

Scrutiny Streets & Environment Sub-Committee Agenda



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

Reserve Members: Samir Dwesar, Sean Fitzsimons, Simon Fox, Eunice O'Dame, Ellily Ponnuthurai, Nikhil Sherine Thampi and Esther Sutton

A meeting of the **Scrutiny Streets & Environment Sub-Committee** which you are hereby summoned to attend, will be held on **Tuesday, 8 November 2022** 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
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Tom Downs
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www.croydon.gov.uk/meetings
Monday, 31 October 2022

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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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 - 18)

To approve the minutes of the meeting held on 4th October 2022 as an accurate record.

3. **Disclosure of Interests**

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

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

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

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

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

4. Urgent Business (if any)

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

5. Waste Contract Performance Paper (Pages 19 - 44)

The Sub-Committee has been provided this report to inform and update on the performance of the Council's waste collection and street cleansing contract and to identify areas of service improvement and management of known and emerging risks to the service. A legislative backdrop is also provided to inform Members of future challenges and opportunities.

6. Cabinet Report - South London Waste Plan Development Plan Document (Pages 45 - 56)

The Sub-Committee is asked to receive the Cabinet report for information, which recommends that the Executive Mayor at Cabinet (16th November 2022) recommends to Council (14th December 2022) to adopt the South London Waste Plan 2022 to 2037 subject to the changes in the Main Modifications in the Inspectors report as a Development Plan Document in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012.

7. Cabinet Report - Waste Collection and Street Cleansing Contract (Pages 57 - 108)

The Sub-Committee is asked to review the Cabinet report and conduct Pre-Decision Scrutiny with a view to considering whether it is reassured about the recommendation to the Executive Mayor not to extend the current waste collection and street cleansing contract with Veolia Environment Services following expiry of the initial term on 31st March 2025.

8. Period 5 Financial Performance Report (Pages 109 - 144)

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.

9. Scrutiny Work Programme 2022-23 (Pages 145 - 150)

The Sub-Committee is asked to:

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

10. 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

Public Document Pack Agenda Item 2

Scrutiny Streets & Environment Sub-Committee

Meeting held on Tuesday, 4 October 2022 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillors Leila Ben-Hassel (Chair), Kola Agboola (Vice-Chair), Adele Benson, Simon Brew, Amy Foster, Christopher Herman and Nikhil Sherine Thampi.

Also Present: Councillor Scott Roche (Cabinet Member for Streets and Environment) and Councillor Lynne Hale (Statutory Deputy Mayor and Cabinet Member for Homes).

Apologies: Councillor Luke Shortland

PART A

1/22 Minutes of the Previous Meeting

The minutes of the meeting held on 20th July 2022 were agreed as an accurate record.

2/22 Apologies for Absence

Apologies for absence were received from Councillor Luke Shortland, who sent Councillor Nikhil Sherine Thampi as a substitute.

Apologies for lateness were received from Councillors Agboola and Benson.

3/22 Disclosure of Interests

Councillor Foster highlighted that they had already registered an interest as an employee of the charity 'Living Streets' which promoted projects to encourage walking.

4/22 Urgent Business (if any)

The Chair explained that the Sub-Committee would be asking questions on the Financial Performance Report - Month 4 (July 2022) that had been

reported to Cabinet on 21st September 2022 as separate financial reporting on the Sustainable Communities, Regeneration and Economic Recovery (SCRER) and Housing directorates had not been provided. Discussions with the Chair of Scrutiny & Overview and the relevant Corporate Directors would be held to agree a way forward on financial reporting to the Sub-Committee in future.

The Chair asked about the possible projected overspend of up to £19 million, noting that a large part of this referred to the SCRER department, and asked for this to be explained. The Corporate Director for SCRER explained that at month four, the department was projecting an overspend of £15.14 million; this related to under recovered income and largely to the various income streams that made up traffic moving and parking income. These included parking, civil enforcement, parking suspensions, controlled parking zones and new/planned Automatic Number Plate Recognition (ANPR) schemes.

There had been downturns in income due to changes in behaviours as a result of the economy, post-COVID society and reduced enforcement. It was noted that reduced enforcement was due to both a decline in offences and difficulties in recruiting to civil enforcement officer posts. There had also been delays for the implementation of Healthy Neighbourhoods and School Streets schemes.

The remaining areas of the budget related to under recovery of income in building control and development management, due to a downturn in activity. There were less planning applications and pre-application advice sought which had also effected the budget.

The Chair raised budget pressures from the provision of Special Education Needs (SEN) Transport and was informed that this had seen increased demand, and that there were additional pressures from contract inflation. Negotiations with providers were ongoing and a reserve was built into the budget to address contract inflation, and this may be used in future to cover some of this pressure.

The Corporate Director addressed the Private Sector Landlord Licensing Scheme and explained that this had been budgeted to achieve significant income but had been rejected by the Secretary of State due to the lack of a Housing Policy, but that work to address this was ongoing. The Sub-Committee noted these schemes were meant to be cost-neutral and asked why this had led to budget pressure. Members heard that the resources for Private Sector Housing had been scaled back.

The Sub-Committee asked about the income of the Planning Department and the Corporate Director of SCRER responded that the department's budget was made up entirely of income and so an under recovery of income was the result of reduced numbers of planning applications. The Director of Planning & Sustainable Regeneration explained that there were different levels of fee income depending on the size of applications; householder applications had increased, and major applications had fallen leading to reduced income for

the department. Pre-application and Planning Performance Agreements were discretionary fee generating services provided by the department and were responsible for significant income and these had fallen in line with the number of major applications. National factors had contributed to this with a downturn in major applications since the pandemic. Planning Performance Agreements Fees had previously allowed the department to take on additional agency staff, but as these fees had been reduced, it was no longer possible to continue this at the same level.

The Sub-Committee asked whether refurbishment of buildings would be greener than new major applications. The Director of Planning & Sustainable Regeneration responded that there had been increased conversations with developers about reuse, but these usually still required an application. In Croydon, there was still a large amount of poorly utilised land and often comprehensive redevelopment was better as it led to buildings that met modern building standards and were more energy efficient. It was highlighted that all applications needed to be determined on their own merits.

The Chair asked about the Deficit Recovery Plan and why so little of this related directly to the SCRER department. The Corporate Director of SCRER explained that all directorates were working on deficit recovery but, that as nearly 80% of the SCRER budget was income, measures to mitigate under recovered income needed to be investigated; as the net general fund budget was so small it made deficit recovery more difficult for the SCRER department. On the General Fund, it was explained that the spend was low at this point in the year as the lead in time for Capital Programmes was longer, but nearly the full budget was predicted to be spent by the end of the financial year. It was expected that whilst some Capital Programmes may start this year, they may carry on and be reprofiled into the next financial year.

On Housing, the Chair asked about the inability to recover Housing Benefit and it was explained that there were two parts to Housing Benefit, and one of these covered Supported Exempt Accommodation which came with higher costs which were not subsidised by the government. Members heard that demands on this were increasing and a project group on this was looking to develop a long-term solution for the Council.

On the Capital Programme, the Chair noted the reduction in the target for Housing Revenue Account spend and the Interim Head of Tenancy & Resident Engagement explained that the programme was being reviewed which had led to a slowdown in delivery. This was due to capacity at the Council, longer lead in times and the need to review the programme to ensure it was targeted in the right ways. Members heard that there would be a slow down on the Capital Spend towards the end of the year against the original budget. The Chair expressed disappointment that these funds would not be spent and noted that this was a year-on-year trend. The Deputy Mayor and Cabinet Member for Homes responded that there would be a focus on spending this money wisely and ensuring data and stock condition information was correct.

5/22 Housing Needs Transformation Plan

The Sub-Committee considered a report set out on pages 21 to 26 of the agenda which provided an update on the development of the Housing Needs Transformation Plan. The Chair noted that Members had been disappointed in the lack of detail in the report which had made it difficult to analyse.

The Sub-Committee asked about the suggestion in the report that the service was not currently 'customer centric' and heard that the number of entry points to the service led to an inconsistent quality of advice and service for vulnerable people and that this needed to be addressed to ensure they were treated with kindness, respect and dignity.

The Chair asked for information on how many homeless residents were registered in Croydon and how many had been housed in and out of borough. The Head of Temporary Accommodation explained that on homelessness and emergency accommodation there were just over 3000 households but there needed to be data cleansing to verify these figures. This was a combination of households who had formally made a homelessness declaration, who formed the majority, and the minority had a 'discretionary arrangement'; around 80% were housed in borough and around 20% out of borough. Returns sent to the Government needed to be thorough and affected funding settlements that the Council received. The discretionary placements were largely care leavers who the Council had a duty to support, and the rest had not been supported to leave the Temporary Accommodation system.

On Temporary and Emergency Accommodation placements into Croydon, the majority of these were from Wandsworth, Sutton, Merton and Lambeth. The Council could not stop other authorities placing into the borough as long as they notified Croydon when this occurred.

The Sub-Committee asked about a court case the Council was appealing, referenced within the paper, and asked if it would have been cheaper not to appeal it. The Head of Homelessness & Assessments explained that the Council had lost a High Court case which determined that anyone in unsuitable accommodation must jump the housing queue and be provided a permanent home within weeks; the decision also implied that the financial situation of a council would no longer be considered. Local Authorities across the country were very concerned about the implications of this case as it could lead to significant issues and it was regarded as a test mark case nationally.

Members asked if the Council could only pay landlords a statutory rate and the Head of Temporary Accommodation explained that pan-London rates were agreed to try and manage the market with rates negotiated at the same level. These rates stopped markets becoming over inflated when authorities placed residents out of borough.

The Chair asked why the report did not provide any financial information on the stated workstreams. The Head of Temporary Accommodation explained

that the starting position was to achieve savings of £1.8 million in the next financial year; some plans had been developed and some were still at early stages. It was noted that homelessness demand was likely to increase alongside the cost-of-living crisis which would provide some additional budget pressures.

The Sub-Committee asked about the possibility of there being higher numbers of people in emergency accommodation than previously thought and why good data had not been captured previously. Members heard that this was a historical issue and that officers were using five different systems for data capture, with some of these being manual. This was being corrected but would take significant time to fix and was needed to ensure accurate plans to achieve savings and manage demand could be formulated.

Members asked about how vulnerable people in private accommodation were helped and the Head of Homelessness & Assessments stated that currently the service was the last port of call but that the intention was to adopt an early intervention approach so that support could be provided to these individuals through a strategic, comprehensive, and multi-agency response to reduce the risk of homelessness.

The Sub-Committee asked about placements into the borough from other local authorities into substandard temporary accommodation and the possible reputational damage from this to Croydon. The Head of Temporary Accommodation responded that there was a legal requirement on the placing authority to do due diligence and check out these placements to ensure they were suitable. The Council did not have resources to check these placements themselves, but where complaints were received, this would be escalated to the placing authority.

Members asked about data cleansing and heard that analysis was being done across the piece to understand where the issues were in the data. Once data had been cleansed, this would allow for better strategic insights across the service which would then result in different responses such as occupancy checks.

The Sub-Committee asked about how the needs of vulnerable people were being considered when being placed into temporary or emergency accommodation. Members heard that there was a statutory test for vulnerability and that this had a high threshold. Data on needs was now being collected at a person's first contact with the service to try to ensure the best choice, advice, and outcomes for customers.

The Chair asked about residents who had been turned away from the service for not having an eviction notice and highlighted that this was contrary to the early intervention approach set out in the report; it was also noted that there was a lack of follow up from the Council when residents had been in touch with the service and it was asked how this culture would be changed. The Head of Homelessness & Assessments acknowledged that staff were still working with antiquated systems and explained that there would be cultural

change through workshops and various forms of training. The lack of training had been identified as a barrier to adopting early intervention which needed to be changed to ensure staff were proactive and could work with residents before eviction notices had been issued. The new service looked to ensure that residents met an officer on the day they came to the Council, who would remain assigned to their case and develop a personal housing plan. The Chair asked which workstreams covered this and commented on silo working in the Housing department. The Head of Homelessness & Assessments explained that this was likely an inherited behaviour and changing this sat within the cultural change aspect of the transformation plan, although this was not covered explicitly in the report. The Head of Homelessness & Assessments explained that there was a paper under this, which had not yet been shared with staff for consultation, which contained more detail as opposed to the high-level actions in the Sub-Committee report.

The Sub-Committee asked about the multiple IT systems in use and were informed that these would be consolidated into a single NEC system that the whole Housing department would use, with a planned go-live date of November 2022. The Head of Temporary Accommodation explained that the NEC system was being developed to replace systems across the Housing directorate.

The Chair asked about the timescales for recruitment of posts detailed in the paper and heard from the Head of Temporary Accommodation that the service was currently being restructured to streamline processes and use of resources; the additional resource identified in the paper were short term hires to carry out specific pieces of work for the transformation over a six-month period.

The Sub-Committee raised concerns about the quality of private sector temporary accommodation and asked how this could be improved. Members heard that the Dynamic Purchasing System (DPS) would allow temporary accommodation to be procured from specific vetted suppliers, who would sign up to a framework, and would help manage these relationships by monitoring certifications and stock checks. This would hopefully unlock capacity for staff to inspect sites where complaints had been received to gather evidence.

Members asked about timescales and how improvements to accommodation would be measured. The Head of Temporary Accommodation explained that it was hoped the system would be in place in 2023 and scoping work on suppliers had already begun; currently there were around 60 suppliers of emergency accommodation and there was a risk that some of these would not sign up to the new system and framework which would set out standardised expectations of the supplier which would be used to form Key Performance Indicators (KPIs). Other authorities had used the DPS, and the Council was in dialogue with them about the benefits of the system and what they had learned during their implementation.

The Chair asked if all future placements would take place through the DPS with accommodation that had been checked in advance and heard this was

being done in a phased approach starting with emergency accommodation with other accommodation following later. The Chair asked what quality assurance was being done in the meantime and heard that, for new placements, inspections were already taking place; existing properties were not yet being inspected unless complaints had been received due to capacity issues in the service.

The Chair asked whether the implementation of the new NEC Housing software was on track, and the Head of Homelessness & Assessments explained there had been some challenges for the Housing Needs service; this was the first phase and data would be entered into the system once it had been cleansed. There had been delays to implementation due to diligence being done on risk management and to ensure the system functioned as required.

The Sub-Committee asked how the Transformation Plan managed the risk of increased pressures on the service from the cost-of-living crisis. The Head of Homelessness & Assessments explained that there was also additional pressure from Ukrainian and Afghan refugees and that this would be very difficult to manage. It was expected that the new system would be more flexible to try to mitigate challenging circumstances for customers. The Chair asked if there were earmarked reserves and the Head of Temporary Accommodation confirmed that these were in place to deal with additional demand to the value of around £970k, and that meetings with the Department for Levelling Up, Housing & Communities and other authorities to horizon scan were ongoing.

The Chair asked about legal exposure and the risks of poor data leading to less grant than needed being claimed from central government. The Head of Homelessness & Assessments explained that there needed to be better training for staff but that judicial reviews would always be a risk. On data quality, Members heard that this was being mitigated by working with the Department for Levelling Up, Housing & Communities, who were aware of the issues. Currently the grant level received was thought to be too low, but a reform of the Homelessness Prevention Grant, which changed funding formulas, was expected to also negatively affect Croydon's settlement; work to lobby the government to change this was ongoing.

Conclusions:

The Sub-Committee were reassured by the action already taken and the pace of change in the Housing Needs service. Members agreed that the direction of travel was positive.

The Sub-Committee requested that more detailed versions of the Transformation Plan, that included mapping of the various work streams, were shared once they were available.

The Sub-Committee requested more granular detail on the identified workstreams and the plans for cultural change.

Recommendations:

1. The Sub-Committee agreed that signposting of Housing Needs services should be improved on the Council website.
2. The Sub-Committee recommended that the service should commence a proactive communications drive to all residents in Temporary Accommodation to encourage reporting of poor conditions, which ensured that residents were reassured that reporting issues would not result in them losing their homes.
3. The Sub-Committee recommended that the Housing Needs service ensure that occupancy checks are conducted in line with best practice and trauma informed practice.
4. The Sub-Committee noted the interdependency between the Housing Improvement Plan work on voids and the Housing Needs Transformation Plan and asked that the directorate look at how the work on void turnarounds affected plans to reduce the time that customers spent in Temporary Accommodation.

6/22 Healthy Streets and Active Travel (including Healthy Neighbourhoods, School Streets, Vision Zero, Cycling and Walking Strategy) Update

The Sub-Committee considered a report set out on pages 27 to 34 of the agenda, and in supplements, which provided an update on the Healthy Streets / Active Travel Programme including (Healthy Neighbourhoods, School Streets, Vision Zero, Cycling and Walking Strategy). The Chair explained the background of this item and stated that a briefing on the implementation and monitoring framework of Healthy Neighbourhood schemes had been held before the meeting, with notes of this meeting published as a supplement. The Head of Strategic transport introduced the item with a short presentation.

The Sub-Committee asked how when Transport for London (TfL) assessed the performance of different boroughs on Active Travel and Healthy Streets, that the intensity of public transport and the prevalence of hills was taken into account. The Head of Strategic Transport responded that this was taken into account at the objective setting stage and TfL was beginning to recognise the difference between public transport availability in Inner and Outer London. Public transport availability in Croydon was not on a par with Central London, but usage was high compared to other Outer London boroughs. Croydon had been identified as having a high potential for journeys made by bicycle, however, the was not currently being realised. The Croydon Cycling Strategy addressed topography, about which there was little the Council could do, and the Head of Strategic Transport suggested this could be addressed through the promotion of e-bikes. The Chair asked about possible funding streams to bring e-bikes into the borough and heard that this was difficult currently but that it was possible this could be achieved through Section 106 funding and

the introduction of hire schemes. It was highlighted that e-bikes would require the same level of infrastructure as normal bikes.

The Chair asked the Cabinet Member for Streets and Environment about the manifesto commitment of the Mayor to review Healthy Neighbourhood schemes and the appearance that this had not undertaken. The Cabinet Members for Streets and Environment responded that a review of the original Traffic Management Advisory Committee decision had been undertaken and these were being implemented due to financial implications for the budget but with amended signage and road markings. The Sub-Committee asked whether this was contrary to the Mayor's manifesto and heard that the Council was going above and beyond in its engagement with residents to ensure schemes were sensitive. The Head of Strategic Transport explained the process that needed to be followed at the end of the Experimental Traffic Management Orders (ETMOs) and explained that this would be running alongside extensive engagement including independent polling, receipt of objections, street audits and drop-in sessions. A comprehensive review of Healthy Neighbourhood schemes would be presented to Cabinet after 12 months with suggested next steps at the end of the ETMOs.

The Chair explained that the engagement approach did not necessarily mean that schemes would be removed as the default position in national policy was that unless significant harm from schemes could be proven then they would be retained. The Head of Strategic Transport explained that whilst there was a presumption that schemes would be retained, officers would need to draw together all material factors in the final report to Cabinet about whether schemes should be removed or made permanent. Officers would use their professional judgement to form these recommendations alongside the results of monitoring, ministerial guidance and resident engagement.

Members noted that data was being collected on schemes now but asked what data had been collected before schemes were implemented to evaluate how well schemes had performed. The Head of Strategic Transport explained that TfL had encouraged very quick implementation during the pandemic which had restricted advance data gather. As a result, other data had been used to form the picture pre-implementation of schemes, and these included traffic flow information and TfL databases including IBus data.

The Sub-Committee asked why private hire and taxis were treated differently in Healthy Neighbourhoods and heard that the signage used for schemes meant that Taxis were exempt, however, private hire vehicles were not.

Members asked about what lessons had been learned from other boroughs, who had adopted Healthy Neighbourhood schemes, regarding implementation, monitoring, engagement, and best practice. The Sub-Committee heard that there was a strong focus on delivery in Croydon, and that with the available resources it had not been possible to engage more widely. The Head of Strategic Transport explained that the Council was seeking to follow Secretary of State guidance on engagement and what was achievable within the available resource.

The Sub-Committee asked about the polarising nature of some of the communications that had asked for objections and not views in support of schemes. The Head of Highways & Parking Services explained that there was a statutory six-month period for ETMOs to receive objections and that this was why this language had been used. The Chair stated that a binary approach was also reflected in other communications, such as for School Streets, and asked if there were opportunities to invite other forms of responses. Members heard that the polarised opinions on schemes had been noted by central government who had recommended that Councils went out to find representative samples of residents, separate from those who would be motivated to attend drop-in sessions, and residents who had not previously been reached to ensure representative views on schemes were assessed. On questions about how this sample of residents would be found, the Sub-Committee heard that professional companies in the engagement field would be used.

The Chair noted communications from a group called 'Open our Roads' referencing data from the Department for Transport (DfT) published in September 2022. The Head of Strategic Transport explained that this data had previously been referenced in the original TMAC report on Healthy Neighbourhoods but had only been one part of numerous considerations that had been included. In future reports on progressing ETMOs for Healthy Neighbourhood schemes, this data was relegated to the environment section as, in the intervening period, central government had drawn its own conclusions about what this data showed about the national picture. Croydon was not resourced to reanalyse this data, although it could cross reference with other datasets, and at the end of 2021 TfL had presented contradictory data on traffic levels and this was likely due to the way the two organisations modelled traffic data for local neighbourhoods. There were also inconsistencies between carbon emissions from road transport estimates from TfL and DfT, and it was thought that this was likely due to the way central government was modelling traffic on local streets in Croydon. The Head of Strategic Transport explained that messaging from local government was still strongly in favour of pursuing the Active Travel agenda.

The Chair highlighted the founding of Active Travel England (ATE) and asked if work would be done to standardise monitoring frameworks between ATE and TfL. Members heard it was clear how ATE would operate outside of London where the DfT had direct responsibility for funding of transport investment through local authorities, and ATE would be responsible for monitoring what was delivered. In London this was less clear, but it was unlikely that TfL would continue to fund Active Travel schemes for local authorities who failed to embed the DfT and TfL agenda, or who failed to deliver schemes to the standard that ATE would expect.

The Chair proposed that the meeting be extended to 10.00pm, and the Sub-Committee agreed.

RESOLVED: That the Sub-Committee be extended to 10.00pm.

The Sub-Committee asked what the key lessons were for ensuring that residents understood schemes that had been learnt from the implementation of the first tranche of School Streets. The Head of Highways & Parking Services explained that for the second tranche of School Streets, discussions had been held with school leaderships to ensure proposals were in line with what was wanted by schools before engagement went out to the wider community. The Chair asked if any other lessons had been learnt and Members heard that the need for advanced signage was vital. The Sub-Committee heard that for the first tranche of School Streets, informal consultation had been undertaken, and the results of this would be reported to Cabinet in October 2022; dependant on that decision it would then be decided whether to proceed with ETMOs. The Chair asked about how School Streets would be monitored and heard that work was being done with a third-party supplier and that monitoring would be installed on the schemes implemented by ETMOs in April 2022. Approval was being sought at Cabinet in October 2022 to continue this monitoring and to install air quality traffic monitors in the local areas of these schools.

The Sub-Committee asked about how Active Travel and Healthy Streets linked to wider policies around reducing traffic and road fatalities. The Head of Highways & Parking Services explained that additional funding had been offered from TfL for Croydon's third Local Implementation Plan (LIP3) and that this would include the implementation of road safety schemes. The Chair commented on current uncertainty until TfL funding settlements were known and asked how a more integrated approach could be adopted that told the story of these policies to residents. The Corporate Director of SCRER explained that it was always their aim to link up these policies as part of a coherent strategic approach, but that there was often a tension between achieving this and responding to disjointed funding offers to implement schemes. The Corporate Director of SCRER acknowledged that more could be done to bring these policies together but that there were always efforts to link schemes to a wider strategic picture. The Chair acknowledged this and highlighted the importance of taking the emotion out of the picture and presenting the benefits of policies to residents as a cohesive narrative.

The Chair asked about the absence of street scene improvements as part of ANPR Healthy Neighbourhoods and possible ways that this could be implemented. The Head of Strategic Transport explained that this was an element that would be important in contributing to the long-term success of schemes. Currently these schemes were established under ETMOs and so it was difficult to justify the additional cost of street scene improvements. This was a part of a longer-term vision for the schemes to try to change the way these roads related to different road users. The Chair noted that all money recovered from breaches of ANPR Healthy Neighbourhoods was ringfenced for transport and used to fund Croydon's contributions to the Freedom Pass scheme.

Conclusions:

The Sub-Committee thanked officers for the very useful briefing on monitoring and engagement for Healthy Neighbourhoods in advance of the meeting and asked that once information on how monitoring data would be used that this be shared with Members.

The Sub-Committee concluded that the Council's webpages on Active Transport and Healthy Streets should be brought together to allow for this to be more coherent and easier to understand for residents.

The Sub-Committee concluded that there was a strong central government drive for local authorities to adopt Active Travel policies, but that this was not widely understood. The detail on how Active Travel England fit into this picture was also unclear.

Recommendations:

1. The Sub-Committee recommended that key stakeholders were identified and engaged before the implementation of any new Healthy Neighbourhood schemes.
2. The Sub-Committee recommended that the Council look at developing a cohesive Active Travel policy that brought all these schemes together in a coherent and strategic way that provided a narrative that residents could easily understand.
3. The Sub-Committee recommended that there needed to be better communications with residents about the outcomes of Healthy Neighbourhood and School Street schemes that were in their localities.
4. The Sub-Committee recommended that the Council investigate developing a Kerbside Strategy to work in an integrated way alongside the Walking and Cycling Strategies.
5. The Sub-Committee recommended that the Council investigate attracting an e-bike hire scheme into the borough, possibly through Section 106 funding.

7/22 Cabinet Response to Scrutiny Recommendations

The Sub-Committee noted the paper.

8/22 Scrutiny Work Programme 2022-23

The Chair encouraged Members to submit any additional work programme items to the Clerk in light of a number of items moving to the new temporary Homes Scrutiny Sub-Committee.

The Sub-Committee agreed to bring the next meeting forward to the 8th November 2022 from the 15th November 2022 in order to allow time for recommendations made on papers to reach the Cabinet meeting on 16th November 2022.

The meeting ended at 9.54 pm

Signed:

Date:

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REPORT TO:	STREETS & ENVIRONMENT SCRUTINY COMMITTEE 8th November 2022
SUBJECT:	Veolia contract performance paper
LEAD OFFICER:	<i>Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration and Economic Recovery</i> <i>Steve Iles Director of Sustainable Communities</i>
CABINET MEMBER:	Cllr Scott Roche - Cabinet Member Streets & Environment
PUBLIC/EXEMPT:	PUBLIC

ORIGIN OF ITEM:	This item has been requested by the Chair of the Scrutiny & Overview Committee as part of the Committee's ongoing review of the contract performance.
BRIEF FOR THE COMMITTEE:	To inform and update the committee on the performance of the Council's waste collection and street cleansing contract. Identifying areas of service improvement and management of known and emerging risks to the service. A legislative backdrop is also provided to inform the committee of future challenges and opportunities.

1. EXECUTIVE SUMMARY

- 1.1 This report seeks to inform and update committee members in the progression, performance and efficiencies within the Council's waste collection and street cleansing contract it holds with Veolia Environmental Services since its award in 2017. Statistical and narrative information is provided across a wide range of service areas within the body of the report and appended documents. The report provides further information on the local, regional, and national legislative drivers affecting this service area and in terms of the national agenda, provides the committee with information on the changes expected by the new national waste strategy and the legal, financial, and operational impacts this may have on the delivery of services going forward. Current service delivery challenges and risks are also detailed along with the mitigation work being carried out by officers and contractor staff to minimise the impact of such risks onto the delivery of the services.

2. LEGISLATIVE DRIVERS

- 2.1 The Environment Act 2021 is a key piece of legislation for delivering the commitments made in the 2018 Government's 25 Year Environment Plan to 'protect and improve the natural environment in the UK', and for taking forward and legislating the measures and proposals outlined in the Resource and Waste Strategy (2018). The detail of the policy changes is still not fully known but the following are expected to impact the Council's services in the next five years:
- **Consistency in Collection** - this requires the Council to collect in a segregated way a series of core materials: plastic, glass, paper/card, metal, and food waste. With the exception of flats above shops which do not have a food waste service, the Council already does this.
 - **Deposit Return Scheme** will add a small charge for the packaging of an item (such as a bottle), which is refunded when the item is recycled via a dedicated recycling scheme (usually in a shop).
 - **Extended Producer Responsibility** - this is the Government's approach to move the full cost of collecting household waste from the taxpayer to producers. Fees are based on the recyclability of products and the approach aims to ensure greater quantities of recyclable waste are reprocessed into valuable, high quality secondary resources.
 - **Plastic Packaging Tax 2022** introduced a charge on producers for any plastic packaging that does not contain at least 30% recycled plastic content.
- 2.2 If the government progresses with the introduction of the proposals outlined in 2.1 above, they will have an impact on the quantities and value of recycling the Council collects, potentially as much as a 50 to 70% reduction in materials collected. This will impact the cost of running services.
- 2.3 The waste services the council runs must be in "general conformity" with the Mayor of London's London Environment Strategy 2018, which also requires the Council to have a Waste Reduction and Recycling Action Plan. Croydon is already achieving 38.72% recycling rate and the mayor's targets for 2025 are for 50% recycling rate. The council trend is mirroring the national trend of a reduction in waste tonnage and consequently this is seeing a reduction in the percentage of recyclable waste being diverted from the general waste stream. Croydon's recycling rates for 21/22 remains in the top quartile for London. Croydon is also diverting 100% of waste from landfill.

3. SOUTH LONDON WASTE PARTNERSHIP

Background Information

3.1 The South London Waste Partnership (SLWP) was formed in 2003 between the boroughs of Croydon, Kingston, Merton, and Sutton. SLWP has a proven record of providing improved and more cost-effective waste management services through the procurement of waste disposal, recycling and Household Reuse and Recycling Centre contracts.











3.2 The South London Waste Partnership (SLWP) contract has harmonised the waste collection services across the boroughs of Croydon, Kingston, Merton, and Sutton. This provides residents with a consistent message throughout the boroughs.

3.3 The existing contract includes the following services:

Lot 1 (All boroughs)	Lot 2 (Sutton & Merton only)
Waste collection	Parks
Street cleaning	Grounds maintenance
Commercial waste	Cemeteries
Winter gritting (footways only for Croydon)	Verge maintenance
Fleet Management / vehicle maintenance	Tree maintenance (excl inspections)

4. WASTE COLLECTION AND STREET CLEANSING SERVICES IN CROYDON

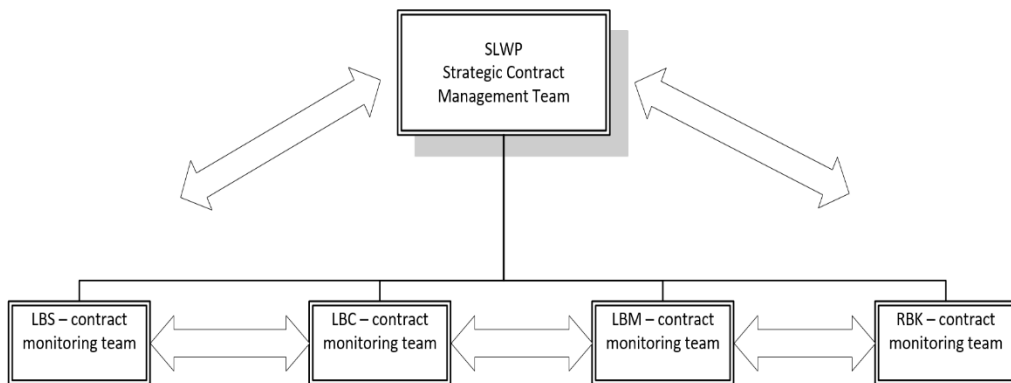
- 4.1 In 2018 Croydon embarked on an ambitious change to the waste and recycling service. The start of a new waste and recycling contract allowed Croydon to review the recycling and waste service it provided to residents.
- 4.2 From both a financial and environmental perspective recycling is preferable to disposal of residual waste. Environmentally, recycling helps conserve the finite resources associated with making new products and reduces dependency on virgin materials. Financially it costs considerably less to recycle waste than it does to dispose of it as residual waste.
- 4.3 Recognising the previous waste collection system Croydon provided disproportionately more capacity for residual waste, which made up approximately 60% of the total waste capacity. A decision was made to increase the container capacity for households to recycle more whilst simultaneously reducing the capacity for residual waste.
- 4.4 Service changes and efficiencies around the harmonisation of existing services included.
- Food waste collected every week
 - Residual (non-recyclable or 'black bag') waste collected every fortnight
 - Card and paper collected every fortnight
 - Tins, plastics glass collected every fortnight
- 4.5 The changes to the provisions were as follows:
- 240L refuse bin – replaced by a 180L bin
 - 55L paper and card recycling box – replaced by a 240L bin
 - 55L dry mixed recycling box – replaced by a 240L bin (this was the existing residual waste bin)
 - Food bins/caddies – remained the same.

Borough	As Is	New
Croydon		
	Retain existing Containers for residual waste, garden waste, food waste, use existing boxes for DMR and receive a new bin for paper and card recycling	
Kingston		
	Retain all existing containers for use on new services	
Merton		
	Retain existing food waste and garden waste containers and receive a new bin for paper and card recycling and a new residual bin to replace existing residual waste sacks,	
Sutton		
	Retain existing residual and garden waste containers. Receive a new box or bag alongside the wheeled bin for kerbside recycling and new food waste caddies for food waste recycling	

- 4.6 Other services are also harmonised across the partnership area. The street cleaning service proposals operate on a neighbourhood basis.
- 4.7 Infrastructure – Both Croydon and Sutton’s collection services currently operate from the Stubbs Mead Depot in Croydon.
- 4.8 The waste service operates Monday to Friday, including most bank holidays. It includes collections for kerbside recycling, flats recycling, clinical waste collection bulky waste collections (paid for service), garden waste collection (paid for service), clinical waste and assisted collections. The scale of this service including performance data is appended to this report.
- 4.9 The streets service is a provided 364 days a year (Christmas day is excluded). The service includes fly tip clearance, mechanical sweeping, maintain streets to a grade B or above, litter clearance, leaf clearance and market cleansing. The scale of this service including performance data is appended to this report.
- 4.10 Over 1.8million individual waste and recycling collections made each month, this is from:
- 131,000 kerbside households.
 - 22,204 communal households.
 - Over 45 collection rounds deployed on a daily basis.
 - Over 138,000 tonnes of household waste collected each year, of which over 57,000 tonnes of separated recyclable and compostable waste collected each year, of which over 22,000 tonnes are garden waste.
 - Over 850 bulky waste collections carried out each month.
 - Over 3,000 new waste containers delivered each month.
 - Over 2,200 fly tips collected each month.
 - Over 777km of public highways swept and cleansed each week.

5. CONTRACT MANAGEMENT AND SERVICE PERFORMANCE

- 5.1 As part of the implementation of the Lot 1 contract, the boroughs worked with the SLWP team to establish roles and responsibilities for the strategic and operational contract management. To ensure consistency but enable the boroughs to operate at both a strategic level but also be able to manage the operational needs of the borough. The contract management for the SLWP contracts is set out below



- 5.2 The contract is designed to be self-monitoring, the council monitoring team consists of four Contract Monitoring officers, these officers check Veolia are performing the contract correctly and residents are receiving the required service. They work alongside Veolia to resolve issues through joint monitoring.
- 5.3 Veolia are required to provide a monthly performance report, officers also undertake inspections around the borough, these can include joint inspections with Veolia to ensure corrective measures are put in place.
- 5.4 Regular monitoring takes place of contract. This is done both locally through contract meetings and with the SLWP across all its levels (operational, strategic, and political) of governance to ensure the partnership is delivering the desired outcomes. This continual monitoring of the contract against the targets allows for issues to be spotted quickly.
- 5.5 The council officers are collocated within Stubbs Mead depot and work closely with Veolia's management team.
- 5.6 The contract is a self-reporting contract but is monitored in part by Service Performance Indicators (SPI). The SPIs are extremely ambitious compared to other waste services and are designed to drive continuous improvement. There are 22 SPI's that cover collections and street services.
- 5.7 The SPIs are linked to a performance fund, within the payment mechanism of the contract. The performance fund is paid by the

contractor each month. The performance fund enables the council to either a deduction or a rebate to the contractor (in part or full)

- 5.8 Each quarter the councils monitoring team and Veolia agree to assign a weighting on the relevant SPIs based on current performance. Any deductions or rebates are applied to the monthly core payment process.

Waste collection services

- 5.9 In total for the rolling 12-month period Veolia have collected 21.6m collections, this has generated 125,346 tonnes of waste collected.

- 5.10 During the same period, they have delivered circa 35,000 containers to residents, in addition to the routine collections Veolia collected 9,683 bulky waste collections.

- 5.11 Residents are requested to report missed waste collections via the councils' reporting systems with the contractual requirement for Veolia to re-attend the address within 24 hours of receiving notification. Address management, in-cab technology exists in all collection vehicles with the ability to report 'bins not presented' or 'bins not found' at any given address but in all cases.

- 5.12 Covid and the ongoing HGV driver shortages the UK has been experiencing has had a negative impact on the overall performance of this contract over the past 12months. Veolia have a Business Continuity Plan (BCP) to ensure that core services are protected as far as possible and are delivered in full each week. This BCP remains in place and there continues to be collection round disruption each week, all of which are recovered by the end of each week.

- 5.13 Despite the regular contract meetings and Veolia's intervention interventions over the past 12 months there remains three areas of concern and as such in line with the contract performance framework the council took a decision in February 2022 to serve a Service Improvement Notice (SIN), the notice covered three areas of concern namely.

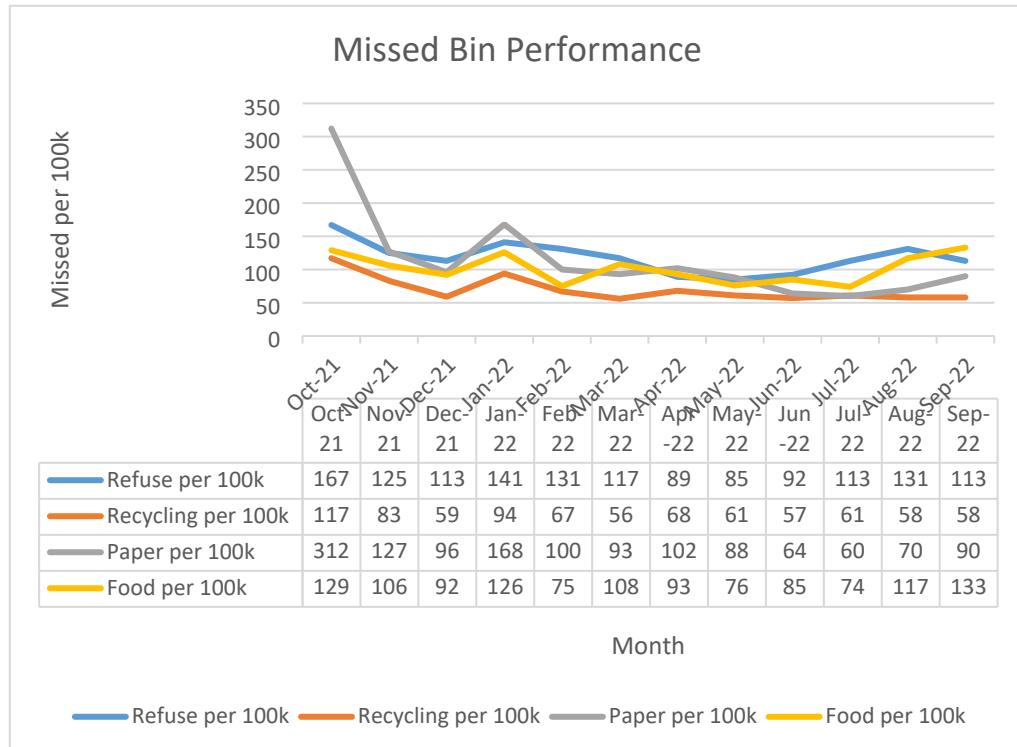
- Missed collections
- Repeat missed collections
- Delivery of containers

- 5.14 Under the SIN Veolia provided a Service Improvement Plan which set out how they were to bring the services back up to standard, this plan formed part of the weekly, monthly performance meetings. The improvement to the service can be seen from February, please see missed collection rectification graph below.

- 5.15 Veolia have focussed on improving driver recruitment and retention. They have given retention bonuses to existing staff as well as improving

the facilities available to staff. There has been a large recruitment campaign in the SLWP area via radio, adverts and in person events.

- 5.16 All this ongoing work has meant Veolia have managed to clear all works each week and where rounds have slipped, they deploy crews at the weekend to ensure all collections are made.



- 5.17 Whilst there has been improvement in the overall levels of missed collections, this current performance still falls short of the contractual minimum requirements as such the council continues to work with Veolia on further improvement.

- 5.18 The attached performance report provides the committee with an overview of the contract performance for a rolling 12month period.

Street cleansing services

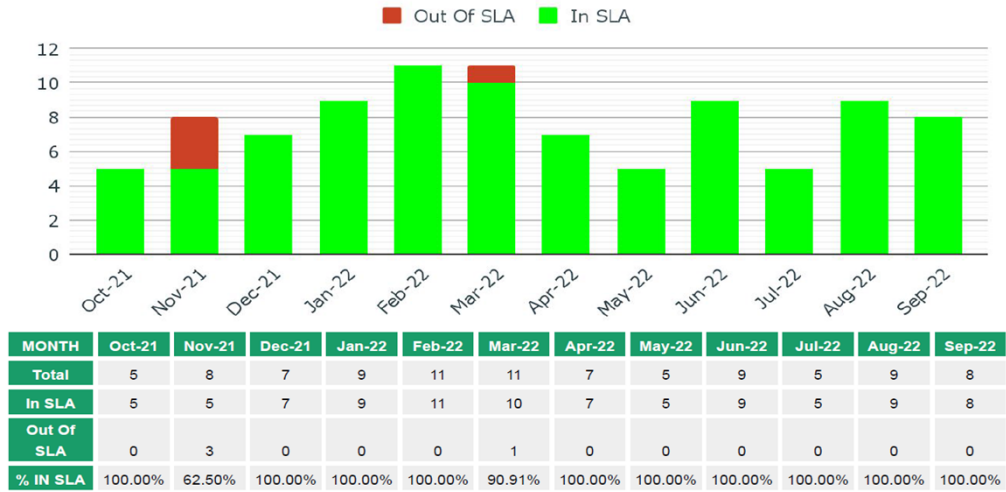
- 5.19 Grades of Cleanliness are defined within the Code of Practice for Waste and Littering and range from grades A (best) – D (worst) and further embedded within Contract KPIs and SPIs which form part of the performance management framework reported on a monthly and quarterly basis.

- 5.20 Littering in the borough remains an ongoing and increasing problem and communications and actions are delivered by the Don't Mess with Croydon campaigns supported by robust enforcement actions. Growth of the Street Champion initiative detailed in this report has generated

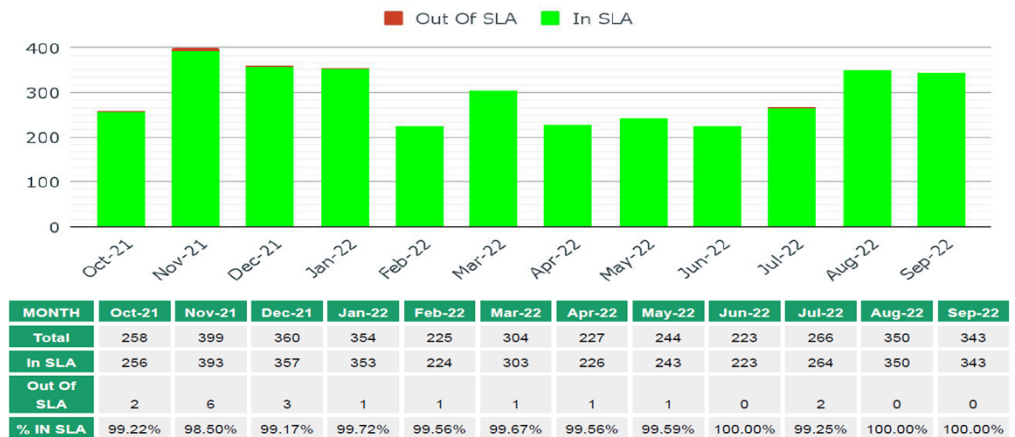
significant value in terms of local and community involvement to tackle littering.

5.21 The reports received for streets below grade, for town and district centres there is a rectification period of within 2hrs, for other roads its 24hrs.

SPI 15: Rectification of Town Centre Street Below Grades within 2 hours

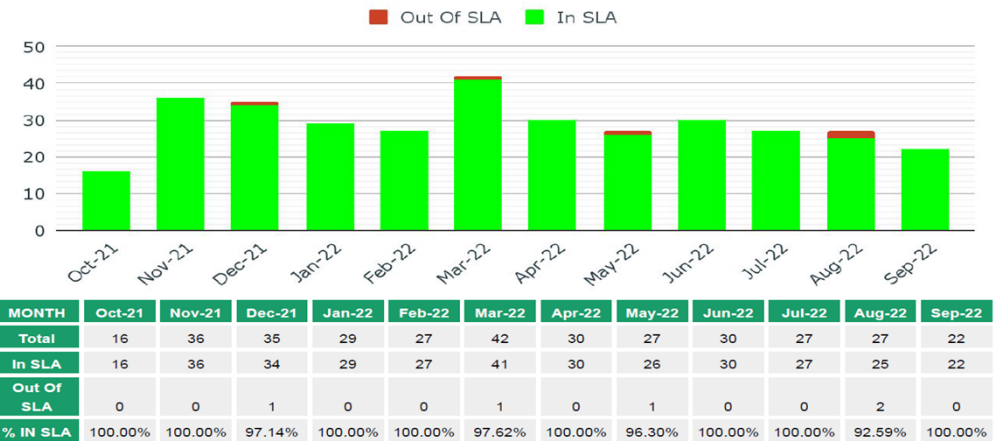


SPI 16: Rectification of Non Town Centre Street Below Grades within 24 hours

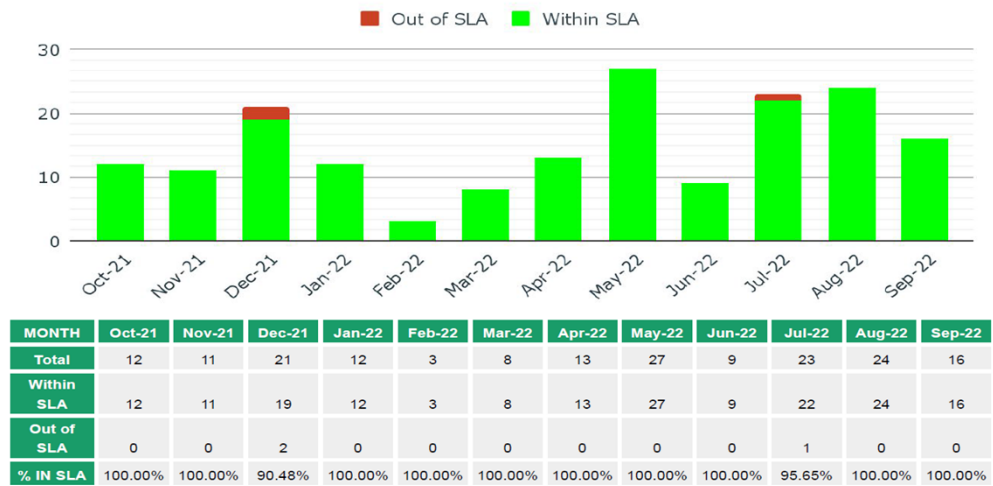


5.22 Litter Bins – litter bin provision and emptying performance continues to increase, reports of overflowing bins rectified within SPI.

SPI 14: Rectification of Empty Litter Bin events within SLA

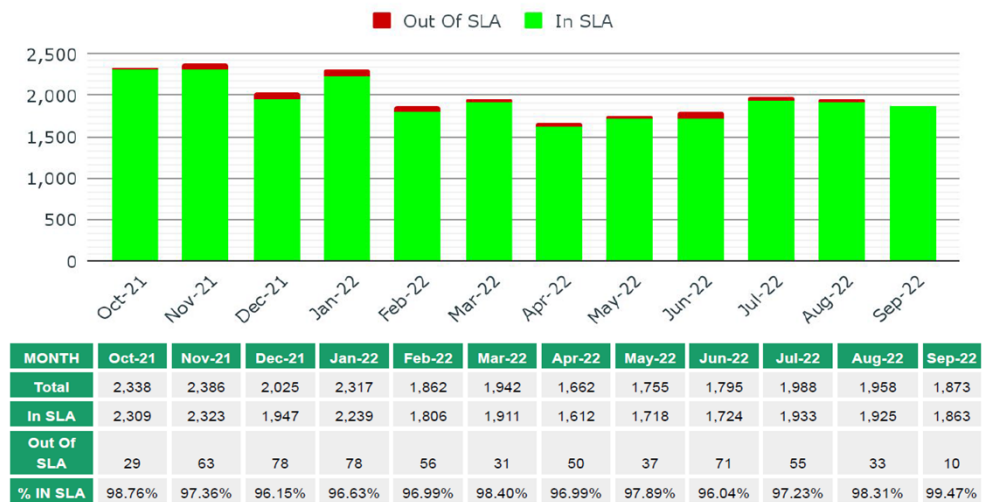


SPI 17: Collection of Sweeper Sacks within 24 hours

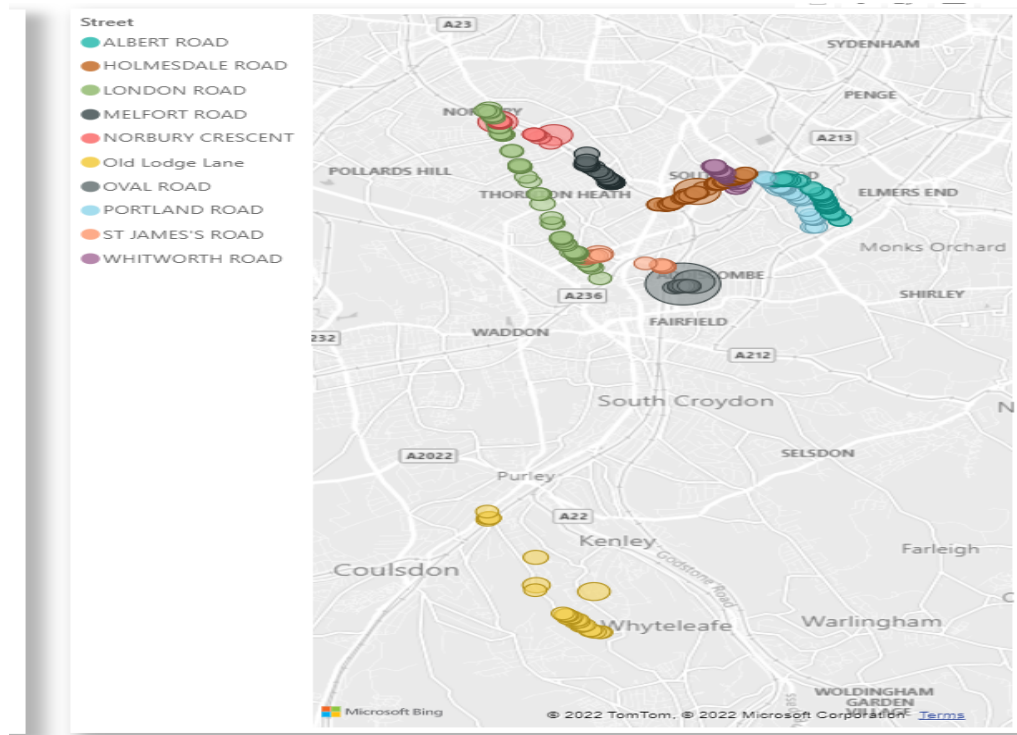


5.23 Flytip clearance - The fly tips recorded in Croydon are counted by the number of reports received. To report a fly tip the public or the waste services team report the fly tips through the Love Clean Streets app.

SPI 9: Rectification of Flytips within 24 hours



5.24 The below heatmap shows the streets that had the most recorded fly tips of 2022, the North of the borough, as more densely populated than the south does tend to have more street cleansing issues.

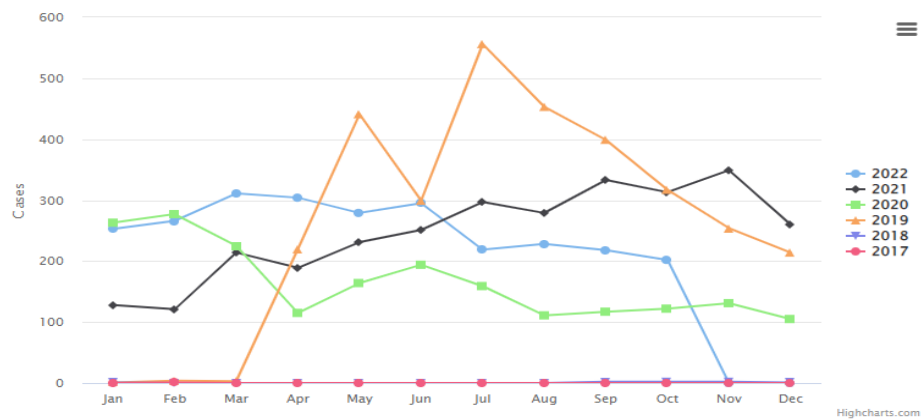


5.25 The interrogation of such data allows the council and Veolia to focus cleansing, waste removal and enforcement actions and resources to ensure identified streets and locations are kept clean and free of waste whilst ensuring that enforcement action is taken against businesses, residents and members of the public illegally depositing wastes and litter on the public highway.

6. Complaints

- 6.1 From mid-2019 there was a positive downwards trend in complaints as the service was steady and the contract monitoring was managing the issues and resolving complaints. There was a slight increase in Jan/Feb 2020 which is expected due to Christmas collections catch up.
- 6.2 The cases dropped significantly for the rest of 2020, especially over the first lockdown. In 2021 there has been a steady increase in complaints, to counteract this the SPIs were used as a tool to driver performance.
- 6.3 In Q1 and 2 months of Q2 Veolia steadily improved the collections performance, unfortunately the driver shortage led to a decline in performance. In 2022 there has been a drop in cases since June.
- 6.4 The split of complaints is 90% are for collections and only 10% are for streets issues. Additional monthly and quarterly complaint data is appended to this report

Cases Per Year (All Years)



7. Customer satisfaction surveys

- 7.1 Veolia conduct regular customer satisfaction surveys; the last survey was in 2019. A survey was due to be conducted in 2021, this was delayed as the communication plans were put back a year as no activities could take place the previous year.
- 7.2 Following a competitive tender process (through RB Kingston), DJS Research was appointed on 13 June to conduct the 2022 triennial resident survey on behalf of the Partnership
- 7.3 1,000 computer-aided telephone interviews (CATI) were conducted with a demographically representative sample of residents from across the SLWP region during July and August 2022. This robust approach provides findings with a maximum margin of error of +/-3% (at the 95% confidence level). This means that 19 times out of 20, the figures in the opinion poll will be within 3% of the 'true' answer you'd get if you interviewed the entire population. The survey period was extended by two weeks as DJS struggled to fill quotas amongst younger residents.
- 7.4 This survey used the same methodology as previous surveys conducted in 2010, 2013, 2016 and 2019, to ensure direct comparisons can be made and long-term trends identified. In addition to the core 'tracker' questions, some new topics were explored for the first time this year including:
- Covid-19 and how this has changed household waste and recycling habits
 - Levels of carbon literacy amongst local residents and awareness of the initiatives the councils are working on to reduce the carbon impact of their environmental services
 - Opinion of the online booking systems that have been introduced at three of the six local tip sites within the SLWP region.

7.5 Alongside the core telephone survey, an additional 350 face-to-face surveys were conducted with residents who live in the six Wards closest to the Beddington Lane site (where the SLWP's waste management and treatment activities are focused):

- Beddington
- Hackbridge (Sutton)
- Broad Green Ward (Croydon)
- West Thornton Ward (Croydon)
- Cricket Green Ward (Merton)
- Pollards Hill Ward (Merton)

7.6 The results from the triennial resident survey are currently being analysed by DJS Research. The findings from the survey will inform the Partnership's Joint Waste Strategy, Communications Strategy (2023-2025) and wider decision-making, service design and policy setting.

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BACKGROUND DOCUMENTS – LOCAL GOVERNMENT ACT 1972

Appendix 1 - Veolia Annual Performance Report

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Scrutiny Meeting Review



Overview of services for the year



21.6M

Collections made



125,346

Tonnes collected



35,000

Containers delivered



97.5%

Fly tips collected within SLA



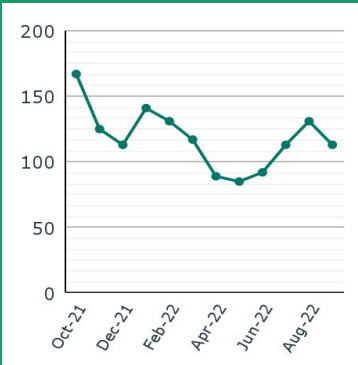
9683

Bully waste collections completed



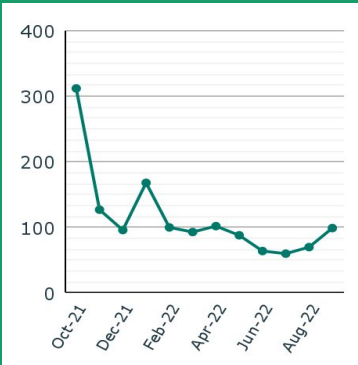
Collections Service Performance

Refuse Per 100K



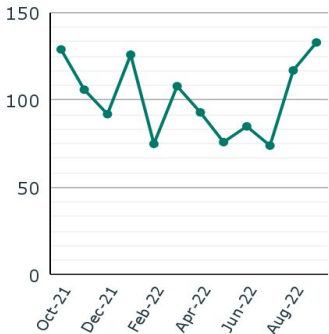
Month	Per 100K
Oct-21	167
Nov-21	125
Dec-21	113
Jan-22	141
Feb-22	131
Mar-22	117
Apr-22	89
May-22	85
Jun-22	92
Jul-22	113
Aug-22	131
Sep-22	113

Paper & Card Per 100K



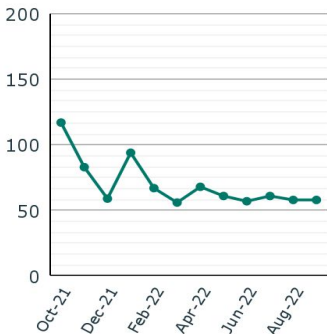
Month	Per 100K
Oct-21	312
Nov-21	127
Dec-21	96
Jan-22	168
Feb-22	100
Mar-22	93
Apr-22	102
May-22	88
Jun-22	64
Jul-22	60
Aug-22	70
Sep-22	90

Food Per 100K



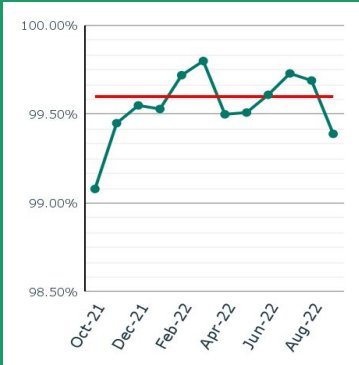
Month	Per 100K
Oct-21	129
Nov-21	106
Dec-21	92
Jan-22	126
Feb-22	75
Mar-22	108
Apr-22	93
May-22	76
Jun-22	85
Jul-22	74
Aug-22	117
Sep-22	133

Container mix Per 100K



Month	Per 100K
Oct-21	117
Nov-21	83
Dec-21	59
Jan-22	94
Feb-22	67
Mar-22	56
Apr-22	68
May-22	61
Jun-22	57
Jul-22	61
Aug-22	58
Sep-22	58

Garden waste strike rate



Month	Strike rate
Oct-21	99.08%
Nov-21	99.45%
Dec-21	99.55%
Jan-22	99.53%
Feb-22	99.72%
Mar-22	99.80%
Apr-22	99.50%
May-22	99.51%
Jun-22	99.61%
Jul-22	99.73%
Aug-22	99.69%
Sep-22	99.39%

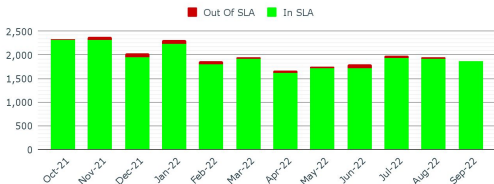


Street Cleansing Performance

Flytips & Sweeper Sacks

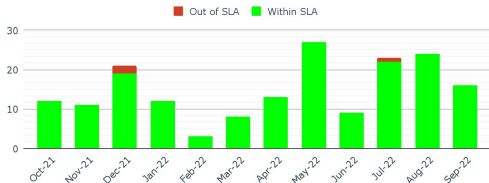


SPI 9: Rectification of Flytips within 24 hours



MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	2,338	2,386	2,025	2,317	1,862	1,942	1,662	1,755	1,795	1,988	1,958	1,873
In SLA	2,309	2,323	1,947	2,239	1,806	1,911	1,612	1,718	1,724	1,933	1,925	1,863
Out Of SLA	29	63	78	78	56	31	50	37	71	55	33	10
% IN SLA	98.76%	97.36%	96.15%	96.63%	96.99%	98.40%	96.99%	97.89%	96.04%	97.23%	98.31%	99.47%

SPI 17: Collection of Sweeper Sacks within 24 hours

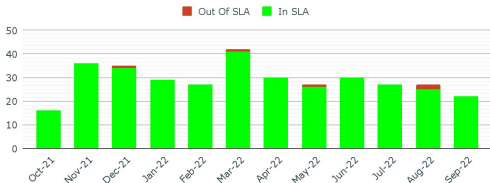


MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	12	11	21	12	3	8	13	27	9	23	24	16
Within SLA	12	11	19	12	3	8	13	27	9	22	24	16
Out of SLA	0	0	2	0	0	0	0	0	0	1	0	0
% IN SLA	100.00%	100.00%	90.48%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.65%	100.00%	100.00%

Empty Litter Bins & Drug Paraphernalia

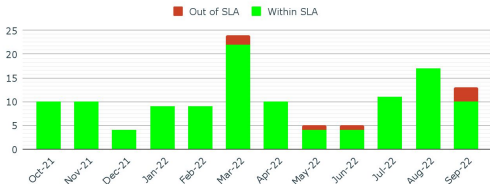


SPI 14: Rectification of Empty Litter Bin events within SLA



MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	16	36	35	29	27	42	30	27	30	27	27	22
In SLA	16	36	34	29	27	41	30	26	30	27	25	22
Out Of SLA	0	0	1	0	0	1	0	1	0	0	2	0
% IN SLA	100.00%	100.00%	97.14%	100.00%	100.00%	97.62%	100.00%	96.30%	100.00%	100.00%	92.59%	100.00%

SPI 16C: Rectification of Drug Paraphernalia events within 4 hours

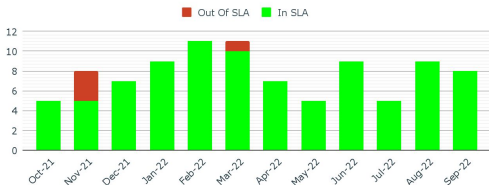


MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	10	10	4	9	9	24	10	5	5	11	17	13
Within SLA	10	10	4	9	9	22	10	4	4	11	17	10
Out of SLA	0	0	0	0	0	2	0	1	1	0	0	3
% IN SLA	100.00%	100.00%	100.00%	100.00%	100.00%	91.67%	100.00%	80.00%	80.00%	100.00%	100.00%	76.92%

Street Below Grade

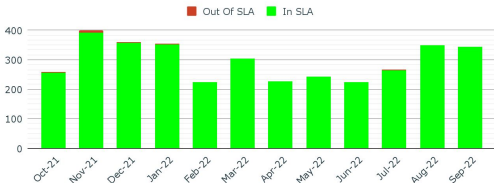


SPI 15: Rectification of Town Centre Street Below Grades within 2 hours



MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	5	8	7	9	11	11	7	5	9	5	9	8
In SLA	5	5	7	9	11	10	7	5	9	5	9	8
Out Of SLA	0	3	0	0	0	1	0	0	0	0	0	0
% IN SLA	100.00%	62.50%	100.00%	100.00%	100.00%	90.91%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SPI 16: Rectification of Non Town Centre Street Below Grades within 24 hours



MONTH	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total	258	399	360	354	225	304	227	244	223	266	350	343
In SLA	256	393	357	353	224	303	226	243	223	264	350	343
Out Of SLA	2	6	3	1	1	1	1	1	0	2	0	0
% IN SLA	99.22%	98.50%	99.17%	99.72%	99.56%	99.67%	99.56%	99.59%	100.00%	99.25%	100.00%	100.00%

Agenda Item 6

REPORT TO:	Streets & Environment Sub-Committee 8 November 2022
SUBJECT:	Cabinet Report - South London Waste Plan Development Plan Document - Adoption
LEAD OFFICER:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough - Director of Planning & Sustainable Regeneration
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough - Director of Planning & Sustainable Regeneration
CABINET MEMBER	Mayor Jason Perry, Executive Mayor of London Borough of Croydon Cllr Jeet Bains, Cabinet Member for Planning & Regeneration
PUBLIC/EXEMPT:	Public

ORIGIN OF ITEM:	This item is included on the Streets & Environment Sub-Committee Work Programme for 2022/23 for information.
BRIEF FOR THE COMMITTEE:	The Sub-Committee is asked to review the Cabinet report which recommends that the Executive Mayor at Cabinet (16 th November 2022) recommends to Council (14 th December 2022) to adopt the South London Waste Plan 2022 to 2037 subject to the changes in the Main Modifications in the Inspectors report as a Development Plan Document in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012.

1. South London Waste Plan Development Plan Document - Adoption

- 1.1. The Streets & Environment Sub-Committee has asked to be provided with the upcoming Cabinet Report on the South London Waste Plan Development Plan Document, as a part of its' meeting on the 8th November 2022 focussing on waste.
- 1.2. The Sub-Committee is asked to review the Cabinet report for information on the final version the South London Waste Plan. The revised South London Waste Plan sets out how the projected amounts of waste to be generated within the four boroughs (Croydon, Sutton, Kingston and Merton) and the

amount of waste apportioned to the boroughs in the adopted London Plan 2021 will be managed. The South London Waste Plan is not about waste collection and disposal services or the waste contracts. It is a statutory requirement as outlined in the National Planning Policy Framework 2021 to have an up-to-date waste plan for the borough.

- 1.3. This is a joint plan undertaken by the four boroughs of Merton, Kingston, Sutton and Croydon as a statutory function, that updates the adopted South London Waste Plan 2012-22 which allocated sites, created planning policies and designated areas suitable for waste management development. The existing South London Waste Plan will expire in 2022. The South London Waste Plan 2022 – 2037 sets out how the projected amounts of waste to be generated within the four boroughs and the amount of waste apportioned to the boroughs in the London Plan 2021 will be managed. These are planning policy matters and not connected to waste collection or the waste collection contract.

CONTACT OFFICER:

Tom Downs –Democratic Services & Governance Officer – Scrutiny

Email: Tom.Downs@croydon.gov.uk

Background Documents: None

Appendices:

Appendix 1 – Cabinet Report – South London Waste Plan Development Plan Document - Adoption

<p>Key communications Implications (Informal Cabinet only)</p>	<p>This is a joint planning policy project between Merton, Kingston, Sutton and Croydon</p> <p>It is funded throughout as a result of a successful bid to the Ministry of Housing, Communities and Local Government's (now Department for Levelling up, Housing & Communities) Planning Delivery Fund</p> <p>The South London Waste Plan will allow for us to spatially manage projected amounts of waste to be generated within the four boroughs up to 2037</p> <p>It provides an up-to-date statutory planning policies to assess planning applications to ensure that whilst the economic and benefits of waste processing is allowed the environmental and social effects are addressed and managed.</p> <p>This is the final stage of the joint production of the South London Waste Plan following two stages of consultation in October – December 2019, September – October 2020 and the Examination in Public in September 2021.</p>
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REPORT TO:	Cabinet 16th November 2022 Council 14th December 2022
SUBJECT:	South London Waste Plan Development Plan Document - Adoption
LEAD OFFICER:	Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough, Director of Planning & Sustainable Regeneration
CABINET MEMBER:	Mayor Jason Perry, Executive Mayor of London Borough of Croydon Cllr Jeet Bains, Cabinet Member for Planning & Regeneration
WARDS:	All

SUMMARY OF REPORT: In order to have an up-to-date planning framework to make decisions on proposals on sites which process waste, in addition to the Local Plan there is a separate Waste Plan. This report represents the final stage in the progression of the preparation of the joint South London Waste Plan Development Plan Document to adoption. It will then form part of the Council's Planning Policy Framework to spatially manage waste and be used to determine related planning applications.

The South London Waste Plan has been funded from a successful bid to the Department for Levelling Up, Housing & Communities, Planning Delivery Fund.

This is the final stage of the joint production of the South London Waste Plan following two stages of consultation in October- December 2019 (Regulation 18 Issues and Options) and September – October 2020 (Regulation 19 Submission) and the Examination in Public in September 2021.

FINANCIAL IMPACT:

In 2018, the four boroughs (Merton, Kingston, Sutton and Croydon) successfully bid for government funding for £136,594 for joint working to produce a new South London Waste Plan Development Plan Document. Not all this funding has been spent and the South London Waste Plan continues to be funded from this grant award. The adoption of the South London Waste Plan Development Plan Document can be funded by the remaining funds from this grant.

KEY DECISION REFERENCE NO.: 6022EM

RECOMMENDATIONS:

The Executive Mayor in Cabinet is recommended to;

- i. Note the Inspectors' report into the examination into the South London Waste Plan and the recommendation that it was found sound provided that the identified Main Modifications are made (Appendix 1).
- ii. Recommend Council to adopt the South London Waste Plan 2022 to 2037 (Appendix 2), subject to the changes in the Main Modifications in the Inspectors report (Appendix 1) as a Development Plan Document in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012.

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to present a final version of the planning document - the South London Waste Plan. This is a joint plan undertaken by the four boroughs of Merton, Kingston, Sutton and Croydon that allocates sites, has specific planning policies and designated areas suitable for waste management development. This report is also seeking approval to adopt the revised South London Waste Plan 2022-2037 (SLW Plan) following the receipt of a report from

the Secretary of State's appointed panel of Inspectors who undertook the examination of the plan finding it sound subject to modifications being made. *NB: The final Inspectors Report will be available alongside adoption at the full Council meeting but it is still awaiting Ministerial sign off.*

- 1.2 The existing South London Waste Plan will finish in 2022 so this revision is needed. The revised South London Waste Plan sets out how the projected amounts of waste to be generated within the four boroughs and the amount of waste apportioned to the boroughs in the adopted London Plan 2021 will be managed. The South London Waste Plan is not about waste collection and disposal services or the waste contracts. It is a statutory requirement as outlined in the National Planning Policy Framework 2021 to have an up-to-date waste plan for the borough.
- 1.3 A report from the Planning Inspectors' about the SLW Plan 2022 sound is anticipated and this should be available before it is adopted by all the Councils. It can then be brought into use to determine planning applications as a Development Plan Document (DPD) that forms part of the Council's Local Development Framework Development Plan. It should be noted that during the SLW Plan Examination in Public the government adopted a new National Planning Policy Framework (NPPF), which now requires that a Development Plan Document (such as the SLW Plan) has a lifespan of 15 years from adoption. The SLW Plan is supported by evidence that gives it a lifespan of 2022 to 2037, which means it has to be adopted this year to meet the NPPF requirement. The SLW Plan needs to be reported to Council in December 2022 for formal adoption.

2. PREPARATION OF THE SOUTH LONDON WASTE PLAN 2022-2037

- 2.2 In 2012, the London boroughs of Croydon, Sutton, Kingston and Merton, working jointly produced and adopted the South London Waste Plan (Development Plan Document) 2012-2022. This had the aim of providing policies for making decisions on planning applications for waste use and safeguarding a range of existing waste sites for waste management purposes with designated sites appearing on the boroughs' Planning Policies Maps. The plan also safeguarded existing waste sites and identified areas which may be suitable for waste use. The South London Waste Plan 2022-2037 now updates (although through an almost entirely rewritten document) the 2012 waste plan that seeks to provide continuous policy coverage to determine waste planning applications.
- 2.3 The draft SLW Plan for 2022-2037 was consulted on twice between October and December 2019 (regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012 generally known as 'Issues and Options') and between September and October 2020 (regulation 19 generally known as 'Submission'). It was submitted to the Planning Inspectorate in January 2021 and an Examination in Public (EiP) was held in front of the Secretary of State's appointed panel of two Inspectors in September 2021 with subsequent correspondence since then to identify the Main Modifications required to make the plan sound, including;

- Written response to the Inspectors [preliminary matters and initial questions](#) in March 2021 on targets, the new London Plan and queries about sites,
 - Written responses to the Inspectors detailed [“Matters, Issues and Questions”](#) in July 2021 that formed to subject areas for the Examination in Public,
 - Evidence and arguments presented in person to the Inspectors over two days of hearings in September 2021. This gives the Inspectors the opportunity to ask further detailed questions regarding the written responses and an opportunity for us to respond to the hearing statements submitted by the other participants.
- 2.3. The Inspectors’ role is to determine whether the draft SLW Plan is: (a) legally compliant; and (b) sound. After considering all the evidence and arguments that had been presented, at the end of the hearing sessions the Inspectors provided a summary of ‘where we are’ and gave an indication of the next steps that the Councils need to take. As with all EiPs, the Inspectors required some modifications to the Plan in order for them to be able to conclude that the SLW Plan was sound. The majority of these changes were not fundamental and were so minor and thus did not result in additional clarity/improvements to the Plan.
- 2.4. A further round of consultation was undertaken on the Main Modifications between 14 July and 2 September 2022 as this consultation was undertaken after the submission of the Plan the consultation responses were sent to the Inspectors to take into account when writing their report. The final Examination report once received is expected to state that they were satisfied that the Main Modifications addressed the issues raised during the course of the Examination and that the SLW Plan has been found sound.

3. Risks

- 3.1. There is now requirement to make timely progress with the next step towards adoption of the SLW Plan. During the SLW Plan EiP the government adopted a new National Planning Policy Framework (NPPF), which now requires that a Development Plan Document has a lifespan of 15 years *from adoption*. The SLW Plan has a lifespan of 2022 to 2037, which means it has to be adopted by all four authorities in 2022 to meet the NPPF requirement. If adoption is delayed to 2023 the boroughs would need to produce new additional supporting evidence and changes to the SLW Plan such as to analyse the latest Environment Agency waste data, recalculate all the waste figures in the SLW Plan, and make any other consequential alterations, resubmit this to the Inspectors and undertake an additional round of consultation which will be time consuming and costly. To avoid this, the boroughs need to all accept the recommendations in the Inspectors’ Report, when received and allow the final SLW Plan to be adopted by all the partner Councils by the end of December 2022.

4. CONSULTATION

- 4.1 There have been two rounds of consultation undertaken as required by the regulations¹⁸ and 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012. These rounds of consultation were used to develop the policies in the SLW Plan before it was submitted for Examination. A further Main Modifications consultation on the instruction of the Inspectors took place this summer to address issues raised during the Examination. The Inspectors will have taken into account the responses to the Main Modifications in their report and make a recommended on soundness. As required by the Regulations a full report of the consultations undertaken was part of the bundle submitted with the SLW Plan.

5. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 5.1 Waste planning is something that lends itself to joint working as it uses an apportioned approach across borough boundaries with the amounts that need to be met as set out in targets in the London Plan March 2021. A joint waste plan enables the four boroughs to plan for this waste apportionment with a strategic approach. It is a statutory requirement and as outlined in the National Planning Policy Framework to have an up-to-date waste plan for the borough.

6. OPTIONS CONSIDERED AND REJECTED

- 6.1 **Adopt SLWP** – this will provide the boroughs with an up-to-date Development Plan based on local evidence and local knowledge to use to spatially manage waste and determine planning applications.
- 6.2 **Do not adopt the SLW Plan** – the adopted South London Waste Plan expires at the end of 2022 so should the new plan not be adopted there would not be a Development Plan in 2023. The fall -back position would be to use the guidance in the National Planning Policy Framework to determine planning applications. The NPPF as the national policy guidance is a one size fits all approach applied across whole of England so local issues may not be able to be adequately addressed.

7. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

- 7.1 In 2018, the four boroughs successfully bid for £136,594 from the government Planning Delivery Fund for joint working to produce a new SLW Plan. Not all of this funding has been spent and finalising the South London Waste Plan towards adoption will continue to be funded from this grant award. The London Borough of Sutton manage the project budget, with support from the existing resource of the Croydon Plan Making Team – Spatial Planning, Growth Zone and Regeneration, and this stage of the Plan's production and adoption does not create any budget pressure for the Council. There are sufficient budget monies available to complete the project as the large expense of the examination which has been held is now known.

	Current Year	Medium Term Financial Strategy – 3-year forecast		
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26
Revenue Budget Available				
Expenditure Income				
Effect of decision from report				
Expenditure Income				
Remaining Budget				
Capital Budget available	£35,725 (of a budget since 2019 £136,594)			
Expenditure	£35,725			
Effect of decision from report				
Expenditure Income				
Remaining Budget	£0	£0		

2 The effect of the decision

7.2 This is a joint plan undertaken by the four boroughs of Merton, Kingston, Sutton and Croydon as a statutory function, that updates the adopted South London Waste Plan 2012-22 which allocated sites, created planning policies and designated areas suitable for waste management development. The existing South London Waste Plan will expire in 2022. The South London Waste Plan 2022 – 2037 sets out how the projected amounts of waste to be generated within the four boroughs and the amount of waste apportioned to the boroughs in the

London Plan 2021 will be managed. These are planning policy matters and not connected to waste collection or the waste collection contract.

3 Risks

- 7.3 There is now requirement to make timely progress with the next step towards adoption of the SLW Plan as the new National Planning Policy Framework (NPPF) 2021, now requires that a DPD has a lifespan of 15 years from adoption. The draft Plan has a lifespan of 2022 to 2037, which means it has to be adopted in 2022 to meet the NPPF requirement. Should the SLW Plan not be adopted the implications and consequences set out in paragraph 6.2 above will be engaged. This additional work would require additional budget beyond the existing project budget.

4 Options

- **Abandon the Waste Plan** - This would leave all the Councils with no planning scope to refuse inappropriate waste treatment planning applications or negotiate amendments to inappropriate waste treatment planning applications and pre-applications

- **Accept all the Inspectors' Report findings and adopt** - This gives the Councils the necessary statutory planning scope to approve appropriate waste treatment planning applications and refuse those that are inappropriate.

5 Future savings/efficiencies

- 7.4 The project is being fully funded by a government grant and supported by the existing resource in Spatial Planning, Plan Making Team and can be delivered with the current establishment staff level. Post adoption the SLW Plan will provide a planning framework to determine waste proposals, so should reduce the likelihood and costs associated with planning appeals.

Approved by: Darrel Jones, Interim Head of Finance for Sustainable Communities Dated 30.9.22. (checked by Kay Oshin)

8. Pre-Decision Scrutiny

- 1.1. The South London Waste Plan, Inspectors Report and main modifications will be presented to Scrutiny on 8th November 2022, before it is put forward for decision by the Cabinet and Council.

9. LEGAL CONSIDERATIONS

- 9.1 As waste planning authorities, all four of the boroughs have a statutory duty to prepare a waste Local Development Plan in line with Article 28 of the Waste Framework Directive (2008) (as amended).
- 9.2 The Housing and Planning Act 2016, gives the Secretary of State greater powers to intervene in the Local Development Plan making process. Specifically, it would allow the Secretary of State to intervene if a local authority was failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a Local Development Plan.
- 9.3 The SLW Plan has been produced according to the Planning and Compulsory Purchase Act (2004, as amended) and the Town and Country Planning (Local Planning) (England) Regulations as set out in the report.

Comments at Main Modifications and referred to, Corporate Solicitor on behalf of Stephen Lawrence – Orumwense, the Director of Legal Services and Monitoring Officer Dated 29th September 2022

10. HUMAN RESOURCES IMPACT

- 10.1 There are no Human Resource impacts as the production and adoption of the South London Waste Plan is set out in the Spatial Plan Service Plan and can be delivered with the current establishment staff level. If any issues arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Housing Directorate & Sustainable Communities, Regeneration and Economic Recovery, for and on behalf of Dean Shoemith, Chief People Officer. Date approved: 24 October 2022

11. EQUALITIES IMPACT

- 11.1 The Sustainability Appraisal, accompanying the Draft South London Waste Plan, includes a comprehensive Equalities Impact Assessment covering all four boroughs involved see background documents.
- 11.2 The Equality Analysis concluded that the proposed policies are expected to have a positive impact on groups that share a protected characteristic, by increasing employment and healthier environment. Further details can be found in on pages 27-28 of Appendix 3 (Equality Impact Assessment)

Approved by: Denise McCausland – Equality Programme Manager Dated 27 September 2022.

12. ENVIRONMENTAL IMPACT

12.1 A full Sustainability Appraisal (incorporating a Strategic Environmental Assessment) of the draft South London Waste Plan has been prepared and the findings incorporated into the Proposed Submission report. This can be found in Appendix 3 of this report. Under the Regulation 13 of the Environmental Assessment of Plans and Programmes Regulations 2004, the Sustainability Appraisal must also be consulted upon alongside the draft South London Waste Plan.

13. CRIME AND DISORDER REDUCTION IMPACT

13.1 There are no crime and disorder reduction impacts arising from the recommendations of this report.

14. DATA PROTECTION IMPLICATIONS

14.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

CONTACT OFFICER: Steve Dennington, Head of Spatial Planning & Interim Head of Growth Zone and Regeneration

APPENDICES TO THIS REPORT:

Appendix 1: South London Waste Plan Inspectors' Report - to be forwarded when received.

Appendix 2: [Draft South London Waste Plan \(Proposed Submission\)](#)

BACKGROUND DOCUMENTS – LOCAL GOVERNMENT ACT 1972

<https://www.croydon.gov.uk/planning-and-regeneration/planning-policy/croydons-development-plan/south-london-waste-plan>

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Agenda Item 7

REPORT TO:	Streets & Environment Sub-Committee 8 November 2022
SUBJECT:	Cabinet Report - Waste Collection and Street Cleaning Contract (Veolia)
LEAD OFFICER:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Steve Iles - Director of Sustainable Communities
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Steve Iles - Director of Sustainable Communities
CABINET MEMBER	Councillor Scott Roche Cabinet Member for Streets and Environment
PUBLIC/EXEMPT:	Public (with Exempt Appendices)

ORIGIN OF ITEM:	This item is included on the Streets & Environment Sub-Committee Work Programme for 2022/23 for Pre-Decision Scrutiny.
BRIEF FOR THE COMMITTEE:	The Sub-Committee is asked to review the Cabinet report and conduct Pre-Decision Scrutiny with a view to considering whether it is reassured about the recommendation to the Executive Mayor not to extend the current waste collection and street cleansing contract with Veolia Environment Services following expiry of the initial term on 31 st March 2025.

1. Waste Collection and Street Cleaning Contract (Veolia)

- 1.1. The Streets & Environment Sub-Committee has asked to be provided with the upcoming Cabinet Report on the Waste Collection and Street Cleaning Contract.
- 1.2. The Sub-Committee is asked to review the Cabinet report and conduct Pre-Decision Scrutiny with a view to considering whether it is reassured about the recommendation to the Executive Mayor not to extend the current waste collection and street cleansing contract with Veolia Environment Services following expiry of the initial term on 31st March 2025.

CONTACT OFFICER:

Tom Downs –Democratic Services & Governance Officer – Scrutiny

Email: Tom.Downs@croydon.gov.uk

Background Documents: None

Appendices:

Appendix 1 – Cabinet Report – Waste Collection and Street Cleaning Contract (Veolia)

Appendix 2 – Appendix to Cabinet Report (Exempt) - Waste Collection & Cleansing: Service Delivery Options Review 2022

REPORT TO:	CABINET
SUBJECT:	Waste Collection and Street Cleaning Contract (Veolia)
LEAD OFFICER:	<i>Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration and Economic Recovery</i> <i>Steve Iles Director of Sustainable Communities</i>
CABINET MEMBER:	Cllr Scott Roche - Cabinet Member Streets & Environment
WARDS:	All

SUMMARY OF REPORT:

The purpose of the report requests approval by Cabinet **not** to extend the current waste and street cleansing contract with Veolia, following a review of the proposed requirements by the contractor to support an extension.

Croydon Council operates waste and recycling services for every household in the borough through its contract with Veolia. This contract includes waste and recycling collections, footway winter maintenance, vehicle maintenance and street cleaning. It was procured by Croydon on behalf of the four partner boroughs in the South London Waste Partnership. The contract commenced in April 2017 and the initial eight-year term expires on 31st March 2025. The partnership boroughs have the option to extend the contract for another eight years or to consider another option for service delivery. Any extension must be agreed by all parties.

This report presents the council's approach to reshape the future of the waste collection and street cleansing services, which is the fulfilment of a key Manifesto commitment set out by the Executive Mayor.

The re-procurement is necessary due to legal risk regarding Veolia's proposed conditions for extending the existing contract. A new commissioning approach will also allow the council to improve the waste collection and street cleansing arrangements, help the local environmental quality and reduce fly tipping whilst helping increase pride in Croydon.

FINANCIAL IMPACT:

The combined annual value of the Phase C contract is £30m and the contract continues to be held and administered by Croydon Council on behalf of the South London Waste Partnership boroughs (Croydon, Kingston, Merton & Sutton).

Financial impacts arising from the recommendations of this report are:

There is a need to provide funding for the recommissioning funding within 23/24 & 24/25. As part of the budget setting process for 23/24 budget needs

to be allocated in the Sustainable Communities revenue budget for the delivery of the recommissioning strategy.

- The cost in future years (post 2025) service provision will need to be the subject of a growth bid as part of 2024/25 budget setting.

KEY DECISION REFERENCE NO.: 6822EM

1. RECOMMENDATIONS:

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet is recommended to:

- 1.1. Agree that the current waste collection and street cleansing contract with Veolia Environment Services is not extended following expiry of the initial term on 31st March 2025
- 1.2. Agree that further work to consider the alternative options for the provision of waste collection and street cleansing services is undertaken and recommendations brought before Cabinet in line with the timetable set out as section 6.7 of this report.
- 1.3. Note the powers held by the Mayor of London under the GLA Act to issue directions to London boroughs in relation to waste management procurement and that the project team will be encouraged to develop a close working relationship with the GLA borough liaison team to ensure they are well-sighted on the steps being taken to ensure service continuity and continuing conformity with the London Environment Strategy.

2. BACKGROUND

- 2.1 The South London Waste Partnership (SLWP) was formed in 2003 between the boroughs of Croydon, Kingston, Merton, and Sutton and has a proven record of providing improved and more cost-effective waste management services through the procurement of complex waste disposal treatment, recycling and Household Reuse and Recycling Centre contracts. The SLWP itself is not a legal entity and thus procures its contracts through one of the borough members of the Partnership in this case, Croydon Council.
- 2.2 In 2017 the SLWP procured the Phase C - Contract for waste and recycle collection and marketing, winter maintenance, vehicle maintenance and street cleaning (Lot 1) on behalf of its four borough partners. The contract was awarded to Veolia (Environmental Services). The new contract saw all boroughs adopting the same collection methodology, fortnightly residual waste collection, fortnightly paper/card collection, fortnightly dry mixed recyclable collection (glass, cans, plastic), weekly food waste and a charged for fortnightly garden waste

service. Some differences remain in response to localised needs and demands, such as flats above shops, communal properties, street cleansing and so on. Other areas, such as winter maintenance, are also services that are not provided to all boroughs under the Phase C Contract.

- 2.3 The service resulted in all the SLWP Boroughs being within the top 7 recycling performers of the 33 London Boroughs and delivered significant collection and disposal savings.
- 2.4 The current contract, also referred to as 'Phase C', was procured by Croydon on behalf of the SLWP partner boroughs as lead and awarded to Veolia (Environmental Services). The initial term of the Phase C Contract is 8 years with an expiration date of 31st March 2025. Any extension must be agreed by both parties to the contract. Croydon as lead and the other SLWP partner boroughs entered into an Inter Authority Agreement (IAA) to manage the relationship between the partners in respect of the Contract.
- 2.5 The annual value of the Phase C Contract across the SLWP is c £30m and the contract continues to be held and administered by Croydon. The council specific annualised costs are outlined in the Appendix (Part B).

3. CURRENT SERVICE PROVISION

- 3.1 The Council's waste collection, street cleaning and winter maintenance services are currently contracted to Veolia. This decision was taken by the Council in 2016 (Key Decision Number 20/16/CAB) to deliver financial savings, increase recycling performance, maintain satisfaction, and provide over one million residents with a kerbside recycling service. The contract commenced on 1 April 2017 for an eight-year initial term, with the option to extend for a further two periods, each of eight years.
- 3.2 The contract at its inception saw all boroughs adopting the same collection methodology for the core areas of the services, including fortnightly residual waste collection, fortnightly paper/card collection, fortnightly dry mixed recyclable collection (glass, cans, plastic), weekly food waste, a charged fortnightly garden waste service and commercial waste. Some differences remain in response to localised needs and demands, such as flats above shops, communal properties, street cleansing and so on. Other areas, such as winter maintenance, are also services that are not provided to all boroughs under the Phase C Contract.
- 3.3 The existing contract includes the following services:
 - Collection of residual, recycling, food, and green waste
 - Commercial waste collection/disposal
 - Clinical waste collections
 - Gully maintenance

- Winter maintenance
 - Street cleansing
 - Waste transfer station operation (at Garth Road in Merton and Stubbs Mead in Croydon)
 - Recycling receipt, bulking and haulage
 - Processing of recyclates
 - Bulky waste collection and treatment
 - Vehicle maintenance
 - Communications
- 3.4 Infrastructure – Both Croydon and Sutton’s collection services currently operate from the Stubbs Mead Depot in Croydon.
- 3.5 The Council need to provide best value, increase recycling performance, drive waste minimisation, improve resident satisfaction in waste collection and street cleansing services, respond to the challenges arising from new legislation and Government waste consultations on the implementation of this legislation, and also to reduce the carbon impact of these services. This cannot be achieved without change. The following provides further detail around the challenges identified and how each feed into and supports the recommendations contained within the report.
- 3.6 It is recommended that Croydon develops and manages its own Service Delivery Strategy for the waste collection and street cleansing services currently delivered under the Phase C Contract while maintaining a coordinated timetable with partner boroughs. Four commissioning strategies would be involved - the Council’s in addition to those of the three partner boroughs.

4. LEGISLATIVE DRIVERS

- 4.1 The Environment Act 2021 is a key piece of legislation for delivering the commitments made in the 2018 Government’s 25 Year Environment Plan to ‘protect and improve the natural environment in the UK’, and for taking forward and legislating the measures and proposals outlined in the Resource and Waste Strategy (2018). The detail of the policy changes is still not fully known but the following are expected to impact the Council’s services in the next five years:
- **Consistency in Collection** - this requires the Council to collect in a segregated way a series of core materials: plastic, glass, paper/card, metal, and food waste. With the exception of flats above shops which do not have a food waste service, the Council already does this.
 - **Deposit Return Scheme** will add a small charge for the packaging of an item (such as a bottle), which is refunded when the item is recycled via a dedicated recycling scheme (usually in a shop).

- **Extended Producer Responsibility** - this is the Government's approach to move the full cost of collecting household waste from the taxpayer to producers. Fees are based on the recyclability of products and the approach aims to ensure greater quantities of recyclable waste are reprocessed into valuable, high quality secondary resources.
 - **Plastic Packaging Tax 2022** introduced a charge on producers for any plastic packaging that does not contain at least 30% recycled plastic content.
- 4.2 These proposals will have an impact on the quantities and value of recycling the Council collects, potentially as much as a 50 to 70% reduction in materials collected. This will impact the cost of running services.
- 4.3 The waste services the council runs must be in "general conformity" with the Mayor of London's London Environment Strategy 2018, which also requires the Council to have a Waste Reduction and Recycling Action Plan. Croydon is already achieving 38.72% recycling rate and the Mayor's targets for 2025 are for 50% recycling rate. The council trend is mirroring the national trend of a reduction in waste tonnage and consequently this is seeing a reduction in the percentage of recyclable waste being diverted from the general waste stream. Croydon's recycling rates for 21/22 remains in the top quartile for London. Croydon is also diverting 100% of waste from landfill.

5. CARBON NEUTRALITY

- 5.1 Climate change is the single most important challenge facing us all. Our response to the climate emergency will form a key element of the Council's focus, with cross-cutting and pan-departmental themes that align with each of our key objectives.
- 5.2 The Council declared a climate change and ecological emergency in July 2019 and Cabinet agreed that the Council would become carbon neutral by 2030. The council also agreed a Carbon Neutral Action Plan in February 2022.
- 5.3 Local Council recognises that the Climate Emergency is a significant threat to our planet and accepts that it needs to both act and provide leadership at the local level to mitigate the effects of this global crisis. It is also the Council's ambition to play a key leadership and influencer role at both a regional and national level to ensure that policies are in place to deliver meaningful action at the scale and pace that is required.
- 5.4 Achieving decarbonisation in the waste service will require looking at the

carbon emissions of every part of the waste journey - from material production to disposal routes.

- 5.5 It is likely to mean changes in the design, funding and operation of services and will require innovation from the market and technological solutions. For example, new and evolving vehicle and equipment technology,

6. THE FUTURE SHAPE OF WASTE SERVICES IN THE BOROUGH

Options from 2025

- 6.1 Council (through the shared South London Waste Partnership contract) and Veolia may extend the current contract period for two further periods from 2025, each being up to eight years. There is provision to revise the annual contract price if making the decision to extend. The decision to extend or recommission services needs to be made in a timely manner, despite the services not commencing until 2025, due to lead-in times for mobilisation. A Notification of a Wish to Discuss Extension was issued to Veolia on behalf of all four boroughs by Croydon as the procuring authority in September 2020.
- 6.2 The Council has used this as an opportunity to review the current service offer and operations with Veolia, and to start assessing the impact on costs for future services. This includes looking at the borough's ambition to deliver a zero-carbon waste service, future demand for waste services, changes in the industry and what the private market looks like. The Council will need to consider how resident satisfaction with waste collection and street cleansing services is not affected by necessary changes arising from new legislation and its implementation.
- 6.3 The contractor "Veolia" has set out its proposal to the Council for extending the contract. This proposal would see an increase in cost for the services being delivered on an 'as is' basis.
- 6.4 Legal advice has been sought regarding whether such an extension with Veolia would be compliant within the terms of the Regulation 72 modifications allowed under the Public Contract Regulations 2015. Having considered legal view, together with the opportunity to review the service offer and prepare for future legislative changes, the South London Waste Partnership has advised the partner Councils not to extend the contract with Veolia. This is because an extension would require contract variations that are likely to be considered substantial, which could leave the Council open to legal challenge.
- 6.5 In order to inform an assessment on the extension proposal from Veolia, a high-level assessment of the costs, advantages, and disadvantages of differing service delivery options the SLWP undertook a detailed Options appraisal on the recommissioning of the Phase C services on a 'like for

like' basis – with all the current Phase C services packaged up and analysed for re-procurement using the same specification.

These options were.

- to extend with Veolia.
- to reprocure the service.
- to bring the service operations back in house; and
- to deliver services through a Local Authority Trading Company model.

6.6 The results of the analysis did not provide a clear 'best-route' to market for a 'like for like' delivery of the current integrated waste collection and street cleansing contract.

6.7 Therefore, the council will need to assess options available considering the legal commentary and present a recommendation on the future delivery model and commissioning approach in line with the timetable set out below.

Commissioning timetable	
16 November 2022	Cabinet (this report) decision on whether to extend the current contract with Veolia
September 2022 to April 2023 (ongoing)	<ul style="list-style-type: none"> - Development of the scope of service and specification, soft market testing and options appraisals for the future of waste and street cleansing services to inform the work set out in paragraph 8. - Undertake Member engagement - Resident engagement - Cross cutting workshops with key internal stakeholders - Development of the procurement strategy report
March 2023	<p>Cabinet</p> <p>An update on the work undertaken soft market testing together with indicative costs and a recommendation on the commissioning model and procurement strategy for waste services.</p>
April 2023	Based on recommendations and member decisions, work commences on commissioning of services - whether reprocure, bringing back in house or development of a local authority trading company. If new procurement, Contract Notices issued.
During 2024	<p>Cabinet</p> <p>To provide an update on commissioning progress and updates on costs. If new procurement, recommendations for the award of contract(s) followed by mobilisation.</p>
April 2025	Service commencement and go-live

7. CONSULTATION - CONSULTATIONS UNDERTAKEN OR PROPOSED

- 7.1 There are multiple external and internal stakeholders.
- 7.2 **The Mayor of London** - has significant rights and powers conferred by s353-361 of the Greater London Authority Act. The Council has a duty to give the Mayor of London's two years' notice of the expiry of any waste management contract (this has been done). The Mayor of London has a right to be consulted on any arrangements proposed to re-procure or otherwise replace a contract, with a view to ensuring that the arrangements made would remain in general conformity with the Mayor of London's Environment Strategy.
- 7.3 Should a decision be made to re-procure the services, the local authority must give the Mayor of London at least 56 days' notice of any intention to place a Prior Information Notice on its buyer profile, or 108 days of any intention to place a Contract Notice.
- 7.4 The Mayor of London could issue a direction to the local authority in the event that a contract was perceived not to be in general conformity with London Environment Strategy.
- 7.5 **Member consultations** – this will be undertaken to review current service delivery challenges, agree future service objectives and identify changes in future service delivery.
- 7.6 **Residents' engagement** - this will be able to help shape services during the latter part of 2022. The Council will work with the South London Waste Partnership and neighbouring partner boroughs to undertake an online survey open to all residents and some dedicated focus groups looking at parts of the service where there are challenges, such as, communal collection properties, councils housing estates and flats above shops. We will engage with the Tenant and Leaseholder Panel, and the borough's Resident Associations.
- 7.7 **SLWP Triennial Survey** - In addition to this the SLWP will also undertake the Triennial resident survey. The SLWP triennial survey is a reflective, closed, invite-only consultation limited to just over 1,000 residents across the SLWP region. The survey is conducted by an independent social research company and has taken place every three years since 2010. This is a regular survey undertaken by the SLWP and the results from this year's survey will be used to support the delivery of the SLWP 2022/23 work programme and inform the development of the Joint Waste Strategy and the next Communications Strategy for 2023-2026. The survey is already underway and will take place from November 2022 and the results will be available in January 2023. The results from these survey's will be used to inform and support the work looking at the future of the waste services.

8. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 8.1 As a key Mayoral pledge, we are committed to tackling the ‘broken window effect’ to improve the quality and appearance of the street space environment, to encourage investment and tackle low-level anti-social behaviour.
- 8.2 **Options considered and rejected.** As set out in section 6.5 above the SLWP undertook a detailed Options appraisal on the recommissioning of the Phase C services on a like for like basis – that being all the current Phase C services being packaged up and re-procured using the same specification. The results of the analysis did not provide a clear ‘best-route’ to market for a ‘like for like’ delivery of the current integrated collection and cleansing contract. The Appendix – “Part B” Extension cost financial summary report” sets out the full options appraisal and recommendations.
- 8.3 Until the work to consider alternative options for the provision of waste services is completed, it is not possible to set out which commissioning approach would be most suitable. However, because of the high value, any option that involves putting a new contract in place - either for Croydon alone or in partnership with another member of the South London Waste Partnership - will need a competition following one of the prescribed processes set out in the Public Contracts Regulations 2015.
- 8.4 If a new procurement is required, it will be important to begin no later than April 2023 to allow enough time to advertise the procurement, give bidders at least the statutory time to respond, evaluate bids and build in the governance steps and the required ten-day standstill period after the notification of preferred bidder. This would need to be completed to leave enough time for contract completion and implementation of a new service.
- 8.5 As part of the next phase, the Council will consider how the procurement strategy and service model can generate the best social value outcomes for the borough. This may include supporting the local economy and supply chain and creating opportunities for skills and employment.

9. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Revenue and Capital consequences of report recommendations

- 9.1 The combined annual value of the Phase C contract is £30m and the contract continues to be held and administered by Croydon Council on behalf of the South London Waste Partnership boroughs (Croydon, Kingston, Merton & Sutton).
- 9.2 There is a need to provide funding for the recommissioning funding within 23/24 & 24/25. As part of the budget setting process for 23/24

budget needs to be allocated in the Sustainable Communities revenue budget for the delivery of the recommissioning strategy.

- 9.3 Subject The cost in future years (post 2025) service provision will need to be the subject of a growth bid as part of 2024/25 budget setting.

The effect of the decision

- 9.4 Extending the waste services contract with Veolia would mean an increase in the current contract costs. Initial assessments carried out to identify different options of providing the service have also suggested similar increases in the contract costs. Appropriate provision for these potential increases in costs will be included within the Council's Medium Term Financial Strategy.
- 9.5 Further options appraisal work along with surveys and soft market testing will be carried out to consider all the different options for the future of the waste and street cleaning services which are set out in paragraph 2.23 with a view to recommend the option which will provide the best value for money and flexibility to the Council. The costs for carrying out these assessments will be managed within the revenue budgets available to the Sustainable Communities service area and will be closely monitored as part of the regular budget monitoring process.
- 9.6 Depending on which option is chosen there may be a requirement for capital investment to set up the infrastructure needed to deliver the service along with the decarbonisation of the vehicle fleet.
- 9.7 Waste policies may need to be reviewed along with fees and charges within the service to identify the potential to mitigate the costs associated with the recommissioning of the waste and street cleansing services and any future legislative changes.

Risks

- 9.8 Whilst the current contract does not end until 31st March 2025 and the councils will continue to monitor the performance of the current contractor there is a risk as we approach the end of the contract term service performance could reduce.
- 9.9 The options appraisal works costing more than the budgets available. This risk will be managed via regular budget monitoring meetings where the costs and forecasts will be reviewed for accuracy and robustness. Underspends in other budgets within the service area may also be used to mitigate any potential budgetary pressures.
- 9.10 The contract costs being higher than estimated. The risk will be reduced by the fact that different options for the service delivery are being evaluated in order to find the one providing the most value for money. Other mitigating actions would be looking to partner with neighbouring

boroughs to recommission the service in order to achieve economies of scale, initiatives to reduce waste and review of fees and charges.

- 9.11 Reduced market - the number of contractors operating in the Municipal Sector has fallen in recent years which is reducing competition in the market. Procurements may often have only two or three bidders. Attitudes to risk have dramatically changed with bidders challenging all aspects of risk allocation and adding price premiums on any risks that remain.
- 9.12 Market capacity - In terms of other London waste collection contracts finishing in the next couple of years, The London Borough of Wandsworth's contract is due to expire at the end of March 2024, Westminster's contract is due to expire in September 2024, Camden is due to expire April 2025 (although has eight year extension option with the current provider Veolia) and Haringey is due to expire in April 2025 (although this also has a seven year contract extension option with the current provider) thus there will be an active market.

10. FUTURE SAVINGS/EFFICIENCIES

- 10.1 At present there are no future savings or efficiencies associated with this report, but cabinet are asked to note that there is a likely increase in the running of this service once commissioned as a result of market volatility and the global economic crisis.

Approved by: Darrell Jones Acting Head of Finance – Sustainable Communities, Regeneration & Economic Recovery

11. LEGAL CONSIDERATIONS

- 11.1 Local authorities have legal duties with regards the collection of waste, the disposal of waste and to keep Highways and public lands clear of litter under the Environmental Protection Act 1990. The contract with Veolia currently satisfies those statutory duties.
- 11.2 The contract with Veolia states that parties may extend for a further eight years by reaching agreement in writing no later than 42 months prior to the end of the contract period. It is understood that Veolia has agreed to amend this deadline to the end of December 2022. It is also understood that each of the other SLWP partner boroughs have presented reports to their respective committees to agree not to extend the current contract with Veolia.
- 11.3 As stated in the report, an extension would entail a significant rise in future service costs and existing guarantees on commercial waste income and recycle sales would no longer be provided.

- 11.4 Regulation 72 PCR 2015 sets out circumstances in which modifications to public contracts are permissible and a new procurement procedure is not required. In summary modifications are only permissible if they:
- have been provided for in the initial procurement documents; or
 - are for additional works, services or supplies by the original contractor where a change of contractor cannot be made for economic or technical reasons and would cause significant inconvenience or substantial duplication of costs for the contracting authority; provided that any increase in price does not exceed 50% of the value of the original contract; or
 - where all of the following conditions are fulfilled: —
 - (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii) the modification does not alter the overall nature of the contract;
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement; or
 - where a new contractor replaces the one to which the contracting authority had initially awarded the contract as a consequence of contractual provision or corporate re- structuring; or
 - where the modifications, irrespective of their value, are not substantial

The contractual modifications which would be necessary to extend the contract with Veolia would not fall within the scope of Regulation 72.

- 11.5 In determining options, the Council must ensure that it meets relevant statutory and other applicable obligations as detailed. These obligations include the collection of waste and its disposal under the Environmental Protection Act 1990, meeting carbon reduction targets and commitments made in relation to the Environment Act 2021 and obligations required by the Greater London Authority. Further detail is provided in the report.
- 11.6 Where the Council intends to re-procure the services or any part of the services, it must ensure that it advertises the contract/s in accordance with the Public Contracts Regulations 2015 or such other successor procurement regime in place at the time of Advertisement.
- 11.7 When considering available options, consideration must be given to TUPE and pensions and any resultant cost implications in the event that TUPE applies and any subsidiary arrangement that must be replaced or terminated contemporaneously with the Veolia contract.
- 11.8 Agreeing to the recommendations will cause the contract to expire at the end of its initial term, on 31st March 2025. The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000.

Approved by Kiri Bailey Head of Commercial and Property Law on behalf of the Director of Legal Services and Monitoring Officer.

12. HUMAN RESOURCES IMPACT

- 12.1 There are no immediate HR implications arising from this report or from this decision for Council employees or staff.

Approved by: Gillian Bevan Head of HR Resources and Assistant Chief Executives Directorates.

13. EQUALITIES IMPACT

- 13.1 The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must, in the performance of its functions, therefore, have due regard to:

- I. eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- II. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- III. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 13.2 There are no material equalities implications resulting from the recommendation(s) of this report. Equality implications will be addressed in the delivery of future services and further consultation will be undertaken as future services are designed and a commissioning strategy drafted.

- 13.3 Specific works and services will be developed through any commissioning process.

- 13.4 The council will build on existing best practice and take account of lessons learnt with internal and external stakeholders, including through resident survey work planned when developing any service specification utilising the Added Social Value Toolkit.

- 13.5 As this is an options review, a full equalities impact assessment will be undertaken and approved prior to any new service provision.

Approved by: Denise McCausland Equality Programme Manager

14. ENVIRONMENTAL IMPACT

14.1 There are no environmental impacts arising from this report.

Approved by: Steve Iles Director of Sustainable Communities

15. CRIME AND DISORDER IMPACT

15.1 There are no crime and disorder impact arising as a result of the recommendations within this report.

16. DATA PROTECTION IMPLICATIONS

16.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

16.2 The Director of Sustainable Communities comments that the council's information management team have advised that a DPIA would not be required in this instance and that the subject of the report does not involve the processing of personal data.

Approved by: Steve Iles – Director of Sustainable Communities-----

CONTACT OFFICER: Steve Iles. Director of Sustainable Communities, steve.iles@croydon.gov.uk, Softphone ext.: 28195

**BACKGROUND DOCUMENTS – LOCAL GOVERNMENT ACT 1972
Part B**

Appendix - Extension cost financial summary report

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

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Agenda Item 8

REPORT TO:	Streets & Environment Sub-Committee 8 November 2022
SUBJECT:	Period 5 Financial Performance Report
LEAD OFFICER:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Nick Hibberd - Corporate Director of Sustainable Communities, Regeneration & Economic Recovery
CABINET MEMBER	Councillor Scott Roche Cabinet Member for Streets and Environment Councillor Jeet Bains Cabinet Member for Planning and Regeneration
PUBLIC/EXEMPT:	Public

ORIGIN OF ITEM:	This item is included on the Streets & Environment Sub-Committee Work Programme for 2022/23 as a standing item to be reviewed by exception.
BRIEF FOR THE COMMITTEE:	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.

1. **Period 5 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 5 Financial Performance and to consider whether Members are reassured about its delivery.

CONTACT OFFICER:

Tom Downs –Democratic Services & Governance Officer – Scrutiny

Email: Tom.Downs@croydon.gov.uk

Background Documents: None

Appendices:

Appendix 1 – Cabinet Report – Wednesday 12th October 2022 - Period 5 Financial Performance Report

REPORT TO:	Cabinet 12th October 2022
SUBJECT:	Financial Performance Report – Month 5 (August 2022)
LEAD OFFICER:	Jane West, Corporate Director of Resources (Section 151)
CABINET MEMBER:	Councillor Jason Cummings Cabinet Member for Finance

SUMMARY OF REPORT:

This report provides the Council's annual forecast as at Month 5 (August 2022) for the Council's 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 against its budgets on a monthly basis.

FINANCIAL IMPACT

	Forecast Month 5	Forecast Month 4	Movement
	£m	£m	£m
General Fund over/(underspend)	10.5	9.5	1.0
Housing Revenue Account over/(underspend)	3.2	3.1	0.1

	Original Approved Budget 2022/2023	Actual to Date as at 31/08/22	Forecast for year end 2022/2023	Forecast Variance for year end 2022/2023
	£m	£m	£m	£m
Capital Programme	134.152	12.622	123.387	(10.765)

The Month 5 position for the General Fund shows a worsening of **£1.064m** in the forecast outturn for 2022/23 since Month 4, mainly due to the Housing service seeing an increase in demand for temporary accommodation and rising rental costs.

The Month 5 end of year projection for the General Fund is indicating a net overspend of **£10.547m** against the budget.

There are a further set of risks and opportunities, which indicate a net opportunity of **£1.838m** (risks **£10.769m** and opportunities of **£12.607m**) most of which are not yet sufficiently developed to be included in the outturn forecast.

Should all these risks materialise, and none of the mitigations be effective, the Council could overspend by **£21.316m**. However, if none of the risks materialise and all the opportunities are delivered, the Council could underspend by **£2.060m**.

It should be noted that the overall financial position of the Council suggests it is highly unlikely that it will be possible to use the existing £6.887m corporate budget to top up the Council's reserves in 2022/23. This budget is currently included as an opportunity in this month's report but from next month will be moved into the end of year projected outturn. Had this been actioned this month, the projected overspend this month would have been £3.6m. This is reflected at 2.18 which sets out the current projection for reserves at the end of the year.

Work is continuing to look at measures to mitigate the forecast overspend and avert any further adverse impacts on the forecast. Early mitigating actions are reported as opportunities in this report. The impact of the in-year position is also being considered as part of the planning for 2023/24.

Paragraph 2.15 includes a Deficit Recovery Plan which sets out the actions the Council is taking to mitigate the projected overspend, which together with minimising risks and maximising opportunities is designed to eliminate the overspend by the end of the financial year.

Section 3 details these risks and the risk mitigations that have been identified at this stage.

The Housing Revenue Account is forecasting a **£3.210m** overspend variance against budget at the end of the year, an adverse movement by **£0.063m** mainly due to inflation in energy costs.

The Capital Programme has spent **£12.622m** against a **£134.152m** budget in the fifth month. The end of year position is forecast to be an underspend of **£10.765m**.

The Executive Mayor in Cabinet is recommended to:

- 1.1 Note the General Fund is projecting a net overspend of £10.547m as at Month 5, or £3.6m assuming the budgeted contribution to reserves is moved from opportunities into the projected outturn. Service directorates are indicating a £25.316m overspend with a £14.769m underspend corporately.
- 1.2 Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change. These indicate a net opportunity of £1.838m (risks £10.769m and opportunities of £12.607m) and are reported within Section 3 of this report. Should all these risks materialise, and none of the mitigations be effective, the Council is forecast to overspend by £21.316m. However, if none of the risks materialise and all the opportunities are delivered, the Council will underspend by £2.060m.
- 1.3 Note the further actions being taken, through development of the Deficit Recovery plan, to mitigate the projected overspend with a view to eliminating it by the end of the financial year. Further details are in paragraph 2.15.
- 1.4 To approve the non-delivery of the MTFS savings as indicated within Table 2b.
- 1.5 Note the Housing Revenue Account (HRA) is projecting an end of year position of a £3.210m overspend, mainly due to inflation in energy costs.
- 1.6 Note the Capital Programme spend to date for the General Fund of £7.644m (against a budget of £112.069m) with a projected forecast underspend of £7.715m for the end of the year.
- 1.7 Note the Housing Revenue Account Capital Programme spend to date of £4.978m (against a budget of £22.083m), with a projected forecast underspend of £3.050m for the end of the year.
- 1.8 Note, the above figures are predicated on forecasts from Month 5 to the year end and therefore could be subject to change as forecasts are made based on the best available information at this time.
- 1.9 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 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 FPR ensures there is transparency in the financial position, and

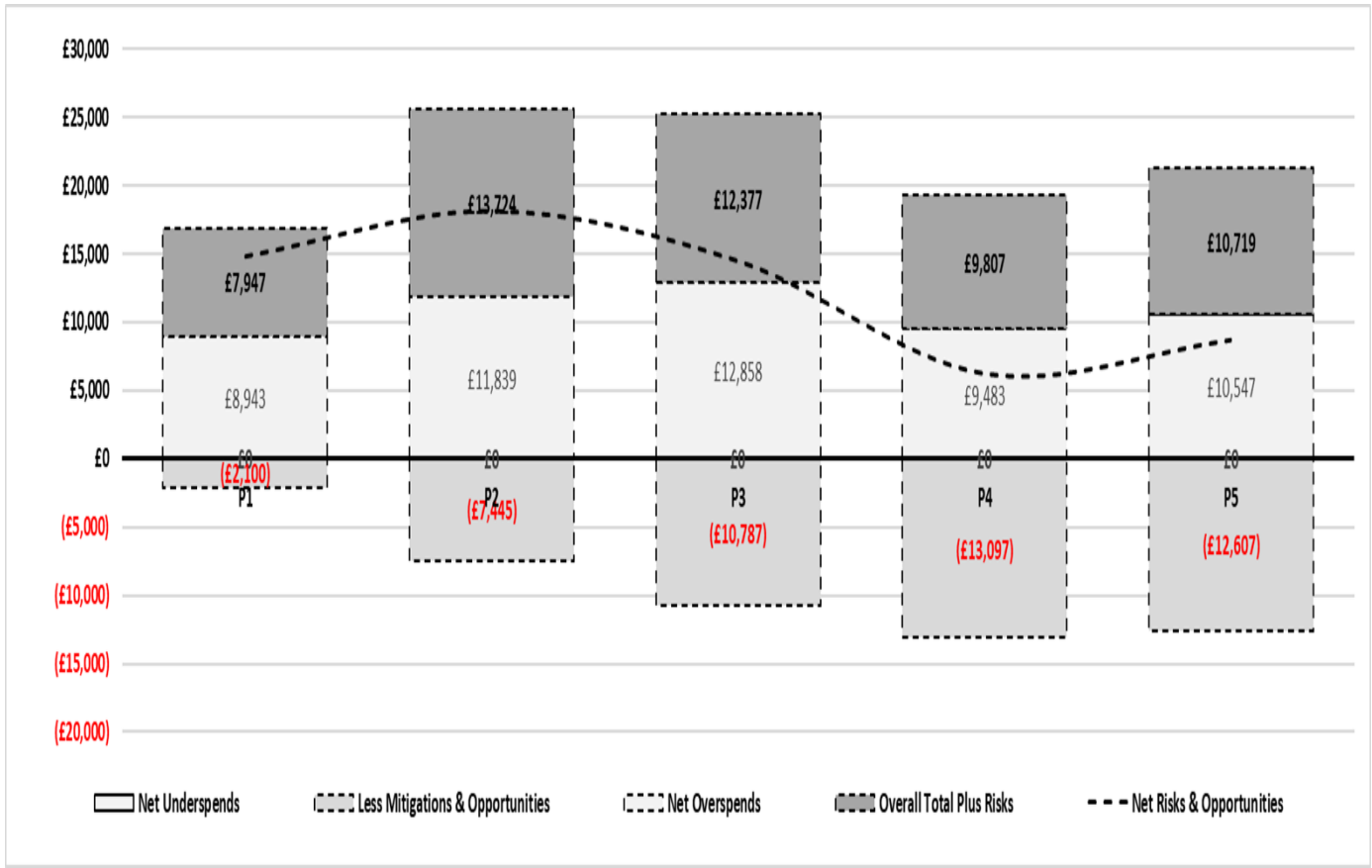
enables scrutiny by the Executive Mayor, Cabinet, Scrutiny, and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.

2.2. The General Fund revenue forecast outturn for Month 5 is an overspend of £10.547m. This is an adverse movement of £1.064m from Month 4.

2.3. There are a further set of risks and opportunities, which indicate a net opportunity of £1.838m (risks £10.769m and opportunities of £12.607m). 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 £21.316m. 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 £2.060m. These are outlined in detail in Section 3 of this report.

2.4. 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



- 2.5. Further work continues to bring the pressures down and find new mitigations so that the Council ensures that it stays within budget. Early mitigating actions for the projected overspend are reported within the opportunities contained in this report. The impact of the in-year position is also being considered as part of the planning for 2023/24.
- 2.6. The Housing Revenue Account is forecasting an overspend of £3.210m (an increase of £0.063m on the Month 4 forecast).
- 2.7. The Capital Programme for both the GF and HRA is reporting a total expenditure to date of £12.622m of which £7.644m is within GF and £4.978m for the HRA. The overall capital spend is projected to be £123.387m against a budget of £134.152m. This will result in a £10.765m underspend to budget. A review is currently underway of the Capital Programme with a view to further reducing spend in 2022/23.
- 2.8. The 2022/23 General Fund forecast includes the use of a £25m agreed capitalisation direction, to balance the Council's revenue budget. 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 7th March 2022.
- 2.9. 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.
- 2.10. 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.
- 2.11. 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. The Council's financial recovery is outlined within the current three-year MTFS. The second year of that strategy has always been recognised as the toughest of the three to deliver as the Council steps down from its reliance on capitalisation directions that allow it to meet revenue costs from capital funding.
- 2.12. The Opening the Books Project is underway to further assure the Council's financial position, the full results of which will be available by January 2023. The project is examining the last three years of the Council's accounts as potential errors have been identified in areas such as the accounting for Croydon Affordable Homes, the calculation of capital charges and the allocation of charges between capital, the Housing Revenue Account and the General Fund. These findings are delaying the completion of the Council's outturn position for 2021/22. The project is also examining the accuracy of budgets and the methodology and process for setting them. As an

example, overspends totalling £19m have arisen from mistakes in setting three specific budgets:

- Parking income – the reduction in demand for parking in the borough following the pandemic should have been better reflected in the assumptions for projected activity in 2022/23
- New traffic income projections were included with insufficient contingency built in to reflect the operational challenges of implementing new traffic schemes
- A deficit in the Housing Benefit budget for 2021/22 should have been recognised earlier. It was only picked up at the very end of the year and therefore has not been built into the 2022/23 budget.

2.13. In addition, and as this report identifies, the Council continues to face significant financial pressures. The delivery of Year 1 of the MTFs / financial recovery plan (2021/22) was aided by covid depressed demand for Council services that enabled the monthly expenditure to be reported as an underspend in many areas. Demand has begun to pick up for some Council services which is removing that underspend. There are also early signs of demand increasing for some services due to the cost-of-living pressures. In addition, some resident behaviour has changed since covid and this is having an impact on revenue. The inflationary pressures reflected in the forecast outturn are significant and further detailed at 2.20.

2.14. The outturn forecast identifies an overspend that the Council will need to mitigate. This report flags a number of other risks that could be realised and be declared in the outturn forecast during the year which would further worsen the position.

2.15. Over the last financial year, a monthly budget assurance process and independent challenge of expenditure by the Improvement and Assurance Panel took 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. Overall, the meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

Deficit Recovery Plan

2.16. Each Directorate has been asked to identify mitigations and in year cost reductions to ensure that the Council brings its expenditure within budget to avoid any call on reserves. The following table sets out the mitigations proposed to date. Where the proposals are confirmed, their impact is already included in the projected outturn for the year. Where there is further work to be done to confirm them, they are included in this report as opportunities.

	£m	Allocation with P5
Delivery Plans in Forecast		

	£m	Allocation with P5
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 Total	5.840	
Delivery Plans as Opportunities		
Public Health	1,000	Cross department reallocations of budgets, detailed in opportunities.
Housing Benefits	0.815	Included within Resources opportunities
Staff changes	0.100	Included within Resources opportunities
Children's Services Legal Costs	0.570	Included within Children's opportunities
External Grants in Children's Services	0.800	Included within Children's opportunities
Children Operational savings	0.500	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
Opportunities Total	4.890	
Total	10.730	

2.17. In addition, the Council may not need to use the budgeted addition to its reserves of £6.9m in 2022/23. The financial year 2021/22 is still subject to further work, but the early indications are that reserves will be sufficient and that a further contribution may not be required. Should it not be necessary to transfer the full £6.9m into reserves, the Council's net expenditure would decrease by £6.9m.

2.18. The table below gives details of the general fund balances position as set out in the February 2022 budget report. Note that given a number of years accounts are still open the first 1st April 2022 opening balance may change.

2.19. The current financial position of the Council suggests it is highly unlikely that it will be possible to use an existing £6.887m corporate budget to top up the Council's reserves in 2022/23. This budget is currently included as an opportunity in this month's report but from next month will be moved into the end of year projected outturn. Had this been actioned this month, the projected overspend this month would have been £3.6m. This is what is set out in the table below.

General Fund Balances	£M
1st April 2022	27.5
Planned Contributions to/(from) Reserves	6.9
Underspend against the Planned Contributions budget	-6.9
Projected overspend	-3.6
Forecast 31st March 2023	23.9

2.20. Further work will be undertaken to add to the Deficit Recovery Plan. Without this Deficit Recovery Plan the Council's pressures would have been considerably higher. 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. The key calculation in regard to usage the current rates paid will need to be made and assessed against the support criteria.

2.21. 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 has budgeted a 5% inflationary uplift on all its contracts costs which is a prudent level compared to historic standards. However current inflation rates, which are around 10% and therefore significantly higher than budgeted, pose an added challenge that the Council does not have full control over. The Council cannot absorb all inflationary costs itself and will need to find ways to ensure the burden of these costs is fairly shared with our suppliers and customers.

2.22. The Council's overall financial position is still subject to a number of unresolved issues. The Opening the Books project is currently underway reviewing many aspects of the Council's accounts, the results of which will be reported by January 2023. The Council is continuing to work closely with the external auditors on finalising the 2019/2020 and 2020/2021 audit of accounts and is in the process of completing the accounts for 2021/22. The 2019/20 accounts require a resolution in relation to the accounting treatment of Croydon Affordable Homes and Croydon Affordable Tenures which, as previously reported, may have a c£70m impact on the Council's available reserves. Work is ongoing in this area in collaboration with Grant Thornton, the Council's External Auditors. All these areas of work may have implications for this year's budget.

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. Further announcements expected on 23 September.
- 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. FINANCIAL POSITION

- 4.1. The overspend of £10.547m is driven by two underlying factors, which are £9.545m non-delivery of savings and £1.002m other pressures which are expanded in section 4 of this report. Work is underway to further improve the budget setting process and the Opening the Books project is examining this area in order to identify further improvements that can be made.
- 4.2. Directorate teams and Finance colleagues meet monthly to review the forecast position for each area, including risks of overspending and identify further options to mitigate these. A table of risks and opportunities are provided within this section where applicable.
- 4.3. The forecast outturn for the General Fund is shown below in Table 1.

Table 1 – Month 5 Forecast per Directorate

	Forecast Variance as at Current Month 5	Forecast Variance as at Prior Month 4	Change From Month 5 To 4	Savings Non-Delivery as at Month 5	Other Pressures as at Month 5
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Young People and Education	(408)	(133)	(275)	300	(708)
Adult Social Care and Health	(505)	(217)	(289)	1,213	(1,718)
Housing	2,582	847	1,735	1,705	877
Sustainable Communities Regen & Economic Recovery	15,641	15,140	501	5,743	9,898
Resources	9,210	9,135	75	172	9,038
Assistant Chief Executive	(1,204)	(520)	(683)	412	(1,616)
Departmental Total	25,316	24,252	1,064	9,545	15,771
Corporate Items & Funding	(14,769)	(14,769)	-	-	(14,769)
Total General Fund	10,547	9,483	1,064	9,545	1,002

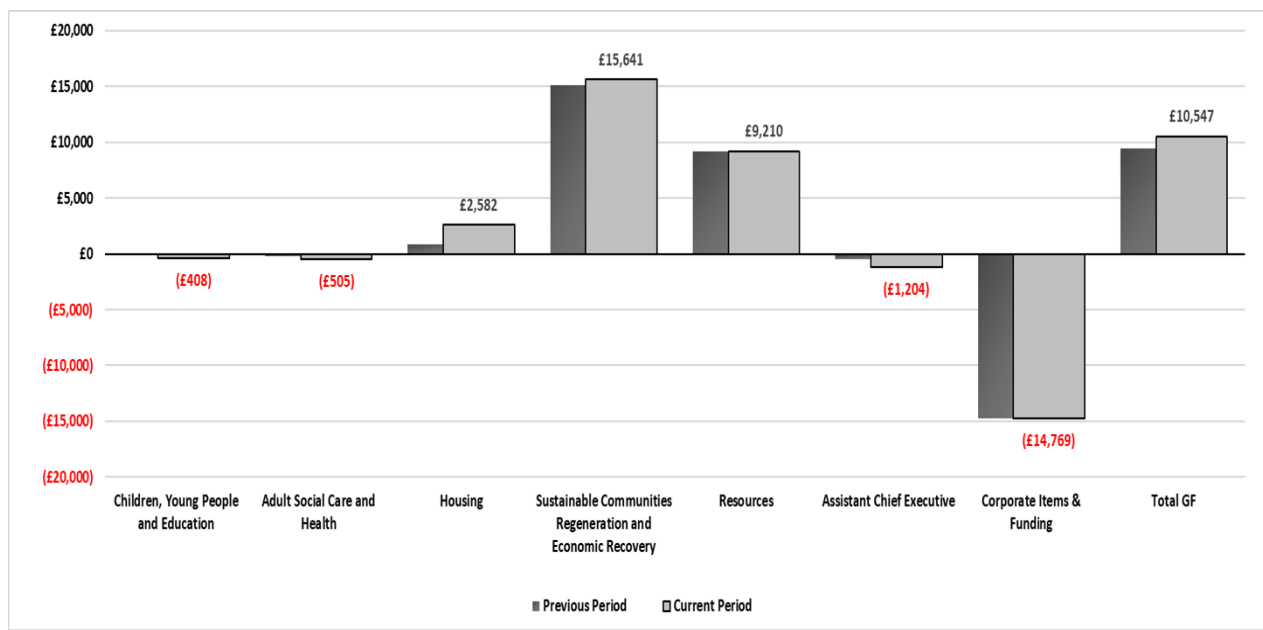
- 4.4. Net overspends and underspends within the service budgets are presented as a forecast variance (as per Table 1) and are additionally classified as either non-delivery of agreed in year savings or other pressures which were not foreseen or quantifiable at the time of setting the budget.
- 4.5. The main areas of movement from Month 5 are as follows:

- Adult Social Care and Health Directorate’s £0.289m **favourable** movement is due in the main to a staffing underspend particularly within provider services and the assessments team.
- Sustainable Communities, Regeneration and Economic Recovery Directorate’s **adverse** movement of £0.501m is mainly due to staffing pressures within the planning and development team
- Resources Directorate has moved £0.075m **adversely** from Month 4, which is largely as a result of one-off costs in relation to costs of the 2020-21 audit.
- Assistant Chief Executive has moved **favourably** by £0.683m mainly in relation to income projections and a review of the election account
- Housing Directorate is indicating a £1.735m **adverse** movement due to rising demand and costs for emergency accommodation.
- Children, Young People and Education Directorate is reporting a £0.275m **favourable** movement from Month 4 relates to staffing underspends.
- Corporate Budget has remained unchanged from Month 4.

Further details for each Directorate can be found in section 4 of this report.

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

Chart 2: Forecast per Directorate as at Month 5



Risks and Risk mitigations

- 4.7. The outturn forecast has been reported excluding further potential risks and risk mitigations. Risks are split in to MTFS savings risks and other risks. Savings risks relate to savings proposals that were approved at Full Council in March 2022 to deliver a balanced budget. Other risks are risks that have risen 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.
- 4.8. Savings are at various stages in their delivery, and it is important that the Council transparently reports the progress on these. Savings which are not deliverable are included within the forecast as overspends, however other MTFS savings which are at risk of non-delivery are reported in Table 2c, with Table 2b identifying savings not delivered. Table 2a below provides a summary of progress per directorate on delivery of their savings targets.

Table 2a – 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
Children, Young People and Education	(9,564)	300	7,046	1,077	1,141
Adult Social Care and Health	(16,500)	1,213	8,315	6,453	519
Housing	(2,841)	1,705	875	0	262
Sustainable Communities Regen & Economic Recovery	(12,396)	5,743	2,969	967	2,718
Resources	(3,029)	172	2,857	0	0
Assistant Chief Executive	(9,543)	412	8,281	250	600
TOTAL FOR MTFS	(53,873)	9,545	30,342	8,747	5,239

Table 2b – MTFS savings not delivered

Directorate & Saving Description	Target Value £000	Savings not Delivered £000
Adult Social Care and Health		
Refocusing Public Health funding	(380)	380
Baseline Savings - Disabilities Operational Budget	(4,371)	833
Assistant Chief Executive		
Fees And Charges	(19)	19
Increase in fees and charges	(93)	93
Rationalisation of software applications and contracts	(300)	300
Children, Young People and Education		
Refocusing Public Health funding	(300)	300
Housing		
Impact of maximising homelessness prevention	(578)	578
Impact of increasing speed of homelessness decisions	(101)	101
Increase use of LA Stock for EA/TA	(163)	163
Ending EA/TA where the council has no duty	(193)	193
Housing supply pipeline maximisation	(80)	80
Contract Reviews	(250)	250
Income Maximisation - Rent Collection	(240)	240
Resident Engagement & Tenancy Services £100,000 saving in 22/23	(100)	100
Resources		
Fees And Charges	(44)	28
Increase in fees and charges	(218)	144
Sustainable Communities Regen & Economic Recovery		
ANPR camera enforcement	(3,180)	2,040
Bus Re-Tender Contract Savings	(120)	40
Increase in Pre-Planning Applications	(66)	66
Independent travel optimisation	(20)	20
Introduction of a variable lighting policy	(417)	417
Parking charges increase	(650)	285
Private Sector Environmental Enforcement	(250)	125
Review and reduction of the Neighbourhood Operations (NSO team)	(950)	450
Revised Landlord Licensing scheme	(2,300)	2,300
Grand Total		9,545

- 4.9. Other risks and risk mitigations are split into quantified and unquantified items.
- 4.10. As with the outturn forecast set out in Table 1, risks are separately reported for those elements that relate to potential non or under-delivery of approved savings, as agreed by Full Council in March 2022, and those that are new and not directly related to agreed savings plans.
- 4.11. The Council is being transparent in flagging its risks that could potentially result in a change to the outturn forecast. This allows the Council to act and support these challenges before they become realised.
- 4.12. Table 2c below provides for details of MTFSS savings that are at risk of non-delivery and Table 2d provides a list of quantified and unquantified other risks, which are in addition to the savings risks.
- 4.13. 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.

Table 2c – Month 5 MTFSS Savings At Risk

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 5 (£,000's)	Savings at risk as at Month 4 (£,000's)	Change from Month 5 to Month 4 (£,000's)
21/22 CYPE 05	Review Support for Young People where Appeal Rights Exhausted	61	225	(164)
21/22 CYPE 06	Improve Practice System Efficiency	290	290	0
22/23 CYPE 07a and 7b	NHS Funding	790	790	0
Children, Young People and Education Total		1,141	1,305	(164)
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	0	833	(833)
21/22 ASCH 05	Baseline Savings - Mental Health Operational Budget	83	83	0
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	194	194	0
21/22 ASCH 04	Review of Contracts – Outcome Based Commissioning, Working Age Adults Commissioning and Public Health commissioning	132	132	0
21/22 RES 06	Contract savings	110	110	0
Adult Social Care and Health Total		519	1,352	(833)
22/23 HOUS 11	Procurement of Emergency Accommodation Contracts	0	100	(100)
22/23 HOUS 13	Income Maximisation - Rent Collection	0	101	(101)
22/23 HOUS 04	Repurpose under-utilised sheltered housing stock	158	158	0

22/23 HOUS 07	Ending Emergency Accommodation/Temporary Accommodation (EA/TA) where the Council has no duty	0	97	(97)
22/23 HOUS 09	Incentivising temporary accommodation leasing schemes	104	104	0
22/23 HOUS 01	Impact of maximising homelessness prevention	0	214	(214)
22/23 HOUS 02	Impact of increasing speed of homelessness decisions	0	40	(40)
22/23 HOUS 14	Resident Engagement & Tenancy Services £100,000 saving in 22/23	0	60	(60)
22/23 HOUS 03	Increase use of Council Stock for EA/TA	0	56	(50)
Housing Total		262	929	(667)
Various	Fees And Charges	350	350	0
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	260	260	0
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
Sustainable Communities Regen & Economic Recovery Total		2,718	2,718	0
22/23 COR SAV 09	Rationalisation of software applications and contracts	0	300	(300)
22/23 ACE 18	Contract Savings - Managed Service Provider for Temporary Agency Resources £600K saving in 22/23	600	600	0
Assistant Chief Executive Total		600	900	(300)
Total Savings at Risk		5,239	7,204	(1,964)

Table 2d – Other quantifiable and unquantifiable risks

Quantified Risks	P5 £'000	P4 £'000	Details of Risk
Children, Young People and Education	2,284	2,284	<p>Capitalisation income This is a historic income budget that was added to Children's Social Care. This amount was funded from capital receipts until 2020/21</p>
			<p>CLA Cost of Living There is an expectation that children in care providers will increase placement costs as cost of living rises</p>
Adult Social Care and Health	-	-	None
Housing	2,000	-	<p>Emergency Accommodation (EA) Bad Debt Provision 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>Emergency Accommodation Activity levels 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>
Sustainable Communities Regen & Economic Recovery	646	319	<p>NSO (£125k) 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>
			<p>Planning Income (£325k) 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</p>
			<p>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</p>

Quantified Risks	P5 £'000	P4 £'000	Details of Risk
			expenditure on staff for Period 5 has been to try and mitigate this.
			Capital Staff Recharges (£169k) 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.
Resources	-	-	None
Assistant Chief Executive	-	-	None
Corporate Items & Funding	600		NJC pay Award for 2022/23 - the current budget held corporately for the pay award may not be sufficient to cover the current pay offer of a flat rate of £1,925 per employee
Total Quantified Risks	5,530	2,603	

Un-Quantified Risks	P5 £'000	P4 £'000	Details of Risk
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.
			Inflation , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			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.
			There is Hospital discharge pressure 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			New Housing Structure (temporary) 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.
Sustainable Communities Regen & Economic Recovery			Highways and Parking 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			Legal Trading Model 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
Total Un-Quantified Risks			

4.14. Table 3 provides a list of quantified and unquantified risk mitigations or opportunities. These are potential risk mitigations that will require further assurance to be included within the forecast. Service managers have identified these as potential mitigations to the risks identified Tables 2a, 2c and 2d.

Table 3 - Quantifiable and unquantifiable opportunities

Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
Children, Young People and Education	(2,170)	(2,170)	External grants (£0.800m) Increasing the income budget in 2022/23 in line with the actual grants
			Children Service legal costs (£0.570m) 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

Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
			<p>Operational Efficiency Savings in Children Social Care (£0.500m) Sustained impact of hybrid working has reduced use of workplace supplies and services across CYPE.</p> <p>Public Health (£0.300m) Ongoing Internal Review of Public Health Funding towards related expenses</p>
Adult Social Care and Health	(380)	(380)	<p>Public Health (£0.380m) Ongoing Internal Review of Public Health Funding towards related expenses</p>
Housing	-	(790)	None
Sustainable Communities Regen & Economic Recovery	(730)	(730)	<p>Community Infrastructure Levy Review (£0.500m) Further use of CIL monies to support revenue expenditure where the conditions met being reviewed.</p> <p>Streetlighting review (£0.230m) Current pilot is being evaluated.</p>
Resources	(915)	(915)	<p>Measures to reduce Housing Benefit subsidy loss (£0.815m) Measures to reduce Housing Benefit subsidy loss</p> <p>Staffing Review (£0.100m) Staff reviews that may lead to further savings in salary costs</p>
Assistant Chief Executive	(320)	(620)	<p>Public Health (£0.320m) Ongoing Internal Review of Public Health Funding towards related expenses.</p>
Corporate Items & Funding	(8,092)	(7,492)	<p>Reduced borrowing need (£0.605m) Potential saving as a result of a review of borrowing costs to fund the capital programme.</p> <p>Release of Corporate Reserve Top Up (£6.887m) The Council will consider if this top up is required. If not, it will represent an underspend which will contribute to the Deficit Recovery Plan.</p> <p>Reversal of National Insurance Increase (£0.600m) The government has announced that the National Insurance increase of 1.25% for employers and employees will be reversed from 6 November 2022</p>
Total Quantified Opportunities	(12,607)	(13,097)	

Un-Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
Children, Young People and Education	-	-	None
Adult Social Care and Health	-	-	None

Un-Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
Housing			New Housing Structure (temporary) We have a new temporary structure within Housing, including an Interim Director of Tenancy Services and three Change Managers, approx £100k. We have bid for Transformation Funding to resources these additional positions.
Sustainable Communities Regen & Economic Recovery	-	-	None
Resources		-	Recovery of utilities debt from schools still owed from when bills were paid by the council and recharged to schools rather than been billed direct
Assistant Chief Executive	-	-	None
Corporate Items & Funding	-	-	None
Total Un-Quantified Opportunities			

DIRECTORATE VARIANCES

4.15. Children, Young People and Education (CYPE)

At Month 5 a **£0.408m underspend** has been forecast alongside £1.141m of MTFS savings at risk of non-delivery together with £2.284m of other risks against £2.170m of opportunities. This is a favourable movement from Period 4 of £0.275m.

The £0.408m underspend is net position of £0.300m of non-delivery of the MTFS saving related to Public Health funding offset with a net benefit of £0.708m through underspends in Children's Social Care of £0.560m and £0.148m in non-DSG Education services.

The Directorate has also identified £2.284m of other risks in Table 2(b) 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 £2.170m from re-purposing grants and reducing legal costs substantially due to a reduction in age related assessment challenges.

4.16. Adult Social Care and Health (ASCH)

At month 5 an **underspend of £0.505m** is forecast with £0.519m MTFS savings at risk of non-delivery. The risk of savings non-delivery has reduced by £0.723m.

However, this is due to £0.833m risk being realised and is now reflected in the outturn forecast. In addition, following the transfer of the Commissioning function from Resources to ASCH, there is a £0.110m additional risk for contact savings. Quantified opportunities remain the same as Month 4.

The forecast underspend of £0.505m is a net position, the key items being:

- £1.497m underspend in staffing which, in return, is a barrier to achieving savings. There is a national shortage of both social workers and occupational therapists.
- £1.002m underspend following the detailed review of 21/22 accruals for disputed care costs which have been settled at a lower level than was accrued, and for planned care costs. 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.
- £0.833m overspend relating to the unachieved savings which had previously been shown as at risk.
- £0.725m overspend in care for 18-25 year old Transitions clients which remains the same as period 4 monitoring.

Unquantified Risks present continued concerns as to their 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.
- High vacancy rate is caused by significant challenges in recruitment across the Directorate. This means staff are focused on statutory delivery, rather than transformation. This is a national issue.

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

There are also opportunities of £0.380m identified in relation to public health.

Finance continues to work closely with the service providing deep dive analysis of the budgets in Transitions, Disability Services, Older Peoples Services and Mental Health to support additional quality assurance.

4.17. Housing

At Month 5, Housing is forecasting a **£2.582m overspend** in relation to temporary accommodation activity in particular overnight paid accommodation, with key risks related to non-delivery of £0.262m of savings, and £1m of other quantifiable risks

having been identified that relate to emergency accommodation activity levels and the provisions for bad debts. However, the Directorate is looking to draw down £0.790m of housing reserves to support in year pressures and have identified this as an opportunity subject to further review. This will only be released once all other in-year mitigations have been exhausted.

The service is seeing an increase in demand for temporary accommodation and is also facing rising rental costs as the Council struggles to find viable accommodation.

4.18. **Sustainable Communities, Regeneration & Economic Recovery (SCRER)**

In Month 5, SCRER is forecasting a net **overspend of £15.641m**.

The main area of overspend relates to £10.5m shortfall in parking income, £0.950m relating to streetlighting energy costs and £0.5m SEN transport costs. This position has moved adversely from Month 4 by £0.501m.

There are also £0.646m other risks identified and £2.718m of MTFs savings at risk. However, the service has identified £0.730m 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.

4.19. **Resources**

At Month 5, there is a **£9.210m overspend** projected which is an adverse movement from Month 4 of £0.075m.

The overspend is largely related to loss in housing benefit (HB) subsidy and projected increases in energy costs across the Council's corporate estates. The £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.

A further pressure of £4.223m is due to increased energy costs on utilities for the Council estate. £3.5m will be drawn down from the corporate inflation provision to mitigate part of this overspend. The pressures on Estates, Asset Management & Facilities are being netted off against a net saving of £1.551m. 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 £0.915m have been identified to try and mitigate the HB subsidy loss in year and reduce staffing costs.

4.20. Assistant Chief Executive

At Month 5, a **£1.204m underspend** is being projected, which is a favourable movement of £0.683m from month 4. Continued review on the income projections related to registrars and bereavement services has indicated a further improvement to Month 4. Reconciliation of the position regarding the Election account has realised a £241k favourable in month movement. This was highlighted as an opportunity at P4. Further planned staffing reviews have achieved savings of approximately £300k across the Directorate.

At this early-stage work is still being carried out to review fees and charges which were devolved to the service without consideration of demand. 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 £205k is factored within the forecast. The rationalisation of software applications project has identified £450k of mitigations, which have been included within the forecast, and further work is being carried out to focus on the remaining £300k.

For 2022/23 the remaining £300k can be met within budget underspends elsewhere in the department. Ongoing work will aim to ensure this in year saving is converted to a permanent budget saving from 2023/24.

4.21. Corporate

At Month 5, the corporate position is projecting an **underspend of £14.769m**. 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.

There has been no movement from Month 4 in the corporate projection. The projected underspends against contingency budgets and risk provisions will offset the projected overall overspend. 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. The total risk and provision underspends are £10.769m.

Corporate Finance have also identified a further one-off £4.0m of reserve drawdown in 2021/22 to support the in year inflationary pressures that the Council is facing as a result of macroeconomic factors which are largely not in the Council's control. A further opportunity has been identified due to the reversal of the 1.25% National insurance increase which has now been reversed.

A risk of £0.6m has been identified relating to the NJC staff pay award for 2022/23. The budget held corporately may not be sufficient to cover the current pay offer of £1,925 per employee.

Table 4 below summaries the overall position:

Table 4 – Summary – Month 5 with Month 4 Comparator

	Month 5	Month 4	Variance
	(£,000's)	(£,000's)	(£,000's)
Table 1 - Forecast	10,547	9,483	1,064
Table2b - MTFs Savings - At Risk	5,189	7,204	(2,015)
Table2d - Other Quantifiable Risks	5,530	2,603	2,927
Table 3 - Quantifiable Opportunities	(12,607)	(13,097)	490
Total	8,659	6,193	2,466

5 Housing Revenue Account (HRA)

5.1 The **forecast overspend** across the HRA is **£3.210m** as at Month 5. This is made up of an additional £1.8m of inflationary pressure on utilities bills. There is additional inflationary pressure on the repairs service of £0.7m, and disrepair costs of £0.8m. Other variances include increased costs of managing the estates, £0.5m, and underspends from vacancies across the service (£0.6m). There is ongoing review of all budgets and recharges across the HRA to mitigate the existing pressures. Nonetheless, the HRA has sufficient ring-fenced reserves to meet the £3.210m overspend currently projected if in year mitigations can't be found.

Table 5 – Housing Revenue Month 5 forecast

SERVICES	Variance For Month 5	Variance For Month 4	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs and Safety	904	893	11	Of the variance £700k is a result of inflationary increases on the repairs programme contracts. Disrepair claims and fees of £787k. With vacant posts of £583k offsetting the listed pressures
Asset Planning and Capital Delivery	(158)	(15)	(143)	There are a number of vacancies within this service area
Allocations Lettings and Income Collection	432	337	95	The projected void losses are based on P5 performance. A programme is in place to address this. This pressure also includes garage rental voids
Tenancy and Resident Engagement	2,557	2,382	175	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.
Homelessness and Assessments	(0)	50	(50)	This is a recharge to the general fund for the provision of this statutory service through a HRA owned property.
Directorate & Centralised costs	(500)	(500)	(0)	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
	3,210	3,147	63	

6 Capital Programme

5.1 The General Fund and Housing Revenue Account capital programmes have currently spent £12.622m to the end of Month 5 against approved budgets of £134.152m. **Forecast spend is £123.387m** resulting in a forecast underspend of £10.765m.

5.2 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 5

Department	Original Approved Budget 2022/2023 £'000	Actual to Date as at 31/08/22 £'000	Forecast for year end 2022/2023 £'000	Forecast variance for year end 2022/2023 £'000
CHILDREN, YOUNG PEOPLE AND EDUCATION	15,964	889	7,021	(8,943)
ADULT SOCIAL CARE AND HEALTH	1,707	0	1,707	0
HOUSING	3,493	587	3,554	61
SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY	36,971	3,419	37,207	236
RESOURCES	11,430	1,574	13,586	2,156
ASSISTANT CHIEF EXECUTIVE	13,455	1,175	12,230	(1,225)
CORPORATE ITEMS & FUNDING	29,049	0	29,049	0
General Fund Total	112,069	7,644	104,354	(7,715)
HOUSING REVENUE ACCOUNT	22,083	4,978	19,033	(3,050)
CAPITAL PROGRAMME TOTAL	134,152	12,622	123,387	(10,765)

Table 7 – Capital Programme Financing as at Month 5

	Approved Budget 2022/23 £'000	Forecast as at P5 2022/23 £'000	Variance 2022/23 £'000
General Fund Capital Financing			
CIL	7,427	7,427	-
s106	2,461	2,441	(20)
Grants & Other Contributions	33,447	19,946	(13,801)
Capital Receipts	4,049	4,049	0
Reserves	70	70	0
Borrowing	64,615	70,721	6,106
Total Financing – General Fund	112,069	104,354	(7,715)
Housing Revenue Account Capital Financing			
Major Repairs Reserve	12,336	12,336	0
Reserves	9,747	6,697	(3,050)
Total Financing - HRA	22,083	19,033	(3,050)
TOTAL PROGRAMME FINANCING	134,152	123,387	(10,765)

7 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 Finance comments have been provided throughout this report.
- 5.2 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.
- 5.3 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 early planning for 2023/24.
- 5.4 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)

8.0 LEGAL CONSIDERATIONS

- 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 is published in accordance 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)

8 HUMAN RESOURCES IMPACT

- 5.1 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.
- 5.2 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: (Gillian Bevan, Head of HR, Resources and Assistant Chief Executives on half of Dean Shoemith, Chief People Officer)

9 EQUALITIES IMPACT

- 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 strategy commits to tackling inequality and tackling socio economic inequality so may also consider the impact on families.

- 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. 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 and a socio-economic impact on residents. 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.
- a. 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 and African Caribbean people, Disabled people and some pregnant women. There is also an intersectional aspect to the impact on equality, such as a higher impact on female mixed race disabled individuals and young Asian and African/African Caribbean young people been more affected. The Council have undertaken a wide range of initiatives to mitigate the affects for those in most need. 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.
 - b. The full impacts of Covid 19 and long Covid on the Adult Social Care Service may not be apparent at this time. Evidence suggests that the impact of Covid 19 has resulted in an increase in care packages from Adult Social Care which places additional pressure on the service to deliver and meet the needs of vulnerable residents. There may also be a subsequent impact on disabled children along with their parents. It is essential to ensure that both groups receive an appropriate standard of care despite the pressure on services to reduce costs. Subsequently young people transitioning from Children's social care to Adults Social Care could impact heavily on budget dependent on the needs of individuals identified.
 - c. 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.

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

11 ENVIRONMENTAL IMPACT

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

6 CRIME AND DISORDER REDUCTION IMPACT

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

6 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

APPENDIX 1 – SERVICE BUDGETS AND FORECASTS MONTH 5

	Approved Budget (£,000's)	Current Actuals (£,000's)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)
C1410E : ADULT SOCIAL CARE OPERATIONS	111,275	52,002	110,831	(444)
C1405E : TOTAL ADULT SOCIAL CARE AND HEALTH DIRECTORATE SUMMARY	1,175	(1,372)	1,555	380
C1420E : ADULT SOCIAL CARE POLICY AND IMPROVEMENT	11,375	5,130	10,934	(441)
TOTAL ADULTS	123,825	55,761	123,320	(505)
C1305E : RESIDENT ENGAGEMENT AND ALLOCATIONS	8,175	377	10,784	2,610
C1310E : ESTATES AND IMPROVEMENT	82	144	54	(28)
TOTAL HOUSING	8,257	522	10,838	2,582
C1110E : SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY DIRECTORATE SUMMARY	(262)	325	(1,435)	(1,173)
C1120E : SUSTAINABLE COMMUNITIES	22,479	790	37,808	15,329
C1130E : CULTURE AND COMMUNITY SAFETY DIVISION	4,543	2,519	4,776	233
C1140E : PLANNING AND SUSTAINABLE REGENERATION DIVISION	696	1,941	1,948	1,252
TOTAL SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY	27,456	5,575	43,097	15,641
C1605E : RESOURCES DIRECTORATE SUMMARY	(6,901)	200	(6,910)	(9)
C1610E : DIRECTOR OF FINANCE	9,114	70,768	16,046	6,932
C1620E : PENSIONS DIVISION	343	556	261	(82)
C1625E : MONITORING OFFICER	2,094	851	2,097	3
C1630E : INSURANCE, ANTI-FRAUD AND RISK	1,018	1,158	821	(197)
C1640E : LEGAL SERVICES DIVISION	(1,644)	114	(1,378)	266
C1650E : INTERNAL AUDIT SERVICE	597	559	801	204
C1690E : COMMERCIAL INVESTMENT AND CAPITAL DIVISION	11,707	5,510	13,800	2,093
TOTAL RESOURCES	16,328	79,715	25,538	9,210
C1205E : CHILDREN, YOUNG PEOPLE AND EDUCATION	584	208	584	-

	Approved Budget	Current Actuals	Full-Yr Forecast	Projected Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1210E : CHILDREN'S SOCIAL CARE	72,417	21,839	71,857	(560)
UNACCOMPANIED ASYLUM SEEKING CHILDREN (UASC) AND CARE LEAVERS	(4,630)	1,433	(4,630)	-
C1220E : EDUCATION DIVISION - exc DSG	7,425	17,489	7,277	(148)
C1230E : QUALITY, POLICY AND PERFORMANCE IMPROVEMENT	5,978	841	6,278	300
TOTAL CHILDRENS, FAMILIES AND EDUCATION	81,774	41,811	81,366	(408)
C1505E : ASSISTANT CHIEF EXECUTIVE DIRECTORATE SUMMARY	(90)	361	22	112
C1510E : CROYDON DIGITAL AND RESIDENT ACCESS	23,149	10,303	22,664	(485)
C1520E : CHIEF PEOPLE OFFICER DIVISION	3,192	1,431	2,896	(296)
C1530E : POLICY, PROGRAMMES AND PERFORMANCE	6,111	5,468	5,576	(535)
C1540E : PUBLIC HEALTH	-	(10,752)	0	0
C1550E : SERVICE QUALITY, IMPROVEMENT AND INCLUSION	-	-	-	-
TOTAL ASSISTANT CHIEF EXECUTIVE	32,362	6,811	31,158	(1,204)

Appendix 2 – Capital Programme Month 5

Scheme Name	Original Approved Budget 2022/2023 £'000	Actual to Date as at 31/08/22 £'000	Forecast for year end 2022/2023 £'000	Variance to Date 2022/2023 £'000
Disabled Facilities Grant	2,993	512	2,993	-
Empty Homes Grants	500	15	500	-
HOUSING	3,493	527	3,493	-
Adults ICT	110		110	-
Provider Services - Extra Care	500	-	500	-
Sheltered Housing	938		938	-
Capital investment in Garden Centre	159		159	-
ADULT SOCIAL CARE AND HEALTH	1,707	-	1,707	-
Bereavement Services	1,000	520	1,775	775
Finance and HR system	500		500	-
ICT	8,955	320	6,955	(2,000)
People ICT	3,000	335	3,000	-
ASSISTANT CHIEF EXECUTIVE	13,455	1,175	12,230	(1,225)
Education – Fire Safety Works	902		902	-
Education - Fixed Term Expansions	3,243	28	550	(2,693)
Education - Major Maintenance	9,549	485	4,049	(5,500)
Education - Miscellaneous	-	125	134	134
Education - Permanent Expansion	44	22	319	275
Education - Secondary Estate	-	41	41	41
Education - SEN	2,226	188	1,026	(1,200)
CHILDREN, YOUNG PEOPLE AND EDUCATION	15,964	889	7,021	(8,943)
Allotments	200	177	200	-
Fixtures & Fittings FFH	-	571	571	571
Capitalised Feasibility Fund	330		330	-
Growth Zone	4,000	(19)	4,000	-
Grounds Maintenance Insourced Equipment	200		200	-
Highways - maintenance programme	8,618	1,376	13,290	4,672
Highways – flood water management	435	175	895	460
Highways - bridges and highways structures	3,403	1,102	3,403	-
Highways - Tree works	56	35	56	-
Mitigate unauthorised access to parks and open spaces	73		73	-
Leisure Equipment Upgrade	70	56	206	136
Libraries Investment - General	1,614	106	300	(1,314)
Libraries investment – South Norwood library	412		412	-
Museum Archives	75		75	-
Parking	2,141	63	2,141	-
Play Equipment	380	53	380	-

Scheme Name	Original Approved Budget 2022/2023 £'000	Actual to Date as at 31/08/22 £'000	Forecast for year end 2022/2023 £'000	Variance to Date 2022/2023 £'000
Safety - digital upgrade of CCTV	1,539		1,539	-
Section 106 Schemes	-	3	3	3
Signage	137		274	137
South Norwood Good Growth	1,032	(339)	1,208	176
Kenley Good Growth	425	292	760	335
Sustainability Programme	565		565	-
TFL - LIP	9,266	(238)	4,326	(4,940)
Unsuitable Housing Fund	-	60	61	61
Waste and Recycling Investment	1,000		1,000	-
Waste and Recycling - Don't Mess with Croydon	1,000	6	1,000	-
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DVLPT	36,971	3,479	37,268	297
Asset Strategy - Stubbs Mead	700		300	(400)
Asset Strategy Programme	225		225	-
Asset Acquisition Fund	390		250	(140)
Clocktower Chillers	412		412	-
Corporate Property Maintenance Programme	2,500	299	2,500	-
Brick by Brick programme	6,203		6,203	-
Fairfield	1,000	1,275	3,448	2,448
Fieldway Cluster (Timebridge Community Centre)	-		248	248
RESOURCES	11,430	1,574	13,586	2,156
Capitalisation Direction	25,000		25,000	-
Transformation Spend (Flexible Capital Receipts)	4,049		4,049	-
CORPORATE	29,049	-	29,049	-
TOTAL GENERAL FUND PROGRAMME	112,069	7,644	104,354	(7,715)
Asset management ICT database	-	87	155	155
Fire safety programme	-	396	396	396
Major Repairs and Improvements Programme	22,083	4,479	18,482	(3,601)
Affordable Housing	-	16		-
HOUSING REVENUE ACCOUNT	22,083	4,978	19,033	(3,050)
TOTAL CAPITAL PROGRAMME	134,152	12,622	123,387	(10,765)

Agenda Item 9

REPORT TO:	STREETS & ENVIRONMENT SCRUTINY SUB- COMMITTEE 8 November 2022
SUBJECT:	WORK PROGRAMME 2022-23
LEAD OFFICER:	Tom Downs, Democratic Service and Governance Officer- Scrutiny
ORIGIN OF ITEM:	The Work Programme is scheduled for consideration at every ordinary meeting of the Streets & Environment Scrutiny Sub-Committee.
BRIEF FOR THE COMMITTEE:	To consider any additions, amendments, or changes to the agreed work programme for the Sub-Committee in 2022/23.

1. EXECUTIVE 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. WORK PROGRAMME

2.1 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.

2.2 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.

2.3 **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.

3 **RECOMMENDATIONS**

The Sub-Committee is asked to:

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

CONTACT OFFICER:

Tom Downs
Democratic Services and Governance
Officer- Scrutiny
020 8726 6000 x 63779

BACKGROUND DOCUMENTS:

None

APPENDIX 1:

Work Programme 2022/23 for the
Streets & Environment Scrutiny
Sub-Committee.

Streets & Environment

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

Meeting Date	Item	Scope	Directorate & Lead Officer
8/11/22	Waste Collection and Street Cleansing Contract	Pre-decision Scrutiny: To consider whether there are any considerations or concerns it may wish to submit to the Cabinet on 16 November 2022 during its consideration of the Strategy.	Sustainable Communities Regeneration & Economic Recovery Steve Iles
	Veolia Contract Performance Paper	To review Veolia's performance against the waste contract and information on the Council's management of the contract, wider behaviour changes of residents, and information on any current or recently completed trials.	Sustainable Communities Regeneration & Economic Recovery Steve Iles
	South London Waste Plan	Pre-decision Scrutiny: To receive the report for information.	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd

31/01/23	Budget Deep Dive –SCRER	To review in-depth budget areas identified as high risk as part of the scrutiny of the 2023-24 budget setting process.	Sustainable Communities Regeneration & Economic Recovery; Housing Nick Hibberd
14/03/23	Train Services and Operators	To receive an update from relevant representatives (TfL, Govia, Network Rail) and engage in discussion on key aspects of their operations.	Sustainable Communities Regeneration & Economic Recovery Ian Plowright
	Local Plan Review	To consider the work done on the Council's review of the Local Plan.	Sustainable Communities Regeneration & Economic Recovery Heather Cheesbrough

Standing Items:

Work Programme Item	Notes
Financial Monitoring for SCRER	Standing Item tracking progress with the delivery of 2022/23 Budget (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
Brick by Brick Wind-down	To review progress on the wind-down of Brick by Brick with Director of Commercial Investment, an Officer from Board, and the Financial Director of BXB.
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

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