2021/22 approved budget within the Assistant Chief Executive and Resources directorate are on track to be delivered, or have already been delivered in full. However, £1,000,000 fees and charges review within the corporate items was identified as at risk in month 7. This was due to the overall impact of Covid on demand for chargeable items. This is creating pressure in a number of service areas, and as a result the increase in fees and charges is not achieving the anticipated income levels.

3.6. A £400,000 risk was identified within Resources directorate in relation to insurance and risk. This risk is in relation to schools income pressure, which the service is seeking to mitigate through a reduction in premiums and claims. The following risks were also identified, but were unquantified at month 7:

- Resources
  - Legal recharges – risk that recharges income does not match the expenditure forecast within services, resulting in a shortfall

- Unreconciled holding accounts for BIDS, HR staff loans and p-cards – risk that holding accounts do not reconcile, and some balances transfer as pressures in to forecasts
  - Revenues and benefits income – risk that income streams reduce from current trend forecast
  - Potential for commercial tenants not being able to make their rent payments on our investment properties or more of our commercial properties remaining vacant. This is being kept under review
  - Assistant Chief Executive
    - Croydon Digital Service- risk of increased contract costs
- 3.7. No other financial risks were identified in the month 7 report. The risks were offset by a number of opportunities:
- Court cost income could increase above current forecast (£200k)
  - Higher digital advertising income (£250k)
  - Covid grant (£7,799k)
- 3.8. Members will be aware of the significant increase in demand for Democratic Services since March 2020 that has led to the service being unable to meet its minimum statutory requirements since December 2020. This unaddressed growth in demand has culminated in the Council having to formally seek mutual aid from other Local Authorities in December 2021 to ensure that Council and Committee requirements are met. The LGA is undertaking a peer review of the service, expected to report at the end January 2022, that will identify options for the Council to right size the service in response to the pressures on the service and the change in governance model to a directly elected Mayor. It is anticipated that those recommendations will require additional growth in the base budget for the service from 2022/23.

#### **4. SAVINGS AND GROWTH PROPOSALS**

- 4.1. A full schedule of savings and growth proposals was included with the 2022-23 budget and medium term financial strategy report to Cabinet on 6 December 2021. A further refresh to the MTFs and the 2022/23 budget will be taken to Cabinet on 24 January 2022.
- 4.2. An extract of this schedule is attached in appendix 1 to this report. This outlines the savings and growth proposals within the Assistant Chief Executive and Resources directorates, as well as corporate proposals.
- 4.3. A brief summary is also provided demonstrating how the savings will be delivered, or for growth items, why these are required and unable to be managed from existing budgets.
- 4.4. The proposals in the appendix are all in relation to the Council's revenue budget. However, given the key role of these directorates in support

transformation and improvement across the whole organisation, there are other funding streams that will provide additional capacity above the revenue budgets.

- 4.5. Capital budgets are utilised where new assets are created. The Commercial Investment and Capital division has significant capital budgets, including both expenditure and capital receipts. Croydon Digital Service also utilises capital expenditure where new digital assets are being developed.
- 4.6. The Council has also made provision to charge some transformation costs against capital receipts. This transformation funding must meet the requirements set out by Government, in particular it must be costs that result in ongoing revenue savings, and be approved by Council. It is anticipated that the transformation funding will be sought to provide additional capacity within the Assistant Chief Executive and Resources directorates to support change projects across the organisation.
- 4.7. There a wide range of projects planned that will improve services for residents and staff. These include:
  - New telephony system
  - FOI/SARs processes
  - CRM/My Account
  - Finance and HR systems
  - Adults and Children's social care payment systems
  - Registrars
- 4.8. Further details are provided in appendix 2. These projects are all expected to meet the criteria for capital or transformation funding.

## **5. EQUALITY CONSIDERATIONS**

- 5.1. All savings proposals will be required to complete Equality Impact Assessments in accordance with the Council's equality policies and procedures.

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**CONTACT OFFICER:** Gavin Handford, Director of Policy, Programmes & performance

### **APPENDICES TO THIS REPORT**

Appendix 1: Extract of growth and savings schedule

Appendix 2: Improvement work

**BACKGROUND DOCUMENTS:** None *[only previously published Cabinet reports]*

Appendix 1: Growth and savings schedule extract

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
22/23 RES SAV 01	Legal Services-Council Wide Savings (external legal spend & counsel fees)		(130)			Reducing demand for legal services across the Council e.g through training and upskilling Creating capacity and improve capability across our in-house teams. Reviewing what work can be brought back in-house without increasing in-house resources.
22/23 RES SAV 02	Savings from the Legal Business Team		(65)			Improve CM system and processes
22/23 RES SAV 03	Mid-Triennial Review of Pension Contributions	(3,400)	640			Implementing the recommendation of the Pensions Committee. The review has confirmed the pension scheme is performing very well.
22/23 RES SAV 04	Savings from Review and Re-Tendering the Insurance Contract		(100)			Anticipated saving from reviewing the specification for the contract and undertaking a competitive tender process, given current market conditions.

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
22/23 RES SAV 05	Discretionary Charitable Business Rate Relief			(114)		Removing the discretionary 20% additional discount to voluntary and community sector organisations for business rates. Note that registered charities receive statutory 80% reduction. Organisations will be advised in writing when final decisions are communicated for 2022/23 awards.
22/23 RES SAV 07	Finance staffing review			(125)	(125)	A potential restructure of the Finance team could see £250k of savings delivered over two years. This is to be developed.
22/23 RES SAV 08	Contracts Savings		(53)			
22/23 RES SAV 09	Procurement team changes in sustainable communities (1FTE reduction)		(53)			Restructure of the service has been completed, with resultant savings.
22/23 RES SAV 10	Procurement team changes in adults and children's (1FTE reduction)		(61)			Restructure of the service has been completed, with resultant savings.
22/23 RES SAV 12	Digital billboards income		30	(70)	(80)	The Council has contracted with a digital advertising company to install digital billboards in various locations. The Council will

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
						receive income from these assets.
22/23 RES SAV 13	Increase CDS capitalisation	(510)				Structural review of CDS budget to capitalise (applying CIPFA guidance) all expenditure that creates/extends life of hardware and software assets
22/23 RES SAV 14	Mobile phone reductions	(8)	(30)			Stricter policy on allocation of mobile devices and SIMs (aiming for zero, permitting only by exception) and new contract with lower support fees and no minimums
22/23 RES SAV 15	CDS staffing reduction		(97)			Already achieved through deletion of vacancies and merger of posts
22/23 RES SAV 16	HR Whole service redesign - L&OD (moving to ACE)		(50)	85		Savings delivered through a new commissioning model and whole service redesign
22/23 RES SAV 17	HR Whole service redesign		(210)	200		Four vacant posts and adjustments to teacher's pensions contributions have completed the delivery of savings due for 2022/23. The interim CPO has started the whole service redesign process, based on a HR

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
						maturity index rapid assessment
22/23 RES SAV 18	Reduction growth - replacement for RES GRO 10		(207)	207		All HR growth items have been revoked enabling this savings to be delivered
22/23 RES SAV 19	Restructure Technical Support & Development Teams			(30)		
22/23 PLA SAV 24	Reduction in postage costs		(25)			As the Council continues to provide more access opportunities through digital channels, there is a resultant reduction in postage costs. The pandemic has seen a particular shift as services adapted during lockdowns.
22/23 PLA SAV 25	Review and release of additional space in BWH		(388)	(1,039)		The changing working patterns mean that the Council can review the office space it requires. Releasing office space within the BWH building offers significant opportunity for rental income. Project team is in place.
Res Sav 40	ICT Savings		(20)			
TBC	Saving through online engagement and consultation		(20)			Covid restrictions have required greater use of online and digital

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
						engagement methods, with resulting cost savings
TBC	Public Health refocusing		(780)	(465)		A review of public health budgets has enabled the Council to reduce some expenditure within the general revenue fund.
22/23 COR SAV 01	Changes to Council Tax base		(2,721)	(97)	(3,062)	This reflects updated forecasts for the number of households in the borough, and therefore the Council Tax base.
22/23 COR SAV 02	Social Care precept -1% Council Tax increase		(1,981)	(2,040)	(2,102)	The local government finance settlement confirmed Councils will be able to add a 1% Council Tax precept to support social care costs.
22/23 COR SAV 03	1.99% Council Tax increase		(141)	(2,348)	(6,910)	The local government finance settlement confirmed the ability for Councils to increase the base Council Tax rates in their area.
22/23 COR SAV 04	Collection fund surplus/deficit – Council Tax		(2,940)	2,940	(2,504)	This reflects updated forecasts for the collection fund.
22/23 COR SAV 05	Local Council Tax Reduction Scheme Support review – subject to final decision making post-consultation		(5,700)			This has been subject to separate reports to Cabinet and Scrutiny & Overview Committee.



22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
22/23 COR SAV 06	Streamline corporate business processes			(250)	(250)	Will require transformation funding, business case to be developed. Entails applying user-centred digital-first service redesign methods to streamline and automate high volume internal processes, saving officer time in corporate centre and (in aggregate) across whole council
22/23 COR SAV 07	Workforce digital capability			(500)	(1,000)	Will require transformation funding, business case to be developed. Entails training whole council workforce to fully get the benefit of Microsoft Office 365 and other tools to collaborate more efficiently and reduce meetings and emails, saving significant officer time in aggregate and enabling pooled resource
22/23 COR SAV 08	Digital resident self service			(750)	(750)	Will require transformation funding, business case to be developed. Entails digital service redesign of high volume transactional services across the council

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
						which currently are processed offline/manually resulting in delays, high contact and inefficient use of officer time. Savings from reduction of officer time and contact/failure demand
22/23 COR SAV 09	Rationalisation of software applications and contracts		(750)			Review of all software and tech service contracts to drive out savings through combination of: consolidation (migrating to smaller number of systems e.g. rebuilding in low code), contract renegotiation, reduction of usage, and termination where not aligned to statutory services/corporate priority
22/23 COR SAV 10	Change in levies from other bodies		(155)	4	29	Statutory levy payments Council is required to make
22/23 COR SAV 11	New Homes Bonus		(2,427)	(1,768)		Grant funding allocated to all Local Authorities based on new homes delivered within the borough
22/23 COR SAV 12	Interest receivable / payable		(4,414)	593	593	Budget realignment to reflect actual costs of paying interest on external loans. Future growth based on

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
						borrowing projections on capital programme and capitalisation direction
22/23 COR SAV 13	Review of all contracts and commissioned services		(2,072)			A corporate review of all contracts has been undertaken and this has identified those opportunities to reduce expenditure, which forms the workplan for the newly restructured commissioning and procurement functions.
TBC	Implementation of new senior structures		(500)			Savings a result of senior management restructure
TBC	Implementation of new structures through layers and spans review				(500)	Future planned Council restructures.
TBC	Negotiate changes to the balance of funding between health and social care		(11,000)			Additional NHS contribution towards appropriate social care costs.
TBC	Increase in fees and charges		(1,000)	(1,000)		Increase in income due to uplifts in statutory and discretionary fees and charges
22/23 RES GRO 01	Staff Resourcing in Democratic services and scrutiny	51				The volume of activity within this service area has resulted in service levels reducing. Additional resources are required.

22/23 MTFS title	22/23 MTFS description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Brief summary of how savings will be achieved / why growth is required
22/23 RES GRO 02	Complaints Recharge Growth		290			Correction to historic error wherein recharging model ceased but funds were not allocated
22/23 RES GRO 03	Insurance Fund Growth				400	
22/23 RES GRO 05	Bereavement service growth		28			Shortfall in budget for Croydon University Hospital provision of Public Mortuary
22/23 RES GRO 06	Reversal of 21/22 CDS Saving		325	255		Budget correction
22/23 RES GRO 08	Establishing an Elected Mayor's Office		330			Benchmarking data demonstrates that an elected Mayor requires additional support due to the increase in contact and case work from residents
22/23 RES GRO 09	Registrars Income shortfall		300			Budget correction to income 'stretch' target that has never been achieved and was based on income from services that are now provided by central, not local, government
22/23 RES GRO 10	Ongoing PPE Costs		325			
TBC	Additional Mayoral Election Costs		240	(180)		Additional budget is required to support the dual election. A lower saving is included the following year – with the residual budget forming a

<b>22/23 MTFS title</b>	<b>22/23 MTFS description</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>Brief summary of how savings will be achieved / why growth is required</b>
						reserve for future election costs
22/23 COR GRO 01	Minimum revenue provision reprofiling		2,543	(430)	468	Recalculation of statutory provision of MRP based on revised borrowing requirement
22/23 COR GRO 02	Corporate contract inflation provision		4,333	2,610	7,877	Provision for increases in inflationary costs
22/23 COR GRO 03	Corporate pay award provision		(239)	(243)	3,720	Provision for increase in staff pay
22/23 COR GRO 05	Increase in Employers NI contributions		1,630			Announcement from Chancellor on increase in Employer NI from April 2022 by 1.25%

## Appendix 2: Improvement Work

Service area	Issues	Action	Outcome
<p>Improvements to online services and the CRM (<i>replacing “My Account” with more user-friendly and effective digital services</i>)</p>	<p>Online service offer not as advanced as other local authorities Digital self-service levels lower as a result Residents struggle to access services</p>	<p><u>Already live:</u></p> <ul style="list-style-type: none"> <li>• New website: fully accessible, responsive (works on any device), navigation structure and content overhauled</li> <li>• overhauled the contact the council form to create direct routes to online help where available, reducing emails to the contact centre by over 50%</li> <li>• Various new services for Covid response built during 2020-21</li> </ul> <p><u>Going live soon:</u></p> <ul style="list-style-type: none"> <li>• A new and improved building control application process - December 2021</li> <li>• CRM system for the CCTV and out of hours team - December 2021</li> <li>• Love Clean Streets mobile app upgrade enabling end-to-end feedback to residents - January 2022</li> <li>• CRM system for the main contact centre including red file (list of aggressive customers) and online waste services for residents - March 2022</li> </ul>	<p>Better resident / customer experiences</p> <p>From January:</p> <ul style="list-style-type: none"> <li>• Residents will get feedback on street reports from the love clean streets app (from Veolia), reducing frustrations and repeat contacts</li> </ul> <p>From March:</p> <ul style="list-style-type: none"> <li>• No longer need to login to my account for many services, making these services much easier and quicker to use</li> <li>• This will support increased take-up and reduce failure demand.</li> <li>• Includes: waste services, building control, dropped kerb or reporting street cleaning issues.</li> <li>• Residents will receive email updates from the contact centre about issues they have raised</li> </ul>

Service area	Issues	Action	Outcome
		<ul style="list-style-type: none"> <li>• Clinical waste service - May 2022</li> <li>• Integrating “contact the council” form with the new CRM - August 2022</li> </ul> <p><u>Longer term:</u></p> <ul style="list-style-type: none"> <li>• Digitisation and redesign of c.400 forms on the website. Many forms remain in PDF/Word format, to be printed and posted. Some are ‘digital’ but only go to an email inbox for manual processing. Current digital forms don’t work on mobile, exclude people with disabilities, and are unreliable due to age of the software. As well as poor service to residents, this drives telephone contact instead.</li> <li>• Rationalisation of websites. Council has c. 35 additional websites, some of which are non-compliant with GDPR and accessibility legislation, and on duplicative technology. Content needs reviewing and merging into main site for as many of these as possible.</li> </ul>	<p>by phone (and also by email after contact form integration in August). Services will add status updates, so the contact centre (and where appropriate the resident) can see what is happening.</p> <ul style="list-style-type: none"> <li>• Greater transparency and visibility of call responses, by service, and data analytics about what residents are seeking help with</li> </ul>

Service area	Issues	Action	Outcome
Registrars	Covid created significant backlog in registrations Delays impact on benefit payments	Website changed so those with an urgent need can call the Contact Centre - some short notice appointments reserved for these cases Proactively contacting families to move appointments to maximise resources Residents with appointments within a week are being called and reminded of the date and time, to help minimise non-attendance. Removing and reallocating appointments where they are no longer required improving availability Option for mutual aid from Sutton if required	To date over 300 residents with appointments up to 19/1/22 have been contacted 145 of these have been offered earlier appointments, which has freed up other spaces for new parents Backlog on track to be eliminated within 8 weeks
<b>Finance/HR systems</b>	Inaccurate Establishment Data Compliance issues with self-service processes Poor Absence Records Usability of the system Effort in Finance to Produce monthly financial reporting Ownership and usability of business processes Lack of strategic governance of My Resources Not exploiting the full potential / capabilities of Oracle	<b>Now: next 3 months:</b> <ul style="list-style-type: none"> <li>• Re-establish the governance at strategic level, including user group</li> <li>• Develop the negotiation strategy for Oracle Licence renewal</li> <li>• Confirm process ownership</li> <li>• Establishment Control</li> </ul> <b>Next – 3-6 months</b> <ul style="list-style-type: none"> <li>• Work with Oracle to review our implementation</li> </ul>	Establishment data updated New establishment controls in place



Service area	Issues	Action	Outcome
		<ul style="list-style-type: none"> <li>• Develop a process to regularly review new features with process owners and update roadmap</li> <li>• Review My Resources support model and re-procure 3<sup>rd</sup> party support</li> </ul> <p><b>Later – 6-9 months:</b></p> <ul style="list-style-type: none"> <li>• Develop and refine the improvement roadmap and align system target operating model with organisational design outcomes</li> </ul>	
Member Enquiries	<p>Members and MPs dissatisfied with access to information, both in terms of being routinely briefed and the formal member enquiries SLA / process.</p> <p>Officers report they are struggling to meet the SLA, with a high proportion of enquiries better directed through more appropriate contact channels.</p>	<p>New system being piloted, informed by user experience</p> <p>Process review for Members enquiries</p> <p>Regular updates provided to all stakeholders</p>	<p>Allows Members to track progress</p> <p>Establishing dedicated staff to support enquiries process</p>
Telephony system	<p>Telephone system unreliable</p> <p>Residents unable to communicate with the Council</p>	<p>Replace outdated telephony system</p> <p>Tender process has been completed and contracted awarded to new supplier.</p>	<p>Telephony system is reliable and efficient</p>

Service area	Issues	Action	Outcome
		A telephony project team has been established and is finalising the project plan to introduce the new telephony solution at pace.	
FOI/SARs	FOI and SAR backlog Performance against response time target is poor – need greater corporate ownership - Team chasing services constantly iCasework not optimised – manual steps required Process needs reviewing for FOI & SAR to publish more and improve efficiency High volumes that are beyond current resource – restricting proactive management	Recruit temporary Information manager for 3-6 months, during restructure Additional duties and roles to increase capacity and resilience	Backlog reduced New KPIs established and monitored for FOIs and SARs
Social care payments system	Historical overspending on social care and perceived lack of grip on managing finances in that area The Liquidlogic and ContrOCC systems were introduced in the in council’s social care departments to improve service efficiency and financial management. Further work to improve the quality of financial data, compliance, and speed of processing	Establish project governance structures Complete to-be process maps Develop PBCS (Myfinance) to auto calculate forecast Develop reconciliation report Finalise reporting Training for finance and budget holders	Better financial data, reporting and forecasting in relation to social care

<b>REPORT TO:</b>	<b>SCRUTINY AND OVERVIEW COMMITTEE</b> <b>20 January 2022</b>
<b>SUBJECT:</b>	<b>Preparations for Mayoral Governance Model and Support for Members</b>
<b>LEAD OFFICER:</b>	<b>Katherine Kerswell, Chief Executive</b>

<b>ORIGIN OF ITEM</b>	<p>As part of the budget scrutiny process, Scrutiny Members have identified focusing on specific budget proposals as an effective means by which to test the strength of the overall budget.</p> <p>This report has been prepared in response to a request for more information plans to resource support to Members as the Council moves to the Mayoral model and an update on the wider work to prepare for the implementation of the Mayoral model.</p> <p>In light of the tight deadlines and the scale of other significant work in the Council already underway, the Committee may wish to consider whether this significant programme requires further scrutiny.</p>
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<b>PURPOSE</b>	<p>The Scrutiny and Overview Committee is asked to review the information provided and consider whether it wishes to scrutinise this programme further following receipt of the report of the peer review into the Council's readiness for the implementation of the mayoral model.</p>
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## 1. EXECUTIVE SUMMARY

- 1.1 A programme of work is underway to ensure effective implementation of the Mayor/ cabinet model of governance from 9<sup>th</sup> May 2022. Preparatory activity is underway in a number of teams across the Council, overseen and coordinated by a Programme Board. The Committee may wish to consider whether further scrutiny would be appropriate, given the significance of the change and the tight and fixed deadline for delivery.
- 1.2 General Purposes and Audit Committee received an update on work underway to prepare for the mayoral model at its November meeting. This report includes progress made since that report.

## 2. UPDATE ON WORK TO IMPLEMENT THE NEW GOVERNANCE MODEL

- 2.1 Whilst much will depend on the elected Mayor and their own priorities, there is work to be done prior to the election to ensure that the new model is operational immediately after the election.

- 2.2 The Chief Executive has convened and chairs a Programme Board to oversee work to prepare for the implementation of the new model. The programme of work is designed to ensure that work to implement the new model:
- is planned to ensure decisions are made as required in a tight timescale;
  - is closely coordinated across multiple Council teams;
  - informs and engages Members, staff and external stakeholders and partners as appropriate;
  - is contained within available resources;
  - enables effective operation of Council services and delivery of the Mayor's priorities in the weeks following the election.
- 2.3 The following workstreams have been identified within the programme:
- a) **Constitution review and revision:** the Constitution Working Group has been reconvened to inform this workstream and is considering:
- the statutory requirements of the new model, the range of options for the Council to decide and those which will be made by the Mayor when they come into post;
  - draft proposals to present to General Purposes and Audit Committee at its meeting on 3<sup>rd</sup> March for recommendation to Council to ensure a lawful constitution with effect from 9<sup>th</sup> May 2022;
  - preparation of proposals for consideration by the Committee for recommendation to Council in relation to the Scheme of Member Allowances;
  - development and implementation of plans for Member briefing and development, including support for both existing and new Members.
- b) **Access to the Council:** in preparation for an anticipated increase in the volume of people contacting the Council/ Mayor's office, the effectiveness and capacity of the Council's complaints, Members' Enquiries and other mechanisms are being reviewed as part of the current improvement programme and in light of experience from other authorities. Work to address backlogs is underway.
- c) **Support arrangements:** this workstream is drafting appropriate arrangements to support both the directly elected Mayor and the civic Mayor, ensuring that these are closely linked to and supported by services across the Council.
- d) **Culture change and staff development:** the change of governance model will not only require a good understanding of the role of the Mayor and how this relates to other Members and officers, but also some changes in organisational culture, building on the wider culture change programme already underway.

- e) **Partnerships:** preparatory work is underway to enable the development of effective working relationships between the Mayor and the Council's partners in the borough and beyond.
- f) **Communications and engagement:** the implications of the new model for the Council's approach to communications and engagement are under review and a comprehensive internal and external communications plan will be developed and implemented.
- 2.4 Officers have been in contact with other local authorities which have the Mayor/ Cabinet governance model, facilitated by the Local Government Association, and this is informing the Council's plans.
- 2.5 The Programme Board is currently meeting fortnightly to ensure close coordination of activity and timely action to address any issues. Each meeting reviews a detailed programme plan and risk register: any significant risks will be escalated to the corporate risk register.
- 2.6 At the all-staff webinar on 12<sup>th</sup> January 2022, which was attended by over 700 staff, Mayor John Biggs from the London Borough of Tower Hamlets shared his perspectives on the mayoral model of governance and staff had the opportunity to put questions to him. Staff are also able to raise questions and receive answers via the Intranet.
- 2.7 The Council has asked the Local Government Association to conduct an assessment of the Council's readiness to implement the new governance model. The review will consider:
- Whether there is sufficient understanding by members and officers of the governance and culture required in the new model;
  - If appropriate checks and balances are sufficiently addressed in planned constitutional changes;
  - If appropriate plans are in place to support the Mayor;
  - Whether there is appropriate capacity/ resource to ensure that residents receive appropriate responses when contacting the Council and/or the Mayor;
  - What support could be given to mayoral candidates to understand both the role and the Council's wider context.
- 2.8 The review will take place between 24 January and 11 February, and the Council will receive feedback shortly after the completion of the review. The peer team will include both members and officers with experience of the mayoral model of governance:
- Mayor Damian Egan, Mayor, Lewisham (Labour)
  - Cllr Mieka Smiles, Deputy Mayor, Middlesbrough (Conservative)
  - Will Tuckley, Chief Executive, Tower Hamlets
  - Bryn Roberts, Monitoring Officer, North Tyneside

- 2.9 A £330,000 growth provision is included in the proposed 2023/24 Medium Term Financial Strategy for the establishment of the Mayor's Office following benchmarking against other London mayoral boroughs. It is intended that additional temporary support will be added to the current Leader's Office structure immediately ahead of the May elections to provide support to the Mayor following their election. This will include additional casework, correspondence and community engagement capacity. A full restructure of the current Leader's Office service will then be undertaken following consultation with the Mayor on their permanent support needs and priorities.
- 2.10 If required, a further update can be given to the Committee following the completion of the peer review.

### **3. SUPPORT FOR ALL MEMBERS**

#### **Background**

- 3.1 In January 2021 the Council's officer and political leadership and opposition leadership was alerted that the service could not meet its minimum statutory requirements, particularly with regard to the production of minutes.
- 3.2 This situation was a result of unprecedented demands on the service: these pressures include:
- The pandemic (both in terms of the impact of staff sickness and the additional workload arising from hybrid meetings)
  - The Council's financial position and a reduction in the budget available to the Democratic Services team to recruit to vacancies
  - A requirement by the Council's external auditors for all questions and answers asked at formal meetings to be minuted (since reversed)
  - An increase in the number of meetings since the RIPI and in the length of those meetings, compounded further by changes to meeting dates and planned agendas, increases in the number of delegated decisions and use of special urgency powers
  - Work to implement the Scrutiny Improvement Review by the Centre for Governance and Scrutiny and to prepare for the referendum
  - Several members of the team have recently given notice to leave (mutual aid has been requested from neighbouring authorities and arrangements are being put in place to prioritise resources to maintain support to ongoing meetings and address the minutes backlog)
  - Attempts to appoint to vacancies have proved unsuccessful to date.
- 3.3 During this challenging period, the service has prioritised support to formal decision making meetings. This has limited the ability of the service to perform other elements of its role, including:
- Support for member development
  - Consistent management of the meeting cycle across all committees, with associated support to Chairs and ensuring follow-up of actions agreed by committees

3.4 The service has not historically been resourced to deliver other functions which are part of the role of Democratic Services as follows:

- Dissemination of relevant information to all members
- Leading on the corporate Forward Plan
- Member support – ie assistance to backbench councillors with administrative matters.

#### **Plans to address the challenge**

3.5 The Chief Executive has invited the Local Government Association to undertake a peer review of the Democratic Services function in Croydon, and in particular to consider what staffing resources are required and how they should be organised, both now and looking ahead in preparation for the Mayoral model of governance. The review is being led by senior local government professionals with experience of:

- HR and organisational development
- Democratic services in a London Borough with the Mayoral model

3.6 The review is being undertaken during the first two weeks of January and will report back to the Council by the end of the month.

3.7 On receipt of the peer review report, officers will review the current team structure in light of its findings and prepare a proposal for consideration as part of the budget setting process in February/ March 2022. Until this process has been completed, it will not be possible to confirm the level of support available to Members from May 2022.

3.8 The Member Learning and Development Panel and Ethics Committee at their forthcoming meetings (27 January and 9 February respectively) will consider the proposed plans for Member induction in May 2022. It will not be possible to support implementation of those plans unless sufficient resources are identified.

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