

# Scrutiny Streets & Environment Sub-Committee Agenda



To: Councillors Councillor Ria Patel (Chair), Councillor Amy Foster (Vice-Chair), Simon Brew, Danielle Denton, Christopher Herman, Mohammed Islam and Luke Shortland

Reserve Members: Adele Benson, Samir Dwesar, Sean Fitzsimons, Simon Fox, Eunice O'Dame, Ellily Ponnuthurai and Esther Sutton

A meeting of the **Scrutiny Streets & Environment Sub-Committee** which you are hereby summoned to attend, will be held on **Tuesday, 31 January 2023 at 6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

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

Tom Downs  
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www.croydon.gov.uk/meetings  
Monday, 23 January 2023

Members of the public are welcome to attend this meeting, or you can 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 Tom Downs 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 (Pages 5 - 16)**

To approve the minutes of the meeting held on 8<sup>th</sup> November 2022 as an accurate record.

**3. Disclosure of Interests**

Members are invited to declare any disclosable pecuniary interests (DPIs) and other registrable and non-registrable interests they may have in relation to any item(s) of business on today's agenda.

**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. Budget Scrutiny Challenge (Pages 17 - 26)**

As part of its assurance process on the 2023-24 Council Budget, the Scrutiny & Overview Committee has asked the Streets & Environment Sub-Committee to identify and scrutinise specific budget proposals. This report provides the Streets & Environment Sub-Committee with information to reach a view on the following 2023/24 budget areas :-

1. Parking Services (including information on the Parking Policy review)
2. Planning Service (including information on the Planning Transformation programme)
3. Building Control (including a short update on the Building Control transformation programme)

Scrutiny Chairs have agreed that budget scrutiny will look to satisfy the following questions:

- Are the proposals financially resilient & sustainable?
  - Are the underlying assumptions robust?
  - Are the proposals deliverable?
  - What risks are there and how can they be managed/mitigated?
- Have the proposals been fairly prioritised?
  - Are the proposals linked to existing priorities/strategies?
  - Do they take account of the possible impact on/views of residents?

- Have Equality & Diversity Implications been properly accounted for?
- Are there viable/best practice alternatives to recommend?

**6. Period 7 Financial Performance Report (Pages 27 - 72)**

The Sub-Committee is asked to scrutinise the information provided with a view to considering whether it is reassured about the delivery of the 2022-23 Sustainable Communities, Regeneration & Economic Recovery Budget.

**7. Cabinet Response to Scrutiny Recommendations (Pages 73 - 78)**

The Streets & Environment Sub-Committee is presented with an up to date list of responses from Cabinet to recommendations made by the Sub-Committee to note.

**8. Scrutiny Work Programme 2022-23 (Pages 79 - 84)**

The Streets, Environment & Homes Sub-Committee is asked to: -

1. Note the most recent version of its Work Programme, as presented in the report.
2. Consider whether there are any other items that should be provisionally added to the work programme as a result of the discussions held during the meeting.

**9. 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.”

**PART B**

**10. Part B Minutes of the Last Meeting (Pages 85 - 86)**

To approve the Part B minutes of the meeting held on the 8<sup>th</sup> November 2022 as an accurate record.



# Public Document Pack Agenda Item 2

## Scrutiny Streets & Environment Sub-Committee

Meeting held on Tuesday, 8 November 2022 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillors Councillor Ria Patel (Chair), Councillor Amy Foster (Vice-Chair), Adele Benson, Simon Brew, Christopher Herman, Sean Fitzsimons and Luke Shortland

**Also**

**Present:** Councillor Scott Roche (Cabinet Member for Streets and Environment)  
Councillor Jeet Bains (Cabinet Member for Planning and Regeneration)  
Councillor Eunice O'Dame  
Councillor Leila Ben-Hassel (In Attendance Virtually)

**Apologies:** Councillor Mohammed Islam

### PART A

**9/22 Apologies for Absence**

Apologies for absence were received from Councillor Mohammed Islam, who sent Councillor Sean Fitzsimons as a substitute.

**10/22 Minutes of the Previous Meeting**

The minutes of the meeting held on 4th October 2022 were agreed as an accurate record.

**11/22 Disclosure of Interests**

There were none.

**12/22 Urgent Business (if any)**

There were no items of urgent business.

## 13/22 Waste Contract Performance Paper

The Sub-Committee considered a report set out on pages 19 to 44 of the agenda, which provided an update on the performance of the Council's waste collection and street cleansing contract and identified areas of service improvement and management of known and emerging risks to the service. The Director of Sustainable Communities introduced the item and Scott Edgell (Veolia General Manager for South London & South) and Andrea Lowe (Veolia Senior Contract Manager) who went through a short presentation (Appendix 1).

The Chair requested an update on the recommendations made by the Sub-Committee at their last review of the waste contracts performance; these were:

1. Veolia and the Council to work together on improvement to technology and interface connections.
2. Veolia to conduct a survey of bin locations in the Borough.

The Director of Sustainable Communities informed Members that recommendation 1 had been progressed, and greater integration had been achieved by linking the online reporting process, which fed into the Council's case management system, to Veolia's back office systems to provide two-way communication. The 'Love Clean Streets' app had also been improved to allow updates to be given through the app to state whether a job had been allocated or completed. As a part of the contract management process, quality assurance checks had been picked up by the monitoring team to ensure tasks were not being marked as completed before being undertaken. On recommendation 2, Members heard that Veolia undertook surveys directly, but that a number were also carried out by the South London Waste Partnership (SLWP); this included the triennial survey that had recently been completed and could be shared with Members once the results had been compiled.

Members asked about consistent underperformance from Veolia and what the Council were doing to assist in improving this, and how Veolia had adapted services as a consequence. The Chair noted that the Council had served a Service Improvement Notice to Veolia in February 2022, and that there had been three contract management meetings held since May 2022. The Director of Sustainable Communities explained that the contract contained a number of Key Performance Indicators (KPIs) with a required minimum level; there was a Performance Bond paid to the Council by Veolia, which was paid back when KPIs were achieved to a minimum level. The Council had not been satisfied with Veolia's performance and had served a Service Improvement Notice due to performance against three main areas; these were missed collections, repeat missed collections and container delivery. Veolia had produced a plan in response to the Service Improvement Notice to rectify missed collections and repeat missed collections; discussions on container delivery were ongoing. Members heard that contract monitoring was

multifaceted and that there were daily and weekly operational meetings, as well as structured monthly performance meetings that were fed back to the SLWP.

The Sub-Committee asked about missed collections reported via the Council, and asked how long these reports took to reach Veolia. It was explained that, if this was reported by the online system, it was automated and near instantaneous. The Chair asked about Croydon's recycling rate, and the suggestion in the report that it was on track to reaching the Mayor of London's target for 50% recycling by 2025. The Director of Sustainable Communities stated that Croydon had been at a near 50% rate before the pandemic, but that behaviour changes had led to a downward trend in recycling rates. For the current period, the provisional recycling rate was at around 46%.

Members requested clarity on whether commitments made at the beginning of the contract (on Street Grading, removal of street sweeping bags on the same day, washing of communal food waste bins, removal of weeds and moss from estates) had been retained or if any had been designed out of the contract. The Veolia Senior Contract Manager explained that communal bin cleaning had been adjusted and was now undertaken annually rather than quarterly. The Sub-Committee asked about performance for the collection of street sweeping bags and whether the public were relied on to report missed collections. The Veolia Senior Contract Manager explained that performance for this was contained within the report, and it was not the case that the public were relied upon to report missed bags; Veolia staff picked up hundreds of bags a day, with a morning and afternoon shift to ensure as few were missed as possible.

The Sub-Committee asked about weed and moss clearance on Council Estates and collection of communal waste from new buildings. Members heard that a lot of this was dependant on the developers and managing agents being proactive, but that it was a challenging area with crews taking many keys and fobs, as well as having to remember a large number of access codes, to ensure all communal waste could be collected. Consistency in crews was important in ensuring missed collections were minimised, but Heavy Goods Vehicle (HGV) driver and crew shortages had made this difficult to maintain. The Director of Sustainable Communities addressed weed and moss clearance on Council Estates and informed Members that the contract did not differentiate between estates and other streets. The contract did specify that streets needed to be maintained at a 'Grade B' level, and cleaned to a 'Grade A' level. Veolia supervisors did conduct checks to ensure that this was the case and this was also monitored by the Council's contract monitoring team; this team also had fortnightly meetings with the Housing department to discuss the contract and any issues. The Director of Sustainable Communities explained that communal waste access was a challenge and some standard advice on this had been put together for new developments. The Chair asked about how access issues to communal waste were resolved and heard that access issues could be caused by numerous reasons, and the fortnightly meetings between Veolia and the Council looked

to address these. One of the big challenges of the contract was the contamination of waste on estates across the borough.

The Sub-Committee praised the 'Love Clean Streets' app and asked about reports of streets outside of Town Centres not being cleaned regularly and whether a schedule for street cleansing could be provided. The Director of Sustainable Communities responded that the contract for street cleansing was outcome based, and this meant that streets needed to be cleaned to a 'Grade A' and maintained at 'Grade B' standard; generally, streets were cleaned between daily and six weekly dependant on the street. Complaints that were received about streets below grade were assessed by Veolia and appropriate action was taken; this was monitored by Veolia and the Council. Members asked if autumn leaf drop meant that schedules for street cleansing were more frequent, and were informed that this was the case. The Chair asked about communications with residents on street cleansing and whether residents were aware of what street grading meant. Members heard that this communication could be better and more frequent and that information on the website could be refreshed, but that this was dependant on resource. On 'Love Clean Streets' app reports being closed before cases were resolved, the Sub-Committee heard that this was a work in progress and relied on the information provided by crews; previously where there had been multiple reports of one incident, these had all been closed bar one and it was acknowledged this was not the best approach and work on changing this was ongoing.

The Vice-Chair asked about enforcement and the strategy for tackling fly tipping hotspots identified through the 'Love Clean Streets' app. The Director of Sustainable Communities acknowledged that there was some reliance on public reporting, but that this would not be the case in a perfect world. The Council and Veolia were aware of fly tipping hotspots in the borough but had limited resources to do as much as they would like on tackling this; targeted clear ups did happen, alongside evidence gathering where possible. The Director of Sustainable Communities noted that there was a national trend in increased fly tipping and there was not a single solution to tackling this. The Vice-Chair requested information about on street bottle recycling that could help to alleviate litter from street drinking. The Director of Sustainable Communities explained that different bin configurations had been trialled but the results were often that waste was contaminated and did not lead to increased recycling. It was acknowledged that there was room for additional bins in the borough, but that it might be better in some cases to encourage residents to take their litter home. The Veolia General Manager for South London & South explained that deposit return schemes could potentially reduce litter produced by street drinkers, and Veolia were engaged with the government on developing a scheme although it had experienced delays. Members heard that the value of plastic recyclate had fallen and the cost was being borne by authorities where this should instead fall on the consumer through plastic and packaging taxes.

The Cabinet Member for Streets and Environment explained that they had met with a number of Friends and Residents groups, and that education on



recycling was important in reducing the contamination of waste and that content on the website could be improved to this end. The Sub-Committee heard that the Cabinet Member for Streets and Environment was also working with the SLWP on their communications strategy, and that he was investigating best practise for dealing with fly tipping from other authorities alongside hotspot data. On who assessed street cleansing grading, the Sub-Committee heard that this was assessed by Veolia and the contract monitoring team when complaints were received; joint inspections with Veolia and Council monitoring staff also took place.

Members asked about the KPIs related to the performance bond and whether these were too ambitious. KPIs were not higher than other Partners in the SLWP but were more ambitious than some other boroughs. Members asked about tracking of cleansing of communal bins and heard that any specific cases be looked into outside of the meeting but that only food bins were cleaned. The Sub-Committee asked about tracking of weed and moss clearance, and heard that spraying of weeds was conducted three times a year and any specific issues could be looked into outside of the meeting. Members asked about collaboration with the Councils Highways team on reporting of street issues and heard that this did take place.

The Chair invited Councillor Ben-Hassel to ask a question on the duplication of reports on the 'Love Clean Streets' app and whether photos from the reports were available to crews and why some reports were closed without a reason. The Director of Sustainable Communities explained that work to pass the photos from Croydon's case management system to Veolia's system was ongoing. The Veolia Senior Contract Manager explained that there were options for crews to list the resolution as 'not found' and to call managers for additional detail on the report. Councillor Ben-Hassel asked about garden waste collection and reports from residents that performance did not meet the data in the report, with some residents unable to report missed collections that were marked as completed. The Director of Sustainable Communities explained that missed collections could be reported even if the website recorded it as collected; where residents could not do this as their collection was recorded as 'locked out' or 'contaminated' an enquiry could still be raised. The Veolia Senior Contract Manager added that residents could be prevented from reporting if their subscription to garden waste collection had lapsed. Councillor Ben-Hassel asked about how recycling rate targets could be reached with the challenges of flats above shops and properties with insufficient space for multiple bins. The Director of Sustainable Communities explained that the industry was changing, and the examples of potential deposit return schemes and plastic packaging taxes were given. The Veolia General Manager for South London & South informed Members that there were issues with food waste contamination in general waste, and improvement on this could dramatically improve recycling rates; plastic taxes would likely also have a major positive impact on recycling rates as manufacturers moved to higher quality plastics.

The Chair asked about the lapse in performance following an initial improvement after the Service Improvement Notice was delivered in February

2022. The Veolia Senior Contract Manager explained that peak annual leave times leading to greater agency and temporary staff use had contributed to this. There were efforts to increase recruitment to rectify this and keep a consistent service and performance levels. There had been some success in the recruitment of HGV drivers but this remained a significant challenge in a very competitive market. Veolia were offering HGV training to all staff, had run radio adverts, and were working with local job centres and linking in with First Military Recruitment to increase recruitment. The Vice-Chair asked about the possibility of publishing the action plan that had resulted from the Service Improvement Notice to increase transparency and the Director of Sustainable Communities responded that this is something they could consider.

Members asked about the distribution of fly tips in the borough and what actions the Cabinet Member would take to incentivise proper disposal of waste and to crack down on fly tippers. The Cabinet Member for Streets and Environment explained that they were gathering data currently, and looking at creating better education through the SLWP and the Council website, as well as being more proactive with hotspot data and relationships with Friends and Residents groups. There would be a campaign on fly tipping in early 2023 and a ward-by-ward approach to clean problem locations that was still being developed. The Director of Sustainable Communities added that there was a bulky waste collection service and three recycling centres open seven days a week; making sure residents were aware of these facilities would be a key part of the campaign to reduce fly tipping.

## **Conclusions**

The Sub-Committee were concerned about the performance of the contract and were disappointed at the levels of improvement since the Service Improvement Notice had been served to Veolia in February 2022.

The Sub-Committee were positive about the 'Love Clean Streets' app, but were keen to see issues in passing photographic evidence on to Veolia's street crews resolved.

The Sub-Committee concluded that an information sheet on street grading should be produced to inform Members and residents on what each grade meant.

The Sub-Committee asked for a future update on repeat missed collections for estates and the actions being taken to resolve this.

The Sub-Committee were positive about the communications plan being produced by the SLWP, and asked to be sighted on this once it was completed.

The Sub-Committee were of the view that access issues for communal waste should be mapped and included in future reports.

## **Recommendations**

1. The Sub-Committee were of the view that improvements to communications with residents needed to be a priority and should include updating the website and an explanation of street grading.
2. The Sub-Committee recommended that communication with residents who had submitted reports on the 'Love Clean Streets' app needed to be improved to notify them on the resolution of the report.
3. The Sub-Committee recommended that Veolia and the Council work with Friends and Residents groups to analyse and help to resolve issues with repeat missed collections. Members recommended that this is achieved through mapping areas of repeated missed bin collections, especially in relation to access issues, particularly with communal recycling bins.
4. The Sub-Committee were of the view that the option to 'raise an enquiry' needed to be more prominent on the Council website when residents were trying to submit a missed collection report following 48 hours of the intended collection date, or when making a report was otherwise unavailable.
5. The Sub-Committee requested that the Cabinet Member for Streets and Environment provided a full update on his data gathering and plans for reducing fly tipping in Croydon.
6. The Sub-Committee asked that a street cleansing schedule is produced and published on the Council website in a similar way to waste collection schedules.
7. The Sub-Committee recommended that the action plan that had resulted from the Service Improvement Notice was published to the Council website to increase transparency.

### **14/22 Cabinet Report - South London Waste Plan Development Plan Document**

The Sub-Committee received a report set out on pages 45 to 56 of the agenda that provided the Cabinet Report on adopting the South London Waste Plan Development Plan Document. The Director of Sustainable Communities, Regeneration and Economic Recovery (SCRER) introduced the item to Members.

The Vice-Chair asked about consultation on the Plan Document, and heard from the Plan Making Team Leader that responses had generally been from providers due to the technical nature of the document, although the consultation had been widely publicised.

The Chair asked about the remaining budget from the development of the Plan Document and the Head of Spatial Planning and Interim Head of Growth Zone and Regeneration explained that the Plan had been funded via a Housing Delivery Grant attained by the Plan Making Team, and that there was no scope to spend the remainder of this on implementation. Members heard that Croydon was on track to adopt the Plan in December 2022 and this was in kilter with the other partner authorities.

## **15/22 Cabinet Report - Waste Collection and Street Cleansing Contract**

The Sub-Committee considered a report set out on pages 57 to 108 of the agenda that provided an upcoming Cabinet Report on the Waste Collection and Street Cleansing Contract for Pre-Decision Scrutiny. The Cabinet Member for Streets and Environment introduced the item.

The Vice-Chair noted about the Mayoral Pledge to pursue the recommendation in the report and asked for reassurance that the recommendation was driven by evidence and data. The Director of Sustainable Communities explained that the recommendation not to extend the contract had been reached in collaboration with the other Partners in the SLWP and with legal advice taken on Veolia's proposed contract extension. The provision to extend the contract by mutual agreement is contained within the contract, and the decision not to extend would only take effect in March 2025, which left extensive time to work on a re-procurement process and to conduct consultation with the Greater London Authority (GLA), which was required. Members heard that a large amount of soft market testing had taken place to look at options, and this had been fed into the information contained within the report and Appendix 2.

On the development of a future contract, the report contained a commissioning timeline for a process of consultation and engagement on its development before a future report would be submitted to Cabinet in March 2023 with a recommendation on the commissioning model and procurement strategy. The Chair and Vice-Chair emphasised the strong feeling on waste issues from residents in Croydon and asked about the opportunities for Member and resident engagement. The Director of Sustainable Communities explained that the Mayor and Cabinet had already been engaged on the recommendation not to extend the contract, and consultation with Members on any new contract would be a part of its development. Resident feedback from the SLWP triennial survey results had been received and Croydon officers would be briefed on this in November 2022; details of this could be shared once they had been compiled. There would be a dedicated resident engagement piece, which the SLWP would lead on across the partner boroughs, once the Mayor had accepted the recommendation not to extend the contract.

The Sub-Committee asked about challenges to the current contract that had led to the recommendation not to extend. The Director of Sustainable Communities explained that Veolia were not happy to extend the contract on the current basis and would like a significant variation to any extension; this variation was significant enough that it could trigger a Regulation 72 that could leave Croydon open to a legal challenge.

Members noted that any new contract would be complicated and developed over the four boroughs in the SLWP. The Sub-Committee asked about potential negative impacts to budgets in future years and suggested that there was a lack of enthusiasm for an in-house service. Members asked whether this was due to there not being enough time to develop one, or whether it was a riskier option. The Director of Sustainable Communities explained that the extension of the contract had been found to be unrealistic and no decision had yet been made about what would be developed in its place.

The Vice-Chair asked how confident officers were that the decision not to extend the contract would lead to good outcomes for Croydon residents, and heard that officers were confident that it would help to protect Croydon from possible legal challenge. The Cabinet Member for Streets and Environment stressed that a new contract could also lead to improved services and KPIs. The Chair asked about the risk of a reduced market and a number of authorities looking to retender for waste contracts at the same time. The Director of Sustainable Communities highlighted the importance of due diligence and explained that soft testing of the market had been ongoing for some time, alongside discussions with other boroughs, to try to mitigate these risks.

The Vice-Chair asked about the timelines for developing alternative approaches and engagement with Members and Officers. The Director of Sustainable Communities responded that a report would need to be sent to the GLA in the early part of 2022, with market tendering taking place between April to May 2022; engagement strategies would need to be decided in advance of this. Officers and the Cabinet Member were keen to involve the Sub-Committee in providing Pre-Decision Scrutiny on any reports on the future contract.

Members asked about whether the Council's current financial position might put off potential providers and heard that it was unlikely that this would be the case. The Director of Sustainable Communities explained that the contract was of significant value and that they were keen to explore any options that might provide employment opportunities to Croydon residents and maximise social value.

The Chair asked whether the Council would look at best practise from other authorities, and heard that this did take place through the SLWP who regularly had these discussions with other councils. The adoption of the current contract had been a significant change when implemented, but had provided benefits over the former contract.

The Chair invited Councillor Ben-Hassel to ask a question on whether the Council had talked to other authorities about the benefits and challenges of developing an in house provision. The Sub-Committee heard that this was the case and that these discussions were ongoing.

The following motion was **moved** by Councillor Ria Patel and **seconded** by Councillor Luke Shortland to exclude the press and public:

“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 paragraph 3 indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

The motion was put and it was **agreed** by the Committee to exclude the press and public for part of this item.

*Please note that a full confidential minute has also been produced that includes confidential discussion of the Committee.*

## **Conclusions**

The Sub-Committee concluded that there needed to be a discussion on how this contract was scrutinised going forward, with the possibility that Scrutiny Chairs of other partner boroughs of the SLWP collaborated in scrutinising the current contract and any future contracts.

The Sub-Committee concluded that there might be similar contracts coming down the pipeline and that these should be received for Pre-Decision Scrutiny.

The Sub-Committee were of the view that a timeline and details on Member and resident engagement for the development of the Service Delivery Options be provided to Members, should the recommendation be approved at Cabinet, alongside the SLWP triennial survey results.

## **Recommendations**

The Sub-Committee recommended that a Cross-Party working group be established to input into the development of any new Service Delivery Options for Waste Collection and Street Cleansing.

## **16/22 Period 5 Financial Performance Report**

The Sub-Committee considered a report set out on pages 109 to 144 of the agenda that provided an upcoming Cabinet Report on Period 5 Financial Performance for Members to ascertain whether they are reassured about the delivery of the 2022-23 Sustainable Communities, Regeneration & Economic Recovery Budget. The Corporate Director for SCRER introduced the item.

The Sub-Committee asked about any updates in Period 6 that were a material change, and whether issues such as inflation over the recent period had affected the current standing of the budget. The Corporate Director of SCRER explained that Period 6 had not yet been presented to Cabinet. Contract inflation had affected some suppliers and conversations with these providers were ongoing as part of an open book process. There had been some use of the contract inflation reserve, which was reflected in the report.

The Chair asked what other Councils were doing to adapt to changes in behaviour around parking and enforcement. The Director of SCRER explained that all authorities were experiencing changes in behaviour related to parking which would lead to changes in enforcement. Areas with a visitor/tourist economy had seen some better recovery, but all authorities were experiencing issues in the recruitment of civil enforcement officers. Members heard that there was ongoing work to ensure there were not gaps in civil enforcement to make sure that as little income from this was lost as possible.

The Vice-Chair asked about district centres as they related to smaller high streets in the parking policy. The Director of Sustainable Communities explained that work on reviewing the parking policy was taking place but was currently at the data gathering stage. There had been an increase in pay and display, but a reduction of income; this meant that more people were stopping for shorter periods, and insights such as this would be fed into any new strategy.

### **Conclusions**

The Sub-Committee concluded that the timeline for developing the new Parking Policy be provided to Members and included on the Work Programme for 2022/23.

## **17/22 Scrutiny Work Programme 2022-23**

The Sub-Committee reviewed the current Work Programme for 2022/23 and suggested the following items for possible inclusion:

- Net Zero/Carbon Reduction
- Air Quality in the Borough

- Protection of green spaces and parks: Support fund, strategy and implementation
- Purley Pool Options Appraisal
- Clean Water and Sewage
- Parking Policy Review
- Transport and Active Transport – Roads, Fatalities & Speed Limits
- Biodiversity Strategy
- School Streets
- Review of the Local Plan

The meeting ended at 9.18 pm

**Signed:**

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**Date:**

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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>SCRUTINY STREETS &amp; ENVIRONMENT SUB-COMMITTEE</b>	
<b>DATE OF DECISION</b>	<b>31 January 2023</b>	
<b>REPORT TITLE:</b>	<b>Budget Scrutiny Challenge – Streets &amp; Environment</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Nick Hibberd</b> Corporate Director Sustainable Communities, Regeneration & Economic Recovery	
<b>LEAD OFFICER:</b>	<b>Steve Iles</b> Director of sustainable communities <a href="mailto:steve.iles@croydon.gov.uk">steve.iles@croydon.gov.uk</a>  <b>Heather Cheesbrough</b> Director of sustainable planning & regeneration <a href="mailto:heather.cheesbrough@croydon.gov.uk">heather.cheesbrough@croydon.gov.uk</a>	
<b>LEAD MEMBER:</b>	<b>CLLR SCOTT ROCHE</b> Cabinet Member Streets & Environment <b>CLLR JEET BAINS</b> Cabinet Member Planning & Regeneration	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>NO</b>	<b>Public</b>
<b>WARDS AFFECTED:</b>	<b>All</b>	

### 1. SUMMARY OF REPORT

1.1 As part of its assurance process on the 2023-24 Council Budget, the Scrutiny & Overview Committee has asked the Streets & Environment Sub-Committee to identify and scrutinise specific budget proposals. This report provides the Streets & Environment Sub-Committee with information to reach a view on the following 2023/24 budget areas :-

1. Parking Services (including information on the Parking Policy review)
2. Planning Service (including information on the Planning Transformation programme)
3. Building Control (including a short update on the Building Control transformation programme)

## **2. RECOMMENDATIONS**

- 2.1** That the Streets & Environment Scrutiny Sub-Committee consider the information contained in the report as part of the budget scrutiny challenge process.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1** As part of its assurance process on the 2023-24 Council Budget, the Scrutiny & Overview Committee has asked the Streets & Environment Sub-Committee to identify and scrutinise specific budget proposals.
- 3.2** This report provides the Streets & Environment Scrutiny Sub-Committee with information to support the Budget Scrutiny Challenge process. The report covers the areas identified for focus, which are Parking Policy, Planning Service, and Building control.

## **4. BACKGROUND AND DETAILS**

### Overview of Sustainable Communities, Regeneration & Economic Recovery Budget

- 4.1** The Sustainable Communities, Regeneration & Economic Recovery (SCRER) directorate generates significant levels of income, particularly within the Planning and Strategic Transport and Sustainable Communities divisions. The socio-economic conditions post covid are creating an uncertain environment on which these income levels are predicated with fewer major planning applications, declining town centres and high streets and a reduction in commuting. This has led to budget pressures across income generating teams during 2022/23.
- 4.2** At Month 6, SCRER was forecasting a net overspend of £14.894m. The main area of overspend relates to £13.6m shortfall in parking and moving traffic offences income, although there are also pressures relating to under recovery of income across planning, building control and private sector licensing.
- 4.3** Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes, ANPR, pay and display and on-street parking. Further pressures are experienced within Planning and Sustainable Regeneration Services particularly in relation to Building Control income and income from Planning.
- 4.4** A number of services in the directorate are sensitive to inflation, particularly related to rising fuel/energy prices that could cause pressures for suppliers and/or service delivery.
- 4.5** The Executive Mayor has made clear that his number one priority is to balance the books and make Croydon a financially sustainable Council which listens to residents and provides good quality services. The 'Opening the Books' review has identified substantial accounting corrections that have one off and ongoing implications for the Council's budget. This includes the need to adjust and correctly align the parking budget.
- 4.6** As part of the 30 November 2022 Cabinet report *Medium Term Financial Strategy 2023/24 to 2025/26 Update*, a draft Transformation Programme was included at

appendix C. It is crucial that the Council begins to take a transformational approach rather than continuing to salami slice budgets. The Transformation Plan, with a programme of cross-directorate transformation projects, sets out this new approach to a more modern way of working, that is cost effective and responds to different needs from different residents. The programme is being developed but already consists of over 30 projects, many of which require careful reform of the large budget services providing vital adult and children’s social care support.

4.7 Three of the projects within the SCRER directorate that are included in the Transformation Programme are:

- Parking Policy Review & Transformation Programme
- Planning Transformation Programme
- Building Control Transformation Programme

N.B There are other projects within the programme which are being led by the SCRER directorate which are not covered by this report because the projects fall outside of the scope of this scrutiny sub-committee. This report provides details on the Parking Policy, Planning, and Building Control transformation programmes and explains the part they play in the delivery of the medium-term financial strategy 2023/24 to 2025/26.

### **Parking Services**

4.8 The Parking Services budget is made up of six separate income streams which generate income from both parking and moving traffic offences. The overall income assumed in the 2022/23 budget was £36.5m.

<b>Income stream</b>	<b>22/23 Budget</b>
Parking Permits	1.913m
Pay & Display / Pay by Phone	11.249m
Suspension payments (income from filming, utility companies, special events)	0.734m
Penalty Charge Notice (PCN income) – on street	7.070m
Income from existing ANPR cameras	7.173m
Income from new ANPR camera schemes	8.405m
<b>Total</b>	<b>36.544m</b>

4.9 The COVID pandemic has seen changes in travel and commuting behaviours and a continued loss of parking income due to a sustained downturn in footfall/traffic within the borough. Despite restrictions having ended throughout the 2022/23 financial year to date, the income generated from parking has not significantly improved, and this reflects the societal change where working patterns have now changed on a semi-permanent basis and the shift to accessing retail and other services online. In addition, there has been delays to implementing some of the Healthy Neighbourhood and School Streets programmes, which has also impacted the ability to recover

enforcement income. This means that there is a risk that anticipated parking income for 2022/23 will not be met.

**4.10** Whilst there has been a significant amount of work undertaken to improve the forecasting of income across the various income streams, it is expected this pressure will continue into 23/24 financial year unless adjustments are made to 'right size' the budget to reflect realistic ongoing income levels. The three main areas are:

- Income generated via Pay & Display - Pay & Display income continues to be significantly impacted by a shift in user behaviour over the year which is a direct impact of the national lock-down(s) and users either resorting to online shopping and/or with the ongoing pressures, with a downturn in the economy and increased cost of living for residents / users. The service is monitoring transactions and income reconciliation; the trend on transactions remains significantly below (circa 35%) pre-covid activity.
- The planned rollout of ANPR technology to support the Council's Carbon Neutral Action Plan and promoting both active transport and healthy lifestyles. Throughout 2022 there has been uncertainty with the TfL LIP allocation, with a piecemeal approach to capital allocations to boroughs due to the ongoing negotiations between TfL and DfT to agree a funding settlement. A funding settlement was not agreed until Autumn 2022. In addition, the Healthy Neighbourhoods (LTN) schemes in Croydon have been delayed for a number of reasons. Existing ANPR technology monitoring moving traffic contraventions income continues to be significantly impacted by a shift in user behaviour over the year which is a direct impact of the national lock-down(s) with the ongoing pressures with a downturn in the economy and increased cost of living for residents / users. The service is monitoring transactions and income reconciliation; the trend on transactions remains significantly below pre-covid activity.

**4.11** As part of the Opening the Books exercise, due to the contributing factors mentioned in 4.8-10, the ongoing over-estimate of the level of parking and moving traffic offence income has been identified. As a result, the medium term financial strategy 2023/24 to 2025/26 update identifies that the base budget needs to be adjusted by £13.9m. Officers have been working on forecasting the income for 2023/24. The adjustment required to the base budget has been calculated as follows:

Income stream	22/23 Budget	Original 23/24 budget (as outlined in March 22 budget)	Revised 23/24 Budget
Parking Permits	1.913m	1.93m	1.913m
Pay & Display / Pay by Phone	11.249m	11.449m	8.042m
Suspension payments (income from filming, utility companies, special events)	0.734m	0.734m	0.734m
Penalty Charge Notice (PCN income) – on street	7.070m	7.070m	5.549m
Income from existing ANPR cameras	7.173m	15.578m	7.909m

Income from new ANPR camera schemes	8.405m	3.601m	2.211m
Total	36.544m	40.345m	26.359m
Budget adjustment / growth required:			13.986m

### The Parking Transformation Programme

**4.12** This programme will consider how to develop a new parking service, including new parking policies that achieve our statutory objectives and support both our Carbon Neutral and economic recovery objectives. All parts of the service are in scope for efficiency, for example more automated payments, will be a key part of improvement.

The existing Croydon Parking Policy was adopted by Cabinet on 25 March 2019. It has 5 main objectives:

- Parking Management: Provide suitable and adequate parking facilities on and off the highway, and to contribute to securing the expeditious, convenient and safe movement of vehicular and other traffic (Traffic Management Act 2004).
- Controlled Parking Zones: Manage parking where demand exceeds supply and/or unsafe conditions exist, through the design of permitted and restricted kerb space that fairly balances parking capacity, parking times and bay types.
- School Streets: Contribute to securing a healthy and safe environment near to schools, and to help children and parents use cars less and to walk, cycle and use public transport more.
- Parking Charges: To operate the charges defined in local Traffic Management Orders for on- and off-street parking places.
- Innovation and technology: Promote the use of open data platforms and devices, to facilitate a digital Smart City transformation.

**4.13** The current parking policy needs to be amended to meet new targets for improving safety, air quality and managing kerbside space, especially in light of intensification. Present methods for managing the service need changing to improve efficiency and lower costs to ensure value for money.

**4.14** The review will identify opportunities from analysis of existing parking data and look at innovative ways we could deliver kerbside management. One particular need that it will seek to address this, is identification of areas that require new parking controls to manage parking demand especially in intensification areas where the availability of on-street is at a premium.

### The Planning Service

**4.15** Croydon is a busy Local Planning Authority (LPA), benchmarked against other London boroughs. On the basis of government returns which record only certain types of applications, Croydon is the 7th busiest of 33 London authorities with 1714 decisions over the last three quarters. However, if all applications are considered which includes conditions discharge, tree works and advertisements, the numbers rise to over c.5000 p/a.

**4.16** Over the past few years, the planning process has come under increasing scrutiny from residents and members who have shown concern about the quantum of development undertaken in the borough, and the focus upon increasing density and the evolution of character in areas not subject to statutory protection. This has resulted in increased challenges at all stages of the process with increased objections, litigation, complaints, appeals and enforcement activity for the LPA as well as the wider council, (legal, democratic services, consultee teams). The increased workload puts pressure on service budgets. Planning services across the country are facing recruitment challenges. This, with Croydon's level of development and regeneration ambitions, mean that the service needs improvement, development, and additional resource to make a more efficient and effective service, one that is attractive for staff to work within and optimises the use of technology to increase productivity.

**4.17** Due to the pandemic, the Section 114 notice, the 15% savings of June 2020 and a national shortage of qualified planners, the service was unable to retain and recruit the necessary staff in 20/21. This, coupled with an increase in the number of submitted non major applications led to the build-up of a large backlog of applications. Actions has been taken to reduce this, but there remains a large backlog with associated performance risk.

**4.18** Whilst 2020 delivered a record high number of major applications, since then numbers have rapidly declined, with a 28% decrease in 2021 and 55% decrease in 2022. Major applications provide the significant fees, which help offset the costs of non-major applications, the fees of which, do not cover the costs of processing. In years 2020 and 2021, as an average of the two years combined, there was an 8.6% increase in the total number of applications from 2019. However, for 2022, there has been a 7% decrease in application numbers since 2019 and in the second half of the year the number of smaller applications submitted significantly reduced. This accords with the national picture, as reported by the Planning Inspectorate. Application rates are an indicator of economic activity. In 21/22 the team had a fee income target of £3.77 million and achieved £3.5 million. However, the fee income target for 22/23 was increased through the budget setting process to £4.1 million. This was unlikely to be achievable if 22/23 had mirrored 21/22 but it is much more challenging with the current submission rate of applications. At Month 6 it is predicted to achieve a fee income of £2.8 million which is well below the £4.1 million fee target. This is largely the reason for the pressure is shown in the budget and the request for growth or adjustment.

	Budget 2022/23 – income target	Projected income 2022/23 (at Period 6)	Shortfall in income against budget
Major Application income	£971,000	£331,000	£640,000
Minor Applications	£1,295,000	£1,170,000	£125,000
Pre-app income	£1,780,000	£936,000	£844,000
CIL Income		£200,000	(£200,000)
Total	£4,046,000	£2,637,000	£1,409,000

**4.19** Additional income can be generated and the planning process made more efficient through the pre application and Planning Performance Agreement service, however additional resource would be necessary to service this added value service and this

has been challenging to provide within the resource constraints the service has suffered from over the last three years.

### The Planning Service Transformation Programme

- 4.20** The Planning transformation programme aims to provide the service with the ability to better respond to the changes in the Planning system that are coming forward through the Levelling Up and Regeneration Bill. Whilst the details are still being considered in Parliament, the Planning service needs to ensure that it is ready for these changes.
- 4.21** It is currently proposed that the Planning transformation programme will include the following workstreams:
- Development Management Transformation
  - Planning Enforcement Review
  - Local Plan Review
  - Planning Digitalisation
  - Customer Excellence and Resident Engagement
  - Workforce Development
- 4.22** Transformation funding of £300k has been approved in the 30 November MTFS report. The programme will aim to deliver savings of £250k per annum from 2024/25.

### Building Control

- 4.23** Local Authority Building Control (LABC) services are in a state of decline across the country and in London and the Southeast this is particularly acute. This is due to the competitive but unequal marketplace with private sector Approved Inspectors. (AI). AIs can cherry pick work, taking the most lucrative and eroding LABC market share, whilst LABCs must pick up unprofitable and less desirable work as the statutory provider of Building Control services. Local Authorities also provide an enforcement role and must provide a 24/7 Dangerous Structure cover. The whole industry has also had to contend with cost cutting practices, (race to the bottom) which were identified as a component of the Grenfell tragedy, which have arisen from competition within a regulatory context which allows the potential for undue flexibility around the application of Building Regulations, thus leading to the potential for unscrupulous practice.
- 4.24** Croydon Building Control (Croydon BC) operates a Trading Account for fee earning work and a separate budget for non-fee earning work. As set out in the CIPFA guidance, over a three-year cycle Building Control services should not make a profit and if profit is made, the services fees should be reduced to address this. However, Croydon BC as with many local authority Building Control services, has suffered from steadily declining fee income and has struggled to recruit and retain staff.

The service for several years has been operating with challenging fee income targets alongside difficulty recruiting appropriately trained and experienced staff. This has impacted upon the resilience of the service. The Building Safety Act brings in new duties and responsibilities for Local Authorities and the service is embarking upon a Transformation programme to respond to these new burdens and challenges and to ensure it can provide a resilient Building Control Service to the residents of the borough.

- 4.25** Following Grenfell, the Government undertook the Hackitt Review and Grenfell Public Enquiry to explore the issues contributing to the tragedy. This led to the Building Safety Act 2022 and the Fire Safety Act 2022 and the creation of a new independent Building Safety Regulator. Legislative changes launched in April 2022 transitioning to full implementation April 2024. In entirety, this creates seismic change and a new regime across the industry but putting stress on an already challenged operating model. These changes will be experienced most acutely in London which has significant resourcing issues, the tallest buildings and most high risk buildings.
- 4.26** The new legislative that the Council will need to implement and respond to will mean the Council has far greater responsibility for safety of both existing and new buildings and whilst the Government is proposing total fee recovery, the detail, process, quantum and type of work is not yet known. This will challenge further the existing service model. Prior to Grenfell, alternative service models for Croydon Building Control were already being explored to address resourcing and budget issues.
- 4.27** During 2022/23, the building control service has experienced a downturn in income due to the current business environment that has seen work reduce and lack of resource has meant that the service cannot provide the consistently responsive service, which customers demand. Recruitment of necessary staff is proving challenging to get appropriate qualified staff at affordable rates. The fee income target is challenging, and the 30 November MTFs report proposes a realignment of the budget to correctly reflect projected fee income for 23/24.
- 4.28** Historically, the budget deficit has been managed by holding posts vacant. This however negates the service being able to compete within a commercial environment, increasing the risk of not providing appropriate levels of professional scrutiny and with high dependence on a couple of individuals to maintain the service. A projection of fee income against fee targets demonstrates the widening gap.

#### The Building Control Transformation Programme

- 4.29** An independent review of the Building Control service was commissioned in November 2021, by iESE - a public sector consultancy experienced in Building Control work. This was an initial scoping and position piece, followed by a more detailed analysis of options which reported in Oct 2022. Three options were considered in detail; a more appropriately resourced in-house service, a statutory minimum, and the creation of arm length commercial service. The statutory minimum option is not considered a tenable option, in a borough as large as Croydon with high levels of development, tall buildings and Dangerous Structure, however, it does however provide a base line comparative. All options have high levels of risks and significant funding requirements.
- 4.30** In response to the findings of the iESE report, there is a need to pursue business transformation to mitigate corporate risk plus improve Service efficiency and effectiveness.
- 4.31** The initial steps in Transformation for Building Control are to stabilise the service and recruit sufficient surveyors to allow timely and consistent site inspections, appropriately risk assessed. Succession planning and training and development needs are critical with new competencies required, and in particular that the service is appropriately resourced with Level 6 surveyors, who will deal with the most complex and high risk buildings. The Government has created a new apprenticeship scheme which



recognises that backfilling will be required for staff undertaking new duties under the Building Safety Act. Croydon has secured 3 new members of staff who will be paid for by the Government. However, these new staff will not be trained surveyors and will require investment in before they can start to contribute to fee income.

- 4.32** Marketing and new business development is necessary to stop erosion of market share and rebuild more profitable work. Discussions are underway corporately to ensure that the internal market is also optimised. Fees and charges are also being reviewed. The Growth and Transformation bids will allow for the resetting of fee income targets and the recruitment of new staff. Further work is now being undertaken currently on a Turnaround Plan as part of its transformation.
- 4.33** Transformation funding of £350k plus £100k investment in IT has been approved in the 30 November MTFS report. The programme will aim to deliver savings of £300k per annum from 2024/25.
- 4.34** Discussions are also on going with neighbouring boroughs and at a pan London level as collaboration will be key to ensure that LABC meet the challenge of the new Building Safety Regulator and the potential work that will be allocated through it. Many of the surrounding boroughs are less resourced than Croydon, this may mean that work within their boroughs may come to Croydon.

## **5. CONSULTATION**

- 5.1** The Council's financial challenges mean that setting the 2023/24 Annual Budget, the resulting Council Tax and the Capital Programme will require tough decisions to be made. The broad areas of savings, the reduced areas for capital investment and the potential asset sales set out in the 30 November MTFS update report will be controversial, particularly for individuals and organisations impacted. It is very important that there is an opportunity for Croydon's residents, businesses, partners, voluntary and community sector and other interested parties to ask questions of the Council and to feedback their views and concerns.
- 5.2** The 30 November MTFS update report proposed that a public consultation and engagement programme is launched with residents, businesses, partners, the voluntary and community sector and other interested parties on the revenue budget and capital programme proposals set out in that report.
- 5.3** The Budget Consultation and Engagement was proposed to run from 1 December 2022 to 8 January 2023 on the Council's online platform. The results will inform the final proposals for Council Tax Setting to be presented to the Mayor in Cabinet and Full Council in February and March 2023.
- 5.4** The Council also intends to increase its public engagement in relation to individual projects it is delivering. The Transformation Programme project teams will be encouraged to engage with residents and partners as necessary in the development and delivery of their workstreams. This is a focus of the new Resident Voice Internal Control Board.

## **6. CONTRIBUTION TO COUNCIL PRIORITIES**

**6.1** The Executive Mayor's Business Plan overarching priority is to deliver a wholesale transformation of the Council's way of working, so that we balance the budget and change how services are run.

**6.2** The budgets and transformation proposals for Parking, Planning and Building control services identified within the medium term financial strategy 2023/24 to 2025/26 update support the delivery of the following outcomes within the Mayor's Business Plan 2022-2026.

- Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services
- Outcome 2: Croydon is a place of opportunity for business, earning and learning
- Outcome 4: Croydon is a cleaner, safer and healthier place, a borough we're proud to call home

## **7. IMPLICATIONS**

### **7.1 FINANCIAL IMPLICATIONS**

**7.1.1** The financial implications of this report are described in the main body of the report

**7.1.2** Comments approved by Darrell Jones Acting Head of Finance on behalf of the Director of Finance. 23<sup>rd</sup> January 2023

### **7.2 LEGAL IMPLICATIONS**

**7.2.1** There are no direct legal implications arising from this report

### **7.3 EQUALITIES IMPLICATIONS**

**7.3.1** There are no direct equalities implications arising from this report. Equalities impact assessments will be undertaken as part of the delivery of the transformation programmes as appropriate.

## **8. BACKGROUND DOCUMENTS**

**8.1** 30<sup>th</sup> November Cabinet report

[Agenda for Cabinet on Wednesday, 30th November, 2022, 6.30 pm | Croydon Council](#)

## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Streets &amp; Environment Sub-Committee</b>
<b>DATE</b>	<b>31 January 2023</b>
<b>REPORT TITLE:</b>	<b>Period 7 Financial Performance Report</b>
<b>LEAD OFFICER:</b>	<b>Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration &amp; Economic Recovery</b>
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	<b>Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration &amp; Economic Recovery</b>
<b>LEAD MEMBER:</b>	<p style="text-align: right;"><b>Councillor Scott Roche</b> <b>Cabinet Member for Streets and Environment</b></p> <p style="text-align: right;"><b>Councillor Jeet Bains</b> <b>Cabinet Member for Planning and Regeneration</b></p>
<b>ORIGIN OF ITEM:</b>	This item is included on the Streets & Environment Sub-Committee Work Programme for 2022/23 as a standing item to be reviewed by exception.
<b>BRIEF FOR THE COMMITTEE:</b>	The Sub-Committee is asked to scrutinise the information provided with a view to considering whether it is reassured about the delivery of the 2022-23 Sustainable Communities, Regeneration & Economic Recovery Budget.
<b>PUBLIC/EXEMPT:</b>	Public

### 1 PERIOD 7 FINANCIAL PERFORMANCE REPORT

- 1.1. The Streets & Environment Sub-Committee has asked to be provided with the most recent Cabinet Financial Performance report to review the delivery of the 2022-23 Sustainable Communities, Regeneration & Economic Recovery Budget
- 1.2. The Streets & Environment Sub-Committee is asked to review the information on the Sustainable Communities, Regeneration & Economic Recovery Budget contained in the Cabinet report on Period 6 Financial Performance and to consider whether Members are reassured about its delivery.

## **2 APPENDICES**

- 2.1 Appendix A - Cabinet Report – Wednesday 25<sup>th</sup> January 2023 - Period 7 Financial Performance Report**

## **3 BACKGROUND DOCUMENTS**

- 3.1 None**

<b>REPORT:</b>	<b>Cabinet 25<sup>th</sup> January 2023</b>	
<b>DATE OF DECISION</b>	<b>25<sup>th</sup> January 2023</b>	
<b>REPORT TITLE:</b>	Period 7 Financial Performance Report	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Jane West, Corporate Director of Resources (Section 151)</b>	
<b>LEAD OFFICER:</b>	<b>Jane West, Corporate Director of Resources (Section 151)</b> <a href="mailto:jane.west@croydon.gov.uk">jane.west@croydon.gov.uk</a> 020 8726 6000 Ext 27320	
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>	
<b>AUTHORITY TO TAKE DECISION:</b>		
<b>KEY DECISION</b>	[Yes] or [No]	<b>NO</b>
<b>CONTAINS EXEMPT INFORMATION</b>	[NO]	<b>NO</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>	

**SUMMARY OF REPORT:**

This report provides the Council's forecast outturn as at Month 7 (October 2022) for the General Fund (GF), Housing Revenue Account (HRA) and the Capital Programme (CP). The report forms part of the Council's financial management process for publicly reporting financial performance monthly.

## FINANCIAL IMPACT

	Forecast Variance Month 7	Forecast Variance Month 6	Movement
	£m	£m	£m
<b>General Fund</b> over/(underspend)	<b>0.0</b>	<b>0.0</b>	<b>(0)</b>

The General Fund forecast at Month 7 continues to show a balanced budget. However, the £6.6m inflation provision that was being held at Month 6 has been mostly used-up funding the additional cost of the pay award for 2022/23. In addition, there is now no forecast contribution to reserves (£1.8m contribution at Month 6). There remains £0.9m in the corporate inflation contingency budget unallocated as a hedge against further pressures impacting budgets in the remainder of the year.

This report sets out further risks and opportunities. This indicates a net risk of **£5.9m** (risks **£10.3m** and opportunities of **£4.4m**).

	Forecast Variance Month 7	Forecast Variance Month 6	Movement
	£m	£m	£m
<b>Housing Revenue Account</b> over/(underspend)	<b>4.6</b>	<b>4.4</b>	<b>0.2</b>

The Housing Revenue Account is forecasting a **£4.6m** overspend against budget at the end of the year. The main pressures remain utility inflation, increases in legal disrepair costs and void rents.

	Revised Budget 2022/2023	Actual Spend as at 31/10/22	Forecast for year end 2022/2023	Forecast Variance for year end 2022/2023
	£m	£m	£m	£m
<b>Total General Fund and HRA Capital Programme</b>	<b>118.851</b>	<b>26.122</b>	<b>102.541</b>	<b>(16.310)</b>

The Capital Programme has spent **£26.122m** against a **£118.851m** budget at Month 7. The end of year position is forecast to be an underspend of **£16.310m**.

**The Executive Mayor in Cabinet is recommended to:**

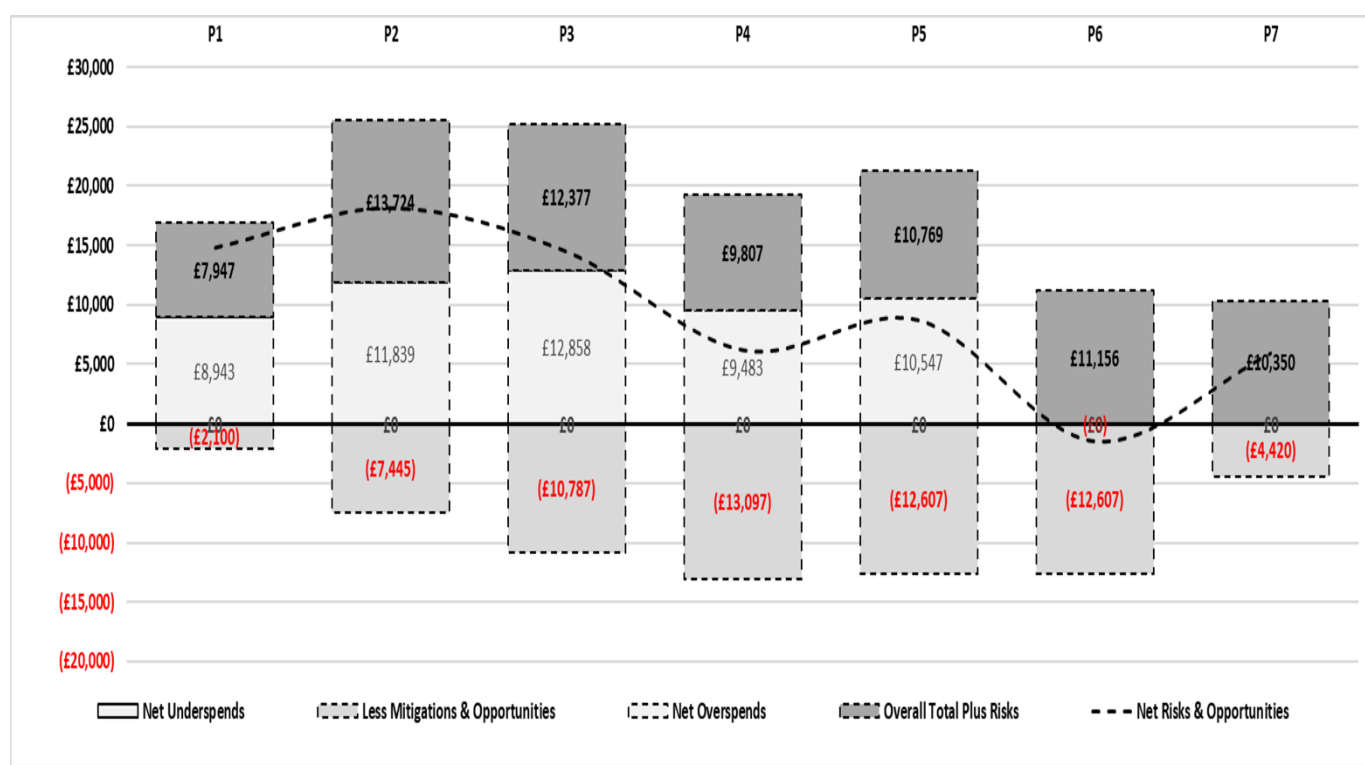
- 1.1 Note the General Fund is forecast to be balanced at Month 7. Service directorates are indicating a £20.656m overspend. This is offset by £4.769m corporate underspend, £4m use of earmarked inflation reserves, £5m use of the general contingency budget and the budgeted £6.8m contribution to General Fund Balances being released.
- 1.2 Note the forecast elimination of the planned contribution to General Fund Reserves of £6.9m for 2022/23.
- 1.3 Note that a further number of risks and compensating opportunities may materialise which would see the forecast change.
- 1.4 Note the actions being taken through the Deficit Recovery plan. Further details are in paragraph 2.16.
- 1.5 To approve the non-delivery of the MTFS savings as indicated within Table 5 and detailed in Appendix 3.
- 1.6 Note the Housing Revenue Account (HRA) is projecting a £4.586m overspend, due to inflation, disrepair costs and void rents.
- 1.7 To approve the capital slippage related to expenditure and financing from 2021/22 of £20.261m as advised in section 6 (Table 6 and 7), and to approve the net reprofiling and additions of £37.505m resulting in a revised capital programme of £118.851m for 2022/23.
- 1.8 Note the Capital Programme spend to date for the General Fund of £16.084m (against a budget of £93.236m) with a projected forecast underspend of £12.165m for the end of the year.
- 1.9 Note the Housing Revenue Account Capital Programme spend to date of £9.318m (against a budget of £25.165m), with a projected forecast underspend of £4.145m for the end of the year.
- 1.10 Note, the above figures are predicated on forecasts from Month 7 to the year end and therefore could be subject to change as forecasts are made based on the best available information at this time.
- 1.11 Note, the Council continues to operate a Spend Control Panel to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through increased scrutiny, such as the monthly assurance meetings, improved communication and budget manager training from CIPFA.

## **2. EXECUTIVE SUMMARY**

- 2.1. The Financial Performance Report (FPR) is presented to each Cabinet meeting and provides a detailed breakdown of the Council's financial position and the in-year challenges it faces. It covers the General Fund, Housing Revenue Account and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny, and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.
- 2.2. The General Fund revenue forecast outturn for Month 7 continues to show a balanced position. There has been an increased pressure in departments which has been offset again reducing the planned contribution to reserves and the amount held back in contingency for future inflationary pressures.
- 2.3. There are a further set of risks and opportunities, which indicate a net risk of £5.9m (risks £10.3m and opportunities of £4.4m). The risks are not yet sufficiently developed to be included in the outturn forecast. Depending on how the risks and opportunities materialise, they may have a further negative impact on the projected outturn forecast. Should all the risks materialise, and none of the mitigations be effective, the Council is forecast to overspend by £10.350m. Key drivers of the projected overspend are non-delivery of savings agreed at Full Council in March 2022 and other new pressures previously not anticipated. However, if none of the risks materialise and all the opportunities are delivered, the Council will underspend by £4.420m. The risks and opportunities are detailed in Appendix 3-6 of the report and summarise in Table 5 by directorate.
- 2.4. The Financial Performance Report for Month 7 predates the issuing of the s114 notice on 22 November 2022 and any impact of the increased spend controls introduced will be reflected in future months' reports. It should be noted that the s114 notice was issued to address the 2023/24 financial forecast.
- 2.5. The chart below illustrates the trend in the monthly monitoring reports for this financial year and shows both the forecast as well as the quantum of risks and opportunities, together with the impact should all risks and opportunities fully materialise (dashed line).



**Chart 1 – Monthly financial movements on Monthly Forecast, Risk & Opportunity**



- 2.6. Work continues to bring the pressures down and find mitigations to ensure the Council stays within budget. The impact of the in-year position is also being considered as part of the planning for 2023/24.
- 2.7. The Housing Revenue Account is forecasting an overspend of £4.586m (an increase of £0.161m on the Month 6 forecast).
- 2.8. The Capital Programme for both the General Fund and Housing Revenue Account is reporting a total expenditure to date of £26.122m of which £16.804m is General Fund and £9.318m Housing Revenue Account. The overall capital spend is projected to be £102.541m against a revised budget of £118.851m. This will result in a £16.310m underspend to budget.
- 2.9. The 2022/23 General Fund budget includes the use of a £25m capitalisation direction. This follows the use of a £50m capitalisation direction in 2021/22. The capitalisation direction was approved (minded to) by the Department of Levelling Up, Housing and Communities (DLUHC) in March 2022 subject to regular positive reports from the Improvement and Assurance Panel and the Budget was approved at Full Council on 7<sup>th</sup> March 2022. It should be noted that capitalisation directions provide one-off support for a financial year and do not resolve the underlying financial pressures that require their use.
- 2.10. This report forms part of the reporting framework on the delivery of the Croydon Renewal Plan by ensuring the delivery of the Council's budget is reported monthly and transparently.

- 2.11. The format of this report will continue to evolve and expand as it will be important for the Council to be able to identify the additional pressures that the global economic crisis is causing in inflation and the impact on supplies and services the Council provides.
- 2.12. The Council continues to build on the improvements in financial management that were made over the past year, however there is a considerable amount yet to do, which is fully recognised within the organisation.
- 2.13. The Medium-Term Financial Strategy 2023/24 to 2025/26 Update report to Cabinet on 30 November 2022 set out the latest on the Council's financial position. The "Opening the Books" programme initiated by the Executive Mayor has revealed further historic legacy issues, referred to in previous Finance Performance Reports along with mistakes in the budget set for 2022/23, that have undermined the ability of the Council to become financially and operationally sustainable over the current agreed medium term financial strategy. The report set out in detail these issues, the reasons behind the issuing of a Section 114 Notice in relation to balancing the Council's budget from 2023/24 onwards, and the state of negotiations with DLUHC to agree a further package of support.
- 2.14. A monthly budget assurance process and independent challenge of expenditure by the Improvement and Assurance Panel takes place. This is in addition to Cabinet, and Scrutiny and Overview review. The monthly budget assurance process has been reviewed and strengthened based on the learning from last year. The aim of the officer assurance meetings is to provide the Corporate Director of Resources (Section 151 Officer) and the Chief Executive with an opportunity to scrutinise and challenge the forecast outturn, review risks and opportunities to mitigate, challenge the use of accruals and provisions, ensure savings are delivered and income targets are met. The meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

### **Deficit Recovery Plan**

- 2.15. Each Directorate has been asked to identify mitigations and in year cost reductions to ensure that the Council brings its expenditure within budget. Table 1 sets out the mitigations put in place. Where the proposals are confirmed, their impact is already included in the projected outturn for the year. Where there is further work required to confirm them, they are included in this report as opportunities.

**Table 1 – Deficit Recovery Plan**

	£m	
<b>Delivery Plans in Forecast</b>		
Duplication of interest costs budget in Resources	2.400	Included within Resources forecast.
Increased Court Costs Income	0.700	Included within Resources forecast.
Council Tax Support Scheme	1.100	Included within Resources forecast.
Reduction in loan non-repayment provision	1.400	The Council plans to release a £1.4m provision previously set aside to support potential risks to commercial loans. The loan is now likely to be repaid in full.
Election Account	0.241	Included within Assistant Chief Executive forecast
<b>Forecast Total</b>	<b>5.840</b>	
<b>Delivery Plans as Opportunities</b>		
Public Health	1,000	Cross directorate reallocations of budgets, detailed in opportunities.
Housing Benefits	0.850	Included within Resources opportunities
Staff changes	0.100	Included within Resources opportunities
Children's Services Legal Costs	0.285	Included within Children's opportunities
CIL substitution for General Fund expenditure	0.500	Included within SCRER's Opportunities
Delays in the capital programme	0.605	Reduced amount of £605k included within Corporate as opportunities
<b>Opportunities Total</b>	<b>3.340</b>	
<b>Grand Total</b>	<b>9.180</b>	

2.16. Work will continue to ensure the Deficit Recovery Plan supports the Council's financial position. The macroeconomic climate is causing further pressure on the Council particularly from a very tight labour market and significant inflationary pressures. Energy expenditure will increase considerably as the UK sees significant increases in wholesale costs. The Council is mindful of the Chancellor's announcement with regards to Energy Bill Relief Scheme which will help towards some of these costs. Further review will need to be done on this however, this proposal will allow the Council to apply for discounts on its energy bills, which will be provided by the energy supplier. The energy supplier will then be able to claim the funds from Government.

## Reserves

- 2.17. When the 2022/23 budget was set £6.887m was set aside to add to General Fund Balances. The current financial position of the Council means that at Month 7 the full £6.887m is being released to balance the budget. The position is set out in Table 2 below:

**Table 2 – General Fund Balances**

<b>General Fund Balances</b>	<b>Budget 2022/2</b>	<b>Forecast Outturn</b>
	<b>£m</b>	<b>£m</b>
<b>Balance at 1st April 2022</b>	<b>27.5</b>	<b>27.5</b>
Planned Contributions to/(from) Reserves	6.9	0
<b>Balance at 31st March 2023</b>	<b>34.4</b>	<b>27.5</b>

## Unresolved Issues

- 2.18. The Council's overall financial position is still subject to a number of unresolved issues. The latest position on these was set out in the 30 November 2022 Cabinet report titled 'Medium Term Financial Strategy 2023/24 to 2025/26 Update'. This report identified that the legacy adjustment required in relation to Croydon Affordable Homes/Croydon Affordable Tenues is likely to be a reduction to reserves of £9m. This is not yet fully resolved and a further adjustment, reducing reserves by a further £61m, may still be necessary. As well as this adjustment, further legacy adjustments have been identified for the 2019/20, 2020/21, 2021/22 and 2022/23 accounts arising from historic accounting errors. These total a reduction to reserves in those years of £74.6m. Many of the legacy issues identified also need to be adjusted in the Medium-Term Financial Strategy on an ongoing basis.

## 3. COST OF LIVING CONSIDERATIONS

- 3.1. This report focuses on the Council's budget forecast. It highlights that there are a number of inflationary pressures that the Council, like all local authorities, is managing. The inflation level is at the highest level for 40 years. This impact goes beyond the Council – cost of living is affecting all households and businesses.
- 3.2. These macro-economic factors are impacted by international events, and therefore well beyond the controls of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 3.3. A dedicated cost of living information hub has been established on the Council's website. This provides a single source of information, informing residents of the financial support available and signposting to further support, advice and guidance. This information is continually reviewed, updated and improved.
- 3.4. At a national level, household support has been announced in the form of a revised energy price guarantee, designed to limit the inflation on household

energy bills. Households with a domestic energy connection are eligible for a £400 discount this winter. Residents on means-tested benefits will receive a £650 cost of living payment from Government.

3.5. The Council provides a wide range of support for residents that may be struggling due to the cost of living pressures. These include:

- Discretionary support fund for residents in financial hardship
- Council Tax support – For residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
- Benefits calculator, to ensure residents receive all the support they are entitled to
- Energy advice, including heating and money saving options, through our Croydon Healthy Homes service
- Free holiday activity clubs with healthy meals for children
- Croydon Works to help residents into employment or get training to get them in to work

3.6. The cost of living information hub also signposts residents to a range of support provided by other organisations in Croydon, including:

- NHS Healthy start vouchers for families
- Free school meals
- Support from voluntary, community and faith sector organisations
- Support for businesses through the London Business Hub and the British Business Bank
- CroydonPlus credit union offers affordable ways to manage money, including savings accounts and loans

#### **4. DETAILED FINANCIAL POSITION**

4.1. The Month 7 financial forecast is driven by £14.713m described as the non-delivery of savings but is more a reflection of the issues around the accuracy of budgets, £5.182m of departmental pressures offset by a £5.795m corporate underspend, £4.000m use of earmarked reserves, £5.000m use of the general contingency budget and a budgeted £6.887m contribution to General Fund Reserves no longer going ahead.

4.2. The detailed forecast outturn per Directorate for the General Fund is shown below in Table 3.

**Table 3 – Month 7 Forecast per Directorate**

	Forecast Variance as at Current Month 7	Forecast Variance as at Prior Month 6	Change From Month 7To 6	Savings Non-Delivery as at Month 7	Other Pressures as at Month 7
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Young People and Education	(1386)	(1,265)	(120)	1,090	(2,476)
Adult Social Care and Health	(1,097)	(1,064)	(33)	5,314	(6,411)
Housing	3,517	3,589	(72)	1,761	1,756
Sustainable Communities Regen & Economic Recovery	14,663	14,894	(231)	5,743	8,920
Resources	5,200	4,714	487	172	5,028
Assistant Chief Executive	(241)	(974)	732	412	(653)
<b>Departmental Total</b>	<b>20,656</b>	<b>19,895</b>	<b>762</b>	<b>14,492</b>	<b>6,164</b>
Corporate Items & Funding	(20,656)	(19,895)	(762)	-	(20,656)
<b>Total General Fund</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>14,492</b>	<b>(14,492)</b>

4.3. Net overspends and underspends within the service budgets are presented as a forecast variance (as per Table 3) and are additionally classified as either non-delivery of agreed in year savings or other pressures which were not foreseen or quantifiable at the time of setting the budget.

### **Risks and Risk mitigations**

4.4. The outturn forecast excludes further potential risks and risk mitigations which are summarised in Table 5 and detailed out in Appendix 5. Risks are split into MTFS savings risks and other risks. Savings risks relate to savings proposals that were approved at Full Council in March 2022. Other risks are risks that have arisen from other operational challenges but not related to the delivery of savings. Risk mitigations are proposals that the services have identified that would mitigate their risks and help bring spend back within budget.

### **MTFS Savings**

4.5. Savings are at various stages of delivery, and it is important that the Council transparently reports progress. Savings which are not deliverable are included within the forecast as overspends. Table 4 provides a summary of progress per directorate on delivery of their savings targets. Both savings not delivered and those at risk of non-delivery are detailed in Appendix 3 and 4 of this report.

**Table 4 – Progress on MTFS Savings**

Division	Target Value £'000s	Balance Not Delivered (In Forecast) £'000s	On Track Value £'000s	Delivered Value £'000s	Current Month At Risk Value £'000s	Prior Month At Risk £'000s	Change from Prior Month At Risk £'000s
Children, Young People and Education	(9,564)	1,090	7,336	1,077	61	1,141	(1,080)
Adult Social Care and Health	(16,500)	5,314	1,851	8,364	971	519	452
Housing	(2,841)	1,761	682	0	398	0	398
Sustainable Communities Regen & Economic Recovery	(12,396)	5,743	2,969	967	2,718	2,718	0
Resources	(3,029)	172	2,857	0	0	0	0
Assistant Chief Executive	(9,543)	412	8,281	250	600	600	0
<b>TOTAL FOR MTFS</b>	<b>(53,873)</b>	<b>14,492</b>	<b>23,976</b>	<b>10,658</b>	<b>4,748</b>	<b>4,978</b>	<b>(230)</b>

4.6. The detail of each opportunity and risk both those that are quantifiable and non-quantifiable can be seen in detail in appendix 5 and 6 to this report. Table 5 below gives a summary of the risks and opportunities by department.

**Table 5 – Summary of Risks and Opportunities**

	MTFS Savings - At Risk	Other Quantifiable Risks	Quantifiable Opportunities	TOTAL
	£'000	£'000	£'000	£'000
Children, Young People and Education	61	2,698	(1,783)	976
Adult Social Care and Health	971	-	(380)	591
Housing	398	1,250	-	1,648
Sustainable Communities Regen & Economic Recovery	2,718	1,654	(1,292)	3,080
Resources	-	-	-	-
Assistant Chief Executive	600	-	(360)	240
Corporate Items & Funding	-	-	(605)	(605)
<b>Total Month 7</b>	<b>4,748</b>	<b>5,602</b>	<b>(4,420)</b>	<b>5,930</b>
Total Month 6	4,978	4,444	(12,607)	(3,186)
<b>Variance</b>	<b>(230)</b>	<b>1,158</b>	<b>8,187</b>	<b>9,115</b>

## DIRECTORATE VARIANCES

4.7. The chart below shows the forecast by Directorate for both the current and previous month:

**Chart 2: Forecast per Directorate as at Month 7**



### 4.8 Children, Young People and Education (CYPE)

At Month 7 a **£1.386m underspend** has been forecast alongside £0.061m of MTFs savings at risk of non-delivery together with £2.698m of other risks against £1.783m of opportunities. This is a favourable movement from Month 6 of £0.410m.

The £1.386m underspend is the net position of a £0.300m incorrect public health income budget which will be offset with a net benefit of £1.686m through underspends in Quality, Commissioning and Performance Improvement of £0.808m, Children's Social Care of £0.920m and an overspend of £0.042m in non-DSG Education services.

The Directorate has also identified £2.698m of other risks which if realised could have a material impact on the CYPE forecast. These relate to cost pressures such as inflationary pressures above and beyond Council budgets and loss of income or contribution from the Council's partners.



However, the Directorate has identified potential opportunities of £1.783m from re-purposing grants and reducing legal costs substantially due to a reduction in age related assessment challenges.

#### 4.9 Adult Social Care and Health (ASCH)

At Month 7 an **underspend of £1.097m** is forecast which is an improvement of £0.031m. This includes £10.215m savings achieved or on track, £0.971m savings are at risk of non-delivery and £5.314m savings are not deliverable. Quantified opportunities remain the same as period 6.

The forecast underspend of £1.097m is a net position, the key items being:

- £2.962m Underspend in staffing which, in return, is a barrier to achieving savings. This is an increased underspend of £0.785m. There is a national shortage of both social workers and occupational therapists, recruitment to many roles is proving challenging.
- £0.668m Underspend following the detailed of 21/22 accruals for planned care cost. It is usual that care is delivered at a lower level than planned for many reasons including delayed hospital discharge, temporarily staying with family etc. However, this year is slightly higher than normal which is believed to be Covid related.
- £5.295 Non delivery of savings which had previously been shown as at risk, £3.215 in 18-65 Disabilities, £1.195m in Over 65 Localities and a £0.380 incorrect Public Health income budget which will be corrected. This is being mitigated by managing demand for care and other underspends.
- £0.555m Overspend in care for 18–25-year-old Transitions clients which is a reduction of £0.073m from month 6.

Unquantified Risks present continued concerns as to impact upon the Directorate budget over the remainder of the financial year:

- Potential post COVID-19 latent demand working through the population resulting in additional care package placements and community equipment.
- Inflation, rising fuel costs will result in significant expenditure for ASC Providers – may result in claims for increased fees and/or financial instability with potential for ‘handing back’ contracts.
- Hospital discharge pressure as current system risk is running at winter activity levels due to COVID-19. To assist pressures in the health and care system, the Adult Social Care Discharge Fund has recently been announced which should mitigate the worst of these pressures.

- High vacancy rate is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.

Continued detailed analysis of demand and cost will take place each month to the end of the financial year to enable, where possible, an estimate of the value of these current Unquantified Risks as listed.

Finance continues to work closely with the service to improve reporting and monitoring for finance and performance data to give additional quality assurance.

#### 4.10. Housing

At Month 7, Housing is forecasting a **£3.517m overspend** when compared to budget. This is largely a result of the ongoing pressure within the Emergency accommodation area (£2.6m overspend) and other pressures within the longer term leased temporary accommodation (£1.2m) against which there are small underspends to offset in some part these pressures within homelessness support.

The forecast is reflective of the rapidly worsening housing market within London within 2022 as private sector landlords are increasing rents or leaving the market; tenants are struggling with the cost-of- living crisis.

There has also been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained through as demand outweighs available affordable supply. At a recent Pan London meeting, all boroughs confirmed that they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.

Transformation projects are underway to review and change processes within the department with the aim of preventing homelessness to reduce the use of emergency accommodation, increasing tenant move-ons into settled housing solutions and becoming more commercial focused in negotiations with private landlords to improve our property supply. Whilst every effort is being made to reduce the overspend and improve the position moving into 2023/24 the pressures in the market will remain challenging.

#### 4.11. Sustainable Communities, Regeneration & Economic Recovery (SCRER)

In Month 7, SCRER is forecasting a net **overspend of £14.663m**.

The main area of overspend relates to £13.6m shortfall in parking income, £0.839m relating to streetlighting energy costs and £0.5m SEN transport costs. This position has moved favourably from Month 6 by £0.231m.

There are also £1.654m other risks identified and £2.718m of MTFs savings at risk. However, the service has identified £1.292m of opportunities which will need to be worked through to confirm their achievability.

The service areas that are experiencing these overspends are within the Sustainable Communities division and particularly in the parking teams. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes, ANPR, pay and display and on-street parking. The division is also expecting delays in obtaining a license from government to run the Selective Licensing scheme which is further adding pressure of £1.580m.

The Council applied to renew its Landlord Licensing scheme in 2021/22 to the Department of Levelling Up, Housing and Communities (DLUHC). The Council budgeted for £1.5m of income that would be achievable from the scheme in this financial year. However, the scheme was rejected by the Secretary of State for DLUHC due to the lack of a Housing Strategy, one of the requirements for the scheme. The development of the Housing Strategy is being progressed but has not yet been completed due to the many other pressures on the Housing Service and the focus on the delivery of the Housing Improvement Plan. It also requires a review of the Council's policy for Landlord Licensing. It is expected that this will not be completed within the next 12 months and therefore for prudence the service is forecasting the non-delivery of the £1.5m income target.

Further pressures are experienced within Planning and Sustainable Regeneration Services particularly in relation to Building Control income and income from Planning.

#### 4.12. Resources

At Month 7, there is a **£5.200m overspend** projected which is an adverse movement from Month 6 of £0.486m. This movement primarily relates to the re-basing of the income targets for Legal services recharges across the Council £0.633m and a review of the forecast for external legal fees down by £0.398m. This is offset by an increase in Insurance recharge to the HRA for premiums following a review of £0.681m.

The forecast overspend for the year is largely related to loss in housing benefit (HB) The predicted £7.685m overspend on HB is due to the difference between the value of HB expenditure and funding received from DWP on support exempt and temporary accommodation. A cross council working group is currently working to mitigate this over the next few years. This is offset by a net saving of £1.550m in Estates, Asset Management & Facilities. This relates to an historic budget for interest costs which is already covered within a corporate budget, offset by MTFs savings targets that are unachievable.

Currently there is a predicted overspend of £0.279m in Corporate Finance & Treasury. This relates to higher than budgeted spend on specialist finance work and agency costs pending a restructure of the department.

There are no additional savings at risk and no further risks are reported at this point. Unquantifiable opportunities of £0.950m have been identified to try and mitigate the HB subsidy loss in year and reduce staffing costs.

#### 4.13. Assistant Chief Executive

At Month 7, a **£0.241m underspend** is being projected, which is an adverse movement of £0.732m from month 6. The bulk of this movement relates to the final results of a review of salaries funded from capital and transformation within Croydon Digital & Resident Access and a tightening of the capitalisation policy. This has led to an increase in salaries funded from the general fund £1.237m. This has been mitigated by a more favourable forecast for salaries in the Policy, Programme and Performance Team as officers continue to manage vacancy savings of £0.208m and approval for draw down of transformation fund, as additional project staff have been recruited to support the change programmes across the organisation £0.192m. Further planned staffing reviews and holding of vacancies have achieved savings of approximately £0.409m across the Directorate. A review of the Learning & Development budget has led to a saving of £0.100m.

Work is still being carried out to review fees and charges which were devolved to the service without consideration of demand. This will be concluded for P8. The council wide exercise that is taking place will enable the services within ACE to more accurately forecast income and until such time that this is completed, the pressure of £0.205m is factored within the forecast. The rationalisation of software applications project has identified £0.450m of mitigations, which have been included within the forecast. Whilst the remaining £0.300m cannot be met, this is being mitigated down by in year savings. This is not sustainable for 2023/24 onwards. A directive to stand down agency staff for two weeks over the Christmas period will go some way to mitigate the £0.600m saving for agency costs.

#### 4.14. Corporate Budgets

At Month 7, the corporate position is projecting an **underspend of £20,656m**. The corporate budget holds funding and financing streams such as Council Tax, Business Rates income share and General Revenue Support Grant income. The corporate budget also allocates Council wide risk contingency, inflation growth budgets and budgets to fund corporate debt and interest charges.

The corporate projection is after the release of known inflationary pressures and the release of contingency for the impact of the pay award. It also includes a small contingency for further inflation pressures are likely to impact the Council's budget during the remainder of the year. The current uncommitted balance of the corporate inflation provision will be held as a hedge against further pressures. The corporate projection also reflects underspends against contingency budgets

and risk provisions. A provision of £1.400m has been released and relates to risks to a key commercial loan which is now expected to be fully paid back in full.

A one-off £4.0m of reserve drawdown will support the in-year inflationary pressures that the Council is facing. An opportunity has been identified due to the reversal of the 1.25% National insurance increase.

As set out in paragraph 2.17 the Month 7 forecast reflects that there will be no contribution to General Fund balances.

4.15. The report identifies savings at risk and mitigations for both the current and future years. Where risks are quantified currently, these are based on high level information and directorate experience of the service.

## 5. Housing Revenue Account (HRA)

5.1 At Month 7 HRA is forecasting a **£4.586m overspend** compared to budget. The pressure to budget is made up of an additional £1.8m on existing utilities costs as well as disrepair and legal compensation costs increases of £1.5m. Forecasts have also been included recognising the additional inflationary pressure on the repairs service and increased costs of managing the estates.

5.2 While there are some minor underspends that offsetting the increases costs further work to review all budgets and recharges across the HRA is being undertaken to mitigate the pressures.

**Table 5 – Housing Revenue Month 7 forecast**

SERVICES	Projected Variance Month 7	Variance For Month 6	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs and Safety	1,337	1,392	(54)	Legal Disrepairs compensation forecast has been increased by £752k. Responsive Repairs pressure of £700k has now being absorbed by capitalisation of other Responsive Repair costs. Other savings have been moved to balance the Responsive Repair re-procurement activity.
Asset Planning and Capital Delivery	(115)	(74)	(41)	There remain a number of staff vacancies within this service area. These vacancies have reduced from Month 5.
Allocations Lettings and Income Collection	1,366	1,248	117	The potential risk due to cost of living has now been factored into the forecast as pressure. The projected void losses are based on Month 6 performance. A programme is in place to address this. This pressure also includes garage rental voids

SERVICES	Projected Variance Month 7	Variance For Month 6	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Allocations Lettings and Income Collection	(65)	(96)	31	Reduction in forecast for Safety Equipment
Tenancy and Resident Engagement	2,563	2,454	108	Reduction in forecast for Grounds Maintenance & Legal. The forecast overspend is made up of an additional £1.8m pressure on utilities. Additional grounds maintenance costs; legal fees and legacy water charges are also included in the pressure.
Directorate & Centralised costs	(500)	(501)	1	There are vacancies within the centralised budgets. There is also a review underway to ensure charges have been correctly posted to other service areas within the HRA
	<b>4,586</b>	<b>4,424</b>	<b>161</b>	

## 6. Capital Programme

- 6.1 The General Fund and Housing Revenue Account capital programmes have currently spent **£26.122m** to the end of Month 7. This is against a revised budget of **£118.851m** which is subject to approval as part of this report. The budget includes proposed slippage of £20.261m from 2021/22 for schemes that had not yet been completed and budget adjustments which have occurred due to a review and reprofiling of capital projects amounting to £37.505m. These adjustments are as a result of a Review of current schemes that are already in the programme that need to be reprofiled and new schemes.
- 6.2 Forecast spend for the year is **£102.541m** against the revised budget resulting in a forecast underspend of **£16.310m**.
- 6.3 Table 6 below summarises the capital spend to date by directorate with further details of individual schemes provided in Appendix 2. Table 7 gives details of how the capital programme is financed.

**Table 6 – Capital Programme as at Month 7**

General Fund Capital Programme	Approved Budget	Proposed Slippage Subject to Approval	Budget Adjustment	Revised 2022-23 Budget	Actual	Forecast as at M7	Variance
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care and Health	1,707	-	(1,587)	120	30	30	(90)
Housing	3,493	999	(100)	4,392	988	3,501	(891)
Assistant Chief Executive	14,028	2,659	(9,722)	6,965	2,165	6,965	(0)
Children, Young People and Education	15,964	4,730	(13,989)	6,705	2,739	7,052	347
Sustainable Communities Regen & Economic Recovery	37,861	9,576	(10,300)	37,137	9,048	27,799	(9,338)
Resources	11,834	2,142	(5,108)	8,868	1,834	6,675	(2,193)
Corporate	2,500	-	1,549	4,049	-	4,049	-
Capitalisation Direction	25,000	-	-	25,000	-	25,000	-
<b>General Fund Total</b>	<b>112,387</b>	<b>20,106</b>	<b>(39,257)</b>	<b>93,236</b>	<b>16,804</b>	<b>81,071</b>	<b>(12,165)</b>
<b>HOUSING REVENUE ACCOUNT</b>	<b>23,708</b>	<b>155</b>	<b>1,752</b>	<b>25,615</b>	<b>9,318</b>	<b>21,470</b>	<b>(4,145)</b>
<b>LBC Capital Programme Total</b>	<b>136,095</b>	<b>20,261</b>	<b>(37,505)</b>	<b>118,851</b>	<b>26,122</b>	<b>102,541</b>	<b>(16,310)</b>

**Table 7 – Capital Programme Financing as at Month 7**

	Approved Budget	Proposed Slippage Subject to Approval	Budget Adjustment	Revised 2022-23 Budget	Forecast as at M7	Variance
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>						
CIL	7,427	189	61	7,676	8,152	476
s106	2,965	548	(2,652)	861	2,396	1,535
Grants & Other Contributions	33,747	6,514	(11,084)	29,177	17,533	(11,644)
Capital Receipts	2,500	-	4,049	4,049	4,049	-
Reserves	70	-	(70)	-	-	-
Borrowing	65,678	12,855	(27,061)	51,472	48,941	(2,531)
<b>Total General Fund Financing</b>	<b>112,387</b>	<b>20,106</b>	<b>(39,257)</b>	<b>93,236</b>	<b>81,071</b>	<b>(12,165)</b>



	Approved Budget	Proposed Slippage Subject to Approval	Budget Adjustment	Revised 2022-23 Budget	Forecast as at M7	Variance
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
<b>HRA</b>						
Grant			1,200	1,200		(1,200)
MRR	14,059		(1,723)	12,336	12,336	-
Revenue				-		-
Reserves	9,649	155	98	9,902	9,134	(768)
Borrowing			2,177	2,177		(2,177)
<b>Total HRA Financing</b>	<b>23,708</b>	<b>155</b>	<b>1,752</b>	<b>25,615</b>	<b>21,470</b>	<b>(4,145)</b>
<b>Total GF &amp; HRA Financing</b>	<b>136,095</b>	<b>20,261</b>	<b>(39,138)</b>	<b>118,851</b>	<b>102,541</b>	<b>(16,310)</b>

6.4 The Month 7 forecast financing indicates a reduction of £2.5m of borrowing required this financial year for the General Fund and a £2.2m reduction in the borrowing required for the Housing Revenue Account.

## 7 FINANCIAL AND RISK ASSESSMENT IMPLICATIONS

7.1 Finance comments have been provided throughout this report.

7.2 The Council continues to operate with internal spending controls to ensure that tight financial control and assurance oversight are maintained, and a new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers.

7.3 In-year savings are being sought across the Council to mitigate the projected overspend. Early actions are reported in the opportunities contained within this report. The impact of the in-year position is also being considered as part of the budget planning for 2023/24.

7.4 The Council currently has a General Fund Reserve of £27.50m which serves as a further cushion should not all the overspend be eliminated by the end of 2022/23. However, any use of these reserves would have to be reinstated in later financial years as it's a one-off support and not a permanent solution.

(Approved: Jane West – Corporate Director of Resources & S151 Officer)



## **8 LEGAL IMPLICATIONS**

- 8.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 8.2 Section 28 of the Local Government Act 2003 provides that the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 8.3 In addition, the Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report.
- 8.4 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also demonstrates compliance with that legal duty.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer)

## **9 HUMAN RESOURCES IMPLICATIONS**

- 9.1 There are no immediate workforce implications as a result of the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation on budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.
- 9.2 The Council is aware that many staff may also be impacted by the increase in cost of living. Many staff are also Croydon residents and may seek support from the Council including via the cost of living hub on the intranet. The Council offers support through the Employee Assistant Programme (EAP) and staff may seek help via and be signposted to the EAP and other appropriate sources of assistance and advice on the Council's intranet.

Approved by Dean Shoesmith, Chief People Officer)

## 10 EQUALITIES IMPLICATIONS

- 10.1 The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.2 In setting the Council's budget for 2022/2023, all savings proposals must complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts. If any impacts arise, officers will offer mitigation to minimise any unintended impact.
- 10.3 The core priority of the Equality Strategy 2020-2024 is to tackle ingrained inequality and poverty and tackling the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. The budget should take due regard to this objective in relation to each protected characteristic. The Borough's responsibility to asylum seekers, young people, disabled people and their families along with adults utilising social care provision is key to this regard. Though families and single parents are not classed as a protected characteristic under Equality Act 2010, the impact may still be considered locally.
- 10.4 The cost-of-living increase has impacted heavily on the most economically vulnerable in society. Energy increases have led to some vulnerable groups having to make a choice between heating and eating. The support provided to some families by the government will go some way to supporting residents and families in need. Despite proposed increases in fees and charges being below the rate of inflation they may still have a detrimental impact on residents from our most vulnerable groups. This could potentially have an adverse impact on poverty and inequality which may potentially impact on some characteristics more than others. Research identifies the impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households and other communities, young people. Research also indicates that there is an intersectional impact on young people from racialised communities and both Disabled and pregnant women. Deprivation in borough is largely focused in the north and the east where most ethnic residents from the African, African Caribbean and Asian communities reside.
- 10.5 In setting this budget the Council has sought to mitigate the impact on all residents who may be economically affected at this time. Research states that the protected characteristics that are likely to be most impacted by fee rises and the cost-of-living increase are: young people, African, African Caribbean and Asian communities, Disabled people and some pregnant women. There is also

an intersectional aspect to the impact on equality, such as a higher impact on female dual heritage Disabled individuals and young people from Asian and African/African Caribbean communities have been more affected.

- 10.6 The Council have undertaken a wide range of initiatives to mitigate the effects for those in most need. Details of mitigation for residents is in paragraphs 3.5. Mitigation through support to residents delivered by other local organisations is detailed in paragraph 3.6. The measures include: a cost-of-living hub, a range of financial support and advice including discretionary support and additional support payments, Council tax support, energy advice and a benefit calculator. Residents are also signposted to support from community partners in the delivery of initiatives to support residents such as healthy Schools Clubs. These packages are available to all eligible residents irrespective of equality characteristics and are targeted at those residents who are in the most need.
- 10.7 The full impacts of Covid 19 and long Covid on the Adult Social Care Service are suggested to have an impact on potential spend. This will be exasperated throughout the winter months which see increases in both Covid 19 and flu.
- 10.8 The impact on poverty and inequality may be increased for those residents who were economically affected by Covid 19 and are currently in rent arrears, have debt to energy companies or elsewhere.

(Approved By: Denise McCausland, Equalities Programme Manager, Policy Programmes and Performance)

## **11 ENVIRONMENTAL IMPACTATIONS**

- 11.1 There are no specific environmental impacts set out in this report

## **12 CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1 There are no specific crime and disorder impacts set out in this report

## **13 DATA PROTECTION IMPLICATIONS**

- 13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

- 13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO, as the report contains no sensitive/personal data

Approved by Nish Popat – Interim Head of Corporate Finance

## **List of Appendices**

- Appendix 1 – Service Budgets and Forecasts Month 6
- Appendix 2 – Capital Programme Month 6
- Appendix 3 – MTFS savings not delivered and at risk
- Appendix 4 – MTFS Savings At Risk
- Appendix 5 – Other quantifiable and unquantifiable risks
- Appendix 6 – Quantifiable and unquantifiable opportunities

## Appendix 1 – Service Budgets and Forecasts Month 7

	Approved Budget	Current Actuals	Full-Yr Forecast	Projected Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1410E : ADULT SOCIAL CARE OPERATIONS	107,785	67,705	106,001	(1,784)
C1405E : TOTAL ADULT SOCIAL CARE AND HEALTH DIRECTORATE SUMMARY	1,171	703	1,551	380
C1420E : ADULT SOCIAL CARE POLICY AND IMPROVEMENT	14,734	5,589	15,041	307
<b>TOTAL ADULTS</b>	<b>123,690</b>	<b>73,997</b>	<b>122,593</b>	<b>(1,097)</b>
C1305E : RESIDENT ENGAGEMENT AND ALLOCATIONS	8,144	4,638	11,701	3,558
C1310E : ESTATES AND IMPROVEMENT	80	222	39	(41)
<b>TOTAL HOUSING</b>	<b>8,224</b>	<b>4,860</b>	<b>11,740</b>	<b>3,517</b>
C1110E : SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY DIRECTORATE SUMMARY	(266)	454	(938)	(672)
C1120E : SUSTAINABLE COMMUNITIES	22,406	24,471	36,455	14,049
C1130E : CULTURE AND COMMUNITY SAFETY DIVISION	4,522	3,471	4,298	(224)
C1140E : PLANNING AND SUSTAINABLE REGENERATION DIVISION	657	3,789	2,167	1,510
<b>TOTAL SUSTAINABLE COMMUNITIES REGEN &amp; ECONOMIC RECOVERY</b>	<b>27,319</b>	<b>32,184</b>	<b>41,982</b>	<b>14,663</b>
C1605E : RESOURCES DIRECTORATE SUMMARY	(6,922)	273	2,002	8,924
C1610E : DIRECTOR OF FINANCE	9,074	96,815	(130)	(9,204)
C1620E : PENSIONS DIVISION	343	795	9,271	8,928
C1625E : MONITORING OFFICER	2,092	1,217	(6,912)	(9,004)
C1630E : INSURANCE, ANTI-FRAUD AND RISK	1,015	1,684	15,659	14,644
C1640E : LEGAL SERVICES DIVISION	(1,656)	107	292	1,948
C1650E : INTERNAL AUDIT SERVICE	597	729	1,069	472
C1690E : COMMERCIAL INVESTMENT AND CAPITAL DIVISION	11,688	5,087	179	(11,509)
<b>TOTAL RESOURCES</b>	<b>16,231</b>	<b>106,708</b>	<b>21,431</b>	<b>5,200</b>

	Approved Budget	Current Actuals	Full-Yr Forecast	Projected Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1205E : CHILDREN, YOUNG PEOPLE AND EDUCATION	583	288	583	-
C1210E : CHILDREN'S SOCIAL CARE	72,564	34,851	71,644	(920)
UNACCOMPANIED ASYLUM SEEKING CHILDREN (UASC) AND CARE LEAVERS	(4,630)	(1,428)	(4,630)	-
C1220E : EDUCATION DIVISION - exc DSG	7,073	25,097	7,115	42
C1230E : QUALITY, POLICY AND PERFORMANCE IMPROVEMENT	6,037	1,922	5,529	(508)
<b>TOTAL CHILDRENS, FAMILIES AND EDUCATION</b>	<b>81,709</b>	<b>60,731</b>	<b>80,323</b>	<b>(1,386)</b>
C1505E : ASSISTANT CHIEF EXECUTIVE DIRECTORATE SUMMARY	(93)	486	37	130
C1510E : CROYDON DIGITAL AND RESIDENT ACCESS	23,111	15,244	23,859	748
C1520E : CHIEF PEOPLE OFFICER DIVISION	3,198	2,067	2,920	(278)
C1530E : POLICY, PROGRAMMES AND PERFORMANCE	6,097	6,396	5,256	(841)
C1540E : PUBLIC HEALTH	-	(13,042)	(0)	(0)
C1550E : SERVICE QUALITY, IMPROVEMENT AND INCLUSION	-	(1,719)	0	0
<b>TOTAL ASSISTANT CHIEF EXECUTIVE</b>	<b>32,313</b>	<b>9,432</b>	<b>32,072</b>	<b>(241)</b>
<b>TOTAL</b>	<b>289,486</b>	<b>287,912</b>	<b>310,142</b>	<b>20,656</b>

## Appendix 2 – Capital Programme Month 7

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget 2022-23</b>	<b>Proposed Slippage Subject to Approval</b>	<b>Budget Adjust- ment</b>	<b>Revised 2022-23 Budget Subject to Cabinet Approval</b>	<b>Actual to Date as at 31/10/22</b>	<b>2022/23 Forecasts as at Month 7</b>	<b>Varia nce for Year</b>
<b>Scheme Name</b>							
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Disabled Facilities Grant	2,993	999	-	3,992	865	2,993	(999)
Empty Homes Grants	500	-	(100)	400	15	400	-
Unsuitable Housing Fund	-	-	-	-	108	108	108
<b>HOUSING</b>	<b>3,493</b>	<b>999</b>	<b>(100)</b>	<b>4,392</b>	<b>988</b>	<b>3,501</b>	<b>(891)</b>
Adults ICT	110	-	(110)	-	-	-	-
Adult Social Care Provision	-	-	-	-	30	30	30
Provider Services - Extra Care	500	-	(380)	120	-	-	(120)
Sheltered Housing	938	-	(938)	-	-	-	-
Capital investment in Garden Centre	159	-	(159)	-	-	-	-
<b>ADULT SOCIAL CARE AND HEALTH</b>	<b>1,707</b>	<b>-</b>	<b>(1,587)</b>	<b>120</b>	<b>30</b>	<b>30</b>	<b>(90)</b>
Bereavement Services	1,000	775	-	1,775	1,113	1,775	-
Bereavement Service Dumper Trucks	-	-	39	39	-	39	-
<b>Finance and HR system</b>	<b>500</b>	<b>93</b>	<b>(593)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
My Resources Interface Enhancement	-	-	75	75	-	75	-
<b>ICT</b>	<b>8,955</b>	<b>-</b>	<b>(8,955)</b>	<b>-</b>	<b>589</b>	<b>-</b>	<b>-</b>
Network Refresh	-	-	141	141	-	141	-
Tech Refresh (was in GF Cap 64)	-	-	610	610	-	610	-
Geographical Information Systems (was in GF Cap 64)	-	-	65	65	-	1,030	965
Laptop Refresh (was in GF Cap 64) NEW BID	-	-	222	222	-	222	-
Cloud and DR (was in GF GAP 64)	-	-	198	198	-	198	-
<b>People ICT</b>	<b>3,000</b>	<b>1,661</b>	<b>(4,661)</b>	<b>-</b>	<b>462</b>	<b>-</b>	<b>-</b>
Synergy Education System	-	-	1,030	1,030	-	65	(965)
NEC Housing System	-	-	2,680	2,680	-	2,680	-

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget 2022-23</b>	<b>Proposed Slippage Subject to Approval</b>	<b>Budget Adjust- ment</b>	<b>Revised 2022-23 Budget Subject to Cabinet Approval</b>	<b>Actual to Date as at 31/10/22</b>	<b>2022/23 Forecasts as at Month 7</b>	<b>Varia nce for Year</b>
<b>Scheme Name</b>							
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Uniform ICT Upgrade	-	130	-	130	-	130	-
Members Enquiries	43	-	(43)	-	-	-	-
Core Contract Procurement	530	-	(530)	-	-	-	-
<b>ASSISTANT CHIEF EXECUTIVE</b>	<b>14,028</b>	<b>2,659</b>	<b>(9,722)</b>	<b>6,965</b>	<b>2,165</b>	<b>6,965</b>	<b>-</b>
Education – Fire Safety Works	902	26	(152)	776	-	928	152
Education - Fixed Term Expansions	3,243	44	(2,540)	747	49	550	(197)
Education - Major Maintenance	9,549	354	(6,195)	3,708	2,158	4,049	341
Education - Miscellaneous	-	134	232	366	158	139	(227)
Education - Permanent Expansion	44	275	-	319	22	319	-
Education - Secondary Estate	-	39	-	39	41	41	2
Education - SEN	2,226	3,858	(5,334)	750	311	1,026	276
<b>CHILDREN, YOUNG PEOPLE AND EDUCATION</b>	<b>15,964</b>	<b>4,730</b>	<b>(13,989)</b>	<b>6,705</b>	<b>2,739</b>	<b>7,052</b>	<b>347</b>
Allotments	200	-	-	200	177	200	-
Fairfield Halls-Council Fixtures & Fittings FFH	-	574	-	574	571	571	(3)
CALAT Transformation	390	-	(390)	-	-	-	-
Electric Vehicle Charging Points	500	-	(500)	-	-	-	-
Capitalised Feasibility Fund	330	-	(330)	-	-	-	-
Growth Zone	4,000	1,988	-	5,988	60	2,071	(3,917)
Grounds Maintenance Insourced Equipment	200	1,000	(200)	1,000	-	-	(1,000)
Highways	8,618	-	-	8,618	5,510	8,618	-
Highways - flood water management	435	460	-	895	354	895	-



<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget 2022-23</b>	<b>Proposed Slippage Subject to Approval</b>	<b>Budget Adjust- ment</b>	<b>Revised 2022-23 Budget Subject to Cabinet Approval</b>	<b>Actual to Date as at 31/10/22</b>	<b>2022/23 Forecasts as at Month 7</b>	<b>Varia nce for Year</b>
<b>Scheme Name</b>							
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Highways - bridges and highways structures	3,403	-	-	3,403	1,656	2,611	(792)
Highways - Tree works	56	-	-	56	8	56	-
Local Authority Tree Fund	-		96	96	-	-	(96)
Trees Sponsorship	-		46	46	-	-	(46)
Mitigate unauthorised access to parks and open spaces	73	-	(73)	-	-	-	-
Leisure Equipment Upgrade	70	576	(340)	306	276	306	-
Leisure centres equipment Contractual Agr	-		430	430	-	-	(430)
Leisure Centre - Tennis Crt	-		75	75	-	-	(75)
Libraries Investment - General	1,614	224	(1,614)	224	110	224	-
Library Self-Service Kiosks	-		200	200	-	-	(200)
Libraries investment – South Norwood library	412	-	(412)	-	-	-	-
Neighbourhood Support Safety Measures	-	-	-	-	-	-	-
Museum Archives	75	-	(75)	-	-	-	-
Parking	2,141	1,721	(1,131)	2,731	80	3,862	1,131
Removal of Pay & Display	-	-	366	366	-	-	(366)
Play Equipment	380	422	(652)	150	75	150	-
Safety - digital upgrade of CCTV	1,539	12	-	1,551	-	1,539	(12)
Section 106 Schemes	-	-	-	-	4	4	4
Signage	137	137	-	274	-	274	-
South Norwood Good Growth	1,032	176	(87)	1,121	(329)	925	(196)
Kenley Good Growth	425	445	(287)	583	298	583	-
Sustainability Programme	565	60	(75)	550	-	25	(525)

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget 2022-23</b>	<b>Proposed Slippage Subject to Approval</b>	<b>Budget Adjust- ment</b>	<b>Revised 2022-23 Budget Subject to Cabinet Approval</b>	<b>Actual to Date as at 31/10/22</b>	<b>2022/23 Forecasts as at Month 7</b>	<b>Varia nce for Year</b>
<b>Scheme Name</b>							
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
TFL - LIP	9,266	223	(4,654)	4,835	191	4,835	-
Cycle Parking			226	226	-	-	(226)
EVCP			1,081	1,081	-	-	(1,081)
Car Club			-	-	-	-	-
Waste and Recycling Investment	1,000	1,558	(1,000)	1,558	-	-	(1,558)
Waste and Recycling - Don't Mess with Croydon	1,000	-	(1,000)	-	7	50	50
Schemes with completion date prior to 2020/21	-	-	-	-	-	-	-
<b>SUSTAINABLE COMMUNITIES, REGEN &amp; ECONOMIC RECOVERY</b>	<b>37,861</b>	<b>9,576</b>	<b>(10,300)</b>	<b>37,137</b>	<b>9,048</b>	<b>27,799</b>	<b>(9,338)</b>
Asset Strategy - Stubbs Mead	700	250	(900)	50	-	50	-
Asset Strategy Programme	225	23	(208)	40	-	40	-
Asset Acquisition Fund	390	-	(340)	50	-	50	-
Clocktower Chillers	412	-	(382)	30	-	30	-
Corporate Property Maintenance Programme	2,500	1,212	(1,212)	2,500	559	2,360	(140)
Crossfield (relocation of CES)	-	-	-	-	-	-	-
Brick by Brick programme	6,203	(2,053)	-	4,150	-	2,097	(2,053)
Fairfield Halls - Council	1,000	2,448	(1,948)	1,500	1,275	1,500	-
Fieldway Cluster (Timebridge Community Centre)	-	248	-	248	-	248	-
Former New Addington Leisure Centre	-		300	300	-	300	-

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 7</b>	<b>Approved Budget 2022-23</b>	<b>Proposed Slippage Subject to Approval</b>	<b>Budget Adjust- ment</b>	<b>Revised 2022-23 Budget Subject to Cabinet Approval</b>	<b>Actual to Date as at 31/10/22</b>	<b>2022/23 Forecasts as at Month 7</b>	<b>Varia nce for Year</b>
<b>Scheme Name</b>							
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Croydon Healthy Homes	404	14	(418)	-	-	-	-
<b>RESOURCES</b>	<b>11,834</b>	<b>2,142</b>	<b>(5,108)</b>	<b>8,868</b>	<b>1,834</b>	<b>6,675</b>	<b>(2,193)</b>
Capitalisation Direction	25,000	-	-	25,000	-	25,000	-
Transformation Spend (Flexible Capital Receipts)	2,500	-	1,549	4,049	-	4,049	-
<b>CORPORATE ITEMS &amp; FUNDING</b>	<b>27,500</b>	<b>-</b>	<b>1,549</b>	<b>29,049</b>	<b>-</b>	<b>29,049</b>	<b>-</b>
<b>NET GENERAL FUND TOTAL</b>	<b>112,387</b>	<b>20,106</b>	<b>(39,257)</b>	<b>93,236</b>	<b>16,804</b>	<b>81,071</b>	<b>(12,165)</b>
Asset management ICT database	-	155	-	155	87	155	-
Fire safety programme	-	-	-	-	512	512	512
Major Repairs and Improvements Programme	23,708	-	(1,625)	22,083	8,703	20,803	(1,280)
TRELIS MEWS	-	-	3,377	3,377	-	-	(3,377)
Affordable Housing	-	-	-	-	16	-	-
BBB Properties part funded by GLA and HRA RTB 141	-	-	-	-	-	-	-
Special Transfer Payments	-	-	-	-	-	-	-
<b>HOUSING REVENUE ACCOUNT</b>	<b>23,708</b>	<b>155</b>	<b>1,752</b>	<b>25,615</b>	<b>9,318</b>	<b>21,470</b>	<b>(4,145)</b>
<b>GROSS CAPITAL PROGRAMME</b>	<b>136,095</b>	<b>20,261</b>	<b>(37,505)</b>	<b>118,851</b>	<b>26,122</b>	<b>102,541</b>	<b>(16,310)</b>

### Appendix 3 – MTFS savings not delivered

MTFS Target Reference	MTFS Savings Description	Total Target	Savings Non-Delivery as at Month 7
		(£,000's)	(£,000's)
22/23 CYPE 09	Refocusing Public Health funding - New Youth & Wellbeing Offer	(300)	300
22/23 CYPE 07a	NHS Funding	(490)	490
22/23 CYPE 07b	NHS Funding	(300)	300
<b>Children, Young People and Education Total</b>			
22/23 ASCH 07	Refocusing Public Health funding - New Youth & Wellbeing Offer	(380)	380
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	(4,371)	2,021
21/22 ASCH 02	Stretch Savings - Disabilities Operational Budget	(1,213)	1,213
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	(3,195)	1,195
22/23 ASCH 02	Review of Older Adults Packages of Care	(505)	505
<b>Adult Social Care and Health Total</b>			
22/23 HOUS 01	Impact of maximising homelessness prevention	(578)	578
22/23 HOUS 02	Impact of increasing speed of homelessness decisions	(101)	101
22/23 HOUS 03	Increase use of LA Stock for EA/TA	(163)	163
22/23 HOUS 07	Ending EA/TA where the council has no duty	(193)	193
22/23 HOUS 10	Housing supply pipeline maximisation	(80)	80
22/23 HOUS 11	Contract Reviews	(250)	250
22/23 HOUS 13	Income Maximisation - Rent Collection	(240)	0
22/23 HOUS 14	Resident Engagement & Tenancy Services £100,000 saving in 22/23	(100)	100

MTFS Target Reference	MTFS Savings Description	Total Target	Savings Non-Delivery as at Month 7
		(£,000's)	(£,000's)
22/23 HOUS 04	Repurpose under-utilised sheltered housing stock	(158)	158
22/23 HOUS 09	Incentivising temporary accommodation leasing schemes	(138)	138
<b>Housing Total</b>			
21/22 SCRER 11	ANPR camera enforcement	(3,180)	2,040
21/22 SCRER 16	Revised Landlord Licensing scheme	(2,300)	2,300
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	(950)	450
22/23 SCRER 08	Introduction of a variable lighting policy	(417)	417
22/23 SCRER 15	Bus Re-Tender Contract Savings	(120)	40
22/23 SCRER 16	Private Sector Environmental Enforcement	(250)	125
22/23 SCRER 17	Parking charges increase	(650)	285
22/23 SCRER 18	Independent travel optimisation	(20)	20
22/23 SCRER 21	Increase in Pre-Planning Applications	(66)	66
<b>Sustainable Communities Regen &amp; Economic Recovery Total</b>			
21/22 RES 03d	Fees And Charges	(28)	28
22/23 RES 20d	Increase in fees and charges	(142)	142
22/23 RES 20e	Increase in fees and charges	(2)	2
<b>Resources Total</b>			
<b>Corporate Items &amp; Funding Total</b>			
21/22 ACE 05	Fees And Charges	(19)	19
22/23 ACE 12	Increase in fees and charges	(93)	93

<b>MTFS Target Reference</b>	<b>MTFS Savings Description</b>	<b>Total Target</b>	<b>Savings Non-Delivery as at Month 7</b>
		<b>(£,000's)</b>	<b>(£,000's)</b>
<b>22/23 ACE 09</b>	Rationalisation of software applications and contracts	<b>(750)</b>	300
<b>Assistant Chief Executive Total</b>			
<b>Total Savings Not delivered</b>			<b>14,492</b>

**Appendix 4 – MTFS Savings at Risk**

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 7	Savings at risk as at Month 6	Change From Prior Month 7 To Month 6
		(£,000's)	(£,000's)	(£,000's)
21/22 CYPE 05	Review Support for Young People where Appeal Rights Exhausted	61	61	0
21/22 CYPE 06	Improve Practice System Efficiency	0	290	(290)
22/23 CYPE 07a	NHS Funding	0	490	(490)
22/23 CYPE 07b	NHS Funding	0	300	(300)
<b>Children, Young People and Education Total</b>		<b>61</b>	<b>1,141</b>	<b>(1,080)</b>
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	850	0	850
21/22 ASCH 05	Baseline Savings - Mental Health Operational Budget	0	83	(83)
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	0	194	(194)
21/22 ASCH 04	Review of Contracts - OBC Commissioning, Working Age Adults Commissioning and Public Health commissioning	36	132	(96)
21/22 RES 06	HWA contract savings	35	110	(75)
22/23 ASCH 03	Review of Mental Health Packages of Care	50	0	50
<b>Adult Social Care and Health Total</b>		<b>971</b>	<b>519</b>	<b>452</b>
22/23 HOUS 12	Staffing Review	158	0	158
22/23 HOUS 13	Income Maximisation - Rent Collection	240	0	240
<b>Housing Total</b>		<b>398</b>	<b>0</b>	<b>398</b>
21/22 SCRER 14a	Fees And Charges	350	350	0
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	260	260	0

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 7	Savings at risk as at Month 6	Change From Prior Month 7 To Month 6
		(£,000's)	(£,000's)	(£,000's)
22/23 SCRER 12	Contract Savings - Pay and Display Machines	300	300	0
22/23 SCRER 16	Private Sector Environmental Enforcement	63	63	0
22/23 SCRER 19	New gym in Monks Hill Leisure Centre	90	90	0
22/23 SCRER 20	Non-capital and contract impact of Purley Leisure Centre closure	50	50	0
22/23 SCRER 28	Merger of Management Functions in Place	100	100	0
22/23 SCRER 17	Parking charges increase	365	365	0
21/22 SCRER 11	ANPR camera enforcement	1,140	1,140	0
<b>Sustainable Communities Regen &amp; Economic Recovery Total</b>		<b>2,718</b>	<b>2,718</b>	<b>0</b>
22/23 ACE 18	Contract Savings - Managed Service Provider for Temporary Agency Resources £600K saving in 22/23	600	600	0
<b>Assistant Chief Executive Total</b>		<b>600</b>	<b>600</b>	<b>0</b>
<b>Total Savings at Risk</b>		<b>4,748</b>	<b>4,978</b>	<b>(230)</b>



## Appendix 5 – Other quantifiable and unquantifiable risks

Quantified Risks	P7 £'000	P6 £'000	Details of Risk
Children, Young People and Education	2,698	1,198	<p><b>CLA Cost of Living £1.500m</b> There is an expectation that children in care providers will increase placement costs as cost of living rises</p>
			<p><b>Pension shortfall pressure £1.198m</b> The increase in the pension contribution in 2020/21 from 16.1% to 26.2% has not been fully funded</p>
Adult Social Care and Health	-	-	None
Housing	1,250	2,000	<p><b>Emergency Accommodation (EA) Bad Debt Provision £0.250m</b> The workings behind the forecast for the bad debt provision need reviewing as the model is suggesting increases in the forecast whilst collection rates have improved</p>
			<p><b>Emergency Accommodation Activity levels £1.000m</b> Targeted changes to service operation have been made to reduce the number of people supported by the EA service. These changes are embedded at August 2022 but the financial ledger and other reporting do not reflect lower numbers in the service but instead suggest that numbers are increasing. Investigatory work is about to commence to better understand the activity drivers and the links to the financial results and ensure a more accurate forecast can be brought in future months.</p>
			<p><b>NSO (£125k)</b> The service is dependent on the closure of the NSO Team and any delays in implementation of the proposal will have an impact on delivery of the saving.</p>

Sustainable Communities Regen & Economic Recovery	1,654	646	<p><b>Planning Income (£325k)</b>  There is a £352k risk to planning income between now and the end of the year down to two reasons.  A) Number of and income from major applications is down considerably from last year. 22/23 Period 5 £99k income as opposed to 21/22 Period 5 £300k income;  'B) Income at risk from planning applications exceeding the 8(minor)13 (major) week statutory timeframes which can result in reimbursement of fees if not met. This has started to increase and therefore there is a risk that more will be refunded and therefore increase the pressure on the service. It should be noted that the reason for increased expenditure on staff for Period 5 has been to try and mitigate this.</p>
			<p><b>Additional Income (7 additional CEOs) £0.077m</b>  Additional Income (7 additional CEOs) Parking Income at risk as we have had difficulties in attracting applicants to the vacant CEO roles</p>
			<p><b>Additional Income £0.192m</b>  Additional Income (10p per 30mins) and Ringo discount threshold lower to 100 CO2g/km</p>
			<p><b>Inflationary Pressure on Fairfield Halls £0.187m</b>  Inflationary Pressure on Fairfield Halls contribution requested by BH Live</p>
			<p><b>GLL Leisure Energy Costs £0.677m</b>  'Pressure Re Contribution to GLL Leisure To Cover Energy Costs Inflation</p>
			<p><b>Capital Staff Recharges (£169k)</b>  As there is no TfL capital funding thus far this year, this is creating a risk of not being able to recharge staff time to capital at the level anticipated in the budget.</p>
Resources	-	-	None
Assistant Chief Executive	-	-	None
<b>Total Quantified Risks</b>	<b>5,602</b>	<b>4,444</b>	

Un-Quantified Risks	P7 £'000	P6 £'000	Details of Risk
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Children, Families and Education	-	-	None
Adults, Health and Social Care			Potential post Covid-19 pandemic latent demand working through the population resulting in additional care packages placements.
			<b>Inflation</b> , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			<b>High vacancy rate</b> is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.
			<b>There is Hospital discharge pressure</b> as the current system risk is running at winter levels due to Covid and backlog despite being summer. Work is being done on a deep dive, as the numbers of placements and equipment cost are rising.
Housing			<b>New Housing Structure (temporary)</b> There remains a temporary structure within Housing, including an Interim Director of Tenancy Services. A change programme is being developed and a bid for Transformation Funding to resource it has been submitted.
			<b>Fire at Sycamore House</b> The financial impact of the fire at Sycamore House, Thornton Heath is as yet unquantifiable.
Sustainable Communities Regen & Economic Recovery	-		<b>Risk To NSRWA Related Income Highways and Parking</b> Although unknown at this stage there is a potential risk to New Roads and Street Works Act Income due to delays and disputes with Utility Companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.
Resources	-		<b>Legal Trading Model</b> The legal trading services model is under review. Until this review is completed officers are flagging this area as a risk. Last year Legal Services were overspent by £306,000.
Assistant Chief Executive			Risk based upon the lack of available graves for sale until the cemetery extension opens

			Increased competition from neighbouring facilities, perceived increase in direct cremations, viewed as the cheaper option for families as inflation starts to take effect
Corporate Items & Funding	-	-	None
<b>Total Un-Quantified Risks</b>			

Un-Quantified Risks	P7 £'000	P6 £'000	Details of Risk
Children, Young People and Education			None
Adults, Health and Social Care			<b>Potential post Covid-19</b> pandemic latent demand working through the population resulting in additional care packages placements.
			<b>Inflation</b> , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			<b>High vacancy rate</b> is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.
			<b>There is Hospital discharge pressure</b> as the current system risk is running at winter levels due to Covid and backlog despite being summer. Work is being done on a deep dive, as the numbers of placements and equipment cost are rising.
Housing			<b>New Housing Structure (temporary)</b> There remains a temporary structure within Housing, including an Interim Director of Tenancy Services. A change programme is being developed and a bid for Transformation Funding to resource it has been submitted.
			<b>Fire at Sycamore House</b> The financial impact of the fire at Sycamore House, Thornton Heath is as yet unquantifiable.
Sustainable Communities Regen & Economic Recovery			<b>Risk To NSRWA Related Income Highways and Parking</b> Although unknown at this stage there is a potential risk to New Roads and Street Works Act Income due to delays and disputes with Utility Companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.
Resources			<b>Legal Trading Model</b> The legal trading services model is under review. Until this review is completed officers are flagging this area as a risk. Last year Legal Services were overspent by £306,000.

			Risk based upon the lack of available graves for sale until the cemetery extension opens
Assistant Chief Executive			Increased competition from neighbouring facilities, perceived increase in direct cremations, viewed as the cheaper option for families as inflation starts to take effect
Corporate Items & Funding			None
<b>Total Un-Quantified Risks</b>			

## Appendix 6 Quantifiable and unquantifiable opportunities

Quantified Opportunities	P7 £'000	P6 £'000	Details of Opportunities
Children, Young People and Education	<b>(1,783)</b>	<b>(2,170)</b>	<b>Public Health (£0.300m)</b> Ongoing Internal Review of Public Health Funding towards related expenses
			<b>Children Service legal costs (£0.285m)</b> Review on operations to mitigate legal costs arising from challenges from service users. The aim is to improve the operations and process to ensure all aspects of support is carefully provided
			<b>Vacancies pending permanent recruitment (£1.198m)</b> Ongoing delays in recruitment and onboarding of international social workers
Adult Social Care and Health	<b>(380)</b>	<b>(380)</b>	<b>Public Health (£0.380m)</b> Ongoing Internal Review of Public Health Funding towards related expenses
Housing	-	-	None
Sustainable Communities Regen & Economic Recovery	<b>(1,292)</b>	<b>(730)</b>	<b>Community Infrastructure Levy Review (£0.300m)</b> Further use of CIL monies to support revenue expenditure where the conditions met being reviewed.
			<b>Streetlighting review (£0.230m)</b> Current pilot is being evaluated.
			<b>Highways Savings (0.140m)</b> Additional In year Highways Revenue Savings
			<b>Parking Income (£0.192m)</b> Additional In year Parking Income
			Building Control Reserve - (£0.299m) Drawdown from Reserves
			<b>HRA charges (£0.131m)</b> HRA Reserve to Cover HRA Budgets Not Recharged Last Year and Expected not To be This Year

Quantified Opportunities	P7 £'000	P6 £'000	Details of Opportunities
Resources	-	(915)	
Assistant Chief Executive	(360)	(320)	<b>Public Health (£0.320m)</b> Ongoing Internal Review of Public Health Funding towards related expenses.
			<b>Bereavement Capitalisation Bid (£0.040m)</b> Bid request to be submitted to capitalise the cost of 2 dumper trucks included as a cost in the revenue forecast
Corporate Items & Funding	(605)	(8,092)	<b>Reduced borrowing need (£0.605m)</b> Potential saving as a result of a review of borrowing costs to fund the capital programme.
<b>Total Quantified Opportunities</b>	<b>(4,420)</b>	<b>(12,607)</b>	



## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Streets &amp; Environment Sub-Committee</b>
<b>DATE</b>	<b>31 January 2023</b>
<b>REPORT TITLE:</b>	<b>Scrutiny Stage 2 Responses to Recommendations arising from: Scrutiny Streets, Environment and Homes Sub-Committee on 20 July 2022.</b>
<b>LEAD OFFICER:</b>	<b>Tom Downs, Democratic Service and Governance Officer- Scrutiny</b> T:020 8726 6000 x 63779
<b>ORIGIN OF ITEM:</b>	The Cabinet response to recommendations made by the Streets, Environment & Homes Sub-Committee is provided for the Sub-Committee's information.
<b>BRIEF FOR THE COMMITTEE:</b>	The Streets and Environment Sub-Committee is asked to note the response given by the Cabinet to recommendations made by the Committee and consider whether any further action is necessary.
<b>PUBLIC/EXEMPT:</b>	Public

### 1 SUMMARY

- 1.1** The rights of scrutiny to make recommendations to the Cabinet, Council, non-Executive Committee, Partner Agency or Partnership Board is set out in Section 8 of Part 4E – Scrutiny and Overview Procedure Rules of the Council's Constitution.
- 1.2** When making a recommendation to the Cabinet, a response needs to be given within two months to confirm whether the recommendation has been accepted or not. If accepted, this response should include how the recommendation will be implemented.
- 1.3** To ensure the Committee can monitor the response given to its recommendations, this report will be included as a standing item on each agenda, setting out in Appendix A the response from the Cabinet to the recommendations of the Committee.
- 1.4** The Committee is asked to review the responses given and consider whether any further action is necessary.

## **2 RECOMMENDATIONS**

The Sub-Committee is asked to:

- 2.1 Note the responses given and consider whether any further action is necessary..

## **3 SCRUTINY RECOMMENDATIONS**

- 3.1 The Scrutiny recommendations are contained in the schedule in the appendix to this report.
- 3.2 The detailed responses, including reasons for rejected recommendations and action plans for the implementation of agreed recommendations are also contained in the appendix.

## **4 APPENDICES**

- 4.1 Appendix 1: Appendix 1: Scrutiny Stage 2 Response - Sustainable Communities, Regeneration & Economic Recovery Directorate Overview

Appendix 2: Scrutiny Stage 2 Response - Revocation of Croydon Suburban Design Guide Supplementary Planning Document 2

## **5 BACKGROUND DOCUMENTS**

- 5.1 Report to Streets, Environment & Homes Sub-Committee on 20 July 2022  
<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=170&MId=3206&Ver=4>

Report to Cabinet on 16 November 2022  
<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=2987>

Appendix 1 - Sustainable Communities, Regeneration & Economic Recovery Directorate Overview

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
<b>Report:</b> Sustainable Communities, Regeneration & Economic Recovery Directorate Overview (Considered by Streets Environment & Homes Committee on 20 July 2022)							
1. The Sub-Committee recommended that the information on the Council Website around how to report waste collection issues and for the option to 'make an enquiry' be reviewed and made more prominent.	The Sub-Committee were of the view that it was too difficult to report missed [bin / refuse] collections in some cases and that this should be improved.	Cllr Roche, Cabinet Member for Streets and Environment	Accepted  The council's homepage has been updated and "Bin issues" is one of the priority services shown	Nick Hibberd, Corporate Director of Sustainable Communities			
2. The Sub-Committee recommended better data collection on areas where there were repeated missed waste collections relating to obstructions or narrow roads to inform a more proactive approach that was less reliant on reporting.	The Sub-Committee were of the view that more work needed to be done to improve trust in waste collection services and to improve the perception that services were improving and providing value for money to residents.	Cllr Roche, Cabinet Member for Streets and Environment	Accepted  There will be an internal review of information and process using existing technology	Nick Hibberd, Corporate Director of Sustainable Communities	None	February 2023	
3. The Sub-Committee recommended that the Cabinet Member for Streets and Environment investigate pilots on waste collection trails for flats above shops.	The Sub-Committee concluded that waste collections for flats above shops were an issue and solutions on this should be fed into the review of the waste contract.	Cllr Roche, Cabinet Member for Streets and Environment	Partially Accepted  Agreed in principle, however options exploration and solutions may not be in available budgets. To be explored.	Nick Hibberd, Corporate Director of Sustainable Communities	Will be progressed if within existing budgets and affordability consideration.	March 2023	

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
4. The Sub-Committee recommended that the Council produce a Litter Strategy in line with good practice.		Cllr Roche, Cabinet Member for Streets and Environment	Partially Accepted Agreed in principle, – pending identification of sufficient resources or available commissioning budget.	Nick Hibberd, Corporate Director of Sustainable Communities	Officers to cost a project to develop and implement a litter strategy	Resource dependent	
5. The Sub-Committee recommended Ward Councillor visits to assess street cleaning grading were resumed.	The Sub-Committee concluded that there should be co-ordination between waste collection and street cleansing schedules to improve perceptions of street cleanliness and that this should be fed into the review of the waste contract. The Sub-Committee were pleased to hear that the option of bringing the waste contract in-house was one of the options being appraised as part of the forthcoming review of the contract.	Cllr Roche, Cabinet Member for Streets and Environment	Partially Accepted  The Council's contract monitoring team undertake inspections of works completed by the contractor to assess whether street cleansing activity is being undertaken in line with the contract specification.  Whilst the recommendations is not fully accepted, Officers are happy and available to meet with Ward Cllrs on site as necessary to discuss local concerns and specific identified issues	Nick Hibberd, Corporate Director of Sustainable Communities			
6. The Sub-Committee requested clarity on timescales for the new parking strategy and for information on how this would contribute to over net zero plans.	The Sub-Committee concluded that there was significant strain on parking income and that a new parking strategy was needed to incorporate current trends in behaviours and the adoption of low emission vehicles.	Cllr Roche, Cabinet Member for Streets and Environment	Accepted  A transformation project is being developed to review the current parking policy.	Nick Hibberd, Corporate Director of Sustainable Communities		It is anticipated a report will go before cabinet with a draft policy in by March 2023	

**Appendix 2** – Revocation of Croydon Suburban Design Guide Supplementary Planning Document 2

SCRUTINY RECOMMENDATION	CONCLUSIONS	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e., Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
<b>Report:</b> Revocation of Croydon Suburban Design Guide Supplementary Planning Document 2 (SPD2) (Considered by Streets Environment & Homes Committee on 20 July 2022)							
<p>1. The Sub-Committee requested that the policy on residential extensions and alterations in national, regional and local planning framework that would be used to determine applications in the absence of SPD2 be provided to the Sub-Committee.</p>	<p>The Sub-Committee were concerned that revocation of SPD2 was being recommended to Council without the replacement supplementary planning documentation on residential extensions and alterations ready to take its place as was thought to be best plan making practice which was the process that had been followed for the South Norwood Conservation Area Appraisal and Management Plan.</p>	<p>Cllr Bains, Cabinet Member for Planning and Regeneration</p>	<p>Accepted</p>	<p>Nick Hibberd, Corporate Director of Sustainable Communities</p>	<p>The recommendation can be accommodated by the existing Spatial Planning, Growth Zone and Regeneration, and Development Management Service budgets</p>	<p>28/10/2022</p>	
<p>2. The Sub-Committee requested more information on the timescales in developing and adopting the new documentation on residential extensions and alterations be provided.</p>	<p>The Sub-Committee were advised by the Cabinet Member for Planning and Regeneration that there was a political mandate for the revocation of SPD2 but Members were of the view that the risks to residents of poor quality residential extensions and alterations in the absence of replacement guidance had not been appropriately assessed.</p>	<p>Cllr Bains, Cabinet Member for Planning and Regeneration</p>	<p>Accepted – It is a statutory requirement for the Council publish a Local Development Scheme setting out its programme for the production of key planning documents. The programme for the Residential Extensions and Alternations Supplementary Planning Document will form part of the Local Development Scheme.</p>	<p>Nick Hibberd, Corporate Director of Sustainable Communities</p>	<p>The recommendation can be accommodated by the existing Spatial Planning, Growth Zone and Regeneration Service budget.</p>	<p>31/12/2022</p>	

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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Streets &amp; Environment Sub-Committee</b>
<b>DATE</b>	<b>31 January 2023</b>
<b>REPORT TITLE:</b>	<b>WORK PROGRAMME 2022-23</b>
<b>LEAD OFFICER:</b>	<b>Tom Downs, Democratic Service and Governance Officer- Scrutiny</b> T:020 8726 6000 x 63779
<b>ORIGIN OF ITEM:</b>	The Work Programme is scheduled for consideration at every ordinary meeting of the Streets & Environment Scrutiny Sub-Committee.
<b>BRIEF FOR THE COMMITTEE:</b>	To consider any additions, amendments, or changes to the agreed work programme for the Committee in 2022/23.
<b>PUBLIC/EXEMPT:</b>	Public

### 1 SUMMARY

- 1.1 This agenda item details the Sub-Committee's work programme for the 2022/23 municipal year.
- 1.2 The Sub-Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.
- 1.3 The Sub-Committee is able to propose changes to its work programme, but in line with Constitution, the final decision on any changes to any of the Committee/Sub-Committee work programmes rests with the Chairs & Vice-Chairs Group, following consultation with officers.

### 2 RECOMMENDATIONS

The Sub-Committee is asked to:

- 2.1 In Note its work programme for the remainder of 2022-23, as set out in Appendix 1 of the report.
- 2.2 Consider whether there are any changes to the work programme that need to be reviewed.

### **3 WORK PROGRAMME**

#### **3.1 The work programme**

The proposed work programme is attached at **Appendix 1**.

Members are asked to note that the lines of enquiry for some items have yet to be confirmed and that there are opportunities to add further items to the work programme.

#### **3.2 Additional Scrutiny Topics**

Members of the Sub-Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the time limitations at Committee meetings, it is suggested that no proposed agenda contain more than two items of substantive business in order to allow effective scrutiny of items already listed.

#### **3.3 Participation in Scrutiny**

Members of the Sub-Committee are also requested to give consideration to any persons that it wishes to attend future meetings to assist in the consideration of agenda items. This may include Cabinet Members, Council or other public agency officers or representatives of relevant communities.

### **4 APPENDICES**

- 4.1** Appendix 1: Work Programme 2022/23 for the Streets & Environment Scrutiny Sub-Committee.

### **5 BACKGROUND DOCUMENTS**

- 5.1** None



## Streets &amp; Environment

The below table sets out the working version of the Streets, Environment & Homes Sub-Committee work programme.

Meeting Date	Item	Scope	Directorate & Lead Officer
31/01/23	Budget Scrutiny Challenge	<p>The purpose of the Budget Challenge reports is to provide the Street &amp;, Environment Sub-Committee with sufficient information to reach a view on the following 2023/24 budget proposals:-</p> <ol style="list-style-type: none"> <li>1. Parking Services (including a short update on upcoming policy review)</li> <li>2. Planning Service</li> <li>3. Building Control (including detail on the 23/24 budget growth and expected transformation resulting from the Building Safety Act)</li> </ol>	<p>Sustainable Communities Regeneration &amp; Economic Recovery Nick Hibberd</p>

14/03/23	Pre-Decision: Parking Policy Review	To conduct pre-decision scrutiny on the upcoming Cabinet report covering the Parking Policy Review	Sustainable Communities Regeneration & Economic Recovery  Steve Iles
	Air Quality Action Plan 23-28 (TBC)	To scrutinise the Council's Air Quality Action Plan 23-28.	Sustainable Communities Regeneration & Economic Recovery  Nick Hibberd
	Local Plan Update (TBC)	To receive a presentation updating the Sub-Committee on the Local Plan and the effects of National and London Plan policy.	Sustainable Communities Regeneration & Economic Recovery  Nick Hibberd
	Pre-Decision: Planning Transformation (TBC)	To conduct pre-decision scrutiny on the upcoming Cabinet report covering the Planning Advisory Service Review and Delivery Plan	Sustainable Communities Regeneration & Economic Recovery  Nick Hibberd

**Standing Items:**

Work Programme Item	Notes
Financial Monitoring for SCRER	Standing Item tracking progress with the delivery of 2022/23 Budget using the latest Cabinet Financial Performance report (To review by exception).

## Items of Interest

The following items haven't been scheduled into the work programme but are highlighted as potential items of interest to be scheduled during the year ahead.

Unallocated Items	Scrutiny Officer Notes
Environment Bill Responsibilities	To review the additional responsibilities that will fall upon the Council following the adoption of the Environment Bill
Biodiversity Strategy	To review the upcoming Biodiversity Strategy once written.
Implications of the Levelling Up and Regeneration Bill	To review the possible implications of the Levelling Up and Regeneration Bill
Purley Pool Options Appraisal	To look at the options that have been appraised for the reopening of Purley Pool
Graffiti Removal Service	To review the progress on the Mayor's pledge to reinstate a dedicated Graffiti Removal Service.
Review of the Waste Contract	To review the progress on the review of the Waste Contract.
Environmental Enforcement	To review the Environmental Enforcement service.
Flood Risk and Planning	To review the Council's flood planning and risk assessments
Carbon Neutral Action Plan	To review the Council's work on decarbonisation and progress towards achieving Net Zero targets.
Protection of green spaces and parks	To look at the protection of parks and green spaces in the borough, including the support fund and Council strategy.

Clean Water and Sewage (Thames Water)	To look at the water quality in the borough and the risks of contamination from sewerage.
Transport, Active Transport & School Streets	To look at the strategy for Transport, Active Transport & School Streets in the borough, alongside Road Fatalities & Speed Limits
Healthy Streets	To review the results of the feasibility studies on the latest round of Healthy Streets Emergency Traffic Orders – Spring 2023
Transformation of Independent Travel	To review the transformation of the Independent Travel Service – End of 2023/24
Review of Local Plan	To scrutinise the review of the Local Plan – 2023/24

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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