

# Scrutiny & Overview Committee Agenda



To: Councillor Rowenna Davis (Chair), Councillor Richard Chatterjee (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Jade Appleton, Simon Fox and Eunice O'Dame

Reserve Members: Sue Bennett, Louis Carserides, Amy Foster, Gayle Gander, Brigitte Graham and Joseph Lee

A meeting of the **Scrutiny & Overview Committee** which you are hereby summoned to attend, will be held on **Tuesday, 21 November 2023 at 6.30 pm** in the **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**.

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

Simon Trevaskis  
Senior Democratic Services & Governance  
Officer - Scrutiny  
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www.croydon.gov.uk/meetings  
Monday, 13 November 2023

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

## **AGENDA – PART A**

**1. Apologies for Absence**

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

**2. Minutes of the Previous Meeting (Pages 5 - 18)**

To approve the Part A minutes of the meeting held on 24 October 2023 as an accurate record.

**3. Disclosure of Interests**

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

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

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

**5. Improvement and Assurance Panel Exit Strategy (Pages 19 - 48)**

The Scrutiny & Overview Committee is presented with the Exit Strategy of the Improvement & Assurance Panel, as considered by the Mayor in Cabinet on 25 October 2023. The Committee is asked to: -

1. Review the information provided in the Cabinet report on the Improvement & Assurance Panel's Exit Strategy, and
2. Decide whether there are any comments or recommendations it wishes to make on the Exit Strategy.

**6. 2023-24 Period 5 Financial Performance Report (Pages 49 - 86)**

The Scrutiny & Overview Committee is presented with the latest Financial Performance Monitoring report (Period 5 – August 2023) for its information. The Committee is asked to: -

1. Review the information provided in the report on the 2023-24 Period 5 Financial Performance Report, and
2. Consider its conclusions on the latest budget position for 2023-24
3. Consider whether there are any recommendations to bring to the attention of the Mayor.

**7. Pre-Decision Scrutiny: Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy (Part A)**

The Scrutiny & Overview Committee is provided with the confidential (Part A) Cabinet report setting out decisions to be considered by the Executive Mayor on asset disposals and an update of the Community Asset Transfer Policy. The Committee is asked to: -

1. Review the information provided in the Part A & Part B report on Asset Disposals and updated Community Asset Transfer Policy, and
2. Decide whether there are any comments or recommendations on the scheme to bring to the attention of the Mayor during his consideration of the report.

Report to follow.

**8. Appointments to Scrutiny Sub-Committees (Pages 87 - 88)**

The Scrutiny & Overview Committee is presented with a report setting out two amendments to the memberships of its sub-committees as confirmed by the Conservative Group. The Committee recommended to agree the amended appointments to the Sub-Committees.

**9. Scrutiny Recommendations (Pages 89 - 100)**

The Scrutiny & Overview Committee is asked to

1. Approve the recommendations made by its Sub-Committee's for submission to the Executive Mayor for his consideration.
2. Review the response provided by Mayor to recommendations made by the Scrutiny & Overview Committee.

**10. Scrutiny Work Programme 2022-23 (Pages 101 - 122)**

The Scrutiny & Overview Committee is asked to: -

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

discussions held during the meeting.

**11. 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**

**12. Minutes of the Previous Meeting (Part B) (Pages 123 - 124)**

To approve the Part B minutes of the meeting held on 24 October 2023 as an accurate record.

**13. Pre-Decision Scrutiny: Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy. (Part B)**

The Scrutiny & Overview Committee is provided with the confidential (Part B) Cabinet report setting out decisions to be considered by the Executive Mayor on asset disposals and an update of the Community Asset Transfer Policy.

Report to follow.

## Scrutiny & Overview Committee

Meeting held on Tuesday, 24 October 2023 at 6.30 pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillors Rowenna Davis (Chair), Richard Chatterjee (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Sue Bennett (reserve for Jade Appleton), Simon Fox and Eunice O'Dame;

**Also Present:** Councillor Jason Cummings – Cabinet Member for Finance

**Apologies:** Councillor Jade Appleton

### PART A

#### 65/23 **Minutes of the Previous Meeting**

The minutes of the meeting held on 26 September 2023 and the Part A and Part B minutes from the meeting held on 6 October 2023 were agreed as an accurate record.

#### 66/23 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

#### 67/23 **Urgent Business (if any)**

Although there was no formal urgent business for the consideration of the Scrutiny & Overview Committee at the meeting, the Chair highlighted that the Improvement & Assurance Panel had published its Exit Strategy, which was scheduled for discussion at the next meeting of the Committee on 21 November 2023.

The Chair also confirmed that she had recently received an update on the ongoing work to provide new bus shelters in the borough. Progress on finding a solution had been delayed due to the need to go through the proper legal processes with the existing contractor, to protect tax payers' money. However, it was encouraging to note that officers were exploring what action could be taken to hold the company involved to account for their failure to deliver the contract.

68/23 **2023-24 Period 4 Financial Performance Report**

The Committee considered a report on pages 23 to 58 of the agenda that provided an overview of the latest budget position for 2023-24, up to the end of Period 4 (July 2023). This report was included on the agenda as part of the Committee's ongoing scrutiny of the delivery of 2023-24 budget.

The Chief Executive, Katherine Kerswell, Corporate Director for Resources & Section 151 Officer, Jane West, Director of Finance, Allister Bannin, Assistant Chief Executive, Elaine Jackson and Corporate Directors Nick Hibberd, Debbie Jones and Annette McPartland were in attendance for this item at the meeting.

During the introduction to the report, the following points were noted: -

- There had been a small reduction in the previously projected departmental overspend which had led to a reduction in the anticipated use of the Corporate Contingency Fund from the previous period.
- There was an increased overspend within the Housing Revenue Account (HRA) capital budget due to the need to address the backlog of outstanding housing repair cases following the move to new contractors. Responding to cases of disrepair was also another contributory factor of the overspend.
- Overall, the Council was still projecting a balanced year-end position in its General Fund budget, which was healthy in comparison to many other local authorities who were facing their own financial challenges.

Following the introduction, the Committee proceeded to ask questions about the information provided in the report. The first question asked for further explanation of the reduced departmental spend mentioned in the introduction, given the two largest overspends, arising from Childrens and Adults budgets respectively, remained at the same level as the previous month. It was confirmed that the reduction was within the Resources directorate budget and could mainly be attributed to a reduction in the overspend within Legal Services and the expectation that there would be a greater contribution from schools towards their utility costs than previously anticipated.

Given that a balanced budget was being projected in part due to savings from staff vacancies, it was questioned whether this was sustainable for the organisation in the longer term. In response, it was highlighted that staff vacancies were part of the natural operation of the Council. A large proportion of the savings related to staff vacancies related to small gaps between staff leaving the organisation and their replacements being recruiting. It was acknowledged that the environment for recruitment across the local

government sector was challenging and in certain services it could take longer to fill vacant posts as a result. Staffing was the biggest area of spend for the Council and the projected saving of £4.5m was not out of keeping for similar sized authorities, with it likely that there would be a similar trend each year as the Council would never be fully staffed.

It was asked whether extra support would be provided to help manage the overspend within the budget for the Childrens service. In response it was highlighted that £2.2m of the overspend was due to placement costs. There were currently seven high cost placements, which were needed to ensure the children were in the right place to meet their complex needs. As the Council had a statutory duty to respond to the presenting needs of children, it had little control over the costs of these placements.

Similarly, it was also asked what was being done to reduce the budget overspend for working age adults. It was advised that Service was experiencing similar issues to Childrens related to the cost of placements. The service was coming to the end of a three year transformation programme and would continue with further transformation going forward. There were specific programmes aimed at enablement to help residents live as independently as possible and reablement, with NHS England, to support people leaving hospital care. The high cost of care was a national issue and locally there was a focus on prevention, although this approach would take time to deliver savings.

As a follow-up it was asked whether the right balance was being struck between reviewing high cost care packages and the implementation of prevention work? It was acknowledged that the amount of invention currently delivered could be increased, but it was important to find the right balance to maximise the use of money to produce the best results for residents.

Regarding the allocation of £4m to the transformation budget from reserves, it was advised that in the last financial year £4m had been allocated from the capital budget for transformation, which had slipped to the current year. When the transformation bids were reviewed it was realised that many required revenue spending rather than capital, as such £4m was allocated from Council reserves rather than using the previously allocated amount from capital.

It was confirmed that as the overspend within the HRA budget had arisen from the need to address the backlog of repairs that had built up under the previous contractor, it would not be a case of looking to reduce this overspend as it was important that these outstanding repairs were completed. The Housing service was currently in the process of profiling the number of repairs outstanding and as such it was difficult to confirm at this stage when the backlog would be cleared until this work had been completed. At the same time the service was progressing the stock condition surveys which would

provide an overall picture of the condition of the Council's housing stock. Confirmation that the HRA budget for the current year would be reviewed to take account of the additional repair costs was welcomed by the Committee, along with work to rebalance future year's budgets. Reassurance was given that the HRA account had a healthy level of reserves which could be used to fund the repairs backlog. It was highlighted that the Council's position was not dissimilar to other providers across London who were seeing similar pressures on their repair's budgets.

Regarding the underspend within the capital budget, it was confirmed that the biggest underspend related to slippage on schools' projects within the Education service, which could often be complex as they required delivery outside of term times. Reassurance had been received from the Department for Education that this would not result in any allocated grants being lost. It was highlighted that the capital programme often included multi-year projects which depending on progress made could result in budgets moving from one year to the next.

At the conclusion of the item, the Chair thanked the Cabinet Member and officers for their engagement with the questions of the Committee.

## **Actions**

The Scrutiny & Overview Committee agreed the following actions arising from their discussion of this item: -

1. That as part of the budget scrutiny process, the Scrutiny Sub-Committees would be asked to consider whether a deep dive was needed on any of the major capital projects within their respective remits, to provide reassurance on deliverability.

## **Conclusions**

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the Period 4 2023-24 Financial Performance Report: -

1. The slight reduction in the use of the Council's corporate contingency to balance the projected overspend in the budget was welcomed, although it was also acknowledged that Children and Adults services remained the chief drivers of the projected overspend, with the overspend in these services remaining at largely the same level as projected in the previous reporting period.
2. The Committee welcomed the reassurance provided by both the Cabinet Member and officers that the projected level of saving being



delivered within the budget was not out of keeping for a local authority the size of Croydon. However, the Committee agreed that it would seek further reassurance through benchmarking these staff vacancy savings against other similar local authorities.

69/23 **Medium Term Financial Strategy 2024-2028**

The Committee considered a report on pages 59 to 124 of the agenda that presented an updated Medium Term Financial Strategy (MTFS) for 2024 to 2028 and initial budget savings proposals for 2024-25. This report was included on the agenda as part of the Committee's scrutiny of the budget setting process.

The Corporate Director for Resources & Section 151 Officer, Jane West, Director of Finance, Allister Bannin, Assistant Chief Executive, Elaine Jackson and Corporate Directors Nick Hibberd, Debbie Jones and Annette McPartland were in attendance for this item at the meeting.

During the introduction to the report, the following points were noted: -

- The MTFS was one of the most important reports produced by the Council as it was the first public document in the budget setting process for 2024-25 and provided an indicator of what was expected over the next three years.
- At present the budget for next year had a £6m gap, but this was smaller than at the same stage in the process in previous years, which could be seen as an indication that the Council was getting further ahead in its budget setting processes.
- The report was a continuation of the report from last year and did not include any new surprises. Even so, it was important to remember that the budget included an ongoing £38m budget gap that could not be resolved without government support.
- The Government's announcement on local authority funding was not expected until later in year and possibly not until the week before Christmas due to the autumn statement being later than normal.

Following the introduction, the Chair of the Committee put on record the Committee's support for the added transparency in the MTFS and other financial reporting. While it was noticeable that a lot of work had been invested in improving the Council financial management processes and reporting, it was apparent that its debt continued to grow and repayments increased. At present the only option available from Government to support the Council with its budget gap was further capitalisation, as such it was

questioned whether the debt would reach a point where it became unsustainable.

In response, it was acknowledged that if capitalisation continued to be the only solution offered by Government to the Council's budget gap, then its financial position would continue to worsen. As a result, the Officer and Member leadership of the Council continued to make the case for finding an alternative solution to the Government. From the Government's perspective when developing a solution for Croydon, it needed to be mindful that there were other local authorities in a similar situation and as such a wider approach was needed that could be used in a variety of scenarios, which was a significant challenge. It was confirmed that the Council was seeing an increased level of engagement from the Treasury in these discussions, but there was no easy answer.

As a follow-up, it was questioned how often officers were meeting with representatives from the Government. It was confirmed that the Chief Executive and the Corporate Director for Resources & Section 151 Officer met with the Improvement & Assurance Panel, representative from the Department of Levelling Up, Homes & Communities and the Treasury on a fortnightly basis, and more frequently if needed. It was advised that as part of these meetings, the Council was being asked to provide a lot of detail on its borrowing and the restructuring of its debt, to help the Government understand the potential implications.

It was confirmed that discussions were also taking place on a political level, but it needed to be acknowledged that there were other authorities in a similar position to Croydon, which meant it was unlikely the Council would get preferential treatment. It was important to ensure there was an ongoing dialogue with the political decision makers, but they would not be able to provide a Croydon only solution. The Council was in contact with other boroughs experiencing similar financial challenges, to provide support and share learning. There was also a significant number of councils predicting they may need to issue a Section 114 notice in the future and as such Government was being lobbied for support. The view from Pan-London meetings was that local government funding was unlikely to significantly change whoever was in power following the next General Election, which was why there was no significant shift in the MTFs.

The extended period for consultation on the Mayor's budget proposals was welcomed by the Committee. However, it was questioned whether the financial challenges facing the Council meant it was unlikely the consultation would lead to any significant change to the proposed budget. It was acknowledged that general responses to proposals, such as not increasing council tax or not reducing spending, was unlikely to result in a change, given the limited options. Should the consultation result in more specific suggestions

for providing services in different ways or opportunities to access external funding, then these would be fully explored.

The Committee questioned how the assumptions made for inflation in the MTFs had been reached. It was confirmed that the inflation assumptions had been based upon Bank of England Monetary Policy Guidance, with figures lower in year two and three of the MTFs than either the current rate or the assumption for next year. There was also an assumption built into the budget for 2024-25 that there would be a 3.5% increase in the staff pay settlement. The Committee was concerned about whether a 3.5% increase would equate to a real terms wage cut for staff.

It was noted that the anticipated conclusion of the statutory intervention process provided through the mechanism of the Improvement and Assurance Panel was based upon the Council reaching a position of sustainability. As Government support was needed to achieve sustainability, it was questioned whether it was expected that the Government would have found a solution by July 2025, when it was anticipated the Panel would be leaving Croydon. It was confirmed that the Council was pushing the Government to find a solution time for the forthcoming budget setting process. As it was likely that there would be a General Election next year that could result in a change of government, the Council did not want to be in the position of having to start the process again. There was a concern amongst the Committee about whether the Government would have an incentive to balance the books before the election, particularly with other local authorities facing similar challenges.

In response to a question about whether there had been any modelling of the savings proposals to identify whether any might have a potential impact on other services, it was confirmed that the Star Chamber process had been used to identify savings proposals. Subsequently, there had been meetings of Cabinet and the Corporate Management Team (CMT) to review these proposals and identify any possible consequences for other departments. It was confirmed that from this process, there was a reasonable level of confidence that there would be no significant unintended consequences.

As part of the budget setting process to identify savings, a request was made for proposals to be underpinned by data, which helped to provide an additional level of assurance on delivery. Assurance was given to the Committee that staff across the organisation would be able to contribute through the consultation process and many had already been involved in the development of savings proposals. The Committee agreed that it would like to see further evidence of the involvement of frontline staff in the budget setting process.

In response to a question about whether the saving identified for next year were deliverable and allowed the Council to deliver its statutory services, it was confirmed that they would.

The final question on this item related to the proposed decision to restart council tax collection and enforcement and what support would be provided to those unable to pay. It was confirmed that collection of council tax arrears had originally stopped during the Covid-19 pandemic because of the courts being closed. As the Council was not acting on arrears, people were building up debt without support being offered to manage the outstanding amounts. At present the total amount of council tax debt was approximately £2.5m. Once collections resumed, the first stage in the process would be to notify individuals of their arrears, make contact to discuss potential arrangements and what support they may be entitled to access. It should be the case that support was put in place to help people resolve their debt if they were unable to pay. A bailiff would only be used if someone would not pay rather than could not pay.

In response to a follow-up question about using a phased approach for the reintroduction of collections, it was confirmed that this would happen automatically as part of the process. It was also confirmed that following a previous recommendation by the Committee the wording used on collection letters had been reviewed.

At the conclusion of the item, the Chair thanked the Cabinet Member and officers for their engagement with the questions of the Committee.

### **Actions**

The Scrutiny & Overview Committee agreed the following actions arising from their discussion of this item: -

1. That in light of Council tax enforcement recommencing, the Scrutiny & Overview Committee agreed it would schedule a review of the process after a sufficient period of time had elapsed to seek assurance on the level of support being provided to residents.

### **Conclusions**

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the Medium Term Financial Strategy 2024-28 report: -

1. The Committee acknowledged that the Council was going above and beyond what it could do to improve its financial position through improving its governance and budget monitoring processes, delivering transformation, and selling its assets.
2. However, the level of debt held by the Council remained unsustainable and would only increase while capitalisation remained the only option available to the Government to support the Council to balance the

identified ongoing annual shortfall of £38m in future year's budgets. It was therefore essential for Government to identify a solution as soon as possible to assist both Croydon and other similar local authorities with unsustainable levels of debt.

3. The Committee welcomed reassurance that the voices of frontline staff were being heard in the budget setting process and agreed that this would need to be tested throughout the budget scrutiny process.
4. The Committee welcomed reassurance that Council tax enforcement was only used as a last resort and in the first instance the Council when notifying residents of arrears provided the offer of help and assistance to find a viable solution. The Committee agreed that it would like to revisit this at a later date to seek reassurance on the level of support offered to residents.

### 70/23 **Annual Complaints Report 2022 - 2023**

The Committee considered a report set out in agenda supplement 2 that provided a summary and analysis of the complaints received by the Council in the 2022-23 year. This report was included on the agenda for the Committee to review the information provided regarding complaints and consider whether to make any recommendations as a result.

The Cabinet Member for Finance, Councillor Jason Cummings, Chief Executive, Katherine Kerswell, Corporate Director for Resources & Section 151 Officer, Jane West, Director of Finance, Allister Bannin, Assistant Chief Executive, Elaine Jackson and Corporate Directors Nick Hibberd, Debbie Jones, Annette McPartland, Susmita Sen, Interim Chief Digital Officer & Director of Resident Access, Paul Golland, Head of Resident Contact, Lisa Wheatley and Complaints Manager, Kim Hyland were in attendance for this item at the meeting.

Prior to questioning the information provided in the report, the Vice-Chair provided a summary of the responses received from both the public and local support organisations such as the CAB and the South West London Law Centre from a request made by the Committee for feedback on the Council's complaints process. Common themes from the responses received included the length of time it took to receive a response to a complaint, not being provided with a named contact for a complaint and the process not being clear whether a formal complaint had been submitted or not. It was agreed that officers would contact the support organisations to discuss these concerns in greater detail.

The first question from the Committee asked why Croydon had such a high number of stage one complaints. It was advised that Croydon was a large, highly populated borough and the Council was facing a number of challenges.

Although there was a high number of stage one complaints, the only directorates where the level of complaints had increased in comparison to the previous year were Childrens and Housing.

It was acknowledged that the Housing directorate was starting from a low base when it came to complaints, but it was also an opportunity to learn from the findings to improve the service going forward. There was a range of work underway within Housing to understand why the complaints process was not working as expected, to map the process and to align it with the Housing Ombudsman Complaint Code. The status of complaints was reviewed on a weekly basis, but it was highlighted that the system may worsen in the short term while the needed improvement was delivered. The Committee welcomed the open assessment on the current standard of complaints handling within the Housing directorate and looked forward to seeing progress when the annual report was next considered.

It was confirmed that as part of the complaints management system, data was collated and analysed to understand where there were larger issues. The results of which were being fed back to services, to allow them to address and improve. Each service had a named complaints officers who would lead on the response to Stage 1 complaints, which provided oversight over the type of complaints being received. The Complaints team met on a weekly basis to review Stage 2 complaints which also helped to pick up any wider issues. It was highlighted that complaints relating to waste collection were down from the previous year, which could be taken as an indication that learning from complaints was being actioned.

It was questioned whether the Council used call recording to verify conversations with residents that had resulted in a complaint. It was advised that call recording would be in place within the contact centre by the end of November 2023. The introduction of recording had been delayed to ensure that there was a process in place to take customer payments, while maintaining their privacy. This had now been resolved, enabling the recording system to be turned on and once it had been tested on the contact centre it would be rolled out across the organisation.

At the conclusion of the item, the Chair thanked the Cabinet Member and officers for their engagement with the questions of the Committee.

### **Actions**

The Scrutiny & Overview Committee agreed the following actions arising from their discussion of this item: -

1. To request feedback on any engagement with local advice groups on the Council's complaint handling process.

## **Conclusions**

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the Annual Complaints Report: -

1. The Committee welcomed the honest evaluation of the complaints handling processes within the Housing service which, it was acknowledged, were starting from a low base. However, there was reassurance given that a significant amount of work was underway to improve these processes to ensure that complaints were being used to inform improvement throughout the service.
2. The Committee welcomed confirmation of the forthcoming introduction of call recording within the contact centre, agreeing that it would be another tool to strengthen the complaints process. Endorsement was also given to the approach of rolling out call recording across the wider organisation once sufficient safeguards were in place to the safe management of customer data.
3. The Committee welcomed the openness of officers to the suggestion that there should be engagement with local advice services, such as the Citizens Advice Bureau (CAB) or South West London Law Centre, to hear both theirs and their customers experience of the Council's complaints process.

### **71/23 A New Purley Pool: The Redevelopment Purley High Street Car Park and Leisure Centre (Part A)**

The Committee considered a Part A report set out on pages 3 to 26 of the agenda supplement that set out decisions to be considered by the Mayor at the Cabinet meeting on 25 October 2023 regarding the delivery of a new pool for Purley. This report was included on the agenda for the Committee to review the proposals for delivering one of the key manifesto commitments of the Mayor and provide comment prior to the decision being taken.

The Cabinet Member for Finance, Councillor Jason Cummings, Chief Executive, Katherine Kerswell, Corporate Director for Sustainable Communities, Regeneration and Economic Recovery, Nick Hibberd and Interim Director of Commercial Investment & Capital, Huw Rhys-Lewis were in attendance for this item at the meeting.

During the introduction to the report, the following points were noted: -

- The site on Purley High Street had several uses including that of a leisure centre and a car park.
- The leisure centre had initially closed during the pandemic and there had been subsequent issues with the condition of the venue which meant it was no longer fit for purpose.
- The developer, Polaska, had held a long-term leasehold on the site and would be bringing forward a development that would include the provision of a new leisure centre and public square.

Following the introduction, the Chair confirmed that both her and the Vice-Chair had the opportunity to visit the site earlier in the day, which had provided visual confirmation of the poor condition of the leisure centre facilities and the level of work required.

It was confirmed that it was difficult to set out a timetable for the development of a new leisure centre at this stage in the process. If the recommendations were agreed by the Mayor at Cabinet, then officers would enter into legal discussions for the development with Polaska, who would also continue to progress the planning aspect of the project. Until these steps were completed, it was difficult to give certainty on the timescales.

In response to a question about the loss of car parking on the site, it was advised that the parking need for the new development would be considered as part of the planning process. Since the pandemic, the site had not seen the same level of parking need and work would be undertaken to find a balance between the provision of resident and public parking.

It was confirmed that the initial costs allocated from Community Infrastructure Levy funds for an options appraisal of the site had not been incurred. There had been some cost for surveying the site to inform the likely scale of the investment required, but that was a necessary part of the process.

At the conclusion of the item, the Chair thanked the Cabinet Member and officers for their engagement with the questions of the Committee.

## **Conclusions**

Having reviewed the report and the information provided at the meeting, the Scrutiny & Overview Committee reached the following conclusions on the A New Purley Pool: The Redevelopment of Purley High Street Car Park and Leisure Centre Report: -

1. Having been informed by a visit to the former Purley Pool site, the Committee was reassured that the proposed option of the Council working with a developer to regenerate the site was the best option for delivering a new leisure centre facility in Purley.



2. The Committee agreed that additional reassurance could be taken from the Council having the ability to claw back control of the land if there was a situation where the developer was not able to deliver the leisure centre on the site.
3. The Committee extended its thanks to officers from both the Council and GLL for facilitating its visit to the Purley Pool site and to local Ward Councillor Simon Brew, for joining the visit and providing his local insight.

**72/23 Scrutiny Work Programme 2022-23**

The Committee considered a report set out on pages 207 to 226 of the agenda which presented the most recent version of the work programme for the Scrutiny & Overview Committee and its Sub-Committees.

**Resolved:** The Scrutiny & Overview Committee agreed to note the most recent version of the Scrutiny Work Programme 2023-24.

**73/23 Exclusion of the Press and Public**

The following motion was proposed by Councillor Rowenna Davis seconded by Councillor Richard Chatterjee and agreed by the Committee to exclude the press and public for the remainder of the 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 paragraph 3 as indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended”.

The motion was put and it was agreed by the Committee to exclude the press and public for the remainder of the meeting.

**74/23 A New Purley Pool: Redevelopment of Purley High Street Car Park & Leisure Centre (Part B)**

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

The Committee considered the confidential report set out on pages 27 to 58 of the agenda supplement which provided further information on the delivery of a new Purley Pool. During its consideration of this information, the Committee asked questions on the following areas: -

- The risks to the development of the site.

- The viability of the site.
- The contractual safeguards available for the Council in the event of non-development.
- The process of awarding the development contract.

The meeting ended at 9.27 pm

**Signed:**

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**Date:**

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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Cabinet</b>	
<b>DATE OF DECISION</b>	<b>25<sup>th</sup> October 2023</b>	
<b>REPORT TITLE:</b>	<b>Improvement and Assurance Panel Exit Strategy</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Katherine Kerswell, Chief Executive</b>	
<b>LEAD OFFICER:</b>	<b>David Courcoux, Director of Policy, Programmes and Performance</b>	
<b>LEAD MEMBER:</b>	<b>Executive Mayor Jason Perry</b>	
<b>KEY DECISION?</b>	<b>No</b>	N/A
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	All	

### 1. SUMMARY OF REPORT

- 1.1. The Improvement and Assurance Panel's Exit Strategy sets out the activity the Improvement and Assurance Panel expects the Council to undertake in order to provide evidence to the Secretary of State that the London Borough of Croydon is now able to meet its duty of Best Value and deliver sustainable and continuous improvement into the future.
- 1.2. Though owned by the Panel, the Strategy has been developed in close partnership with the local authority and is testament to the strong working relationships in place. The Strategy is fully accepted by the Executive Mayor and Council and builds on actions and outcomes set out in the Executive [Mayor's Business Plan](#). The Exit Strategy notes the scale of improvement the authority has achieved to date, whilst reflecting on the shared and continued commitment of the Executive Mayor and the Panel to resolve the Council's outstanding challenges.
- 1.3. Delivery of the Exit Strategy will provide confidence that the authority is able to drive its own continuous improvement and demonstrate Best Value without a need for external intervention. This will provide the conditions for the Secretary of State to consider ending the government's statutory intervention in July 2025, or sooner should he decide to do so. It must be noted that long-term financial sustainability is, however, subject to the resolution of the Council's request to government for assistance in reducing the Council's extraordinary level of accumulated debt. A long-term solution is necessary to enable the Council to deliver balanced budgets without ongoing exceptional financial support.

## **2. RECOMMENDATIONS**

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

to note the Improvement and Assurance Panel London Borough of Croydon Intervention Exit Strategy at Appendix A.

## **3. REASONS FOR RECOMMENDATION**

- 3.1. Implementation of the Improvement and Assurance Panel Exit Strategy is a condition of the Government's exceptional financial support. It will enable the Improvement and Assurance Panel to give the necessary confidence to the Secretary of State that the Council is complying with its Best Value Duty and will maintain a sustainable course of continuous improvement into the future. The Secretary of State must be satisfied of this if the statutory intervention is to end by 20 July 2025, as planned.

## **4. BACKGROUND AND DETAILS**

- 4.1. In Autumn 2020 Croydon Council was subject to a Report in the Public Interest identifying wide-ranging and significant failures in leadership, governance and financial management. The report brought to light significant financial concerns, including serious weaknesses in the authority's strategy around commercial investment and residential development.
- 4.2. In November 2020, the Council issued its first S114 notice, indicating that it was in a position whereby it could not continue to deliver a balanced budget without exceptional financial support. Consequently, in December 2020, the authority requested support of over £150m over four years from 2020/21 from Government and were provided with an immediate Capitalisation Direction of £70m for 2020/21, with further Capitalisation Directions of £50m for 2021/22, £25m (in-principle) for 2022/23 and £5m (in principle) for 2023/24.
- 4.3. In February 2021, in response to the findings of the Report in the Public Interest and an External Assurance Review commissioned by the Department for Levelling Up, Housing and Communities, the then Secretary of State appointed a non-statutory Improvement and Assurance Panel to oversee Croydon's recovery efforts.
- 4.4. The Panel was appointed to advise and support the Council and to report to the Secretary of State at regular intervals on the progress of the 'Croydon Renewal Plan' developed by the authority. The Council has worked closely with the Panel since its inception and it is noted that significant progress to deliver against the Renewal Plan has been made, including the delivery of £90m savings in 2021/22 and 2022/23 and a further £36m is planned for 2023/24. This has meant tough political and organisational choices.
- 4.5. In 2022, following the election of Croydon's first directly elected Executive Mayor, Jason Perry, and at his direction, the authority embarked on an 'Opening the Books'

exercise. This, alongside external audit reviews of past expenditure, identified a range of additional challenges, including the need to rectify legacy budget errors totalling £160m in one off costs and nearly £50m in ongoing annual shortfalls. The Council subsequently issued a second 114 notice in November 2022 as a result of the additional historic finance issues brought to light through the Opening the Books review. It was also forced to request a further Capitalisation Direction from the government for £224.6m to balance these new historic costs.

- 4.6. The historic financial issues uncovered through the Opening the Books review left the Council with a £60m a year recurring budget gap, a significant amount of which related to the exceptional costs of servicing the Council's debt. In response, the Executive Mayor took the difficult decision to reduce this by £22m a year by proposing an above the cap increase council tax of 14.99%. This was the highest council tax rise in the country in 2023/24 and reduced the £60m structural deficit and the ask of Government to £38m.
- 4.7. Croydon Council has a £1.6bn debt (including £300m Housing Revenue Account debt). Though a range of measures including asset disposal and transformation in service delivery will reduce this, the scale of the debt burden means the authority is unable to deliver a balanced budget without exceptional financial support and a longer-term solution from Government. To date, Capitalisation Directions totalling £369.6m have been approved in principle by Government, and the Council remains in discussion with the Government about its long term financial sustainability.
- 4.8. Following the significant increase in Capitalisation support, and in line with a wider approach to financially distressed local authorities, on 20 July 2023 the Secretary of State for the Department of Levelling Up, Housing and Communities announced the issuing of Directions to strengthen the remit of the existing Improvement and Assurance Panel in Croydon. The Directions moved the Improvement and Assurance Panel to a statutory footing and remain in force until 20 July 2025, unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date than that which is set out in the Directions.
- 4.9. In his [Written Ministerial Statement](#) on 20 July 2023, the Secretary of State welcomed that Croydon Council "has made good progress in laying the foundations for its recovery" and noted that as a result "the Council will continue to lead their recovery" under the new arrangements.
- 4.10. Unlike other financially distressed local authorities, the Secretary of State has not chosen to remove any powers from the Council or to install Commissioners. As a result, the Executive Mayor and Council remain in control of all functions. Whilst the Improvement and Assurance Panel has been given the power to direct the authority should it feel that Croydon is not making sufficient progress in delivering its recovery efforts or is likely to breach its Best Value Duty, in practice it has not felt the need to do so.

- 4.11. In his Written Ministerial Statement announcing the change, the Secretary of State stated that “decisions will continue to be made by the Council; the intention being that the Panel will only use their powers of instruction as a last resort if they are dissatisfied with the Council’s improvement processes.” This interpretation was confirmed by the Chair of the Improvement and Assurance Panel Tony McArdle at the Scrutiny and Overview Committee on 25 July 2023.
- 4.12. It should be noted that since its appointment in 2021, the Improvement and Assurance Panel has had the ability to issue Advice Notes to the Council setting out areas of significant concern. Six such notes have been issued over that period, with the last one issued in 2021.
- 4.13. The authority has worked closely with the Panel, as well as external partners such as the Local Government Association, to develop the Exit Strategy, whilst continuing the day-to-day work of driving its improvement efforts. The organisation is committed to continue working with the Panel to deliver the Strategy.

## **5. THE EXIT STRATEGY**

- 5.1. The Exit Strategy sets objectives, actions and outcomes under five themes, mirroring those the External Assurance Review in November 2020 originally identified for improvement. In the remit given by the government in July 2023 in moving the Panel to a statutory role, Finance, Housing and Transformation were identified as priority areas and so these are given specific focus within the Strategy. The majority of activity in the Exit Strategy reflects priorities set out in the Executive Mayor’s Business Plan and draws upon work which is already planned or underway.
- 5.2. The Strategy details actions that will be required against the following areas:

### **1. Governance:**

The Council will need to be operating effective and mature governance arrangements which enable robust and transparent decision-making, which is supported by external validation.

### **2. Culture and Leadership**

Culture across the organisation is improved and is driven by continuous monitoring, including through staff and resident engagement, and there is evidence of increasing public trust.

### **3. Financial stability**

The authority’s finances remain on a sustainable footing and are backed up by robust finance governance procedures. This will also be supported by some key measures, including asset sales, closing down Brick by Brick and developing a business plan for Fairfield Halls.

#### **4. Service performance**

Each service area will be subject to a range of measures, centred around the ability to meet statutory requirements whilst delivering good outcomes for residents and contributing to Croydon's ongoing financial stability. This will be backed up by external validation from appropriate regulatory bodies.

#### **5. Capacity and Capability to improve.**

The authority will need to demonstrate continuous ability to improve, with the Transformation Programme serving as a key part of this. This encompasses a range of work underway to create a council fit for the future.

- 5.3. The Strategy breaks progress milestones down into intervals set for March 2024, September 2024 and March 2025, which coincide with the Panel's bi-annual progress reports by letter to the Secretary of State. These reports and the Ministerial responses received will continue to be published by the [Department for Levelling Up, Housing and Communities](#).
- 5.4. The Council remains committed to working closely with the Panel to ensure that each milestone is met in line with the timelines set out in the Strategy, and earlier where possible.
- 5.5. The authority is transparent about the fact that successful delivery of the Exit Strategy does not mean that there will not be further improvements required of it, and that sustaining the progress made to date will not be challenging; instead, it signifies that the Council no longer requires external intervention to give confidence to Government that it can do this.
- 5.6. This is referenced in Tony McArdle's (as Chair of Croydon's Improvement and Assurance Panel) comments to Croydon's Scrutiny and Overview Committee on 25 July 2023: *"This is not about being perfect. With exception of the inability at the moment for the Council to operate under its own means, the Council is, as most other authorities are, meeting the duty of best value without necessarily being perfect. So, this is about trajectory, it's about direction of travel, and it's about being able to assure the Secretary of State in couple of years' time that this journey is sustainable and unlikely to fail."*

#### **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1. None. The Council must demonstrate that it continues to take the necessary steps towards recovery and improvement, with assurance of this from the Improvement and Assurance Panel, as a condition of the Government's exceptional financial support. The Secretary of State must be satisfied that the authority has the capacity and capability to sustain its own continuous improvement if the statutory intervention is to end on 20 July 2025, in line with the Directions. Delivery of the Exit Strategy will help to provide evidence of this and the Council's positive trajectory of improvement.

## **7. CONTRIBUTION TO COUNCIL PRIORITIES**

- 7.1. The Improvement and Assurance Panel Exit Strategy is focussed on ensuring that the authority meets its Best Value Duty, maximising efficiency and effectiveness and strengthening governance. In doing so, it supports the achievement of Outcome 1, 'The Council balances its books, listens to residents and delivers good sustainable services,' in particular Priority 1: Get a grip on the finances and make the Council financially sustainable,' and Priority 4 'Ensure good governance is embedded and adopt best practice.'

## **8. IMPLICATIONS**

### **8.1. FINANCIAL IMPLICATIONS**

- 8.1.1. The Exit Strategy includes objectives to put the Council's finances on a sustainable footing, with robust finance governance procedures in place and delivered by a capable Financial Service division. It supports delivery of the Medium Term Financial Strategy, with the balanced budget achieved for 2024/25 (with exceptional financial government support) and a balanced budget for 2025/26 (with either further exceptional financial support or via resolution of the discussions taking place with the government over the methods by which financial sustainability may be restored).
- 8.1.2. The Council bears the cost of the Improvement and Assurance Panel's work. Whilst the exact amount varies it represents a significant additional cost to the authority's revenue budget. Once the statutory intervention ends in July 2025 or sooner and the Panel's work is concluded, there will be a commensurate annual saving to the revenue budget.
- 8.1.3. As noted in 1.3 above, the long-term financial sustainability of the Council remains dependent on a resolution of the authority's request to government for assistance in reducing its extraordinary level of accumulated debt. A long-term solution will be necessary to enable it to deliver balanced budgets without ongoing exceptional financial support.

*Comments approved by Jane West, Corporate Director of Resources (Section 151 Officer) (Date 15/10/2023).*

### **8.2. LEGAL IMPLICATIONS**

- 8.2.1. Following the 'minded to letter' on 16th March 2023 and the Council's response on 31st March 2023, on 20th July 2023 the Secretary of State for Levelling Up, Housing and Communities ("the SoS") issued Directions to the Council on the actions to be taken to comply with its Best Value Duty under the Local Government Act 1999. The SoS Directions require the Council to, amongst other matters, continue to address the culture of poor financial management; improve the capacity and capability of the housing service; restore public trust and confidence by transforming the Council's activities, practices, and omissions to ensure that they are compatible with the best



value duty; and secure that functions are exercised in conformity with the Best Value Duty, thereby delivering improvements in services and outcomes for the people of Croydon. The Directions are expected to remain in force until 20th July 2025, but they could be amended or revoked at an earlier date by the SoS if appropriate.

8.2.2. The Council is still responsible for all decision making relating to its powers, functions and responsibilities and continues to lead on its recovery and improvements. The SoS-appointed Improvement & Assurance Panel has the power of last resort to instruct the Council to act if failing to comply with the Best Value Duty. The Panel also provides external advice, expertise and challenge to the Council and assurance to the Secretary of State on the Council's progress with the actions required to meet the Best Value Duty. The draft statutory guidance Best Value Standards and Intervention (July 2023), which was recently the subject of public consultation, provides for a strategy and road map that identifies the route or action the authority should take to exit intervention. The draft guidance provides as follows:

**“Exiting intervention.**

50. No local authority is perfect and in determining whether and when an intervention should end, it is important to ensure that reasonable standards are applied that clearly relate to the nature of failure identified in that particular local authority. Local authorities are not expected to be perfect before an intervention ends. The aim of all interventions is to resolve incidents of failure to the point where the authority can demonstrate that it now has the capacity and capability to sustain its own journey of continuous improvement without the need for further external involvement. Commissioners or, where appropriate, chairs of statutory improvement and assurance boards are responsible for assessing the levels of risk and confidence that the Secretary of State can rely on when determining whether or not to end an intervention.

51. It is essential that commissioners/board chairs and the authority work together from the outset to develop a clear road map which identifies what the intervention intends to achieve and the route the authority should take to exit intervention, noting that this may change over time. This will enable the authority to focus its efforts on improvement, to share a sense of achievement and confidence, and to maintain momentum with progress. The details of that exit strategy will be unique to each authority experiencing intervention; it will depend on the nature of local failings and be sufficiently flexible to reflect the journey that the local authority is making. It will identify measurable criteria – “proxies for success” – in relation to individual functions and service areas which are specific and capable of being evidenced.....

52. When sufficient improvement has been made and the authority can demonstrate it is able to sustain its own journey of continuous improvement, the Secretary of State will consider evidence from the commissioners/board chairs and any other relevant sources such as peer challenges ..... “

8.2.3. The Council must now deliver on the actions and outcomes contained in the Exit Strategy to evidence improvements required to meet its Best Value Duty and to end the statutory intervention.

*Comments approved by Stephen Lawrence- Orumwense, Director of Legal Services and Monitoring Officer (Date 16/10/2023).*

### **8.3. EQUALITIES IMPLICATIONS**

- 8.3.1. Detailed Equality Impact Analyses (EQIAs) have been undertaken for all key strategies and decisions undertaken by the Council relating to its recovery and improvement activity to date, to ensure that the authority fulfils its requirements under the Public Sector Equality Duty.
- 8.3.2. Such analysis will continue to be provided for any key activity arising from the Exit Strategy.

*Comments approved by Helen Reeves, Head of Strategy and Policy. (Date 12/10/2023)*

### **8.4. HUMAN RESOURCES IMPLICATIONS**

- 8.4.1. An essential element of the Council's Exit Strategy and associated transformation pivots upon a significant range of strategic workforce objectives, including culture change and delivering better services for residents. The Council has developed and approved through Cabinet a four-year People and Cultural Transformation Strategy and action plan. The strategy was approved by the Executive Mayor in January 2023, and the associated action plan in September 2023.
- 8.4.2. The development of the strategy and action plan has taken a co-creation approach where c.250 employees have contributed to the development of the seven strategic delivery pillars and associated actions. Co-creation has included working with trade unions, staff networks, the guardians' programme, front line employees and managers. The process of co-creation in itself has been a culture change embracing as many employees as possible and demonstration of the Council listening to employees.

*Approved by: Dean Shoesmith, Chief People Officer (Date 13/10/2023).*

## **9. APPENDICES**

- 9.1. Appendix A: Improvement and Assurance Panel London Borough of Croydon Intervention Exit Strategy

# **Improvement and Assurance Panel**

**London Borough of Croydon**

## **London Borough of Croydon**

# **Intervention Exit Strategy**

## Preface

The government's proposals for the process of exiting an intervention are currently the subject of a wider consultation encompassing all aspects of intervention. The value in having clarity from the outset in identifying the route an authority should take to exit intervention is nonetheless inescapable. While navigating that route will necessarily be an iterative process (not least in that, at the point of initiation of an intervention, not all of the issues facing an authority may be fully clear or well enough understood), having a plan from which to work helps all involved have a sense of the challenges involved in the endeavour that needs to take place. It also provides a direct 'thread' leading from the clear expression of the problem that has precipitated the intervention (via an External Assurance Review, for example) and the intended solution.

This exit strategy has been produced following the initiation of a statutory intervention at Croydon in July 2023. There has, however, been a non-statutory intervention in place since 2021, initiated following a series of reports, including two Reports in the Public Interest issued by the Council's auditors and an External Assurance Review ('the Rapid Review' of November 2020) commissioned by the Department for Levelling Up, Housing and Communities (DLUHC). During this time the Council has made very good progress towards resolving many of the failings that these reports uncovered. The Council has also during this time unearthed other problems which were not identified in those earlier reports, and which have significantly added to the scale of the challenge, not least in financial terms.

While this strategy is necessarily concerned with looking forward, and setting out the key challenges that remain to be tackled, it is nonetheless reasonable that it also picks up on the work undertaken thus far, and so provide that 'thread' which leads from the problem to its resolution.

## Intervention Timeline

In Autumn 2020 Croydon Council was issued with a Report in the Public Interest identifying significant failures in leadership, governance and financial management. These wide-ranging failures had precipitated an immediate crisis in financial terms, which centered on the Council's strategy of commercial investment and residential development. In November 2020, the Council issued its first S114 notice, flagging that it was in a position whereby it could not continue to operate without exceptional financial support.

In December 2020, the Council requested exceptional financial support of over £150m over four years from 2020/21. The government provided an immediate Capitalisation Direction of £70m for 2020/21 designed to address outstanding deficits and commitments, with further Capitalisation Directions of £50m for 2021/22 and £25m (in-principle) for 2022/23.

In response to the findings of the Report in the Public Interest and the External Assurance Review commissioned by the Department, the then Secretary of State for Levelling Up, Housing

and Communities appointed a non-statutory Improvement and Assurance Panel. The Panel was appointed to advise and support the Council's recovery efforts and to report to the Secretary of State at regular intervals on the progress of the 'Croydon Renewal Plan' developed by the Council as a response to the crisis and as a basis for the Council's recovery, financially and in all other respects. It is worthy of note that in pursuit of this Plan, the Council has so far delivered £90m savings in 2021/22 and 2022/23 and a further £36m is planned for 2023/24.

However, requirements laid upon the Council as a result of external audit reviews of past expenditure and resulting from the Council's own review of its accounting arrangements (the 'Opening the Books' initiative initiated by the Executive Mayor in 2022) identified that the full scale of the Council's financial challenges was far greater than had originally been envisaged. Ongoing annual budget errors totaling nearly £50m have had to be corrected, including erroneous charges to the Housing Revenue Account (HRA) and overstated income budgets. One-off corrections have also had to be made in relation to the incorrect accounting treatment of Croydon Affordable Homes, historic overcharging of General Fund costs to the HRA and an understated Provision for Bad Debt.

The Council has amassed £1.6bn in debt (incl. £300m HRA debt), much of it unsecured, and holds significantly less value than this in terms of assets for disposal. Whilst operational improvements, including cost reductions in delivery, have and must continue, the annual charges that are required to service this debt (which by 2024/25 is projected to be 19% of core spending power compared to the current median for England of 8%) mean that financial sustainability can only presently be achieved through the receipt of continuing Capitalisation Directions from the government, which in March 2023 were agreed totalling a further £161.6m to meet the newly discovered budget errors from 2019/20 to 2022/23, plus £63m in order to balance 2023/24. The overall 2023/24 budget was only balanced with further savings of £36m and with an exceptional and substantially above cap 14.99% council tax increase. To date, Capitalisation Directions totalling £369.6m have been approved by the government. The Council is in discussions with the government over the methods by which its financial sustainability may be restored. As of October 2023, these discussions are not yet concluded.

On 20 July 2023, the Secretary of State for the Department of Levelling Up, Housing and Communities announced the issuing of Directions to strengthen the remit of the existing Improvement and Assurance Panel as an action to secure compliance with the Best Value Duty required under the Local Government Act 1999. The Directions moved the Improvement and Assurance Panel to a statutory footing and will remain in force until 20 July 2025 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

## Exit Strategy

This Exit Strategy is owned by the Improvement and Assurance Panel and describes the tangible improvements they expect the Council to make by March 2025. It is a reflection of the successful model of working that has been developed at Croydon between the Panel and the Council that this strategy has been developed with the full input and support of the Council. The

Strategy will provide a framework against which the Panel can report the Council's progress. It will reflect the fact the Council has plans in place to drive further improvement as well as a proven commitment and focus that is shared with the Panel on resolving Croydon's outstanding challenges. The delivery of the Strategy will enable the Secretary of State to have confidence in the trajectory of improvement of the London Borough of Croydon in meeting its duty of Best Value not only now in sustaining its ability to do so in the future.

The government's initial intervention determination was based on the recommendations of the External Assurance Review undertaken in November 2020 which identified the need to secure improvement in the following areas: -

- Governance
- Culture and Leadership
- Financial stability
- Service performance
- Capacity and Capability to improve.

In providing the previously referred to 'thread' from this time to the planned conclusion of the intervention in July 2025, we have therefore chosen to set out the ambitions of the Exit Strategy under these same headings.

In the remit given by the government in July 2023 in stepping the Panel up to a statutory role, three particular areas (Finance, Housing and Transformation) were identified as the most pressing priorities. While making reference to all of the areas within which improvement was originally identified as being necessary, we have naturally focused on these areas within this Strategy. We have also identified the incremental progress needed at milestones which coincide with our bi-annual reports on progress to the Secretary of State.

As the £1.6bn debt burden is subject to ongoing discussion with the government, there may need to be revisions made to the Exit Strategy to incorporate any determinations that the government may make on that matter.

Tony McArdle – Chair  
Phil Brookes  
Pamela Leonce  
Brian Roberts  
Jon Wilson

6 October 2023

## Governance

The two Reports in the Public Interest were severely critical of governance failings at the Council. These failings were evident in structural elements of activity such as in the arrangements made for budget setting and monitoring, in record keeping; for the overview of Council-sponsored or controlled projects; and for accountability in respect of companies set up by the Council. The operating culture of the Council developed over time in such a way as to amplify these weaknesses, with little understanding being exercised or proper curiosity being demonstrated by either the political or managerial leadership, or by the scrutiny and audit functions of the Council, and with activity to address financial difficulties being largely directed towards lobbying the government for more money. Little was done to drive down cost in the operation of services (which were predominantly the highest in London) or in otherwise seeking to meet the statutory duty to constrain spending to what was affordable.

Substantial progress has been made in this area since November 2020. The initial response of simply stopping making poor decisions, fixing a target of 'London and/or sector average' in respect of costs and setting out to recover from the most evident examples of poor investment, all described at a high level in the 'Croydon Renewal Plan', have gradually been formalised into proper action plans and have been pursued with some success.

The major driver of governance change during this time was the decision by referendum in October 2021 to move the Council to a model of Mayoral decision-making. The subsequent election in May 2022 produced a Conservative Mayor, Jason Perry, but gave no overall control to the Council itself. Executive Mayor Perry has adopted what is termed a 'strong Mayor' model. The maximum level of delegated decision-making has been retained by him with only an advisory Cabinet in support.

The Executive Mayor has grasped the critical central requirement of returning to financial stability and has put this to the fore in his prioritised Mayor's Business Plan. He has accepted the need for very difficult decisions to be made in order to bring this about. We have observed that he takes a collaborative and transparent approach to taking forward these priorities, and debates upon them are vigorously and constructively held in the appropriate forums.

The Audit Committee is now independently chaired, and the Scrutiny Committee is chaired by the opposition. Whilst this is not a requirement, for Councils emerging from the sort of difficulties that Croydon has experienced it represents a mature commitment to transparency and openness which we believe is essential. Both arrangements are working much better than before, and their continued development will be hugely beneficial to the development and stability of the Council's governance arrangements.

The Council works closely with the LGA's Principal Adviser for London in respect of seeking challenge and advice, in developing and mentoring leading Members and in sourcing improvement external support for key service functions. This range of activity should

continue, and the Panel will work with the LGA (Local Government Association) to ensure that priorities for support are identified and addressed throughout this period and beyond.

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
Operation of Governance Structures	<ul style="list-style-type: none"> <li>Budget and Council Tax for 2024/25 set by Council following timely and well-engaged process for deliberation.</li> </ul>		<ul style="list-style-type: none"> <li>Budget and Council Tax for 2025/26 set by Council following timely and well-engaged process for deliberation</li> </ul>
Development of mature governance informing decision-making	<ul style="list-style-type: none"> <li>Setting of work programmes for Scrutiny and Overview Committee, prioritised by the Council's Forward Plan for Decision-Making, and for Audit and Governance Committee, prioritised against the Council's risks and opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Clear evidence of recommendations from Committees receiving consideration in Executive Decision-Making</li> </ul>	<ul style="list-style-type: none"> <li>Setting of work programmes for Scrutiny and Overview Committee, prioritised by the Council's Forward Plan for Decision-Making, and for Audit and Governance Committee, prioritised against the Council's risks and opportunities.</li> </ul>
External validation of the effectiveness of governance arrangements		<ul style="list-style-type: none"> <li>Corporate Peer Challenge in place via LGA.</li> </ul>	



## Culture and Leadership

With the change to governance arrangements at Croydon introduced through the adoption of an Executive Mayoral model, and the subsequent election of a Mayor, the Council now has very well-defined executive arrangements at a political level. The Mayor has been clear on his ambitions and his priorities, these have been set out in the Mayor's Business Plan and are underpinned by the operational plans produced to support them. There is stable and consistent political leadership, and a culture of transparency and well-ordered decision-making has been established. Political discourse is robust, respectful and well-focused within the Council's deliberative and decision-making forums.

There has been a full-scale change in management at Chief Executive and Executive Director level. Initially these were interim appointments, but the majority are now permanent, and all are very experienced appointees. The consistency in approach and capability in managing change over an extended period is paying dividends.

Management support to and operation of the Council's governance arrangements is very capable and mostly based on best practice acquired through experience elsewhere. Reports and advice in respect of decision-taking are comprehensive, timely and clear. There is evidence of staff confidence in the changes. The emphasis of future work is in bedding-in these changes and in modelling the management behaviours that accompany them so that staff generally gain confidence that the Council is now very different from the one which got itself (and them) into such difficulties.

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
<p>Organisation Culture improvement</p>	<ul style="list-style-type: none"> <li>• Reintroduce annual residents survey and analyse data to drive service improvement in targeted areas.</li> <li>• Reintroduce annual staff survey and regular pulse staff surveys and analyse data to drive improvements in working environment.</li> <li>• Staff sickness and turnover rates tracked and analysed and workplan in place to improve.</li> <li>• Complaints response time tracked, analysed and programme in place to improve.</li> <li>• Develop a new Council wide approach to resident engagement involving residents in co-design.</li> </ul>	<ul style="list-style-type: none"> <li>• Council has a baseline for resident trust and satisfaction levels with subsequent surveys showing improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Resident trust and satisfaction levels more in line with local government averages.</li> </ul>

## Financial Stability

As referred to above, the Council is in discussion with the government over the scale and nature of further extraordinary financial assistance. Hitherto, this has been by way of recurring Capitalisation Directions. As the Council stabilises and works through its challenges, so greater clarity is emerging over the precise scale of the financial challenge and of the nature of any such extraordinary support that would need to be provided. In any event, the Council has accepted the need to help itself towards stability to the greatest degree possible through spending prioritisation, efficiency savings and productivity enhancements, and asset disposals, underpinned by its updated Transformation Strategy.

In respect of asset disposals, the plan agreed in November 2022 is due to be reviewed in November 2023. The Council recognises that as it has had to increase the scale of financial support sought from government substantially since the current plan was set, and a revised plan needs to reflect the Council's best endeavours to derive value from such asset disposals so as to limit future exceptional funding requirements.

Objectives	Actions and outcomes by March 2024	Actions and outcomes by September 2024	Actions and outcomes by March 2025
Council’s finances on a sustainable footing.	<ul style="list-style-type: none"> <li>Balanced budget achieved for 2024/25 (with exceptional financial government support)</li> <li>An updated Transformation Programme is in place, which supports the delivery of the MTFS (Medium Term Financial Strategy).</li> </ul>	<ul style="list-style-type: none"> <li>Continue strategy of reducing unit costs across Council services.</li> <li>2023/24 outturn is within the approved budget without using unplanned reserves. Planned savings were delivered.</li> <li>Q1 budget monitoring for 2024/25 is forecasting at least a breakeven position or agreed actions are in place to address identified forecast overspends.</li> </ul>	<ul style="list-style-type: none"> <li>A balanced 2025/26 Budget and MTFS is in place. (This will be possible with either further exceptional financial support or via resolution of the discussions taking place with the government over the methods by which financial sustainability may be restored).</li> <li>An independent financial resilience assessment, including adequacy of reserves, and provisions has been undertaken and no significant concerns identified, to take place from Q3 24/25.</li> <li>The latest budget monitoring report for 2024/25 is forecasting at least a balanced outturn.</li> <li>Annual accounts for 2021/22, 2022/23 and 2023/24 have been completed and audited.</li> <li>All identified legacy financial issues have been addressed.</li> <li>Reduce service costs to agreed sustainable level, with plans for further cost reduction in place through 2025/26 budget, as identified in the MTFS.</li> </ul>
Robust finance governance procedures are in	<ul style="list-style-type: none"> <li>A Financial Improvement Plan (FIP) has been agreed</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Governance Statement for 2023/24 demonstrates evidence</li> </ul>	<ul style="list-style-type: none"> <li>All RIPI and external audit recommendations that pre-date</li> </ul>

Objectives	Actions and outcomes by March 2024	Actions and outcomes by September 2024	Actions and outcomes by March 2025
place, delivered by a capable Financial Services division	by the Improvement and Assurance Panel.	that the Council has reached an overall assessment of substantial assurance. <ul style="list-style-type: none"> <li>The FIP is on-track.</li> </ul>	September 2023 have been implemented. <ul style="list-style-type: none"> <li>Progress against the Annual Governance Statement Action Plan for 2023/24 demonstrates continuous improvement has been embedded.</li> <li>The FIP demonstrates significant progress including improvements to the Oracle system completed; capacity and capability of Financial Services is good; financial risk management is effective; financial control environment including Internal Audit and Audit Committee are operating well.</li> </ul>
Maximise asset sales to reduce debt.	<ul style="list-style-type: none"> <li>Review Asset Disposal Strategy (Nov 2023) in order to identify all non-essential assets for potential sale, through external review and revisit asset sales target for 2024/25.</li> <li>Delivery of current asset disposal plan, with £50m min achieved in capital receipts in 2023/24.</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of asset disposal plan for 2024/25 is on track to be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of asset disposal plan, with 2024/25 target (to be agreed in Nov 2023) achieved in capital receipts.</li> </ul>
Close down Brick by Brick	<ul style="list-style-type: none"> <li>Brick By Brick closed down by 31 March 2024, if this</li> </ul>		

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
	<p>produces the maximum value for the Council.</p>		
<p>Develop Fairfield Halls business plan.</p>	<ul style="list-style-type: none"> <li>• Assessment completed to consider how maximum value can be achieved from Fairfield Halls on behalf of residents.</li> <li>• Fairfield Halls Business Plan agreed with the operator.</li> <li>• Finalise new lease with the current operator.</li> </ul>	<ul style="list-style-type: none"> <li>• Fairfield Halls Business Plan is delivering against milestones.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment completed to confirm that maximum value is being achieved from Fairfield Halls on behalf of residents.</li> </ul>

## Service Performance

<b>Children's Services</b>			
<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
Demonstrates compliance with all legislative and statutory responsibilities and delivers good outcomes for children and young people.	<ul style="list-style-type: none"> <li>Refreshed self-assessment completed to inform annual engagement meeting with Ofsted.</li> <li>Peer review as part of South-West London alliance to provide practice assurance concluded.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of progress against transformation to improve practice, manage demand, increase effectiveness, and improve efficiency.</li> <li>Sustain demand for statutory children's social care intervention at current or reduced level whilst keeping children safe and minimising risk.</li> </ul>	<ul style="list-style-type: none"> <li>Transformation programme completed, activity and performance measures in line with comparable councils and quality of practice sustained as evidenced through inspection outcomes, particularly ILACs, but also JTIA, SEND (Special Educational Needs and Disabilities) and YJS.</li> </ul>
Ongoing delivery of the SEND agreed Safety Valve Plan and SEND strategy 2023 – 2026 which will mitigate risks to avoid burden on General Fund.	<ul style="list-style-type: none"> <li>Safety Valve milestones agreed with Department for Education (DfE) within Grant Conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Agreed milestones met.</li> </ul>	<ul style="list-style-type: none"> <li>On track to achieve balanced budget with no in year overspend by end of 25/26.</li> </ul>
Transformation programme in place to maximise efficiency and effectiveness, optimise outcomes and manage demand.	<ul style="list-style-type: none"> <li>Focus agreed and project scoped.</li> <li>Procurement for external delivery partner completed.</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic delivered and programme of work agreed.</li> <li>Testing of new operating models.</li> <li>Benefits and savings tracked.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of new operating models.</li> <li>Benefits and savings on target to be achieved.</li> <li>Trajectory for future activity and spend identified.</li> </ul>
Secure external challenge partner to maximise efficiency and effectiveness.	<ul style="list-style-type: none"> <li>Challenge focus agreed and project(s) scoped and ready to initiate.</li> </ul>	<ul style="list-style-type: none"> <li>The right children are in the right placements at the right cost.</li> </ul>	<ul style="list-style-type: none"> <li>Unit costs reduced to be in line with DfE statistical neighbours.</li> </ul>

## Adult Services

Objectives	Actions and outcomes by March 2024	Actions and outcomes by September 2024	Actions and outcomes by March 2025
<p>Demonstrates compliance with legislative and statutory responsibilities and delivers good outcomes for residents.</p>	<ul style="list-style-type: none"> <li>• Care Quality Commission self-assessment completed.</li> <li>• Peer review concluded.</li> <li>• Improvement plan developed and enacted.</li> <li>• Quality assurance framework in place to provide practice assurance.</li> </ul>	<ul style="list-style-type: none"> <li>• Key business systems, data, and business intelligence systems in place to provide sound management information.</li> <li>• Adult Social Care Outcomes Framework and other outcomes data is comparable with similar authorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of practice and delivery of outcomes is assured as evidenced by data and CQC Assessment.</li> <li>• Activity and performance measures in line with comparable councils.</li> </ul>
<p>Transformation program in place to optimise outcomes, Manage Demand and deliver sustainable budget.</p>	<ul style="list-style-type: none"> <li>• Procurement for delivery partner completed.</li> <li>• Diagnostic delivered and programme of work agreed.</li> </ul>	<ul style="list-style-type: none"> <li>• Testing of new operating models.</li> <li>• Benefits and savings tracked.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of new operating models.</li> <li>• Benefits and savings on target to be achieved.</li> <li>• Trajectory for future activity and spend identified.</li> </ul>



## Community and Place (SCRER Directorate)

Objectives	Actions and outcomes by March 2024	Actions and outcomes by September 2024	Actions and outcomes by March 2025
To deliver best value in respect to community assets including Libraries / Community Hubs	<ul style="list-style-type: none"> <li>Review and analysis of library buildings, location, and provision.</li> <li>Options for consultation agreed at Cabinet.</li> <li>Analysis of consultation responses and final recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>Future model of provision approved which meets statutory requirements and presents best value to the Council.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of approved model of service.</li> </ul>
Procurement of the Waste, Recycling, and street cleansing contract	<ul style="list-style-type: none"> <li>Publication of Contract Notice and Procurement Documents for competitive dialogue process (Waste, Recycling and Street Cleansing contract).</li> <li>Dialogue with Bidders (round 1).</li> <li>Dialogue with Bidders (Round 2).</li> </ul>	<ul style="list-style-type: none"> <li>Final evaluation and preferred bidder (Waste, Recycling and Street Cleansing contract).</li> <li>Progress demobilisation of existing contract.</li> <li>Cabinet approval for new contract award.</li> <li>Commence mobilisation of new contract.</li> </ul>	<ul style="list-style-type: none"> <li>New contract mobilised ready for April 2025 go live.</li> </ul>
Parking Policy Review	<ul style="list-style-type: none"> <li>Consultation on events and survey on draft parking policy.</li> <li>Options developed for revised parking tariffs.</li> <li>New ANPR (Automatic Number Plate Recognition) camera contract awarded.</li> <li>Roll out and installation of new ANPR cameras.</li> <li>New parking tariffs agreed.</li> </ul>	<ul style="list-style-type: none"> <li>New parking tariffs implemented, and effectiveness of policy changes assessed and reported.</li> </ul>	

## Housing

In March 2021 an ITV media report exposed the shocking living conditions endured by social housing residents living on the Council-owned Regina Road Estate, South Norwood. As the owner of these properties, the London Borough of Croydon commissioned a diagnostic report to investigate the underlying issues and failings that had led to such poor conditions. The investigation found that there were several issues leading to severe failings within the Housing directorate, including: lack of staff capacity and competence; lack of care and respect for tenants; poor use of data and intelligence; and poor performance by the repairs and maintenance contractors.

In May 2021 the Council was served a regulatory notice by the Regulator for Social Housing for breaching the Tenant Involvement and Empowerment Standard and the Home Standard. In response to these regulatory challenges and the pressing need for comprehensive improvements, an independent Housing Improvement Board was established in December 2021, with representatives from this Panel, residents, the LGA and London Councils. In addition, following extensive consultation with tenants and other key stakeholders, a Housing Transformation Programme was created in December 2022. The Programme has been developed to transform the services provided by the Housing Directorate to residents and provide a roadmap of the return to Compliance to the Regulator for Social Housing. It is a multi-year initiative, expected to span three to five years and is being delivered in phases with ongoing refinement.

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
Croydon’s housing stock is rendered safe and compliant, meeting consumer and home standards, in accordance with the voluntary undertaking.	<ul style="list-style-type: none"> <li>Voluntary Undertaking Plan submitted to RSH (Regulator of Social Housing) and positive trajectory against the Plan achieved.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to demonstrate a positive trajectory in RSH KPIs and achieving good progression against milestones.</li> <li>TPAS revised resident involvement framework implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrable compliance with regulatory framework, with the removal of the regulatory notice.</li> <li>Overall improvements in customer satisfaction.</li> </ul>
The Council understands its stock, condition and the residents who live there. It has robust data	<ul style="list-style-type: none"> <li>Housing data cleansed and contained reliable information on customers, rental income, and service charges.</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in delivery of housing services.</li> <li>Profiling information feeding into housing delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Rolling programme adopted to improve tenant characteristic data and clear examples of how they have been used to inform</li> </ul>

<p>assembled and uses this to inform service delivery and maximise income.</p>	<ul style="list-style-type: none"> <li>• Stock condition survey conducted for minimum of 33% of properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Confidence in income charging methodology.</li> <li>• On track to complete 60% surveys by March 2025</li> <li>• Strong understanding of stock and the investment needed to achieve building safety and net zero compliance.</li> </ul>	<p>communication channels and service delivery.</p> <ul style="list-style-type: none"> <li>• Income maximised from rents and service charges.</li> <li>• Up-to-date reliable stock data available and effective management of stock is underway.</li> </ul>
<p>The long-term strategic aims and priorities of the Housing Directorate are determined by strategic business reviews.</p>	<ul style="list-style-type: none"> <li>• HRA Business Plan.</li> <li>• Housing Strategy.</li> <li>• Asset Management strategy.</li> <li>• Homelessness and Rough Sleeper Strategy.</li> <li>• Analysis of temporary accommodation.</li> <li>• Permanent recruitment to senior leadership posts is complete.</li> <li>• Damp and Mould programme underway and effectively monitored.</li> <li>• Revised approach to disrepair where numbers are stabilised, and financial implications are minimised.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic direction for housing services underway.</li> <li>• Homelessness Prevention &amp; Rough Sleeping Strategy implemented.</li> <li>• New temporary accommodation model in place.</li> <li>• A new structure for the directorate is in place and a marked reduction in the use of interims.</li> </ul>	<ul style="list-style-type: none"> <li>• All key housing services reviewed with agreed actions being implemented.</li> </ul>
<p>The Council develops and implements a Housing Regeneration and Supply strategy</p>	<ul style="list-style-type: none"> <li>• HRA Business Plan is informed by Stock condition survey and is approved along with Asset Management Strategy at Cabinet.</li> </ul>	<ul style="list-style-type: none"> <li>• Longer-term Housing regeneration programme being implemented including LPS blocks.</li> <li>• Delivery of Regina Road re-building programme commences funding for first phase secured, procurement route certain, and planning application submitted.</li> </ul>	<ul style="list-style-type: none"> <li>• New HRA business plan is implemented.</li> <li>• Regina Road programme continues, with a second phase launched.</li> </ul>

	<ul style="list-style-type: none"><li>• Housing regeneration and New Supply Strategy Framework in place.</li><li>• An agreed procurement plan to deliver Regina Road.</li><li>• Options for disposal of underperforming properties explored.</li></ul>	<ul style="list-style-type: none"><li>• Housing regeneration and New Supply strategy approved at Cabinet.</li><li>• Clear strategy in place regarding investing or disposing of assets.</li></ul>	
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## Capacity and Capability to Improve

The Council's improvement plans are inherent to the Mayor's Business Plan 2022 – 26. The core expression of the Council's ambitions is set out in this Plan and is focused on balancing the books, listening to residents and delivering good sustainable services.

The Plan sets out a set of priorities and organisational principles for doing less but doing it better and for taking £100 million out of the base budget over the next four years in order to bring that about. The transformation programme for doing so was approved in November 2022 and established the foundations for change, including identification of a transformation budget of approximately £14 million across 22/23 and 23/24. The current MTFS assumes a further £5 million per annum thereafter.

This programme identifies seven portfolios comprising 39 projects designed to reduce the cost base, fix broken services, shrink assets, and ensure services do less but better. The Council has established governance to ensure oversight and delivery of this transformation programme which involves the Mayor's Advisory Board and a Transformation Internal Control Board. Corporate Directors and Directors have accountability and responsibility for the delivery of projects supported by corporate resources including a new post of Director of Transformation to ensure leadership and coordination of this activity.

The Authority is clear that, given the nature and scale of the financial challenge and the need for the Council to be sustainable, it must embark on a radical reshaping of the organisation, harnessing a renewed relationship with its workforce and residents.

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
The Council's transformation programme is delivering continuous improvement to cost-effective services in line with MTFS.	<ul style="list-style-type: none"> <li>Produce a Council Transformation Strategy 24-28 that lays out milestones, deliverables and agreed project management mechanisms.</li> <li>Update governance arrangements as necessary.</li> <li>Undertake a stocktake of Council-wide transformation activity to ensure full alignment.</li> <li>Review staffing, skills and capacity to deliver Council transformation.</li> </ul>	<ul style="list-style-type: none"> <li>Programme deliverables on track</li> <li>Governance reviewed to ensure senior leadership is driving delivery.</li> <li>Publish reflective and regular reviews of progress and outcomes.</li> <li>Update return on investment and benefits, both cashable and non-cashable.</li> </ul>	<ul style="list-style-type: none"> <li>Programme deliverables remain on track.</li> </ul>
Council redesign for the future.	<ul style="list-style-type: none"> <li>Member and senior leadership engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Vision and operating model established including new ways of working.</li> </ul>	<ul style="list-style-type: none"> <li>Commence service redesign and remodelling including digital and technological solutions as well as all corporate services.</li> </ul>
Build trust with residents.	<ul style="list-style-type: none"> <li>Produce options for improving resident experience and customer care.</li> </ul>	<ul style="list-style-type: none"> <li>Produce programme and related business cases.</li> <li>Produce a transformation engagement and communication plan.</li> </ul>	
Build trust with the workforce.	<ul style="list-style-type: none"> <li>People and Culture Transformation Strategy and Delivery Plan on course.</li> </ul>	<ul style="list-style-type: none"> <li>Staff survey conducted.</li> <li>Initiate work on refreshing values.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve Investors in People.</li> </ul>
Customer Access and channel shift.	<ul style="list-style-type: none"> <li>Phase One diagnostic of Methods business process.</li> </ul>	<ul style="list-style-type: none"> <li>Phase One projects in implementation and Phase Two</li> </ul>	<ul style="list-style-type: none"> <li>Phase two business cases being delivered.</li> </ul>

Objectives	Actions and outcomes by March 2024	Actions and outcomes by September 2024	Actions and outcomes by March 2025
	improvement diagnostic complete and most significant opportunities agreed with business case approval and external partner on board to support changes.	detailed business cases developed.	
A streamlined, robust and responsive procurement function with clear roles and responsibilities focused on supporting affordable service delivery across the Council's activities.	<ul style="list-style-type: none"> <li>• Review existing processes to ensure governance is in line with contract criticality and value.</li> <li>• Review processes in conjunction with Finance to clearly define where responsibility for tasks should sit.</li> <li>• Identify further process improvements through better integration with Oracle.</li> <li>• Develop an improvement plan and a suite of performance metrics and targets to allow the function's improvement to be tracked and compared with sector best practice.</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmark performance metrics against other authorities.</li> <li>• Demonstrate continual improvement in agreed metrics and review targets are appropriate and ambitious.</li> <li>• Right-size function to be fit for purpose for the volume and complexity of procurement activity.</li> <li>• Establish a mechanism for monitoring how the functions performance is meeting the needs of all service lines.</li> <li>• Ensure appropriate monitoring is in place to track performance against the targets set in the Annual Procurement Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieving above average benchmarked performance against metrics consistently.</li> <li>• Demonstrate that the function is fulfilling the reasonable demands of service lines in terms of responsiveness and affordability.</li> </ul>
Put in place robust systems and sound procedures including Oracle Project –finance and HR improving most used business	<ul style="list-style-type: none"> <li>• Complete detailed Oracle improvement design and implementation plan.</li> <li>• Cabinet approval of Full Oracle Improvement plan and associated funding</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation Plan milestones being met.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation Plan milestones being met.</li> <li>• Establishment and hierarchy held within the system are accurate with a robust</li> </ul>

<b>Objectives</b>	<b>Actions and outcomes by March 2024</b>	<b>Actions and outcomes by September 2024</b>	<b>Actions and outcomes by March 2025</b>
<p>processes and links to operational systems such as Liquidlogic and ControCC..</p>	<ul style="list-style-type: none"> <li>• Clear milestones for the project are in place.</li> <li>• Core project team defined in the September 2023 Cabinet report is in place.</li> </ul>		<p>Starters/Movers/Leavers process in place.</p> <ul style="list-style-type: none"> <li>• All budget monitoring activity for capital and revenue is being undertaken within the Oracle system.</li> <li>• Accurate timely reporting and transaction drill-down is available in the financial system.</li> <li>• End to end recruitment process takes place through the Oracle system</li> </ul>
<p>Contract management arrangements to be improved inc. register/ review/ record holding/ payment against work etc.</p>	<ul style="list-style-type: none"> <li>• Contract management arrangements improved through key contract managers being embedded in each service team. This includes a skills / capability assessment for each identified CM and put in place a CPD/ training package to ensure they have the requisite skills and training to undertake contract management.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reviews and KPI's are in place for monitoring the performance of each contract. This will include ensuring that the contract register is up to date and fully maintained, and that spend profiling against contract is developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Operating monitoring system in place which measures outputs, the performance of each contract and checking that the contract is delivering and meeting the outputs and benefits outlined in the business case.</li> </ul>



## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny &amp; Overview Committee</b>	
<b>DATE OF DECISION</b>	<b>21 November 2023</b>	
<b>REPORT TITLE:</b>	<b>2023-24 Period 5 Financial Performance Report</b>	
<b>CORPORATE DIRECTOR</b>	<b>Jane West, Corporate Director of Resources (Section 151)</b> <b>jane.west@croydon.gov.uk</b> 020 8726 6000 Ext 27320	
<b>LEAD OFFICER:</b>	<b>Allister Bannin, Director of Finance</b>	
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	The attached report is presented to the Scrutiny & Overview Committee as part of its ongoing Budget Scrutiny work.	
<b>KEY DECISION?</b>	<b>No</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>  <i>(* See guidance)</i>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	All	

### 1. 2023-24 PERIOD 5 FINANCIAL PERFORMANCE REPORT

- 1.1. Attached at Appendix A to this cover report is the latest financial performance of the Council at the end of period 5 (August 2023).
- 1.2. The report is presented to the Scrutiny & Overview Committee as part of its ongoing scrutiny of the budget, allowing reassurance to be sought on the delivering of 2023-24 budget.

### 2. RECOMMENDATIONS

- 2.1. The Committee is asked to: -
  1. Review the information provided in the report on the 2023-24 Period 5 Financial Performance Report, and
  2. Consider its conclusions on the latest budget position for 2023-24

3. Consider whether there are any recommendations to bring to the attention of the Mayor.

**CONTACT OFFICER:**

Simon Trevaskis – Senior Democratic Services & Governance Officer – Scrutiny

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**Appendix A: 2023-24 Period 5 Financial Performance Report**

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>		
<b>DATE OF DECISION</b>	<b>22 November 2023</b>		
<b>REPORT TITLE:</b>	<b>2023-24 Period 5 Financial Performance Report</b>		
<b>CORPORATE DIRECTOR</b>	<b>Jane West Corporate Director of Resources (Section 151 Officer)</b>		
<b>LEAD OFFICER:</b>	<b>Allister Bannin, Director of Finance (Deputy S151)</b>		
<b>LEAD MEMBER:</b>	<b>Cllr Jason Cummings, Cabinet Member for Finance</b>		
<b>KEY DECISION?</b>	<b>Yes</b>	<b>Reason: Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	<b>Public Grounds for the exemption: N/A</b>	
<b>WARDS AFFECTED:</b>	<b>All</b>		

## 1 SUMMARY OF REPORT

- 1.1 This report provides the Council’s financial performance as at Period 5 (August 2023) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The report forms part of the Council’s financial management process for publicly reporting financial performance on a monthly basis.

### Financial Performance Summary Table

Financial Performance Area	2023-24 Revised Budget (£m)	2023-24 Forecast (£m)	2023-24 Forecast Variance (£m)	2023-24 Forecast Variance (%)
Revenue Forecast (General Fund)	340.9	340.9	-	-
Revenue Forecast (Housing Revenue Account)	-	12.0	12.0	N/A
Capital Forecast (General Fund)	144.7	130.4	(14.3)	(9.9%)
Capital Forecast (Housing Revenue Account)	33.2	38.9	5.7	17.2%

## 2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1** to note the General Fund revenue budget outturn is forecast to breakeven at Period 5, after the forecast utilisation of £63m capitalisation directions requested from DLUHC and £4.1m of the corporate risk contingency budget. It is not planned to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.
- 2.2** to approve the budget movements between directorates to match the movement of service area responsibilities between directorates as set out in paragraph 4.13.
- 2.3** to note the progress in MTFS savings achievement as set out in paragraph 4.101.
- 2.4** to note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.96.
- 2.5** to note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £12.0m.
- 2.6** to note the General Fund capital programme 2023-24 forecast underspend of £14.3m against the revised capital budget of £144.7m.
- 2.7** to note the HRA capital programme 2023-24 forecast overspend of £5.7m against the revised capital budget of £33.2m.
- 2.8** to note the Council's historic borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.
- 2.9** to note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 2.10** to note that current forecasts are based on the best available information at the time and will be subject to review and change during the financial year.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1** The Financial Performance Report is presented monthly to Cabinet 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 (HRA) and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny & Overview Committee and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.

### **4 BACKGROUND AND DETAILS**

- 4.1** The 2023-24 budget approved by Council in March 2023 set a net revenue budget of £340.9m. This required capitalisation directions from government of £63m to balance, owing to resolving historical inaccurate accounting treatments and to fund the ongoing annual servicing of debt.
- 4.2** The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget.
- 4.3** The current forecast is that the Council will breakeven against the 2023-24 General Fund revenue budget, however this is following the forecast utilisation of the £63m capitalisation directions requested from DLUHC and £4.1m of the corporate risk contingency budget. It is not planned to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.

#### **Cost of Living Considerations**

- 4.4** There are a number of inflationary pressures that the Council, like all local authorities, is managing. The UK's Consumer Prices Index (CPI) inflation rate was 6.7% in the 12 months to August 2023, remaining high albeit lower than the Office for National Statistics (ONS) reporting in November 2022 that the CPI hit 11.1% in October 2022. This impact goes beyond the Council as the cost of living is affecting all households and businesses.
- 4.5** These macro-economic factors are impacted by international events and, therefore, well beyond the control of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 4.6** 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.

**4.7** The Council provides a wide range of support for residents that may be struggling owing to cost of living pressures. These include:

- Discretionary support for residents in financial hardship, including the Household Support Fund
- Council Tax support – for residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
- Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax)
- Housing Revenue Account (HRA) discretionary fund targeted for tenants that are not in receipt of housing benefit
- Benefits calculator, to ensure residents receive the support to which they are entitled
- 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 to receive training to support them into work and funding of the voluntary sector to provide advice and guidance

**4.8** 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 which offers affordable ways to manage money, including savings accounts and loans

## **GENERAL FUND REVENUE BUDGET SUMMARY**

**4.9** The General Fund revenue forecast outturn shows an overall balanced position following the forecast utilisation of the £63m capitalisation directions requested from DLUHC. The service directorates show a forecast overspend of £4.1m which is offset by utilisation of the corporate risk contingency budget. It is not planned to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.

**Table showing the revenue forecasts by Directorate**

<b>Directorate</b>	<b>Net Budget</b>	<b>Actuals to Date</b>	<b>Forecast</b>	<b>Forecast Variance</b>	<b>Prior Month Forecast Variance</b>	<b>Change in Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
Adult Social Care and Health	138.7	72.2	140.1	<b>1.4</b>	1.4	-
Assistant Chief Executive	42.0	11.7	41.4	<b>(0.6)</b>	(0.6)	-
Children, Young People and Education	96.2	43.3	101.6	<b>5.4</b>	5.4	-
Housing	21.6	17.5	21.6	-	-	-
Resources	35.2	67.9	33.1	<b>(2.1)</b>	(2.1)	-
Sustainable Communities, Regeneration & Economic Recovery	69.4	26.0	69.4	-	-	-
<b>Subtotal Service Directorates</b>	<b>403.1</b>	<b>238.6</b>	<b>407.2</b>	<b>4.1</b>	<b>4.1</b>	-
Corporate Items and Funding	(62.2)	(26.4)	(66.3)	<b>(4.1)</b>	(4.1)	-
<b>Total Net Expenditure Budget</b>	<b>340.9</b>	<b>212.2</b>	<b>340.9</b>	-	-	-

- 4.10** Work will continue through to the end of the year to manage those areas with forecast overspends to ensure the Council remains within budget.
- 4.11** The Council continues to build on the improvements in financial management that were made last financial year. However, there is a considerable amount yet to do, which is fully recognised within the organisation.
- 4.12** A monthly budget assurance process and independent challenge of expenditure takes place. This is in addition to Cabinet and Scrutiny & Overview Committee review. The assurance meetings 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, and ensure that savings are delivered and income targets are met. The meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

**Budget virements to match new directorate structures**

- 4.13** The Executive Mayor in Cabinet is requested to approve the following budget movements to match the movement of service area responsibilities from one directorate to a different directorate. Please note that this is just a transfer of budget between directorates and does not change the total net expenditure budget of the Council or the usage of the budgets as agreed by full Council in March 2023.

## Table showing budget virements between directorates

Service Area	Current Directorate	New Directorate	Net Expenditure Budget (£000's)
Coroner's Service	ACE	SCRER	811
Resilience Team (Emergency Planning)	ACE	SCRER	362
No Recourse to Public Funds (NRPF)	Housing	ASCH	2,321
Asylum Seekers and Homes for Ukraine*	ACE	CYPE	-

*\*Please note that the Asylum Seekers and Homes for Ukraine service has nil net expenditure budget owing to equal expenditure budgets and government grant income budgets.*

## DIRECTORATE VARIANCES

### ADULT SOCIAL CARE AND HEALTH (ASCH)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Adult Social Care Operations	118.6	62.6	120.5	1.9
Adult Strategic Commissioning, Policy & Improvement	18.2	8.8	17.9	(0.3)
Central ASCH	1.9	0.8	1.7	(0.2)
<b>Total ASCH</b>	<b>138.7</b>	<b>72.2</b>	<b>140.1</b>	<b>1.4</b>

**4.14** At period 5 the ASCH directorate has a forecast overspend of £1.4m (1.0%) against a budget of £138.7m which demonstrates no overall change from period 4.

**4.15** The ASCH Directorate has challenging savings targets totalling circa £10m to deliver in 2023-24 on placements and care packages through demand management, commissioning and review of care packages.

#### Adult Social Care Operations - Forecast overspend of £1.9m

**4.16** Staffing across this division demonstrates a forecast underspend (broken down by area below) owing to periods of vacancy above the £1m MTF5 5% vacancy factor saving applied to staffing budgets in 2023-24. There is a national shortage of both social workers and occupational therapists and recruitment to many roles is proving challenging. The periods of vacancy are a barrier to achieving savings as staff are focused on statutory delivery rather than delivering transformation to improve performance, data management and reduce operational risks across the directorate.

**4.17** Localities & LIFE have an underspend of (£1.4m) owing to a net underspending on care and staffing costs.



- 4.18** Working Age Adults has an overspend of £4.3m. This comprises an overspend on care of £4.4m (owing to clients with increased care needs) which is partly mitigated by an underspend in staffing of (£0.1m). The overspend includes care package savings not yet evidenced of £1.4m (this has reduced from £1.5m at Period 4), against a challenging target of £5.3m. It should also be noted that this area was overspent by £2.3m in 2022-23. The directorate has committed to achieving further savings to offset the budget pressure.
- 4.19** Provider Services has a (£0.9m) forecast underspend on staffing owing to vacancies.
- 4.20** Safeguarding service has a (£0.1m) forecast underspend on staffing owing to vacancies across the division.

Adult Social Care Policy and Improvement – Forecast underspend of (£0.3m)

- 4.21** The Policy and Improvement division is forecasting an underspend of (£0.3m) owing to staffing vacancies.

Central ASCH – Forecast underspend of (£0.2m)

- 4.22** The underspend is a result of the delays in recruitment to fixed term and temporary positions to provide additional capacity to improve performance, data management and reduce operational risks across the directorate.

**4.23** Risks

- Risks continue in the provider market from inflation including higher fuel, labour and property costs which may result in claims for increased fees and/or financial instability with the potential for ‘handing back’ contracts. The potential reprovisioning costs if providers exit the market could be significant. It should be noted that this risk is already materialising. Providers are requesting increases in costs for existing care packages and new placements are increasing in costs. These are included in the forecast and are hardest felt in the working age adult cohort.

**4.24** Opportunities

- Savings achievement is improving and will support the forecast going forward for the ASCH directorate.

## ASSISTANT CHIEF EXECUTIVE (ACE)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Policy, Programmes and Performance	5.3	1.9	5.0	(0.3)
Elections Service	0.9	0.1	0.9	-
Croydon Digital and Resident Access	31.9	13.9	31.7	(0.2)
Chief People Officer	3.5	1.3	3.5	-
Asylum Seekers and Homes for Ukraine	-	(5.9)	-	-
Central ACE	0.4	0.4	0.3	(0.1)
<b>Total ACE (General Fund)</b>	<b>42.0</b>	<b>11.7</b>	<b>41.4</b>	<b>(0.6)</b>
<b>Public Health Grant Ringfenced Services</b>	-	<b>2.9</b>	-	-

**4.25** At period 5, the ACE directorate has a General Fund forecast underspend of £0.6m (1.4%) against a budget of £42.0m.

Policy, Programmes & Performance Division - £0.3m forecast underspend

**4.26** Recruitment is continuing into the new staffing structure for the Policy, Programmes and Performance Division. The forecast underspend is owing to periods of vacancy of some posts in the new structure.

Elections Service - breakeven position

**4.27** There is a breakeven forecast against budget for the Council's core Elections Service.

Croydon Digital and Resident Access Division - £0.2m forecast underspend

**4.28** Underspends in Concessionary Travel are forecast owing to staff vacancies and a favourable final concessionary travel settlement for the year.

**4.29** The Digital and Resident Access Division is undergoing a review to assess the achievability of in-year MTFS savings for staffing and IT contracts.

Chief People Officer Division - breakeven position

**4.30** There is a breakeven forecast against budget for the Chief People Officer Division.

Asylum Seekers and Homes for Ukraine funding - breakeven position after movement in reserves

**4.31** The Council has received Asylum Dispersal Scheme grant funding in 2023-24 of £0.9m. The unspent grant of £0.3m in 2022-23 has been carried forward to fund ongoing expenditure in 2023-24.

**4.32** The Council carried forward unspent grant under the Homes for Ukraine scheme of £5.5m, of which £1.3m is ringfenced for educational purposes. This will be used to fund ongoing expenditure in 2023-24 and beyond.

Central Assistant Chief Executive - £0.1m forecast underspend

**4.33** Underspends owing to periods of staff vacancies and lower than expected running expenses.

Public Health Division - breakeven position in ringfenced grant after movement in reserves

**4.34** It is currently forecast that Public Health will contribute £4.0m to ring fenced Public Health reserves at the end of 2023-24.

**4.35** A Council wide task and finish group has been set up to address underspends in the Public Health Grant (for the current year and the accumulated balance on the balance sheet as an earmarked Public Health reserve from underspends in previous years) by identifying appropriate commissioning opportunities.

**4.36** Risks

- The majority of the costs of administering the London Assembly, Mayor of London, and a potential General Election, in 2024 will be reclaimed from the Greater London Authority (GLA) and the UK Government's Consolidated Fund. As the criteria for reclaiming costs have not yet been set, there is a risk that the Council may incur costs which cannot be reclaimed which would need to be funded corporately. It is likely that any such costs will fall in the 2024-25 financial year.

**4.37** Opportunities

- There are no opportunities to report on at this time for the ACE directorate.

## CHILDREN, YOUNG PEOPLE AND EDUCATION (CYPE)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Children's Social Care	72.4	24.4	76.9	4.5
Unaccompanied Asylum Seeking Children (UASC) and UASC Care Leavers	(0.3)	1.8	-	0.3
Quality, Commissioning and Performance Improvement	6.7	(0.3)	7.4	0.7
Non-DSG Education Services	16.9	17.1	16.8	(0.1)
Central CYPE	0.5	0.2	0.5	-
<b>Total CYPE (General Fund)</b>	<b>96.2</b>	<b>43.3</b>	<b>101.6</b>	<b>5.4</b>
<b>Dedicated Schools Grant (DSG) High Needs Education Services</b>	<b>82.0</b>	<b>43.2</b>	<b>82.7</b>	<b>0.7</b>

**4.38** At period 5, the CYPE directorate has a General Fund forecast overspend of £5.4m (5.6%) against a budget of £96.2m. The overall reported position remains unchanged from the period 4 position.

Children's Social Care Division – forecast overspend of £4.8m (including UASC and UASC Care Leavers)

£2.1m placements overspend owing to seven high-cost placements including residential, semi-independent and one secure. Three of these high-cost placements are new in 2023-24.

Analysis is being undertaken on a continuous basis to review all high-cost placements with the aim to reduce spend where possible. Senior officers are engaging robustly with neighbouring councils who have placed children and families with complex needs in the borough in temporary accommodation. Where this provision does not meet the family's specialist needs, Croydon's placement costs can be up to £1m per annum.

£2.1m staffing overspend, which includes a pension budget shortfall of £0.8m since 2020-21. This was previously fully offset by underspends owing to vacancies and delays in recruitment however this cannot be accommodated in 2023-24.

£0.2m under-achievement in income (including £0.5m unachieved 2022-23 MTFS NHS Funding savings which have been partially offset through other income).

£0.1m potential overspend on Adopt London South, over and above the agreed budget owing to interagency fees and staffing costs across the consortium calculated at year end.

£0.3m overspend on Unaccompanied Asylum-Seeking Children (UASC) budget because of the disproportionate number of care experienced young people who were formerly unaccompanied children. At 18 years old the grant provided by the Home Office to the Council for young people's care and support reduces significantly.

Quality, Commissioning and Performance Improvement Division – forecast overspend of £0.7m

**4.39** The division is forecasting a staffing overspend of £0.3m from the 5% vacancy factor MTFS saving of £0.3m applied to the 2023-24 budget (as several teams are fully staffed) plus the impact of increased quality assurance activity to track the impact of the pandemic on outcomes for children. The pressure may reduce during the year if there are periods of vacancy.

**4.40** An anticipated Public Health contribution of £0.4m, which relates to a 2022-23 MTFS saving, is being reviewed by the cross-Council Public Health funding task and finish group.

Non-DSG Education services – forecast underspend of £0.1m

- 4.41** Non-DSG Education services are forecasting an underspend of £0.1m, with staffing vacancies offsetting income pressures in other parts of the service. £0.3m unachieved 2022-23 MTFs NHS Funding savings are being mitigated by underspends in other areas of the service.

Dedicated Schools Grant (DSG) High Needs education services – forecast overspend of £0.680m

- 4.42** The SEND High Needs forecast at Period 5 is an overspend of £0.680m against the budget of £82.059m. There is no overall movement from the Period 4 position.

- 4.43** The overall variance at Period 5 represents £0.045m favourable variance from the expected overspend of £0.725m submitted to the Department of Education (DfE) Safety Valve Team as part of the approved Deficit Recovery Plan. The service is delivering all the savings strategies as set out in the Safety Valve (SV) agreement including the use of the High Needs Provision Capital Allocation (HNPCA) to help deliver more local schools places as well as improve existing provisions to meet the increasing placement demands for complex needs pupils. The service submitted the 2023-24 Quarter 2 High Needs monitoring reports to the DfE Safety Valve team by the set deadline.

- 4.44** See below the key areas:

£2.199m Out of Borough and Independent – Forecast overspend due to an increase in complex cases above that expected, requiring out of borough placements to meet needs. The service is in discussions with some local providers to set up Enhanced Learning Provision during the Autumn Term.

£1.110m overspend due to increased placements in Mainstream Education provision exceeding the budgeted allocation. This forms part of the invest to save SEND strategy in year 2.

(£0.406m) underspend in Early Years provision.

(£0.250m) underspend in top up funding related to delayed implementation of the proposed expansion of Enhanced Learning Provision across a few schools.

(£0.953m) underspend in the Service Transformation budget set up to support the DSG Deficit Recovery strategy.

(£0.400m) underspend in funding related to staffing cost in therapies and support services owing to service re-alignment to maximise savings.

(£0.620m) expected clawback from specific Resource Provision (academies) for extra funding received from DfE.

- 4.45** Dedicated Schools Grant (DSG) High Needs education services will continue to closely monitor the demand pressures in Independent and Out of Borough placements owing to cost implications. Addington Valley Academy, St Nicholas, Coulsdon College

Croydon, and Waddon Youth Disability Services are increasing placement numbers, which is reducing high-cost placements out of borough.

**4.46** The 2023-24 period 5 High Needs forecast outturn variance of £0.680m leads to an overall DSG deficit projection of £16.064m at the end of 2023-24 compared to the Safety Valve target of £16.080m prior to the £3.290m Deficit Recovery payment from the DfE as per the Safety Valve agreement. This demonstrates that the Council is ahead of the target.

**4.47** Risks

- The Children’s Social Care Division is monitoring placement and care package expenditure during the year. Pressure on placement spend is due to the sufficiency challenges both locally and nationally. The introduction of regulation for supported accommodation is predicted to increase charges as providers seek to pass on costs to Local Authorities. “Costs of new Ofsted regulation and inspection regime for semi-independent placement provision could be nine times higher than government funding, whilst one in five care beds could be withdrawn”, report warns – London Innovation and Improvement Alliance (LIIA).
- Services previously funded by the HRA have been reviewed for eligibility which may result in a General Fund pressure of £0.9m.
- The service is also reviewing the housing accommodation charges from the Housing General Fund for Care Experienced Young People.
- The £0.3m unachieved income budget within the High Needs General Fund budget poses an indirect financial risk to the Safety Valve target should there be a need to offset the £0.3m potential shortfall to support activities or resources (EHCP Coordinators) within the SEND service. The service is exploring all mitigating options available.
- The service is monitoring all of the risks associated with the Safety Valve target which includes increasing complexity of needs requiring additional funding for special schools, increasing placement costs and extra out of borough placements to meet the local needs of some CYP pupils with complex needs.

**4.48** Opportunities

- There could be some staffing underspends from periods of vacancy.
- Potential underspend of £0.3m in legal costs, if the lower numbers of care proceedings and UASC age assessment challenges continue.

## HOUSING

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Resident Engagement and Allocations	21.5	17.3*	21.5	-
Housing Estates and Improvement	0.1	0.2	0.1	-
<b>Total Housing</b>	<b>21.6</b>	<b>17.5</b>	<b>21.6</b>	-

*\*Owing to the implementation of the new NEC IT system, no rental income is showing in the actuals between June and August but will be available at Period 6.*

- 4.49** At period 5, the Housing directorate has a General Fund forecast breakeven against the budget of £21.6m. There is a crisis within the London housing market that is creating significant demand for services, and it is difficult to predict how far or fast demand will continue to grow. To monitor the effects as they come through, we will improve our data analysis of activity levels, rent billing and debt collection, and ensure that all purchase card spend has been recorded and projected as this payment method has increased dramatically during August.
- 4.50** The emergency and temporary accommodation budgets were increased by £4.8m in 2023-24 from the corporate non-pay inflationary pressures budget to mitigate inflation pressures however there are demand pressures, experienced across London and nationally, which are being modelled through best case and worst case scenarios to inform the likely overspend position for Period 6.
- 4.51** A top-up to the Homelessness Prevention Grant (HPG) of £1.9m has been announced by DLUHC to cover homelessness pressures relating to Ukrainian refugees. This funding may also be used to fund wider homelessness pressures and reporting requirements are in line with the existing HPG requirements. The grant top-up could also help offset any potential detriment to income collection resulting in the bad debt provision being increased at year end.

### Emergency Accommodation

- 4.52** There are a number of factors that impact expenditure against this budget. Firstly, there has been a demand rise in the number of households that have been placed into Emergency Accommodation. The factors that have pushed up demand include:
- The large number of bailiffs warrants from the private sector being issued as the courts are catching up with the backlog of cases since the Covid amnesty. Restrictions were lifted in 2021 but there has been a long backlog through the courts for these cases hence the delayed impact on the homelessness service.
  - The number of asylum-seeking households which is adding a pressure on available affordable accommodation. There are over 1,000 asylum seekers currently in hotel accommodation and government have pledged to close around 100 hotels this year and bring in a streamlined assessment process. As a result, from August 2023 the

Home Office accelerated their decision making for asylum claims and give very short notice when people are to be evicted from their accommodation, this could be as short as 7 days. This is an additional pressure as the Council does not receive any financial assistance for these households.

- Family evictions are also increasing, potentially linked to the decrease in availability of housing in the private rented sector (PRS) and the increase in evictions detailed above and subsequent short-term arrangements breaking down.

**4.53** Additional to the increase in demand the service discovered a backlog of circa 2,000 cases and appointments following the implementation of the Housing Needs Service structure. As the backlog team deal with these cases there are now additional placements in EA.

**4.54** There is a shortage of suitable Emergency Accommodation to meet the increasing demand, so the Council is relying on expensive commercial hotels and the cost can be expected to increase. Purchase cards have been the only method of payment whilst alternative arrangements are sought and the reconciliation of those cards has yet to be fully realised. Recording of the purchase card spend can have a lag period as officers categorise spend. The Council is setting up a direct debit facility with one of the local commercial hotels to reduce use of purchase cards going forward.

**4.55** Forecasting costs and income has been challenging due to the changeover to the NEC software package. Some reporting information is not yet available from the new NEC system such as the number of units consisting of various types rented and associated costs. Therefore, purchase orders receipted to date are currently being used to forecast costs.

#### Temporary Accommodation

**4.56** Numbers of households in temporary accommodation are expected to fall slightly and steadily across the year (in contrast to nightly paid accommodation) and is adding to the pressure on emergency accommodation as properties are being moved away from Council access in the private rental sector by landlords who are impacted by the economic situation.

#### Risks

**4.57** The implementation of the new NEC IT system has experienced a delay in setting up the interfaces between NEC and the Oracle finance system. This has impacted the ability to use the system to easily forecast expenditure and income. However, purchase orders have been used to update expenditure forecasts and historical information and trends to inform income forecasts. Demand pressures are being modelled to provide best and worst case scenarios to inform the likely overspend position for Period 6.

**4.58** The Housing Directorate continues to be impacted by the rapidly worsening housing market within London as private sector landlords are increasing rents or leaving the market, and tenants are struggling with cost of living pressures. The challenge for Croydon in dealing with such rapid inflation has multiple strands. There are forecasting



difficulties in predicting how much prices are expected to move and at what pace. This is being addressed alongside a wholesale review of the forecasting process to ensure that reporting provides the full position on risk in 2023-24.

- 4.59** There are difficulties in negotiating and approving price rises without losing properties or fuelling the rises further. Regular meetings with neighbouring boroughs are being held to ensure collective agreements are being made with the larger providers of emergency accommodation.
- 4.60** There has been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained though as demand outweighs available affordable supply. At a Pan London meeting, all boroughs confirmed that they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.
- 4.61** There is a potential financial risk from the fire at Sycamore House in Thornton Heath depending on the insurance claim settlement not yet finalised. This risk was considered in closing the 2022-23 accounts and so any difference in the estimated income of 70% of costs from the insurers will either be a charge or a benefit in the 2023-24 accounts.
- 4.62** There has been difficulty in gathering income collection data as NEC has been implemented. There may be a requirement to increase the loss allowance (bad debt provision) at the end of 2023-24 depending on the level of income collection achieved in year.
- 4.63** There is a potential budget pressure, above the currently estimated £1.2m for 2023-24 which has been funded through the economic demand pressures budget transfer agreed in Period 3, in relation to housing benefit subsidies for the Guaranteed Rent Scheme for Care Experienced Young People. The pressure impacts the Housing Directorate as it forms part of the cost of temporary accommodation. The housing benefit subsidy pressure will be monitored throughout the year and mitigated where possible.
- 4.64** There is another potential pressure on the housing budget which is due to temporary accommodation management fees of £40/week/unit paid through Housing Benefit and not recoverable through subsidy from DWP. From 1 April 2017, in line with the government announcement in the 2015 spending review, funding was devolved to Local Authorities through the Homelessness Prevention Grant with the aim of allowing Councils to better manage their temporary accommodation pressures. Following the government change, this cost was not allocated to the Housing Service and has been a pressure within the Resources directorate but in 2023-24 could be a pressure on the Housing budget. This will depend on the outcome of the ongoing Housing Benefit review project work.

## Opportunities

- 4.65** Housing will continue to ensure that the use of ringfenced Household Support Fund and Rough Sleeping initiative grants is used both within the grant terms and to maximise the mitigating effect on the general fund spend eg by targeting households in rent arrears for support.
- 4.66** DLUHC have in the prior two financial years issued a winter pressures top-up grant amount to the Homelessness Prevention Grant. This has not been confirmed or ruled-out for 2023-24.
- 4.67** The restructure for Housing Needs has been implemented and will form the bedrock for process change and a more cohesive journey for a homeless household. The financial benefits are expected to be realised in the longer term from better practice resulting in reduced spend on homelessness.

## **RESOURCES**

<b>Division</b>	<b>Net Budget (£m)</b>	<b>Actuals to Date (£m)</b>	<b>Forecast (£m)</b>	<b>Forecast Variance (£m)</b>
Commercial Investment	18.6	6.0	16.4	(2.2)
Finance ( <i>refer note 1</i> )	15.7	56.7	15.7	-
Legal Services and Monitoring Officer	2.3	2.1	2.4	0.1
Insurance, Anti-Fraud and Risk	0.6	2.2	0.5	(0.1)
Internal Audit Service	0.4	0.2	0.5	0.1
Pensions and Treasury	0.3	0.6	0.3	-
Central Resources	(2.7)	0.1	(2.7)	-
<b>Total Resources</b>	<b>35.2</b>	<b>67.9</b>	<b>33.1</b>	<b>(2.1)</b>

*Note 1: The actuals to date are high in the Finance Division owing to Housing Benefits expenditure which will be reimbursed through DWP funding.*

- 4.68** At period 5, the Resources directorate has a General Fund forecast underspend of £2.1m (6.0%) against a budget of £35.2m.

### Commercial Investment Division – £2.2m forecast underspend

- 4.69** The division is forecasting a £2.2m underspend owing to decreased utilities costs and improved recharging to external bodies. There are also £0.6m of staffing underspends across the division, mainly in Facilities Management owing to periods of staffing vacancy, which are being offset by a forecast decrease in recharges to capital.

### Finance Division – breakeven forecast position

- 4.70** There is a breakeven forecast position for the Finance Division. The Payments, Revenues, Benefits and Debt Service is forecasting a staffing underspend owing to staffing vacancies and increased court costs income, but these are being offset by

decreased Land Charges income and temporarily increased agency staffing in strategic finance to work through historic accounting issues including the prior years' accounts.

- 4.71** A cross Council working group is currently operating to mitigate Housing Benefit (HB) subsidy risks by maximising HB subsidy income claims, increasing collection of HB overpayments and reducing costs. The actuals to date are high in the Division owing to HB expenditure which will be reimbursed through DWP funding.
- 4.72** The Finance Division has undergone a restructure of the strategic finance service and will now commence recruitment into roles which are currently covered by agency staffing. The capacity and skills levels required in the strategic finance service have been reviewed and extra funding from growth and/or reserves has been requested for 2024-25.

#### Legal Services and Monitoring Officer Division – £0.1m forecast overspend

- 4.73** There is a £0.1m forecast underspend in the Monitoring Officer service owing to staff vacancies and an underspend against the members allowances budget.
- 4.74** There is a forecast overspend in Legal Services of £0.2m mainly owing to high levels of agency staffing.
- 4.75** The Legal Services and Monitoring Officer Division is reviewing usage of external legal advice, with a view to increasing the inhouse staffing structure (moving budget from external legal expenditure in directorates) to provide more legal services internally and therefore reduce overall legal expenditure for the Council.

#### Other Service Areas and Central Resources - breakeven forecast position

- 4.76** There is a £0.1m forecast overspend in Internal Audit expenditure. This is offset by small underspends across Insurance, Anti-Fraud and Risk, Pensions and Treasury, and Central Resources.

#### Risks

- 4.77** There is a risk in the Commercial Investment Division as work continues to identify the net impact of asset disposals including the full cost of property related expenditure and loss of income streams.
- 4.78** There is a risk in the Finance Division in relation to Housing Benefit subsidies including the impact of the roll out of universal credit.

## SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY (SCRER)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Sustainable Communities	54.1	24.9	54.2	0.1
Culture and Community Safety	8.6	2.3	7.9	(0.7)
Planning & Sustainable Regeneration	6.7	(0.1)	7.3	0.6
Central SCRER	-	(1.1)	-	-
<b>Total SCRER</b>	<b>69.4</b>	<b>26.0</b>	<b>69.4</b>	<b>-</b>

**4.79** At period 5, the SCRER directorate has a General Fund forecast breakeven position against a budget of £69.4m. The main potential risk areas relate to income in the areas of parking, parking enforcement, moving traffic offence and planning.

Sustainable Communities Division - forecast overspend of £0.1m

**4.80** There is a forecast £1.5m under-achievement in parking, parking enforcement and moving traffic offence income. This is being offset through a forecast underspend of £1.3m in staffing owing to periods of vacancy and a £0.1m forecast underspend in waste services owing to reduced level of green and food waste.

Culture and Community Safety Division – forecast underspend of £0.7m

**4.81** The division is forecasting an underspend of £0.7m owing to reduced utility costs in contracts (£0.6m) and periods of staffing vacancy (£0.1m).

**4.82** The Culture and Community Safety Division leads on the London Borough of Culture 2023 activities, funded through external funding sources. This is a year-long celebration of Croydon’s unique identity, diverse communities and rich heritage, culture and creativity. The programme for “This is Croydon” showcases Croydon to the world. It includes major events with international headliners performing alongside emerging home-grown talent, plus hundreds of cultural activities from our communities.

Planning and Sustainable Regeneration Division – forecast overspend of £0.6m

**4.83** The division is forecasting an income under-achievement of £0.6m owing to lower activity levels to date in planning major applications and planning performance agreements.

**4.84** The reduction in planning major applications is being experienced across the country and the GLA is reporting the reduction across London. It is these applications which bring in the most significant fees. The reduction in major applications can be attributed to several factors, which include:

- Economic factors such as increased building and material costs and increased interest rates.

- Uncertainty relating to the emerging Building Safety Bill – impacts on design and when a second staircase is required.
- Uncertainty in relation to emerging planning legislation. Implementation details are unknown and could be impacted by when the next general election will take place.

#### **4.85** Risks

- Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes Automated Number Plate Recognition (ANPR), pay and display and on-street parking.
- Parking Services have had delays in connection with the roll out of new ANPR cameras which affect the income levels within the service.
- The Environment Act 2021 operates as the UK's new framework of environmental protection. Given that the UK has left the EU, new laws that relate to nature protection, water quality, clean air, as well as additional environmental protections that originally came from Brussels, needed to be established. The Act is a vehicle for a number of Department for Environment, Food and Rural Affairs' (Defra) different environmental policies and sets out the legal framework for significant reforms to local authority waste and recycling services, as well as creating new statutory duties for local authorities on nature recovery. The government has stated that additional burdens funding will be provided to local authorities for the new requirements as they come into force, however the Council will need to monitor closely the extra costs involved.
- Waste services are demand led which represents a potential risk to the current forecast. Levels of tonnage are monitored on a monthly basis and the forecast will be updated throughout the year.
- There is a pressure on the Street Lighting PFI contract due to an increase in the energy unit cost caused by wider inflationary pressures upon energy prices.
- There is a potential risk to new Roads and Street Works Act income owing to delays and disputes with utility companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.

#### **4.86** Opportunities

- The SCRER directorate is actively pursuing a number of grant applications to further improve the financial position. Currently the Culture and Community Safety division are in the final stages of securing grant funding from Sport England for swimming pool costs.

- There could be further staffing underspends across the directorate depending on the timing, and success, of recruitment into posts.

## CORPORATE ITEMS AND FUNDING

Area of Spend	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Inflation and Economic Demand Pressures	14.2	-	14.2	-
Risk Contingency Budget	5.0	-	0.9	(4.1)
Transformation Programme	10.0	-	10.0	-
Other corporate items	(91.4)	(26.4)	(91.4)	-
<b>Total Corporate Items and Funding</b>	<b>(62.2)</b>	<b>(26.4)</b>	<b>(66.3)</b>	<b>(4.1)</b>

- 4.87** At period 5, the Corporate directorate has a General Fund forecast underspend of £4.1m (6.6%) against a net budget of (£62.2m). The underspend relates to the risk contingency budget which is offsetting the pressures across the service areas.
- 4.88** The corporate area holds funding streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds the Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.
- 4.89** The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFs savings. There may be a pressure in 2023-24 from this area of costs owing to the implementation of staffing savings.
- 4.90** The NJC national negotiations on the 2023-24 pay award for staff are ongoing and the resulting required budget allocation may create a pressure above the central allowance of £10.4m.
- 4.91** There is budget of £3.8m still held centrally for the potential impact of economic demand pressures on Croydon after the allocation of £1.7m budget agreed in Period 3 for Housing Benefit subsidy pressures.
- 4.92** The corporate area also holds the 2023-24 Transformation budget of £10m, which will fund work carried out in directorates and cross-Council to achieve MTFs savings and improve services for local residents and businesses. The Transformation budget reduces to £5m from 2024-25.
- 4.93** There is £7.3m budget held in Corporate for adjustments to correct General Fund recharge budgets for recharges to the HRA, Public Health, capitalisation of salaries and corporate support (overhead) recharges. This budget will be allocated during 2023-24 as the service level agreements (SLA's) are finalised for HRA and Public Health recharges, and when the review of salary capitalisation and corporate support recharges is finalised.
- 4.94** There is a funding risk in the Collection Fund if cost of living pressures impact the collection of Council Tax and Business Rates income. The impact of the Council Tax

increase is partially mitigated through the Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax).

- 4.95** There is borrowing cost uncertainty from interest rates and the timing of capital receipts from asset disposals (assumed in the MTFS at circa £50m per annum).

### Transformation Programme

- 4.96** The Transformation Programme has £14m of resources allocated to it, consisting of £10m base revenue budget and £4m earmarked reserve.

- 4.97** In total there is currently £9.4m of the Transformation Programme budget allocated with £4.6m unallocated to date. The Transformation Programme will provide a return on investment through service improvement benefits and the identification and delivery of savings for the medium term financial strategy, providing a significant level of savings towards the £20m per annum savings required from 2025-26 onwards.

### Transformation Programme Allocations

Project	2023-24 Draft Budget Allocation (£m)
Transformation Revenue Budget	10.000
Transformation Reserve Funding	4.000
<b>Total Transformation Funding</b>	<b>14.000</b>
Approach to Strategic Planning and Commissioning	0.290
Parking Policy Review	0.200
Community Hubs Programme	0.250
HR Transformation	0.078
Digital & Resident Access Review/Digital Workforce	0.080
SEND Review	0.240
Passenger/SEND Transport Transformation	0.100
Family Justice Service Review	0.100
S117 Project	0.178
Joint Funding Arrangements	0.110
Sustaining Demand at the Front Door	0.190
Fostering Transformation	0.286
Corporate Parenting Transformation	0.457
Dynamic Purchasing System	0.092
Callydown Transformation	0.134
Income & Debt Review	0.050
Outcomes Based Domiciliary Care Model	0.110
Transition Commissioning Care Model	0.082
Croydon Campus	0.250
Customer Access Review	0.200
Building Control Transformation	0.450
Planning & CIL Transformation	0.300
CALAT	0.050
Housing Needs Restructure	0.060

<b>Project</b>	<b>2023-24 Draft Budget Allocation (£m)</b>
Temporary Accommodation Case Review	0.291
Housing Occupancy Checks	0.291
Rent Accounts and Data Cleanse	0.026
Housing Association Recharges	0.059
Supported Housing Review	0.080
Adult Social Care Transformation	1.100
Review of Social Care Placements	0.461
Reablement & Hospital Discharge	0.060
Strategic Operating Model Design Partner for Adult Social Care and Health	1.134
Housing Benefit Subsidy SEA & E/TA	0.000
PFI Contract Manager	0.000
VCS Review	0.000
Asset Rationalisation	0.000
Business Intelligence Review	0.000
Commercial & Income Opportunities	0.000
Community Equipment Service	0.040
Croydon Museum	0.270
Oracle Improvement Programme	0.175
Transformation PMO	1.100
<b>Total Revenue Budget and Reserves Allocated to Date</b>	<b>9.424</b>
Unallocated To Date	4.576

**4.98** The Transformation Programme published in November 2022 set out £5.9m of project commitments with recognition that further sums were still to be confirmed. Please note that project plans are under development and following review of these project plans the draft budget allocations to projects as listed above could change through the year.

**4.99** The Transformation Board has agreed additional project allocations totalling £2.990m through to July 2023 and these are set out in the table below.

<b>Project Allocations</b>	<b>£m</b>
Fostering transformation	0.194
Sustaining demand at the front door	0.080
Callydown transformation	0.134
Review of Social Care Placements	0.456
CALAT (New)	0.050
Strategic operating model design partner	0.500
Strategic operating model design partner – project team	0.634
Corporate Parenting Transformation (New)	0.457
Community Equipment Service	0.040
Museum Transformation	0.270
Oracle Cloud Improvement (New)	0.175
<b>Total of Allocations</b>	<b>2.990</b>

**4.100** The ‘Review of Social Care Placements’ project has secured £600,000 alternative funding from the Market Sustainability Grant thereby reducing the funding required



from the Transformation budget. The revenue budget also funds the costs of the transformation Programme Management Office currently estimated at £1.1m.

## Savings

**4.101** The 2023-24 budgets include a challenging new savings target of £33.1m. Progress in achieving savings is being monitored throughout the year. Directorates are identifying any risks to achievement of individual savings and making plans to mitigate these risks where possible or identify alternative savings as required.

**Table showing 2023-24 forecast savings achievement by directorate**

	2023-24					
	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Not yet evidenced or (over delivery) £'000
<b>Directorate</b>						
Adult Social Care & Health	12,243	-	12,243	10,821	-	1,422
Assistant Chief Executive	2,924	-	2,924	1,771	1,153	-
Children, Young People & Education	6,920	490	7,410	5,130	18	2,262
Housing	2,305	-	2,305	1,309	1,099	(103)
Resources	6,347	-	6,347	6,347	-	-
Sustainable Communities (SCRER)	1,859	2,490	4,349	4,124	225	-
Cross-Directorate / Corporate	500	-	500	500	-	-
<b>Total</b>	<b>33,098</b>	<b>2,980</b>	<b>36,078</b>	<b>30,002</b>	<b>2,495</b>	<b>3,581</b>

## Reserves

**4.102** There are no budgeted contributions to, or drawdowns from, the General Fund balances of £27.5m in 2023-24. The current breakeven forecast for 2023-24 maintains this reserve.

General Fund Balances	Forecast (£m)
<b>Balance at 1 April 2023</b>	<b>27.5</b>
Forecast Contribution to/(Drawdown from) Reserves	-
<b>Forecast Balance at 31 March 2024</b>	<b>27.5</b>

**4.103** The General Fund balances serve as a cushion should any overspend materialise by the end of 2023-24. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

### **Unresolved Issues**

- 4.104** The Council's overall financial position is still subject to a number of unresolved historic legacy issues. The latest position on these was set out in the 22 February 2023 Cabinet report titled 'Revenue Budget and Council Tax Levels 2023-24' which incorporated the findings of the 'Opening the Books' review undertaken in 2022-23. The report stated that a request has also been made of government to provide the Council with a Capitalisation Direction of £161.6m to cover the historic finance issues that have been revealed through the 'Opening the Books' programme.
- 4.105** The Council needs to correct a range of misstatements in its legacy accounts from 2019-20 which are currently still not fully closed. This was more than the £74.6m previously identified in the MTFS Update report to Cabinet in November 2022.
- 4.106** The Council's Provision for Bad Debt was found to be understated by £46m rather than the £20m previously assumed and a prudent decision was made to include the potential £70m gap in the accounts caused by incorrect accounting for Croydon Affordable Homes and Tenures, instead of the £9m previously assumed.
- 4.107** With four years of accounts still open, there remains a risk that further legacy issues will be uncovered. The Capital Programme for 2022-23 included the £161.6m Capitalisation Direction requested, which was in addition to the £25m capitalisation direction previously approved.

### **HOUSING REVENUE ACCOUNT (HRA)**

- 4.108** At period 5, the Housing Revenue Account (HRA) has a forecast overspend of £12.0m owing to resolving a backlog of historic legacy repair work, reducing voids and resolving issues experienced nationally including damp and mould and fire safety. The HRA has a reserve of circa £50m as at the end of 2022-23 and this reserve will fund the 2023-24 overspend, however the HRA budget for 2024-25 will need to take account of ongoing pressures and priorities. Stock conditions surveys have been commissioned to identify the level of major repairs and maintenance to be programmed into the future years' budgets and these capital improvements should reduce the level of responsive repairs over the medium to long term.

- 4.109** It was raised in the Period 4 report that work is underway on a deep dive of the repairs prompted by the work required for the new NEC IT system and the forecast overspend would increase as a result. This work is ongoing to ensure that the commissioned works on repairs, damp and mould and voids currently estimated to result in a £8.6m pressure is fully audited. It should be noted that there has been significant under-investment over decades in our housing stock and this forecast pressure is a reflection of the clearing of a backlog of works which has arisen, including some serious problems that have been raised by the Housing Ombudsman.
- 4.110** The remaining £3.4m pressure is a direct result of the volume of historic legacy disrepair cases being cleared and related legal costs and settlements.

### Repairs

- 4.111** The Period 5 position of £11.96m overspend is made up of £8.6m responsive repairs costs pressure and £3.4m on disrepair costs, legal fees and settlements.
- 4.112** The overspend on responsive repairs is a result of the significant increase in volumes of repairs that have been received from tenants following the Housing Ombudsman encouraging residents to report issues and as a result of untapped demand due to historic legacy issues identified since the implementation of the new contracts in August 2023.
- 4.113** In addition, there has been significant work done to tackle our response to reports of damp and mould, treating the appearances of spores and carrying out works to address the issues. The Social Housing Regulation Bill will enable a rigorous new regime that holds all landlords to account for the decency of their homes and the service they provide. This includes changes from 'Awaab's Law' which follows the death of 2 year old Awaab Ishak in 2020 due to damp and mould exposure in his Rochdale home following repair requests and complaints having been repeatedly ignored. Legislation includes provisions which will require the Council to investigate hazards and fix repairs including damp and mould in their properties within strict new time limits or rehouse residents where a home cannot be made safe. The new rules will form part of the tenancy agreement, so residents can hold landlords to account if they fail to provide a 'decent' home.
- 4.114** Voids backlogs have also been tackled with over 350 being cleared and on average an additional 12 new voids per week being managed.
- 4.115** Legal disrepair historic legacy demand continues to be a pressure. Work is ongoing to tackle the circa 550 disrepair cases in our backlog. The service has set a plan to clear the backlog in 18 months. This financial year the team have progressed circa 130 cases to completion, however there are typically 7 new cases per week logged. The latest government £2m advertising campaign directed at residents to encourage the reporting of issues is likely to increase the pressure on this budget.

**4.116** The NEC system reporting is still being developed which will improve control on the expenditure and the resulting budget pressures are being measured and managed. There is also ongoing data cleansing work which may result in further changes to the forecast pressures.

Tenancy and Income

**4.117** A breakeven forecast position at period 5 as we continue to work with the NEC implementation team to generate data into our financial system that would allow for reports to be run on actuals to date.

Staffing and other

**4.118** A breakeven forecast position at period 5 reflects that additional budget was allocated in 2023-24 to meet known pressures while structural changes are being implemented.

**Table showing the 2023-24 HRA forecast**

Description	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Rental Income	(82.1)	(12.1)	(82.1)	-
Service Charge Income	(4.6)	(0.7)	(4.6)	-
Other Income	(9.4)	1.0	(9.4)	-
<b>Subtotal Income</b>	<b>(96.1)</b>	<b>(11.8)</b>	<b>(96.1)</b>	-
Centralised Directorate expenditure	52.2	(0.9)	52.2	-
Responsive Repairs & Safety	20.4	4.6	32.4	12.0
Asset Planning	1.6	0.1	1.6	-
Capital Delivery (Homes & Schools)	1.5	0.1	1.5	-
Tenancy & Resident Engagement	10.3	4.6	10.3	-
Homelessness & Assessments	3.4	0.4	3.4	-
Service development and income	6.7	-	6.7	-
<b>Subtotal Expenditure</b>	<b>96.1</b>	<b>8.9</b>	<b>108.1</b>	<b>12.0</b>
<b>Total HRA Net Expenditure</b>	<b>-</b>	<b>(2.9)</b>	<b>12.0</b>	<b>12.0</b>

**4.119** The main risks within the Housing Revenue Account are:

- NEC IT system functionality delays:
  - Although the system has gone live in June 2023 there are not yet interface feeds for all expenditure and income types into the Oracle financial system. Therefore, actuals to date are understated and purchase orders are being used to support expenditure forecasting.

- Repairs and maintenance:
  - pressures from the exit of the current Axis repairs contract, ending in August 2023.
  - extra expenditure to deal with the backlog of repairs and maintenance.
  - void and disrepair costs carried out by specialist contractors to reduce void losses and minimise future disrepair claims.
  - settlement of disrepair cases and related legal fees, including those relating to Regina Road.
  
- Tenancy and income:
  - the impact of cost of living pressures on rent collection (including a potential increase in bad debt cost).
  - loss of income owing to void (empty) residential properties.
  - loss of income owing to void garages.
  
- Recharge review:
  - General Fund services are producing service level agreements (SLA's) to evidence recharges of costs to the HRA, which could result in increased charges to the HRA.

## **Capital Programme and Financial Sustainability**

- 4.120** The Capital strategy and programme was approved by Council in March 2023. This recognised the complex and challenging financial and operational circumstances in which the Council continues to operate. It showed a 2023-24 Capital Programme that is reduced in scale and cost compared to previous years. With circa £1.3bn of General Fund debt and an environment of rising interest rates, the delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy, including reducing the number of buildings used by the Council, will be essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.
- 4.121** The strategy reflected the progress made to date by the Council to improve the governance and financial management of the Capital Programme following recommendations from the two Reports in the Public Interest (RIPI). The Council understands that the initial improvements put in place are the foundations of good practice and is focused on building upon these over the coming months and years.
- 4.122** Concerns were highlighted regarding value for money and investment decisions as the Council has incurred debt in investing in assets which have not retained their value and, therefore, the level of debt exceeds the value of the investment assets. In the three years between 2017-20 the Council borrowed £545m with no focused debt management plan in place. The majority of this debt comprises short-term borrowings which has left the Council exposed to current higher interest rates. The debt is anticipated to be refinanced from 2023 onwards and therefore likely to drive significant increases in annual repayment levels.

- 4.123** An estimated circa £66m is required to service this debt from the General Fund which represents around 19% of the Council’s net budget. The Council’s historic legacy borrowing and debt burden has, therefore, become critical to the sustainability of the Council’s revenue budget.
- 4.124** The Council has concluded that the expenditure it is anticipated to incur in each year of the period of 2023-27 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. The Council’s 2023-24 budget required capitalisation directions from government of £63m to balance and the Medium Term Financial Strategy (MTFS) demonstrated an ongoing estimated budget gap of £38m per annum from 2024-25.
- 4.125** Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of historic legacy indebtedness and balancing the budget to ensure it can deliver sustainable local government services. It must be noted that annual capitalisation directions (transferring revenue cost into capital cost which must be funded over 20 years) increases the Council’s debt burden. Also capital receipts from the Asset Disposal Strategy are being used to fund the ongoing capitalisation directions and therefore the Council is not able to reduce its existing historic debt (a situation of “treading water”).
- 4.126** Therefore, debt write-off is the Council’s preferred option and a request was made to DLUHC in January 2023 for government funding to write-off £540m of the Council’s General Fund debt. DLUHC has subsequently asked the Council to propose a wider range of options, and these are currently being worked on.

### General Fund Capital Programme

- 4.127** At period 5, the General Fund capital programme has a forecast underspend of £14.3m against the revised budget of £144.7m.

**Table showing 2023-24 General Fund Capital Programme budget and forecast**

<b>General Fund Capital Scheme</b>	<b>2023-24 Revised Budget</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance</b>
	<b>(£000’s)</b>	<b>(£000’s)</b>	<b>(£000’s)</b>	<b>(£000’s)</b>
Bereavement Services	127	(45)	127	-
My Resources Interface Enhancement	252	-	252	-
ICT	-	1	-	-
Network Refresh	348	11	348	-
Tech Refresh	132	289	864	732
Geographical Information Systems	312	-	312	-
Laptop Refresh	3,371	-	3,371	-

<b>General Fund Capital Scheme</b>	<b>2023-24 Revised Budget</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Cloud and DR	331	26	331	-
People ICT	-	3	-	-
Synergy Education System	1,045	8	789	(256)
NEC Housing System	2,725	(2)	2,097	(628)
Uniform ICT Upgrade	56	-	56	-
<b>Subtotal Assistant Chief Executive</b>	<b>8,699</b>	<b>291</b>	<b>8,547</b>	<b>(152)</b>
Education - Fire Safety	924	4	450	(474)
Education - Fixed Term Expansions	2,865	149	225	(2,640)
Education - Major Maintenance	5,866	1,747	3,321	(2,545)
Education - Miscellaneous	100	142	100	-
Education - Permanent Expansion	297	-	297	-
Education - SEN	6,289	480	6,289	-
Children Home DFE	329	-	329	-
<b>Subtotal CYPE</b>	<b>16,670</b>	<b>2,522</b>	<b>11,011</b>	<b>(5,659)</b>
Disabled Facilities Grant	4,710	541	3,000	(1,710)
Empty Homes Grants	400	33	200	(200)
<b>Subtotal Housing</b>	<b>5,110</b>	<b>574</b>	<b>3,200</b>	<b>(1,910)</b>
Asset Strategy - Stubbs Mead	500	-	500	-
Asset Strategy Programme	240	-	240	-
Clocktower Chillers	382	-	382	-
Corporate Property Maintenance Programme	2,780	861	2,780	-
Fairfield Halls - Council	625	3	625	-
Former New Addington Leisure Centre	600	-	600	-
Fieldway Cluster (Timebridge Community Centre)	248	-	248	-
Contingency	1,000	-	1,000	-
<b>Subtotal Resources</b>	<b>6,375</b>	<b>864</b>	<b>6,375</b>	-
Allotments	-	3	3	3
Growth Zone	15,844	207	15,844	-
Grounds Maintenance Insourced Equipment	1,200	-	1,200	-
Highways	8,260	3,973	8,260	-
Highways - flood water management	404	163	404	-
Highways - bridges and highways structures	1,641	579	1,641	-
Highways - Tree works	50	6	50	-
Local Authority Tree Fund	83	122	83	-
Trees Sponsorship	42	10	42	-
Leisure centres equipment Contractual Agr	139	(410)	139	-
Tennis Court Upgrade	75	-	75	-
Leisure Equipment Upgrade	148	-	148	-
Libraries Investment - General	1,031	1	224	(807)
Central Library Digital Discovery Zone	175	-	-	(175)

<b>General Fund Capital Scheme</b>	<b>2023-24 Revised Budget</b>	<b>2023-24 Actuals to Date</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
New Investment to South Norwood Library	520	-	520	-
Parking	1,843	(807)	1,843	-
Cashless Pay & Display	1,463	-	485	(978)
Play Equipment	17	49	49	32
Safety - digital upgrade of CCTV	1,540	(11)	1,540	-
HIGHWAY Road Markings/Signs (Refresh)	137	-	137	-
South Norwood Good Growth	773	11	511	(262)
Kenley Good Growth	394	(147)	394	-
Sustainability Programme	1,100	-	300	(800)
LIP	4,568	472	1,100	(3,468)
Cycle Parking	106	-	-	(106)
Electric Vehicle Charging Point (EVCP)	3	-	-	(3)
Park Asset Management	700	-	700	-
Waste and Recycling Investment	2,558	-	2,558	-
<b>Subtotal SCRER</b>	<b>44,814</b>	<b>4,221</b>	<b>38,250</b>	<b>(6,564)</b>
Capitalisation Direction	63,000	-	63,000	-
<b>Subtotal Corporate Items and Funding</b>	<b>63,000</b>	<b>-</b>	<b>63,000</b>	<b>-</b>
<b>TOTAL GENERAL FUND CAPITAL</b>	<b>144,668</b>	<b>8,472</b>	<b>130,383</b>	<b>(14,285)</b>

**Table showing General Fund Capital Programme Financing**

<b>General Fund Capital Financing</b>	<b>2023-24 Revised Budget</b>	<b>2023-24 Forecast</b>	<b>2023-24 Forecast Variance</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Community Infrastructure Levy (CIL)	6,600	6,600	0
CIL Local Meaningful Proportion (LMP)	3,084	1,477	(1,607)
Section 106	1,190	233	(957)
Grants & Other Contributions	25,430	15,929	(9,501)
Growth Zone	15,844	15,844	0
HRA Contributions	1,772	1,363	(409)
Capital Receipts	45,000	45,000	0
Borrowing	45,749	43,937	(1,811)
<b>Total General Fund Financing</b>	<b>144,668</b>	<b>130,383</b>	<b>(14,285)</b>

**4.128** The extra forecast cost of play equipment of £32k will be funded through the application of Section 106 funding.



## HRA Capital Programme

**4.129** At period 5, the HRA capital programme has a forecast overspend of £5.704m (17%) against the revised budget of £33.248m. The HRA has a reserve of circa £50m as at the end of 2022-23 and this reserve will likely be the source of financing the 2023-24 capital overspend.

The HRA budget for 2024-25 and the HRA business plan will need to take account of ongoing pressures and priorities. Stock conditions surveys have been commissioned to identify the level of historic legacy major repairs and maintenance to be programmed into the future years' budgets and these capital improvements should reduce the level of responsive repairs over the medium to long term.

Spend on damp and mould related repairs are in the early stages and are unbudgeted and will largely appear as a pressure in the capital budget as many of the works are for substantial amounts and amount to significant property improvements.

Similarly, there are works underway due to historic legacy legal disrepair and void cases where significant updating to properties is resulting in unbudgeted capitalisation of repairs spend.

**Table showing 2023-24 HRA Capital Programme budget and forecast**

HRA Capital Scheme	2023-24 Revised Budget	2023-24 Actuals to Date	2023-24 Forecast	2023-24 Forecast Variance
	(£000's)	(£000's)	(£000's)	(£000's)
Major Repairs and Improvements Programme	31,476	5,752	37,180	5,704
NEC Housing System	1,772	-	1,772	-
<b>Total HRA Capital</b>	<b>33,248</b>	<b>5,752</b>	<b>38,952</b>	<b>5,704</b>

## HRA Capital Programme Financing

HRA Capital Financing	2023-24 Proposed Revised Budget	2023-24 Forecast	2023-24 Forecast Variance
	(£000's)	(£000's)	(£000's)
Major Repairs Reserve (MRR)	16,082	16,082	-
Revenue	13,900	13,900	-
Other Reserves	1,148	6,852	5,704
Right To Buy (RTB) Receipts	2,118	2,118	-
<b>Total HRA Capital Financing</b>	<b>33,248</b>	<b>38,952</b>	<b>5,704</b>

**4.130** It is currently assumed that the forecast overspend in the Major Repairs and Improvements Programme will be financed through HRA reserves, however the source of HRA financing is still to be finalised.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

**5.1** None.

## **6 CONSULTATION**

**6.1** None.

## **7. CONTRIBUTION TO COUNCIL PRIORITIES**

**7.1** The monthly financial performance report supports the Mayor's Business Plan 2022-2026 objective one "The council balances its books, listens to residents and delivers good sustainable services".

## **8. IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

**8.1.1** Finance comments have been provided throughout this report.

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

**8.1.3** The Council currently has a General Fund Reserve of £27.5m which serves as a cushion should any overspend materialise by the end of 2023-24. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

**8.1.4** The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government regarding its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer).

## **8.2 LEGAL IMPLICATIONS**

- 8.2.1** 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.
- 8.2.2** 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.
- 8.2.3** 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.
- 8.2.4** The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty. The Council as a best value authority "must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (Section 3 Local Government Act (LGA) 1999). The Best Value Duty applies to all functions of the Council including delivering and setting a balanced budget, providing statutory services such as adult social care and children's services and securing value for money in all spending decisions.
- 8.2.5** The Council is the subject of Directions from the Secretary of State requiring the Council to, amongst others, improve on the management of its finances. This report serves to ensure the Council is effectively monitoring and managing its budgetary allocations in accordance with its Best Value Duty.

Comments approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer, 05/10/2023

## **8.3 HUMAN RESOURCES IMPLICATIONS**

- 8.3.1** There are no immediate workforce implications arising from the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation of budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and, where necessary, consultation with the recognised trade unions.

**8.3.2** 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 Assistance Programme (EAP) and staff may seek help via and be signposted to the EAP, the Guardians' programme, and other appropriate sources of assistance and advice on the Council's intranet, including the trade unions.

Comments approved by: Dean Shoesmith, Chief People Officer, 4/10/2023.

## **8.4 EQUALITIES IMPLICATIONS**

**8.4.1** The Council has a statutory duty to comply with the public sector equality duty set out in section 149 of the Equality Act 2010. The Council must therefore have due regard to the need to:

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

**8.4.2** In setting the Council's budget for 2023-2024, 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.

**8.4.3** This report sets out a number of proposals that will change the services and provisions we provide for residents across Croydon. These proposals are subject to further work decisions.

**8.4.4** The Council must, therefore, ensure that we have considered any equality implications. The Council has an established Equality Impact Assessment [EqIA] process, with clear guidance, templates and training for managers to use whenever new policies or services changes are being considered. This approach ensures that proposals are checked in relation to the impact on people with protected characteristics under Equality Act 2010.

**8.4.5** Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.

- 8.4.6** Our approach is to ensure the equality impact assessments are data led, using user information, demographic data and forecasts, as well as service specific data and national evidence to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 8.4.7** We have a large number of vulnerable children and asylum seekers who are in need of our services. We have also been faced with the rise of costs of the provision of adult social care, which has been exasperated following the pandemic. Alongside this our residents are dealing with the increased cost of living. We have supported residents by providing mitigation for changes where possible and signposting to other support organisations in the borough who can provide support. We will continue to seek mitigation during the equality analysis process where possible.
- 8.4.8** Our initial data suggests that residents across all equality characteristics may be affected by changes. National and local data highlights that this may have a greater impact on race, disabilities, sex, pregnancy and maternity and age. We will continue to assess the impact and strive to improve our evidence and data collection, to enable us to make informed decisions.
- 8.4.9** Where consultations take place, we will ensure that we make it accessible for all characteristics including those with disabilities including neurodiversity by ensuring that we adopt Disability standards in our consultation platform. Notwithstanding those residents who are digitally excluded. We will also consult using plain English to support our residents who do not have English as a first language.
- 8.4.10** With regard to potential staff redundancies, as a diverse borough we will undertake equality analysis and seek mitigation for staff by offering redeployment and employability support. We will also assess the impact of job losses on protected characteristics. We will also ensure that disabled staff are treated more favourably during restructure in that they will be required to meet the minimum standard prior to being offered an interview.
- 8.4.11** Research from existing EQIAs identifies that rising costs impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households, young people, some people aged 15 – 64 and some people in the pregnancy/maternity characteristic. Research also indicates that there is an intersectional impact on young people from the Global Majority and both Disabled and Dual Heritage communities. Deprivation in borough is largely focused in the north and the east where the Global Majority of residents from the African, African Caribbean and Asian communities reside.

Comments approved by Naseer Ahmed for Equalities Programme Manager, Date: 05/10/2023.

## **9. APPENDICES**

**9.1** None.

## **10. BACKGROUND DOCUMENTS**

**10.1** None.

## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny &amp; Overview Committee</b>	
<b>DATE OF DECISION</b>	<b>21 November 2023</b>	
<b>REPORT TITLE:</b>	<b>Appointments to Scrutiny Sub-Committees</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Stephen Lawrence-Orumwense Director of Legal Services and Monitoring Officer</b>	
<b>LEAD OFFICER:</b>	<b>Adrian May Interim Head of Democratic Services</b>	
<b>LEAD MEMBER:</b>	<b>Chair of the Scrutiny &amp; Overview Committee</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	In accordance with paragraph 2.4 in part 4.E – Scrutiny and Overview Procedure Rules of the Council’s Constitution, appointments to Sub- Committees may be varied by resolution of the Scrutiny and Overview Committee at any point during the Municipal Year.	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	N/A	

### 1. APPOINTMENTS TO SCRUTINY SUB-COMMITTEES

- 1.1. This report sets out for the agreement of the Scrutiny & Overview Committee a change to the reserve membership of the Children & Young People Sub-Committee and to the membership of the Streets & Environment Sub-Committee, as notified by the Conservative Group.

### 2. RECOMMENDATIONS

- 2.1. The Scrutiny & Overview Committee is recommended to: -
  - 1. Agree the amended appointments to the Sub-Committees as set out at paragraph 3.1.

### 2 REASONS FOR RECOMMENDATIONS

- 2.1 Agreeing in-year changes to the membership of scrutiny sub-committees is reserved in the Council’s Constitution (paragraph 2.4 in part 4.E – Scrutiny and Overview Procedure Rules) to the Scrutiny & Overview Committee.

### **3 AMENDED MEMBERSHIP OF THE SCRUTINY SUB-COMMITTEES**

- 3.1 Following a notification from the Conservative group, the Committee is recommended to agree the following amendments to the membership of its Sub-Committees: -

#### **Children & Young People Sub-Committee**

Councillor Endri Llabuti replacing Councillor Luke Shortland as a Sub-Committee reserve.

#### **Streets & Environment Sub-Committee**

Councillor Nikhil Sherine Thampi replacing Councillor Luke Shortland as a member of the Sub-Committee.

### **3 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None – It is specified in the Council's Constitution that the Scrutiny & Overview Committee can resolve to agree any in-year changes required to the membership of its sub-committees.



## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny and Overview Committee</b>
<b>DATE</b>	<b>21 November 2023</b>
<b>REPORT TITLE:</b>	<b>Scrutiny Recommendations</b>
<b>LEAD OFFICER:</b>	<b>Simon Trevaskis – Senior Democratic Services &amp; Governance Officer - Scrutiny</b>
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	<b>Councillor Rowenna Davis – Chair of the Scrutiny &amp; Overview Committee</b>
<b>ORIGIN OF ITEM:</b>	<p>The Scrutiny &amp; Overview Procedure Rules in the Council’s Constitution requires recommendations from Scrutiny Sub-Committee’s to be submitted to the Committee for its comment and consideration, before approving their submission to the appropriate decision maker.</p> <p>The Cabinet response to recommendations made by the Scrutiny &amp; Overview Committee is provided for the Committee’s information.</p>
<b>BRIEF FOR THE COMMITTEE:</b>	<p>The Scrutiny &amp; Overview Committee is asked to</p> <ol style="list-style-type: none"> <li>1. Approve the recommendations made by its Sub-Committee’s for submission to the Executive Mayor for his consideration.</li> <li>2. Review the response provided by Mayor to recommendations made by the Scrutiny &amp; Overview Committee.</li> </ol>
<b>PUBLIC/EXEMPT:</b>	<b>Public</b>

### 1 SUMMARY

- 1.1. This report sets out for the consideration of the Committee the recommendations arising from recent meetings of its Sub-Committee. These are presented in accordance with the Council’s Constitution for approval by the Committee for submission to the appropriate decision maker.
- 1.2. This report also sets out the response from the Mayor in Cabinet to recommendations made by the Scrutiny & Overview Committee. This is provided for the information of the Committee.

## **2 APPENDICES**

### **2.1. Appendices 1 & 2: Recommendations from Scrutiny Sub-Committees**

Appendix 3, 4 & 5: Cabinet Response to Recommendations made by the Scrutiny & Overview Committee.

## **3 SCRUTINY SUB-COMMITTEE RECOMMENDATIONS**

3.1. Paragraph 1.5 (iii & iv) of Part 4E – Scrutiny and Overview Procedure Rules of the Council’s Constitution sets out the requirement that recommendations made by Scrutiny Sub-Committees should be submitted for the consideration of the Scrutiny & Overview Committee, to approve their submission to the relevant decision maker.

3.2 The exception to this requirement is for specific powers delegated to Sub-Committee relating to the scrutiny of Health Services and the duties and functions of the Council as an Education Authority. For these matters, the relevant Sub-Committee can make direct recommendations.

3.3 Set out in Appendices 1 & 2 are the recommendations arising from the meetings of the Children & Young People Sub-Committee on 10 October 2023, and of the Streets & Environment Sub-Committee on 1 November 2023 respectively.

3.4 The Committee is asked to review these recommendations and confirm its approval for them to be submitted to the next available meeting of the Cabinet for consideration.

## **4 CABINET RESPONSE TO SCRUTINY RECOMMENDATIONS**

4.1 The rights of scrutiny to make recommendations to the Cabinet, Council, non-Executive Committee, Partner Agency or Partnership Board is set out in Section 8 of Part 4E – Scrutiny and Overview Procedure Rules of the Council’s Constitution.

4.2 When making a recommendation to the Cabinet, a response needs to be given within two months to confirm whether the recommendation has been accepted or not. If accepted, this response should include how the recommendation will be implemented.

4.3 To ensure the Committee can monitor the response given to its recommendations, this report will be included as a standing item on each agenda, setting out in Appendices 2 and 3, the response from the Cabinet to the recommendations of the Committee.

4.4 The Committee is asked to note the responses given.

## Appendix 1 – Recommendations arising from Children & Young People Sub-Committee – 10 October 2023

### Item: Youth Justice Plan 23/24

Recommendation Number	Recommendation	Political Lead	Officer Lead
CYP.2.23/24	The Sub-Committee commended the inclusion of parents and carers in delivering prevention and intervention work in the Youth Justice Service, but recommended that there should be greater involvement of parents and carers in the development of the next Youth Justice Plan for 24/25.	Councillor Maria Gatland	Róisín Madden - Director of Childrens Social Care

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## Appendix 2 – Recommendations arising from Streets & Environment Sub-Committee – 1 November 2023

### Item: Cleaner Croydon

Recommendation Number	Recommendation	Political Lead	Officer Lead
SE.14.23/24	The Sub-Committee recommended that Members were engaged for their views on how well the 'Love Clean Streets' app was working, as well as for their input as to how the implementation of the app in Croydon could be made more accessible for residents.	Councillor Scott Roche	Karen Agbabiaka - Interim Director of Streets & Environment
SE.15.23/24	The Sub-Committee recommended that regular walkabouts for Ward Councillors were scheduled with the new Client Officer team to identify issues and feedback local knowledge concerning street cleaning, fly tipping, weeding and graffiti.	Councillor Scott Roche	Karen Agbabiaka - Interim Director of Streets & Environment

**Item: Local Plan Review**

<b>Recommendation Number</b>	<b>Recommendation</b>	<b>Political Lead</b>	<b>Officer Lead</b>
SE.16.23/24	The Sub-Committee welcomed the inclusion of the Green Grid and Local Green Spaces in the Local Plan Review, and recommended that Blue Corridors (watercourses and natural ponds) were explicitly referenced and considered in this area of work.	Councillor Jeet Bains	Heather Cheesbrough - Director of Planning & Sustainable Regeneration

**Appendix 3 – Item: Month 11 Financial Performance Monitoring Report**

2023-24 Considered by Scrutiny & Overview Committee on 22 May 2023

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e. Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
SOC.3.23/24	The Scrutiny & Overview Committee recommends that, given the precarious nature of the Council's finances, the process for publishing monthly Financial Performance Monitoring reports is sped up, with the aim of achieving a maximum turnaround of eight week to finalise checks and go through the sign-off process before publication.	Councilor Jason Cummings  Resources	<p style="text-align: center;">Rejected</p> <p>The process time for preparing accurate forecasts after the end of a period and allowing for the quality assurance stages of CMT and MAB do not allow the Council to be able to commit to a maximum turnaround of eight weeks. However, a new webpage has been added to the Council's internet site for "Corporate Performance and Finance Reporting" (<a href="https://www.croydon.gov.uk/council-and-elections/council-leadership-committees-and-meetings/committees-boards-and-meetings/corporate-performance-and-finance-reporting">https://www.croydon.gov.uk/council-and-elections/council-leadership-committees-and-meetings/committees-boards-and-meetings/corporate-performance-and-finance-reporting</a>). The monthly Financial Performance reports are now published as soon as they are signed off by the Executive Mayor, rather than waiting to be published with the Cabinet papers. This allows for more timely viewing by the public and Scrutiny &amp; Overview Committee.</p>	Jane West, Corporate Director of Resources & S151 Officer	N/A	The Corporate Performance and Finance Reporting webpage on the Council's website has been set up and monthly finance reports since Month 10 of 2022-23 have been uploaded.	TBC

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**Appendix 4 – Item: Annual Asset Disposal Plan 2023-24**

Considered by Scrutiny & Overview Committee on 22 May 2023

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e. Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
SOC.4.23/24	The Scrutiny & Overview Committee recommends that the process of adding assets to the disposal list should, as a minimum, include notifying ward councillors and where those assets are in use or occupied, there should be active engagement with ward councillors, and where appropriate the local community, to understand and manage the local implications of the sale..	Councillor Jason Cummings Resources	<p>Rejected</p> <p>These assets are proposed for disposal following a process of review approved by Cabinet.</p> <p>All councillors are informed of the asset disposals being proposed for the Mayor to approve in Cabinet when the Cabinet reports are circulated.</p> <p>Where assets are in use, attempts are made to inform occupiers in advance of the Cabinet papers being published.</p>	Jane West, Corporate Director of Resources & S151 Officer	N/A	Completed	TBC
SOC.5.23/24	The Scrutiny & Overview Committee recommends that any users of assets are notified as soon as possible after they have been agreed for disposal by the Mayor, to allay any anxiety about the uncertainty on the future of their service and to give them the opportunity to present any business case that may be in the long term financial and public interests of the Council.	Councillor Jason Cummings Resources	<p>Rejected</p> <p>The Council already notifies current tenants of the intention to sell properties which are being sold without vacant possession and as a going concern</p>	Jane West, Corporate Director of Resources & S151 Officer	N/A	Completed	TBC

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## Appendix 5 – Item: Executive Mayor of Croydon – Scrutiny Update

Considered by Scrutiny & Overview Committee on 6 June 2023

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e. Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
SOC.6.23/24	The Committee welcomed confirmation from the Mayor that performance indicators to track the delivery of Mayor's Business Plan would be forthcoming, the Committee recommends that consideration be given to indicators so that they clearly demonstrate the tangible benefits delivered for residents as a result of the Plan.	Executive Mayor Jason Perry	Rejected - Already in progress  The updated suite of performance indicators aligned to the Mayor's Business Plan will be shared with the Scrutiny Committee for consideration prior to adoption at Cabinet. The development of the new performance framework is in progress and the indicators have been designed to reflect outcomes for residents wherever possible.	Katherine Kerswell, Chief Executive and Head of Paid Service	N/A	Performance against the corporate performance indicators will be reported to Cabinet on a quarterly basis.	26 <sup>th</sup> September 2023
SOC.7.23/24	The Committee understood the open-ended nature of the consultation process for Public Space Protection Orders to report concerns so residents would continue to do this, but also felt that a current timeline / deadline be provided, perhaps of six months after its enactment, to give residents clarity about when the scheme would be reviewed and potentially amended.	Councillor Ola Kolade  SCRER	Partially Accepted – A 2-month review was outlined in the Cabinet report and decision to implement, and this is currently underway. There will then be a review on a 6-monthly basis.	Kristian Aspinall, Director of Culture & Community Safety	N/A	N/A	TBC

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## LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Scrutiny &amp; Overview Committee</b>	
<b>DATE OF DECISION</b>	<b>21 November 2023</b>	
<b>REPORT TITLE:</b>	<b>Scrutiny Work Programme 2023-24</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Stephen Lawrence-Orumwense Director of Legal Services and Monitoring Officer</b>	
<b>LEAD OFFICER:</b>	<b>Simon Trevaskis Senior Democratic Services &amp; Governance Officer - Scrutiny</b>	
<b>LEAD MEMBER:</b>	<b>Councillor Rowenna Davis - Chair of the Scrutiny &amp; Overview Committee</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	In accordance with paragraph 6.7 (vi) of Part 4E - Scrutiny and Overview Procedure Rules, in the Council's Constitution, the Committee should receive an update on the work programme at each meeting.	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	N/A	

### 1. SCRUTINY WORK PROGRAMME 2023-24

- 1.1. This report sets out for the information of the Scrutiny & Overview Committee the most recent version of the work programmes for the Committee and its Sub-Committees.
- 1.2. This follows on from a report considered by the Committee at its previous on 25 July 2023, which agreed that the financial sustainability of the Council would be a key focus. It was also agreed that the following principles would be used as the basis for the work programme:-
  1. **The Public's Money.** Scrutiny wants reassurance that taxpayers' money is put to best use. At a time when the Council is making cuts to balance the books, it has no money to waste. In the middle of a cost-of-living crisis, every pound of public money should be valued. Scrutiny will aim to look at the impact of any financial decisions on the public and the Council's finances, including knock-on effects. We will aim to research best practice and to provide suggestions as well as criticism.
  2. **The Public's Services.** Scrutiny wants reassurance that services are improving. This is about leadership, culture and organisation as much as it is about budgets.

We will seek reassurance that even in difficult financial circumstances, we are still meeting our duty of care to the most vulnerable. Scrutiny will listen and learn from the public's experiences of service performance to guide its work on Croydon's transformation.

3. **The Public's Voice.** Scrutiny wants to make sure that the Council is transparent, open and engaging with the people it exists to serve. Scrutiny will monitor the planned improvements in governance for Croydon's local democracy, as well as inviting public voices into the Scrutiny process itself. The Mayor was elected on a mandate to "listen to Croydon" and Scrutiny will hold the executive to account for this pledge.

- 1.3. Any changes made to the work programme during the year, should reflect these agreed priorities.

## **2. RECOMMENDATIONS**

- 2.1. The Scrutiny & Overview Committee is asked to: -
  1. To note the most recent version of the Work Programme.
  2. Consider whether there are any other items that should be provisionally added to the work programme as a result of the discussions held during the meeting.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1. Setting a work programme to guide Scrutiny throughout the year is a requirement in the Council's Constitution and considered to be best practice. Adjustments can be made to the work programme throughout the year and are agreed by the Scrutiny Chairs & Vice-Chairs, in line with the arrangements in the Constitution, and an update provided at each Committee meeting.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None. It is a requirement in the Council's Constitution for the Scrutiny & Overview Committee to have a clearly defined work programme for itself and its sub-committees at the start of each municipal year.

## **5. CONSULTATION**

- 5.1 Each of the sub-committee's has had the opportunity to review their respective work programmes at each meeting. Scrutiny Chairs will also meet regularly with officers to review the programme.

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

- 6.1 This report contributes to priority 1: The Council balances its books, listens to residents and delivers good sustainable services.

## **7. APPENDICES**

### 7.1 Appendix 1: Scrutiny Work Programme 2023-24

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## Scrutiny & Overview Committee

The below table sets out the working version of the Scrutiny & Overview Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
22 May 2023	Annual Asset Disposal Strategy		
	Waste & Street Cleansing Contract		
	Month 11 2023-23 FPM Report		
6 June 2023	Executive Mayor of Croydon – Scrutiny Update	The Mayor to provide an overview of his key achievements over the past year and outline his priorities for the year ahead to include: - <ul style="list-style-type: none"> <li>- How they will be delivered</li> <li>- The main risks to delivery and how these are being managed.</li> </ul>	Assistant Chief Executive Directorate David Courcoux
	Scrutiny Work Programme & Annual Report	The Committee to agree the work programme for itself and its Sub-Committees for the year ahead and agree the Scrutiny Annual Report for submission to Council.	Resources Simon Trevaskis
25 July 2023	Month 2 2023-24 FPM Report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources

	Equalities Strategy	Pre-decision discussion on the principles for the forthcoming refresh of the Council's Equalities Strategy.	David Courcoux Assistant Chief Executive
26 September 2023	People & Cultural Transformation Strategy	The Committee has requested to review the action plan created to guide the delivery of the Strategy, along with the performance measures that will be used to determine the success of the strategy. The report will also include a specific focus on measures to improve recruitment and retention at the Council.	Dean Shoesmith Assistant Chief Executive
	Mayor Business Plan 2022-26 quarterly performance report	This report is provided for the Committee to review and comment upon the proposed performance indicators to be used to monitor the delivery of the Mayor's Business Plan.	Caroline Bruce Assistant Chief Executive
	P3 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources
6 October 2023	The Colonnades, 619 Purley Way, Croydon, CR0 4RQ - Asset Disposal	To conduct pre-decision scrutiny on the asset disposal decision.	Huw Rhys-Lewis Resources
24 October 2023	Annual Complaints Report	The Committee will be presented with the Annual Complaints report for the Council for its information	Kim Hyland Assistant Chief Executive
	The Redevelopment of Purley High Street Carpark and Leisure Centre	To consider the Cabinet report on the Redevelopment of Purley High Street Carpark and Leisure Centre	Huw Rhys-Lewis Resources

	MTFS & Budget Proposals	To scrutinise the updated MTFS and Budget Proposals of the Administration, as set out in 25 October 2023 Cabinet report.	Jane West Resources
	P4 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources
21 November 2023	Exit Strategy	To consider the Improvement & Assurance Panel's Exit Strategy for Croydon	Katherine Kerswell Chief Executive
	Crime & Disorder Item	To review the Community Safety Strategic Assessment	Christopher Rowney  SCRE
	Disposals- second tranche	To scrutinise the updated MTFS and Budget Proposals of the Administration, as set out in 25 October 2023 Cabinet report.	Huw Rhys-Lewis Resources
	P5 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources
16 January 2024	Budget Scrutiny Deep Dives	To Subjects to be confirmed.	
	P7 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources
6 February 2024	Final Budget Scrutiny Session	To review the final Budget Report ahead of finalising Scrutiny's views on the budget proposals.	Jane West Resources
	P8 financial performance report	This report is provided for the Committee to seek assurance on the delivery of 2023-24 budget.	Allister Bannin Resources

22 April 2024	Contracts & Procurement	A review learning lessons from previous Council contracts.	
	Customer Service Journey	To review the customer journey through across the Council	
	Community & Voluntary Sector	To review the progress made with resetting the Council's relationship with the Community & Voluntary Sector.	

### Items of Interest

The following items haven't been scheduled into the work programme but are highlighted areas of further scrutiny during the year ahead.

Unallocated Items	Notes
Climate Change Scrutiny	
Town Centre	To review plans for the town centre
Electoral Administration	To review plans for the delivery of 2024 London Mayoral Elections
Crime & Disorder Item	To review the Community Safety Strategic Assessment

## Children & Young People Sub-Committee

The below table sets out the working version of the Children & Young People Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
27 June 2023	Update on Antenatal and Health Visiting Visits	To receive an update on Antenatal and Health Visiting.	Children, Young People, Education and Health  Jane McAllister
	<b>Cabinet Report - Maintained Nursery Schools Report</b>	To receive the upcoming June Cabinet Report outlining the current position in relation to Croydon's Maintained Nursery Schools and options for the future provision of this in Croydon. The report sets out why this is required as a result of decreasing funding for Maintained Nursery Schools (MNS) and the impact that this is having on the budget situation for all of the Council's MNS settings.	Children, Young People, Education and Health  Shelley Davies
10 October 2023	Youth Justice Plan 23/24	To scrutinise the Council's statutory Youth Justice Plan for 2023/24.	Children, Young People & Education  Róisín Madden
	Youth Safety Delivery Plan	To scrutinise the Cabinet report scheduled for September 2023, looking at the Council's work over the previous 12 month period to deliver on the Mayor's commitment to making Croydon's streets safer for young people,	Children, Young People & Education

		the plan for the next three years of action, and the commitments to partnership working with the voluntary sector and community to tackle violence.	Debbie Jones
14 November 2023	Croydon Safeguarding Children Partnership - Annual Report 2022-23	<p>The Children &amp; Young People Sub-Committee is asked to: -</p> <ol style="list-style-type: none"> <li>1. Note the Croydon Safeguarding Children Partnership Annual Report 2022-2023</li> <li>2. Consider whether there are any considerations or concerns it may wish to submit to the Cabinet as to whether the Annual Report provides sufficient reassurance on the performance and effectiveness of the Croydon Safeguarding Children Partnership.</li> <li>3. Consider whether the Sub-Committee has any comments or suggestions on the Croydon Safeguarding Children Partnership Annual Report 2023-2024 ahead of its development in the following year.</li> </ol>	<p>Children, Young People &amp; Education</p> <p>Debbie Jones</p>
23 January 2024	Budget Scrutiny Challenge	<p>The Children &amp; Young People Sub-Committee is asked to review the information provided on three budget proposals (to be identified) and reach a conclusion on the following:-</p> <ol style="list-style-type: none"> <li>1. Are the savings deliverable, sustainable and not an unacceptable risk.</li> <li>2. Is the impact on service users and the wider community understood.</li> <li>3. Have all reasonable alternative options been explored and do no better options exist.</li> </ol>	<p>Children, Young People &amp; Education</p> <p>Debbie Jones</p>

	Cabinet Report - Education Estates Strategy	For the Sub-Committee to consider whether there are any considerations or concerns it may wish to submit to the Cabinet during its consideration of the Strategy.	Children, Young People & Education Shelley Davies
	Cabinet Report - Education Standards 2023	For the Sub-Committee to receive the summarised performance of children and young people in Croydon schools for the academic year 22/23.	Children, Young People & Education Shelley Davies
19 March 2024	Update on Antenatal and Health Visiting Visits	To receive an update on Antenatal and Health Visiting.	Children, Young People, Education and Health Jane McAllister
	TBC		

### Standing Items:

**Early Help, Children's Social Care and Education Dashboard & Health Visiting KPI Data** - To receive the Early Help, Children's Social Care and Education Dashboard and quarterly Health Visiting KPI Data.

### 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	Notes
Recruitment and Retention	<p>To review Staff Caseloads, AYSE Caseload Sharing and the number of supervisions carried out.</p> <p>To receive a breakdown of vacancies and caseloads by individual teams and to look at London Councils best practise for recruitment and retention.</p> <p>To undertake direct engagement with social workers</p> <p>To look at how feedback from exit interviews can be incorporated into retention strategies</p>
Apprenticeships & Youth Unemployment	To look at the offer of available apprenticeships in the borough and data on youth unemployment.
OFSTED Reports	To review any OFSTED reports as and when they are available.
Delivery of Early Years Strategy	To review the delivery and implementation plan of the Early Years Strategy
SEND Strategy	To review the implementation of the SEND Strategy
Surplus Schools Places	To review the Surplus Schools Places report
Free School Meal offer in Croydon	To scrutinise the provision of free school meals in the borough through the Mayor of London scheme.
Cabinet Report – Maintained Nursery Schools	To conduct pre-decision scrutiny on the Cabinet Report following the public consultation on Maintained Nursery Schools.
Youth Justice Plan 24/25	To scrutinise the Council’s statutory Youth Justice Plan for 2024/25.



## Homes Sub-Committee

The below table sets out the working version of the Health & Social Care Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
24 July 2023	Housing Transformation Programme	To receive an update on the delivery of the Housing Transformation Programme	Lara Ashley
	Housing Strategy	Pre-Decision – To have an early discussion on the principles underlying the forthcoming Housing Strategy	Lara Ashley
	Mobilisation of the Responsive Repairs Contracts	To receive an update on the de-mobilisation/mobilisation of the response repair contracts.	Jerry Austin
23 October 2023	Update on the Development of the HRA Business Plan	To provide the Sub-Committee with the opportunity to comment on the principles underlying the development of the forthcoming Housing Revenue Account Business Plan. This will include an update on the Asset Management Strategy and rent increases	
	Residents Engagement Strategy	To provide the Sub-Committee with the opportunity to feed into the develop of the Residents Engagement Strategy.	
	Housing Strategy	To review the proposed Housing Strategy ahead of its consideration by Cabinet and Full Council.	
29 January	HRA Business Plan & Budget 2023-24		

2024	Temporary/Emergency Accommodation Budget Deep Dive		
	Housing Finance Update	To receive financial update on the latest position of the Housing General Fund and Housing revenue Account budgets.	
16 April 2024	Consumer Regulation		
	Review of the Culture Change	To review the culture change workstreams within the Housing Transformation Programme.	
	Housing Finance Update	To receive financial update on the latest position of the Housing General Fund and Housing revenue Account budgets.	

### Areas to schedule

The following items haven't been scheduled into the work programme but have been previously identified as areas of scrutiny to be scheduled during the year ahead.

Unallocated Items	Notes
Regina Road	
Update on the implementation of NEC system	Potential briefing
Update on savings delivery	Standard item on each agenda.

## Health & Social Care Sub-Committee

The below table sets out the working version of the Health & Social Care Sub-Committee work programme. The items have been scheduled following discussion with officers and may be subject to change depending on any new emerging priorities taking precedent.

Meeting Date	Item	Scope	Directorate & Lead Officer
20 June 2023	Front Runner Pilot Scheme	The Health & Social Care Sub-Committee is presented with a report on the Discharge Integration Frontrunner programme, which aims to bring together transformation efforts from across Croydon to develop an effective, integrated system across hospital, social and community care.	Adults Richard Eyre
	HSC Work Programme	To discuss areas of scrutiny for inclusion in the Sub-Committee work programme in 2023-24	
3 October 2023	Croydon Safeguarding Adults Board – Annual Report	To review and comment upon the Croydon Safeguarding Adults Board annual report ahead of its consideration by the Mayor in Cabinet	Adult Safeguarding Denise Snow
	Transformation Update	To receive an update on the delivery of the three-year transformation programme in Adult Social Care.	Adults Richard Eyre
30 January 2024	ASC Budget deep-dive	The Health and Social Care Sub-Committee is asked to review the information provided on budget proposals.	Adults Richard Eyre
12 March 2024	CQC Assurance	To receive an update on the CQC Assurance process.	Adults Richard Eyre

## Areas to schedule

The following items haven't been scheduled into the work programme but have been previously identified as areas of scrutiny to be scheduled during the year ahead.

Unallocated Items	Notes
A review of the cost of out of borough placements	Arising from the discussion on mental health provision in the borough
Commissioning for Community Sexual Health Services	To feed into the commissioning process of community sexual health services by the Public Health team.
Dementia Strategy	
CAMHS & SLAM	A review of the mental health services available for young people focusing on the transition between services.
Menopausal Health Services	To review the availability of menopausal services in the borough
Integrated Care System	To review the impact of the new ICS approach to services in the borough.
Dental Services	To review the provision of dental services in the borough.
Prostate Cancer Services	

## 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
11 July 2023	Pre-Decision: Parking Policy Transformation Project	To conduct pre-decision scrutiny on the upcoming Cabinet report covering the Parking Policy Transformation Project.	Sustainable Communities Regeneration & Economic Recovery Steve Iles
	Consultation on the Local Flood Risk Management Strategy	To receive a presentation on the forthcoming consultation on updating the Council's Flood Risk Plan, so that the Sub-Committee can provide feedback and input into its development.	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd
1 November 2023	Air Quality Action Plan 2023-2028	To receive a presentation on the Council's Air Quality Action Plan 2023-2028 to allow the Sub-Committee to provide early feedback in advance of the full report to Cabinet in December 2023.	Sustainable Communities

			Regeneration & Economic Recovery Nick Hibberd
	Cleaner Croydon	To receive an update on the Council's work on the Mayor's priority for delivering 'Cleaner Croydon'. The Sub-Committee will also receive feedback on its recommendations concerning the Waste & Recycling Contract.	Sustainable Communities Regeneration & Economic Recovery Karen Agbabiaka
	Local Plan Review	For the Sub-Committee to receive a detailed presentation on the review of the Local Plan 2023/24, to facilitate Members to influence the content of the Local Plan Review ahead of its journey on to Cabinet and Council.	Sustainable Communities Regeneration & Economic Recovery Steve Dennington
30 January 2024	Budget Scrutiny Challenge	The Sub-Committee is asked to review the information provided on three budget proposals (to be identified) and reach a conclusion on the following:-  <ol style="list-style-type: none"> <li>1. Are the savings deliverable, sustainable and not an unacceptable risk.</li> <li>2. Is the impact on service users and the wider community understood.</li> <li>3. Have all reasonable alternative options been explored and do no better options exist.</li> </ol>	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd

	Local Plan/Local Development Scheme	To scrutinise any outstanding Local Plan issues, as well as early pre-decision scrutiny on the CIL charging schedule adoption and Planning obligations SPD adoption.	Sustainable Communities Regeneration & Economic Recovery Heather Cheesbrough, Steve Dennington
2 April 2024	Climate Change Action Plan	To review and provide feedback on the Council's Climate Action Plan.	Sustainable Communities Regeneration & Economic Recovery Nick Hibberd
	Waste contract procurement award- May 2024	To scrutinise the Waste contract procurement award.	Sustainable Communities Regeneration & Economic Recovery Karen Agbabiaka

#### Standing Items:

Work Programme Item	Notes
Financial Monitoring for SCRER	Standing Item tracking progress with the delivery of 2023/24 Budget using the latest Cabinet Financial Performance report (To review by exception).

#### Items of Interest

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

Unallocated Items	Scrutiny Officer Notes
Environment Bill Responsibilities	To review the additional responsibilities that will fall upon the Council following the adoption of the Environment Bill
Biodiversity Strategy	To review the upcoming Biodiversity Strategy once written.
Implications of the Levelling Up and Regeneration Bill	To review the possible implications of the Levelling Up and Regeneration Bill
Review of the Waste Contract	To review the progress on the review of the Waste Contract.
Environmental Enforcement	To review the Environmental Enforcement service.
Protection of green spaces and parks	To look at the protection of parks and green spaces in the borough, including the support fund and Council strategy.
Clean Water and Sewage (Thames Water)	To look at the water quality in the borough and the risks of contamination from sewerage.
Transport, Active Transport & School Streets	To look at the strategy for Transport, Active Transport, Healthy Streets & School Streets in the borough, alongside Road Fatalities & Speed Limits
Transformation of Independent Travel	To review the transformation of the Independent Travel Service – End of 2023/24
Habitat Action Plan	To review and provide feedback on the Council's Habitat Action Plan.
Cleaner Croydon/Blitz Clean Update	To receive an update on work towards achieving the Mayor's priority for delivering 'Cleaner Croydon', and to monitor whether the blitz clean programme



was successful and having a sustained impact on district centres, alongside data on the number of businesses and residents engaged during the cleans.

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